The Influence of Corporate Philanthropy on Organizational Commitment in the Fitness Industry

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The high turnover rate of employees in the fitness industry (e.g., Lloyd, 2003; MacIntosh & Doherty, in press) is a critical concern (McCarthy, 2004). Given the cost of recruiting and training new employees (Cascio, 2000), it is essential to examine strategies that may influence the factors that are associated with intentions to leave. For example, it has been consistently highlighted that employee commitment is negatively related to employee turnover (e.g., Cunningham & Sagas, 2004; Cuskelly & Boag, 2001; Kim & Chang, 2007; Turner & Jordan, 2006). Thus, a positive attitude towards one’s organization may be expected to result in lower intentions to leave. Corporate social responsibility (CSR), and corporate philanthropy (CP) in particular, have been gaining increased attention in the management literature as a strategy intended to not only address social issues, but also to help achieve marketing or operational objectives (Brammer & Millington, 2005; Genest, 2005; Kent, 2008; McAllister & Ferrell, 2002; Saia, Carroll, & Buchholtz, 2003) and influence important employee work attitudes (Brammer, Millington, & Rayton, 2007; Grant, Dutton, & Russo, 2008; Lavine, 2009; Peterson, 2004). Thus, giving to the community may be expected to generate several positive returns to an organization.

Recently, there has been a shift from a focus on the influence of CP on consumers to acknowledging its impact on employees (Brammer et al., 2007; Grant et al., 2008; Lavine, 2009; Peterson, 2004; Sen, Battacharya, & Korschun, 2006). Specifically, research indicates that perceptions of the external or discretionary components of corporate social responsibility (i.e., philanthropic initiatives) are positively related to organizational commitment (Brammer et al., 2007; Lavine, 2009; Peterson, 2004). This connection has its basis in social identity theory, such that employees will be more committed to their work when they are proud to identify with an organization’s positive reputation (Ashforth & Mael, 1989; Brammer et al., 2007; Peterson, 2004). One of the limitations of previous research is the measure of CP as a unidimensional construct (Brammer et al., 2007).

According to McDonnell, (2003a), CP is embedded in the core values of many organizations in the fitness industry, and evidenced in various community outreach and relief practices (also Caro, 2003). In particular, CP has been adopted as a strategy by a number of fitness clubs to improve the image of the industry in general, and more specifically to increase membership sales and overall effectiveness (Cohen, 2007; McDonnell, 2003b). Further, Cohen argues that fitness organizations should include their employees directly in philanthropic initiatives because “your best employees are inclined to stay with the company, since they feel as though they’re doing something good” (n.p.). The purpose of this study was to systematically examine the influence of CP on the organizational commitment of employees in the fitness industry. Based on the literature, it was hypothesized that perceived CP would be associated with organizational commitment.

The study was conducted within one large, for-profit organization that has over 100 clubs across Canada. It has a mission of “giving” that includes community relations activities with a primary focus on internal organizational efforts geared towards improving the health and wellbeing of children and people with disabilities, and a secondary focus on supporting external organizations that help health, children, and environmental causes. The sample for this study was the organization’s head office staff. Data collection was undertaken by means of a web-based survey. A link to the survey was embedded within a letter of information from the investigators which was sent by e-mail directly from the organization’s head office to each employee. The online survey instrument comprised a self-constructed multi-item measure of CP and Meyer and Allen’s (1991) 18-item Scale of Organizational Commitment. The measure of CP was based on an extensive review of literature that resulted in items that tap into employee perceptions of the degree to which their company engages in three types of CP activities: (1) direct donations (money or in-kind), (2) direct involvement with a non-profit organization/charitable cause, and (3) support for staff to engage in personal volunteering. The organizational commitment scale measures 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). A total of 252 employees were contacted and 90 useable surveys were returned for a response rate of 36%.
About three-quarters of participants (76.4%) were female and one-quarter (23.6%) were male, with a median age of 30 years (SD = 9.86). Two-thirds (67%) had completed college or university. Participants' median tenure with the organization was 2 years (SD = 5.26), 66.7% of participants held staff positions and 33.3% were in management, and virtually all worked full-time (99%) for the organization. An exploratory factor analysis (EFA) of the CP scale using varimax rotation revealed a two factor solution labelled Direct Involvement (DI) and Support for Employee Involvement (SEI). Further support for these factors was demonstrated by their internal consistency values (DI alpha = .90, n = 6 items; SEI, alpha = .85, n = 4 items; Lance, Butts, & Michels, 2006). The internal consistency of the organizational commitment scales was also established (affective commitment alpha = .86, n = 6 items; normative commitment alpha = .84, n = 6 items; continuance commitment alpha = .75, n = 3 items). The internal consistency of the continuance commitment scale was strengthened by the elimination of three of the six original items, resulting in a construct that represented commitment to stay with the organization due to perceived lack of alternatives.

DI was significantly associated with both affective (r = .30) and continuance commitment (r = -.29) (p < .05), and SEI was significantly related to affective (r = .31) and continuance commitment (r = -.24) (p < .05). There were no significant relationships between DI or SEI and normative commitment. Further regression analyses revealed that, after controlling for age, gender, tenure, position, and education, DI, SEI, and position explained 26.4% of the variance in affective commitment. Position (beta = .41, p < .001) and SEI (beta = .26, p < .05) explained significant unique variance in this attitude. DI and SEI explained 7.0% of the variance in continuance commitment, although unique variance was not attributed to either form of CP.

The hypothesized relationship between CP and organizational commitment was supported, with further insight into the complexity of this relationship based on the multidimensionality of CP and its varying impact on different forms of commitment. Both organization-focused and employee-focused types of philanthropic activity were identified, advancing previous literature that has looked at CP as a unidimensional construct (e.g., Brammer et al., 2007; Lavine, 2009; Peterson, 2004). The unique variance in affective commitment explained by SEI suggests that employee-focused CP was more meaningful for employees' attachment to the organization. This could be explained by social identity theory where individuals are committed to an organization whose actions are consistent with their own values (e.g., caring and giving; personal agency) (Grant et al., 2008). Implications for practice include empowering employees to be involved in philanthropic activities of their choosing. Directions for future research will be discussed.