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## Roles of Sport and Cause Involvement in Determining Employees' Beliefs about Cause-related Sport Sponsorship

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## **Executive Summary**

The observation of recent corporate practices suggests that corporate sponsors implement cause-related sport sponsorship (Irwin et al, 2003) as part of their internal marketing. Although no research has investigated cause-related sport sponsorship through the lens of internal marketing, the sponsorship of a sport property has been shown to serve as an effective internal marketing strategy (Hickman et al, 2005). A prevalent logic for the efficacy of sport sponsorship in internal marketing is that a company can generate the perception of goodwill by sponsoring a sport organization or activity that is important to its employees (Meenaghan, 2001; Zepf, 2008). By applying this logic to cause-related sport sponsorship, it can be presumed that employees' involvement with the sponsored sport also determines the effectiveness of this category of sponsorship in eliciting their positive responses.

This presumption, however, fails to consider the potential role of employees' involvement with the sponsored cause. Because of its cause affiliation, employees' reaction to cause-related sport sponsorship may be different from their reaction to regular sport sponsorship. Indeed, research on consumers suggests that the cause affiliation, rather than the sport affiliation, of cause-related sport sponsorship predominantly determines the consumer evaluation of this category of sponsorship (Irwin et al, 2003, 2010; Lee & Ferreira, 2013). Consequently, the purpose of this study was to investigate the roles of employees' involvement with the sponsored sport (i.e., sport involvement) and with the sponsored cause (i.e., cause involvement) to explain how their beliefs about cause-related sport sponsorship are determined. Drawing from the concept of goodwill (Meenaghan & Shipley, 1999), we tested if employees' levels of sport and cause involvement would be positively associated with their beliefs about the company's sponsorship of a cause-related sport event.

The research setting was the FedEx St. Jude Classic (FESJC), a PGA TOUR event that benefits St. Jude Children's Research Hospital in the United States. The target population was employees of the corporate sponsors of the 2012 FESJC at the time of data collection. The final sample included 131 attendees who identified themselves as employees of an event sponsor in a web-based post-event survey. The respondents completed the survey that included the measures of sport involvement, cause involvement, and sponsorship beliefs adopted from previous studies.

The results of a regression analysis indicated that cause involvement had a significant positive association with sponsorship beliefs ( $\beta = .48, t = 6.17, p < .001$ ), whereas sport involvement had a non-significant association ( $\beta = .08, t = 1.08, p = .28$ ). These results provide insight into how employees develop their beliefs about cause-related sport sponsorship. Specifically, although research examining sport sponsorship has demonstrated that the degree to which employees are psychologically connected with the sponsored sport determines their response to the sponsorship (Hickman et al, 2005; Zepf, 2008), our findings show that employees predominantly refer to their psychological connection with the sponsored cause, *not* the sponsored sport, in assessing the sponsorship of a cause-related sport event.

### **Abstract**

This study investigated the roles of employees' involvement with the sponsored sport and cause in determining their beliefs about cause-related sport sponsorship. Despite the prevailing logic that companies can enhance the perception of goodwill by sponsoring sport that is important to their employees, employees' sport involvement was found to have no effect on their sponsorship beliefs. In contrast, cause involvement alone explained a large amount of the variance in those beliefs.

**Keywords:** cause-related marketing, involvement, sponsorship, internal marketing

## Roles of Sport and Cause Involvement in Determining Employees' Beliefs about Cause-related Sport Sponsorship

### Introduction

The observation of recent corporate practices suggests that companies have increasingly used cause-related sport sponsorship as part of their internal marketing. For example, Best Buy integrated its sponsorship of the National Association for Stock Car Auto Racing (NASCAR) with support for various charities; the company provided its employees with the opportunity to work with the NASCAR Foundation to volunteer for affiliated charities, and awarded grants to the foundation based on the total number of hours the employees donated to volunteer work (Spanberg, 2012). In 2011, FedEx Corporation (FedEx) resumed its title sponsorship of the FedEx St. Jude Classic (FESJC), a PGA TOUR event that benefits St. Jude Children's Research Hospital (St. Jude) in Memphis, Tennessee, in the United States. As one of the company's executives noted, this sponsorship is intended to allow "thousands of Memphis-based FedEx employees to play a direct role in the support of St. Jude" (FedEx, 2011, para. 5). In both examples, the companies primarily used cause-related sport sponsorship, or the sponsorship of a sport property linked to a nonprofit organization or a social cause (Irwin et al, 2003), to satisfy employee needs and increase morale.

