Employee Engagement and Corporate Sponsorship: a case study of an employee engagement initiative at the London 2012 Olympics

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Introduction

The summer of 2012 was host to the London 2012 Olympic and Paralympic Games (‘The Games’) in the UK. This research sought to utilise this major sporting event in order to address a gap in the literature tying corporate sponsorship (CS) initiatives to the employee engagement of sponsoring organisations (Rogan, 2008). This gap is significant considering the often very substantial financial endorsement made by sponsors in major global events such as the games without investigating the impact on employee engagement within their own company as to whether this has an impact or is effective (Hyams, 2012).

There have been very few studies that have looked into the relationship between CS and employees, and none that have explicitly looked at CS and engagement. Sports sponsorship (SS) is a popular form of CS due to the emotional attachment to sports teams by the public and the excitement it generates, and the Olympics is one of the most prestigious sporting events in the world with historical ties to CS, making it a prime example of SS for investigation. This research sought to establish whether Panasonic UK (PUK)’s engagement strategy achieved one of its sponsorship targets; to increase employee motivation and engagement with the [London 2012] Olympic Games, and justify future sponsorship activities invested in by PUK and other companies.

The main research objectives (ROs) of this study were:
1. To investigate if PUK’s initiative resulted in enhanced engagement.
2. To identify what type of engagement has been enhanced through the initiative, namely ‘organisation engagement’ or ‘job engagement’.
3. To explore what ‘elements’ of engagement employees have input to the job or organisation as a result of the initiative.

Engagement

Though there is no universally accepted definition of engagement, there is general agreement that engagement is a state experienced by individuals. Whilst this state could be the outcome of a purposive strategy to enhance worker engagement, it is not inevitable or given (May et al, 2004). Employer interest in engagement is often linked to claims that improving engagement significantly correlates to improvements in performance (e.g. Alfes, Truss, Soane, Rees and Gatenby, 2010). CS can be viewed as one strategy that can be deployed by organisations with the aim of enhancing employee engagement as well as raising the profile of the organisation more widely amongst the population (Rogan, 2008). Therefore, if CS has links to engagement, it can be argued that this evidence provides support for corporate CS initiatives.

For the purposes of this research, the following definition of employee engagement was used: “The harnessing of organisation members’ selves to their work roles; in engagement,
people employ and express themselves [behaviourally], cognitively, and emotionally during role performances' Kahn, (1990: 694).

The behavioural, cognitive and emotional ‘elements’ of engagement were defined as measurable outcomes and these were supported and further developed by Saks (2006) who investigated varying degrees of engagement, and was the first to identify how employees can be engaged with their organisation, through affilation and pride, rather than just a passion for their work. This led to the development of two related but differing states of engagement and outcomes: ‘job engagement’ (JE) and ‘organisation engagement’ (OE).

But what drives engagement? Towers Perrin-ISR (2006), found 75 possible drivers of engagement, the most important of which was the extent to which employees believed that their senior management had a sincere interest in their well-being, though only 29% of employees believed this to be true. May, Gilson and Harter (2004) postulated that emotional experiences of events at work will influence engagement, with negative work experiences having a reductive effect. Robinson (2006) argued that fostering positive emotions and pride through the work environment will enhance engagement. These arguments have been supported by another study by Towers Perrin (2003). However, engagement can be a fragile entity and affected by external and internal events. Recent studies have suggested that engagement is low across the UK, with only 3 out of 10 workers engaged since the UK recession (Alles et al, 2010). The phenomenon of widespread low engagement is recognised and discussed in terms of the correlation between companies recognising the importance of engagement, and those companies turning to CS as a means of improving it (Rogan, 2008).

Research Methods

The research used a case-study organisation that sponsored the Olympic Games and also invested in an Olympic Games-oriented employee engagement initiative, making it an ideal choice to research the CS and engagement link. Semi-structured interviews with 8 employees, and a questionnaire that attracted 170 respondents, allowed for the phenomenon of engagement to be analysed using a thematic analysis technique for the qualitative data, as well as some categorical data analysis from the questionnaire. Confidentiality and anonymity were ensured at all times.

Analysis of Findings and Conclusions

Based on the results, a number of conclusions regarding corporate sponsorship and engagement are drawn.

