LGBT Inclusion and Institutional Characteristics Predict Organizational Performance

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Management - Diversity (College Sport)
Poster
Abstract 2018-075

Thursday, June 7, 2018
2:10 PM
Room: Halifax

Introduction
Although strides have been made when it comes to lesbian, gay, bisexual, and transgender (LGBT) inclusion, challenges persist. An increasing number of LGBT athletes have disclosed their identities and excel in sport at the international levels (Kauer & Kane, 2013; McKinnon, 2017). Nevertheless, structural and individual stigma against sexual and gender minorities still persists. Transgender athletes are frequently denied access to locker rooms (Cunningham & Buzuvis, 2017). Prejudice and discrimination are still pervasive in many sport organizations, compelling many LGBT individuals to conceal their identities (Krane, 2016). The tensions bring to the fore the importance of inclusive organizational systems and policies. A number of sport management scholars have theorized that inclusive practices are linked with better organizational performance (DeSensi, 1995; Doherty & Chelladurai, 1999; Fink & Pastore, 1999). Empirical support is also evident, as inclusive strategies interact with employee diversity to predict objective measures of performance in university athletic departments (Cunningham, 2009, 2011). Missing from these analyses is consideration of the institutional environment within which sport organizations are embedded. From an institutional theory perspective, organizations are set within broader systems, be they communities, societies, or organizational fields, that both influence and provide means for interpreting behavior (Greenwood, et al., 2008). Regardless of mechanism (DiMaggio & Powell, 1983), organizational processes and actions are implemented to comply with the expectations within their institutional environments (Meyer & Rowan, 1977). Organizations thereby endeavor to be perceived as legitimate and reap the benefits incumbent with this legitimacy. Being perceived as legitimate is generally necessary for obtaining vital resources for organizational survival (Suchman, 1995). Within the context of the current study, legitimacy might be a function of pursuing LGBT inclusion, particularly within an institutional environment where diversity is the norms.

Objective and Hypotheses
Set within the context of intercollegiate athletics, the purpose of this study was to examine the interaction between sport organization LGBT inclusiveness and the LGBT diversity of the state in which it was located. We predicted that inclusiveness will be positively related to objective measures of performance (Hypothesis 1) and that this relationship will be moderated by the state’s LGBT population density (Hypothesis 2), such that, when LGBT population density was high, inclusive organizations outperform their peers, but less inclusive organizations will lag in performance.

Methods
To test the hypotheses, we collected data through archival data sources. Inclusiveness was gathered from the Athletics Equality Index (http://www.athleteally.org/wp-content/uploads/2017/09/Athletic-Equality-Index-9_11.pdf). This measures the inclusiveness of an athletic department across eight dimensions, with scores ranging from 0-100. LGBT population density was collected from the Movement Advancement Project (http://www.lgbtmap.org/equality-maps/lgbt_populations). Objective performance was gathered from the Director’s Cup (http://thedirectorscup.com/current-standings1/216-17-standings/), a recognition based on overall performance of a department's athletic teams. We gathered department controls include number of teams and overall budget, using the Equity in Athletics data.

Results
The controls (number of teams, operating budget) accounted for 29% variance. The first order effects account for an additional 3 percent (p < .05). LGBT inclusiveness was not associated with performance; thus, Hypothesis 1 was not supported. The interaction term accounted for 12% (p < .001) unique variance in Director’s Cup points. When the state’s LGBT population density was low, LGBT inclusiveness not associated with performance, but when density is
high, there is a strong positive association between LGBT inclusion and points. Thus, Hypothesis 2 was supported.

Discussion and Contributions. The findings demonstrate that LGBT inclusiveness interacts with the institutional environment to predict objective measures of performance. From a practical perspective, athletic departments set within diverse states with high LGBT population density perform best when they adopt policies and practices reflective of LGBT inclusion.