To date, no research has investigated cause-related sport sponsorship through the lens of internal marketing. The literature, however, has suggested that the sponsorship of a sport property without a close cause affiliation serves as an effective internal marketing strategy (Crowley, 1991; Cunningham et al, 2009; Farrelly & Greyser, 2007, 2012; Grimes & Meenaghan, 1998; Hickman et al, 2005; Pichot et al, 2008; Rines, 2002; Rogan, 2008; Tripodi, 2001; Zepf, 2008). A prevalent rationale for the efficacy of regular sport sponsorship in internal

marketing is that a company can generate the perception of goodwill by sponsoring a sport organization or activity that is important to its employees (Meenaghan, 2001; Zepf, 2008). Specifically, employees tend to perceive their company's sponsorship of a sport property to be beneficial to them and society if they are highly involved with the sport property. In turn, such perceived benefits, or goodwill, lead the employees to develop a favorable response to the company (Meenaghan, 2001; Zepf, 2008).

If this logic is applicable to cause-related sport sponsorship, employees' involvement with the sponsored sport should also determine the effectiveness of this category of sponsorship in eliciting their positive responses. This presumption, however, fails to consider the potential role of employees' involvement with the *sponsored cause*. Because of its cause affiliation, employees' reaction to cause-related sport sponsorship may be different from their reaction to regular sport sponsorship. Indeed, research on consumers suggests that the cause affiliation, rather than the sport affiliation, of cause-related sport sponsorship predominantly determines the consumer evaluation of this category of sponsorship (Irwin et al, 2003, 2010; Lee & Ferreira, 2013), although some evidence still points to the opposite conclusion (Inoue & Havard, 2014). The findings from the consumer research highlight the importance of assessing the effect of employees' involvement with the sponsored sport in cause-related sport sponsorship and further exploring the extent to which their involvement with the sponsored cause affects their evaluation of the sponsorship.

The purpose of this study was to investigate the role of employees' involvement with the sponsored sport (i.e., sport involvement) and with the sponsored cause (i.e., cause involvement) to explain how their evaluation of cause-related sport sponsorship would be determined. Specifically, employees' evaluation was examined through their *beliefs* about how their

company's cause-related sport sponsorship would enhance their attitudes toward the company. Beliefs refer to the linkages people establish between an object (e.g., cause-related sport sponsorship in this study) and some benefits or consequences (e.g., favorable attitudes toward the company; Eagly & Chaiken, 1998; Madrigal, 2001). We focused on beliefs because they serve "as the informational base that ultimately determines...attitudes, intentions, and behaviors" (Fishbein & Ajzen, 1975, p. 14). Consequently, the effects of sponsorship-related attributes (e.g., sport and cause involvement) on beliefs about sponsorship initiate a hierarchy of effects in which those beliefs, through their effects on attitudes, influence more specific sponsorship outcomes, such as behavioral intentions and organizational identification (Khan & Stanton, 2010; Hickman et al, 2005); this hierarchy underscores the central role of beliefs in determining employees' sponsorship evaluation.