Conclusion 1: Panasonic UK’s initiative resulted in enhanced EE.
The results of the questionnaire demonstrate that the significant majority of employees (63.4%) were at least ‘a bit’ engaged as a result of the initiative, and a greater number of employees were ‘extremely engaged’ (23.2%) as opposed to the ‘disengaged’ respondents (13.4%). This is a key piece of evidence to show that CS can be used effectively to enhance EE, and satisfied Research Objective 1.
Conclusion 2: CS staff engagement initiatives are highly likely to enhance organisation engagement, resulting in emotional and behavioural inputs.
All of the interview participants demonstrated OE as a result of the initiative. They all felt a form of pride or affiliation with the organisation as a result of the initiative, as did most of the questionnaire respondents, which demonstrates ‘emotional’ inputs. There was also strong evidence from both the interview and questionnaire that colleagues interacted more positively with each other, demonstrating ‘behavioural’ inputs. The interview results indicated a trend of barriers being broken between colleagues, resulting in long term relationships being built. These results are the first to distinguish between the types of engagement affected by CS, as well as what inputs they elicit from employees. However, it is important to note that one of the limitations of the study was the small sample of those interviewed and the snowball sampling method used to gain these research participants. Therefore, these results should be read and accepted with a high degree of caution.

Conclusion 3: CS enhances engagement by fostering a positive atmosphere in the work environment and making employees feel valued.
When questionnaire participants were asked how their engagement had been enhanced, the strongest themes that emerged were that the initiative made them feel “valued” by the company, and created a positive atmosphere that facilitated a high degree of involvement, supporting current engagement literature (see Towers Perrin-ISR, 2006). Further evidence of this comes from the interviews; the two interviewees who were least engaged did not seem to feel that management had a genuine interest in them. The tickets as potential prizes seem to be linked to employees feeling valued whereas the positive atmosphere stemmed from collectively experienced activities such as the themed days. This shows that different aspects of the initiative had different effects, but both led to enhanced engagement.

Conclusion 4: Being organisationally engaged can enhance an individual’s job engagement, resulting in behavioural inputs in one’s role.
The sponsorship did not seem to have a direct effect on JE; nonetheless half of the interview participants claimed that they put more effort into their roles as a result of the initiative but this increased effort did not correspond to an increase of emotional input here. This evidence suggests that the findings indicate a degree of behavioural change associated with JE. However, a few of the participants mentioned their general mood being improved by the activities and so this suggests a possible connection occurring between JE and OE in this instance. These findings imply that the sponsorship initiative led to OE as established above, which in turn influenced the ‘behavioural’ inputs of JE. This could explain how fostering positive emotions and pride through the work environment might enhance performance (Robinson, 2006), and links CS with this particular outcome of engagement. However, more investigation would be needed in this area before this conclusion could be generalised.

Conclusion 5: CS staff engagement initiatives that are seen to be unfair will have a negative effect on engagement.
The interviewee who experienced the least engagement described how they believed that some managers received tickets on account of their status and that some tickets went to waste. She said that this “tainted” her engagement. Fairness was also a strong theme that emerged from the questionnaire. This supports existing theory (Saks, 2006) and demonstrates the need for sponsors to consider all of their employees when devising an engagement strategy and to develop modes of activity that are fair and seen to be so.
From start to finish: A proposed model for how CS leads to enhanced performance:
Based on the conclusions of this study, the following model is proposed to describe how CS can lead to OE and JE, and subsequently, enhanced employee performance, which is a strongly desired outcome of engagement strategies (Macey & Schneider, 2008).

![Diagram](image)

Figure 1: Proposed model describing the effect of corporate sponsorship on engagement

Figure 1 describes how employees can perceive an initiative as fair or unfair - perceptions of unfairness can lead to no engagement or disengagement (conclusion 5). If it is perceived as fair, it can foster excitement and pride, therefore leading to OE. From OE employees potentially develop pride and an emotional affiliation with their company (emotional inputs), and may get more involved with the organisation and other colleagues (behavioural inputs), as in conclusions 2 and 3. The emotional inputs may in turn lead to behavioural inputs of JE, and in some cases cognitive inputs, as in conclusion 4.

Recommendations

The conclusions support companies using CS as a strategy for enhancing employee engagement. Findings suggest that careful consideration should be given as to how to foster a positive, inclusive atmosphere and make employees feel valued using the CS initiative and thus avoid perceptions of unfairness, as indicated in Conclusion 5.

Limitations and Future Research

Whilst the most convenient method, the non-probability sampling approach for the interviews posed a number of limitations. The results are more difficult, though not impossible, to generalize to the entire survey population. The small sample size and case study approach
also affect the generalizability of the study. In addition, individual differences were not accounted for in the interviews whereby employees were not asked if they were already engaged. This reduces the validity of the conclusions drawn from the effect of CS on the interviewees. Nevertheless, the research is the first to explicitly link CS to engagement, as well as give new insights into OE and JE. Therefore, it provides a basis for future studies, either testing these conclusions with a larger and more generalizable sample using a deductive approach, or inductively, building on these conclusions. As Towers Perrin (2003) argue, building engagement in a company is a process that never ends and rests on the foundation of a meaningful and emotionally enriching work experience. CS initiatives make up just one part of a continuous strategy where a company consistently tries to retain its employees' engagement. Therefore, even if the effects are not always long term, missing the opportunity to utilise CS as an engagement strategy seems a waste.

References


