

Employee's engagement in corporate sport initiative and organizational performance: The serial mediation roles of social capital and dynamic capability

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Synopsis:

In spite of considerable effort to understand value of sport in business, there is still a limited understanding for corporate sector to invest in and leverage sport for enhancing their organizational performances. This study proposes an integrated conceptual framework to examine corporate employees' engagement in a sport-based corporate initiative as a vibrant opportunity to reinforce social capital and dynamic capability of employees, ultimately leading to multiple organizational performances. Applying the conceptual model into two sport-based corporate initiatives, 'Football With A Heart' and 'J. P. Morgan Corporate Challenge' in Singapore, the authors empirically show the serial mediation effects of social capital and dynamic capability in the structural relationships from antecedents related to sport participation and experiences to multiple organizational values, including new product development, organizational citizenship behaviour and organizational perception of intangible positive values from corporate sponsorship to a major sport event.

Abstract:

Objective of the Study

Numerous studies have examined sport as an effective vehicle for corporation to achieve various organizational objectives in terms of marketing, advertising, brand, strategy, CSR and financial returns (e.g., Cornwell, Pruitt, & Clark, 2005; Farrelly, Greyer, & Rogan, 2012). There is limited empirical evidence to demonstrate corporate engagement in sport for reinforcing social capital of employees for organizational performances from internal marketing perspective. Thus, the objectives of the study are to propose and test a conceptual framework to examine corporate employees' engagement in sport-based corporate initiatives to reinforce social capital and dynamic capability, ultimately leading to organizational performance in two sport-based corporate initiatives in Singapore.

Theoretical Foundation and Hypotheses Development

Sport and Social Capital

Numerous papers claim that sport contributes to society in the areas of social inclusion and social capital (e.g., Baily, 2005; Delaney & Keaney, 2005; Botcheva & Huffman, 2004; Jarvie, 2003). However, a standardized and systematic measurement is required for sport initiatives are to gain social, political and financial support, especially in the forms of corporate engagement and investment. Thus, Lee, Cornwell and Babiak (2013) developed a conceptual framework and measurement for five core variables including social capital and human capital, adapting the conceptual map of Lawson (2005) and other scholars' supporting works (e.g., Chalip, 2006; Chalip, Johnson, & Stachura, 1996). By testing the new measurement for its theoretical relationships within a "nomological network" (Cronbach & Meehl, 1955), they found that individuals' frequencies of participation in recreation sport activities and exposures to community-oriented sport activities have positively influence social capital. Further, the awareness of a major charity sport event moderated this structural relationship. Adapting all these theoretical and empirical evidences into the context of sport-based corporate initiatives, we hypothesize, H1: Corporate employees' awareness of, participation in and experiences from a sport-based corporate initiative positively influence their social capital.

Social capital, Dynamic Capability and Organizational Performances

Several scholars discussed social capital in organizational setting. For example, Nahapiet and Ghoshal (1998) and Tsai and Ghoshal (1998) identified social capital as a multidimensional construct to contribute to the new value creation for organizational objectives. Notably, Teece, Pisano, and Shuen (1997) proposed the concept of dynamic capability for corporations to cope with the rapidly changing and volatile business environment and defined it as the firm's ability to integrate, learn and reconfigure internal and external competences and resources. Further, Hsu and Wang (2010) examined dynamic capability partially mediates the effect of human capital and relationship capital on firm's performance. We integrate these theoretical relationships and empirical evidences into the employee-oriented framework of sport-based corporate initiative focusing on employee's health, well-being and social capital. Then, we hypothesize,

H2: Corporate employees' awareness of, participation in and experiences from a sport-based corporate initiative positively influence their social capital, subsequently influencing their perception, attitude and behaviours related to organizational value creation.

H3: Dynamic capability mediates the structural relationships from corporate employees' social capital related to sport-based corporate initiative and their perception, attitude and behaviour related to organizational value creation.

Study 1

Method

Data and sample. Football With A Heart is an annual charity football tournament for corporate executives, organized by Singapore Pools and Sport Singapore. More than 300 corporate employees from over 30 corporations participated in the event in January, 2015. A survey were administered with 195 corporate employees those who participates in the tournament at the venue.

Results

Measurement model. We employed confirmatory factor analysis to assess reliability, convergent validity and discriminant validity for the constructs measured by the multiple items, including social capital, dynamic capability, and organizational values (n=135, Chi-square/df=1.960, CFI=.945, TLI=.930, IFI=.946, RMSEA=.085).

Structural model. Structural equation model (n=135, Chi-square/df=1.999, CFI=.924, TLI=.908, IFI=.926, RMSEA=.086) shows that three independent variables: 1) frequency of participation in sport activities, 2) quality of mutual experience during the tournament and 3) agreement of the value statements regarding sport for good, strongly influence the perception, attitude and behaviours for organizational value creation through the serial mediation effects of social capital and dynamic capability.

Discussion and Implications

Although Study 2 is still ongoing for data collection from J. P. Morgan Corporate Challenge Singapore, the current results contribute to understanding of corporate engagement and investment in sport in many aspects. Most importantly, the conceptual model and empirical evidences give us a better understanding of corporate investment in sport from internal marketing perspective, focusing on social capital and dynamic capabilities of employees and their impact on multiple organizational performances. It is useful for corporate sector to build a strategic map for its investment and leverage in sport-based initiative.

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