## **Background and Hypotheses**

### **Sponsorship as an Internal Marketing Tool**

Employee turnover can result in significant costs; a recent study by the Center for American Progress estimated that companies spend approximately 20% of an employee's salary to replace that employee (Boushey & Glynn, 2012). Consequently, it is critical for a company to implement various internal marketing activities designed to satisfy the needs of employees and promote their retention (Berry et al, 1976). An internal marketing tool that has attracted high interest in the literature is sponsorship linked internal marketing, which entails "all activities associated with the conceptualization and leveraging of sport sponsorship to better satisfy employee needs as a way of preparing them to serve customers more effectively" (Farrelly & Greyser, 2012, pp. 506-507). A firm can use affiliation with sport teams or events to increase employee motivation or facilitate a major change in its structure (Farrelly & Greyser, 2007); to



enhance employee involvement with corporate activities (Pichot et al, 2008); to boost employee morale (Spanberg, 2012); and to build corporate identity, communicate corporate identity and expectations, and increase employee participation in staff development programs (Farrelly & Greyser, 2012). Previous studies investigating how sport sponsorship creates internal marketing benefits focused on the role of employees' connection with sponsored sport properties, such as their affinity for a NASCAR team (Hickman et al, 2005) and personal liking for a college football bowl game (Zepf, 2008).

### **Role of Activation in Sponsorship Linked Internal Marketing**

When a company uses sport sponsorship for internal marketing, it is important that managers effectively and efficiently activate the sponsorship opportunity. For example, sponsors may use high-performance athletes as guest speakers to motivate employees who have a high affinity for the athletes and even influence employees not identifying as sport fans to appreciate the human aspect and stories of struggles by the athletes (Farrelly & Greyser, 2012). As a successful example of sponsorship activation, United Parcel Service, a U.S.-based logistics and shipment company, leveraged its sponsorship of college athletics programs by rewarding delivery drivers with exemplary safety records the opportunity to deliver game balls to referees before games (Spanberg, 2012). NASCAR provided employees of its corporate sponsors with the opportunity to attend hospitality events with drivers before races. When the Bridgestone Corporation (an auto parts manufacture) was a sponsor of the Super Bowl Halftime Show, the company used the sponsorship to reward high performing employees with a trip to attend the game (Spanberg, 2012). As these examples indicate, companies should strive to ensure that sport sponsorships align with their business objectives; employees support potential sponsorships; and the value of a sponsorship is highlighted through activation efforts (Rogan, 2008). In particular, marketing and

human relations departments should work together to engage employees in sport sponsorships and intentionally use the sponsorships to create identity for employees, communicate performance expectations, and motivate employees (Farrelly & Greyser, 2012).

### **Cause-related Sport Sponsorship**

Cause-related sport sponsorship refers to the sponsorship of a sport property that is associated with a cause or a charity (Irwin et al, 2003). This category of sponsorship is distinguishable from traditional sponsorships that support either a sport or a cause because of its affiliation with *both* sport and cause properties (Cornwell et al, 2005). This dual association of cause-related sport sponsorship may provide corporate sponsors with additional challenges in achieving their business objectives because their target individuals may be highly involved with either the sponsored sport or cause, but not with both (Inoue & Havard, 2014; Lee, 2009; Lee & Ferreira, 2013). For example, Inoue and Havard (2014) found that although attendees of a cause-related sport event on average reported high scores on cause and sport involvement, the strength of the correlation between these two constructs was weak ( $r = .14$ ). Similarly, Lee and Ferreira (2013) identified a weak correlation between consumers' identification with a sport team and their identification with a non-profit organization affiliated with the team ( $r = .11$ ). These weak correlations suggest that a group of individuals with high sport involvement does not overlap with a group of individuals with high cause involvement, thereby indicating that companies engaging in cause-related sport sponsorship must satisfy the needs of both groups to generate positive outcomes through the sponsorship.

A review of extant literature suggests that there are two types of cause-related sport sponsorship (Fortunato, 2009; Inoue & Havard, 2014; Irwin et al, 2003, 2010). The first type is a firm's sponsorship of a cause-related sport event, a spectator sport event that is directly linked to

a specific cause and operates with the purpose of raising funds for a specific benefactor (Inoue & Havard, 2014). The FESJC is an example of a cause-related sport event because it is directly related to a specific cause (i.e., pediatric cancer and other catastrophic illnesses) and raises money and awareness for its benefactor, St. Jude. The second type of cause-related sport sponsorship includes a firm's sponsorship of sport organizations' community involvement activities as collaborative efforts to support a charity or cause. Examples of this type are the collaboration between NASCAR and Best Buy for implementing the employee volunteering program (Spanberg, 2012) and Chevrolet's sponsorship of Major League Baseball's Roberto Clemente Award (Fortunato, 2009). Of these two types, this study focused on the first type—company sponsorship of a cause-related sport event—to investigate how the involvement of employees with sport and cause, two properties involved in a cause-related sport sponsorship, influence employees' beliefs about the sponsorship.

