Does Community Giving Promote Employee Commitment? The Impact of Corporate Philanthropy in Professional Sport

Marla Lubinsky, University of Western Ontario
Shannon Hamm, University of Western Ontario
Alison Doherty (Advisor), University of Western Ontario

Management/leadership  May 28, 2009  25 minute oral
Abstract 2009-049  4:50 PM  (Lexington A)

Corporate Philanthropy (CP) has been gaining increased attention within the management literature, as charitable giving programs have the potential to position organizations as socially responsible members within the community at large. There has been a recent shift in viewing these philanthropic initiatives from a predominantly altruistic perspective to a more strategically driven focus, which is intended to not only address social issues but also help to achieve the organization's marketing or operational objectives (Genest, 2005; McAllister & Ferrell, 2002; Saia, Carroll, & Buchholtz, 2003). Ricks (2005) defines strategic corporate philanthropy as, A discretionary responsibility of a firm that involves choosing how it will voluntarily allocate resources to charitable or social service activities in order to reach marketing and other business related objectives for which there are no clear social expectations as to how the firm should perform (p.122).

Previous work has acknowledged the potential impact of CP on the attitudes and behaviours of the organization's stakeholders, including investors, customers, and suppliers, in order to strategically outperform their competitors in the market; however, more recent attention is acknowledging the internal benefits of CP in order to improve employee commitment (Brammer & Millington, 2005; Sen et al., 2006). For example, the Business Contributions to Community Research Initiative found that one of the main reasons for a company's support for the community is the role it plays in attracting and retaining employees based on fostering pride and loyalty (Hall et al., 2007). Similarly, both Peterson (2004) and Brammer et al. (2007) found that perceptions of the external or discretionary components of corporate social responsibility (i.e., philanthropic initiatives) were positively related to employee organizational commitment.

The theoretical reasoning for this is based on social identity theory, which proposes that an individual's view of themselves, their 'self-concept', is influenced by the perceived identity of the social group to which they belong (Ashforth & Mael, 1989). Consequently, employees will be more committed to their work because they are proud to identify with an organization's positive reputation (Brammer et al., 2007; Peterson, 2004). Thus, as a business strategy, CP appears to have the potential to impact positive work-related attitudes such as organizational commitment, which has been shown to have further implications for employee job performance, turnover, absenteeism, and overall organizational effectiveness (e.g., Carbery et al., 2003; Ferrell & Peterson, 1984; Meyer et al., 2002).

CP is prevalent in the sports industry, as many, if not all, professional sport organizations currently engage in various forms of community outreach programs in an effort to support social causes in their communities (Robinson, 2005). There are many examples of athletes, teams, leagues, and mega-events dedicating, in some cases, tremendous amounts of resources to address social concerns through the creation of foundations, partnerships with non-profit organizations, engaging in player volunteerism, investment in social campaigns, and provision of in-kind services through ticket or merchandise donations (Babiak & Wolfe, 2006; Breitbarth & Harris, 2008; Extejt, 2004). Despite this increasing prevalence, and with a few notable exceptions (Babiak, Tainsky, & Juravich, 2008; Extejt, 2004; Kent, 2008; Robinson, 2005) there has been limited research on CP in sport organizations, and particularly its relationship to employee attitudes. With rapid changes in the sport industry, and sport organizations becoming leaner and flatter, understanding the factors which contribute to employee commitment is particularly critical to organizational functioning (Chelladurai, 2006). Thus, the purpose of this study is to examine employee perceptions of CP and its impact on organizational commitment in professional sport organizations.

To serve the purpose of this study, a survey will be distributed to employees of professional sport organizations from six different leagues (National Hockey League, Major League Baseball, Canadian Football League, National Lacrosse League, American Hockey League, and Major League Soccer) in one metropolitan city in Canada. All of the organizations have CP initiatives in place. The survey instrument is comprised of a self-constructed multi-item measure of corporate philanthropy and Meyer and Allen's (1991) 22-item Scale of Organizational Commitment. The measure of corporate philanthropy is based on an extensive review of literature and taps into employee perceptions of the degree to which their company engages in four types of corporate philanthropic activities: (1) direct donations (money or in-kind), (2) direct involvement with a non-profit organization/charitable cause, (3) support for staff to engage in personal volunteering, and (4) the establishment of a charitable foundation. The organizational commitment scale comprises measures of affective, normative, and continuance commitment.
and has been found to be reliable and valid in a number of research settings (e.g., Clugston, 2000; Culpepper, Gamble, & Blubaugh, 2004; Meyer & Allen, 1991; Meyer, Allen, & Smith, 1993).

Data on gender, age, tenure, education, and job position will also be collected. According to Lee (2004), a study with four predictor variables requires a minimum sample of 84 participants to detect a medium effect size with sufficient power. Once data collection is complete, the psychometric properties of the four CP scales will be tested to determine internal consistency and construct reliability. Reliability analyses will also be conducted to determine the internal consistency of the three commitment scales.

Following this, descriptive and correlation statistics will be used to describe CP and commitment, and the associations between them. Further regression analyses will be conducted to determine the relative contribution of the CP scales to the variance in each of the three types of commitment, controlling for individual variables (i.e., gender, age, tenure, education, and job position). The results are expected to shed light on the perceptions of a sample of professional sport employees regarding different types of corporate philanthropy in their organization, and its impact on their commitment to the organization. Implications for CP as a strategic initiative in professional sport organizations, in terms of whether it can be expected to elicit returns in the form of positive employee attitudes, will be discussed. Directions for further research on CP and employee work attitudes and behaviour will also be presented. References available upon request.