

# **The Effects of Corporate Sports Sponsorship on Internal Workforce**

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**Keywords:** corporate sports sponsorship, sponsorship effectiveness, internal workforce, organizational identification, affective commitment.

## **Abstract**

### **Introduction**

As sponsorship spending increases and corporations pay more attention to the return rate of sponsorship investment, the measurement of sponsorship effectiveness attracts researchers' and manager's attention. Various studies were conducted to assess the sponsorship effects on consumers. However, consumer is not the only audience sponsorship attempts to communicate with. Sponsorship can have varied effects on different audiences, from politicians to employees (Meenaghan, 1991, 2005). With the attention merely on consumers, other possible effects of sponsorship may have been ignored. Therefore, to broaden our knowledge of sponsorship effects, by focusing on the neglected area, this study aimed to (a) find out the effects of corporate sport sponsorship on internal workforce (i.e. employees), and (b) identify the factors which might make a difference to employee response to corporate sport sponsorship.

### **Theoretical Background**

Lately, sponsorship studies usually adopted Stimulus-Organism-Response (S-O-R) model as the framework, and so did current study. Understanding employee response to sponsorship was the first step to facilitate the evaluation of internal sponsorship effects. Since sponsorship is recognized as a communication way with employees (Grimes & Meenaghan, 1998), it was considered as an internal marketing tool in this study. Internal marketing was determined to influence affective commitment, one of the three components of organizational commitment (Caruana and Calleya, 1998). From the perspective of internal marketing, Hickman, Lawrance, and Ward (2005) also found that sports sponsorship could result in higher employee organizational identification and commitment. The two possible effects of sports sponsorship on employees – organizational identification and affective commitment – would be examined in current study.

Secondly, to determine the influence factors, considering the sponsorship and the sponsee as two external stimuli, this study proposed two influence factors of employee response to sponsorship: event-corporation fit and team affinity (Speed & Thompson, 2000, Hickman et al., 2005). In addition, derived from past studies regarding antecedents of organizational identification and commitment, perceived prestige was selected as the third influence factor (Fuller, Hester, Barnett, Frey, & Relyea, 2006,

Gwinner & Swanson, 2003, Mael & Ashforth, 1992). All three influence factors were included in the research framework as employee perceptions of sports sponsorship, and their impacts on employee response to sponsorship were assessed. The conceptual framework of current study was shown in Figure 1.

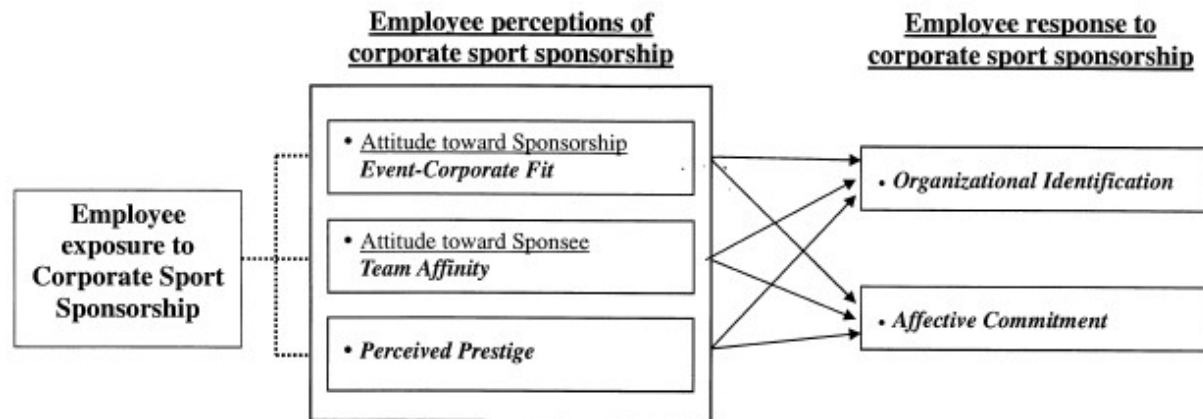


Figure 1. Conceptual Framework

## Methodology

The instrument for current study was a self-administered questionnaire with measurements for organizational identification, affective commitment, perceptions of corporate sport sponsorship (i.e. event-corporation fit, team affinity, perceived prestige), and demographic characteristics. All these measurements were adopted from existing, established scales. The questionnaire was pre-tested to examine reliability and validity. After deleting inappropriate and non-significant items, the revised questionnaire was administered to employees of Kenda Rubber Industrial Company, sponsor of Sinon Bulls, one of the Taiwanese professional baseball teams. The survey was conducted on 24th and 25th May, 2007. Data was collected from 228 employees, yielding a sample of 183 respondents after discarding 45 invalid and incomplete questionnaires.

## Results

Data was analyzed by hierarchical multiple regression analysis using demographics as control variables. The results pointed out that employee perceptions of corporate sports sponsorship were a significant predictor of organizational identification ( $\beta = .483$ ,  $p < .001$ ) and affective commitment ( $\beta = .419$ ,  $p < .001$ ). The primary idea of this study that corporate sport sponsorship has effects on employees in terms of their attitudes toward the corporation was ascertained.

However, not all three influence factors were significant predictors of employee response toward the sponsorship. Event-corporation fit was proved to have no significant predictive ability.

Team affinity only had statistical significantly contributions to predict affective commitment ( $\beta = .174$ ,  $p < .05$ ). While, perceived prestige of corporate sport sponsorship was the most powerful indicator of organizational identification ( $\beta = .302$ ,  $p < .01$ ) as well as affective commitment ( $\beta = .196$ ,  $p < .05$ ). Specifically, perceived prestige was the main contributor of employee's positive attitudes toward the company.

## Discussion

According to the findings, corporate sport sponsorship had effects not only on consumers' attitudes and purchase behaviors but also on employees' identification and affective commitment toward the corporation. And, perceived prestige and team affinity would influence employee's response to sports sponsorship. It suggested that the company should put efforts into letting employees know how well the public regards them for the sponsorship or enhancing employee's team affinity to the sponsored sports team. By publicizing the goodwill and promoting the sponsee inside the company, the effects of corporate sports sponsorship on internal workforce would be strengthened. In conclusion, current study added on our knowledge of sport sponsorship effectiveness, and provided guideline for corporations to draft internal sponsorship management strategies.

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