### **Goodwill in Sponsorship**

In sponsorship research, goodwill refers to an individual's perception that the sponsorship of an activity provides benefits to the individual and society (McDonald, 1991; Meenaghan, 1991, 2001; Meenaghan & Shipley, 1999). According to social exchange theory, individuals tend to engage in reciprocal relationships where they provide benefits for an entity in return for the benefits provided by that entity (Cropanzano & Mitchell, 2005). Therefore, goodwill enhances sponsorship effectiveness by generating a favorable response to certain sponsorship, which in turn helps the sponsor obtain desired business outcomes, such as positive consumer attitude and purchase intention toward its products (Meenaghan, 2001).

Although the sponsorship of any activity produces goodwill, the extent of this perception correlates with the level of involvement with a given sponsored activity (Meenaghan, 2001;

Meenaghan & Shipley, 1999); the more involved a person is with the activity, the higher level of benefits and resultant goodwill the person perceives from the sponsorship of that activity. This implies that a company can increase business returns from its sponsorship investment by sponsoring an activity with which its target audiences are actively involved.

### **Positive Association between Sport Involvement and Employees' Sponsorship Beliefs**

Sport involvement refers to an individual's psychological connection with a sport object "with respect to being a central component of her/his life, and one that provides both hedonic and symbolic value" (Beaton et al, 2011, p.436). Building on the linkage among goodwill, involvement, and positive business outcomes, past studies on sport consumers investigated the role of sport involvement in explaining how the sponsorship of a sport property creates business benefits for the sponsor (Ko et al, 2008; Lascu et al, 1995; Levin et al, 2001; Meenaghan, 2001). Specifically, researchers have examined consumer involvement with sport activity (e.g., golf; Lascu et al, 1995), sport organizations (e.g., NASCAR; Levin et al, 2001), and sport participation/spectatorship in general (Ko et al, 2008), and have found that highly involved consumers are more likely to reward the sponsor of sport properties. In addition, although research on cause-related sport sponsorship is limited, Inoue and Havard (2014) showed that local consumers' sport involvement would indirectly influence their intentions to consider products of the sponsors of a cause-related sport event through the enhanced perception of the community benefits of the event.

Available evidence on sponsorship linked internal marketing also suggests that "companies can influence employees in the same way that promoters of a spectator sport sway consumers" (Hickman et al, 2005, p. 151). In particular, constructs closely related to sport involvement, such as sport affinity (Hickman et al, 2005) and personal liking for sport (Zepf,

2008), have been found to determine employee response to the company's sponsorship of sport events. In Hickman et al (2005), employee affinity for a NASCAR team sponsored by a firm was positively associated with the level of identification with and commitment to the firm and willingness to satisfy customers. Zepf (2008) found a positive relationship between the liking of employees for a company-sponsored college football bowl game and their levels of identification with their company. Another important finding of Zepf is that employees' evaluation of goodwill of the sponsorship also predicted their levels of identification with their company. The collective evidence thus points to the linkage among sport liking, goodwill, and the outcome (Zepf, 2008).

Although no research has provided direct evidence for the relationship between employees' sport involvement and beliefs about sponsorship, we expected the findings of the previous studies (Hickman et al, 2005; Zepf, 2008) to be applicable to this hypothesized relationship. This is because (a) sport involvement represents psychological connection with sport more broadly than the previously examined constructs including sport affinity and personal liking (Beaton et al, 2011; Funk et al, 2004); and (b) as noted earlier, beliefs are thought to transmit the effects of sponsorship-related attributes (including sport involvement) on more specific sponsorship outcomes examined in the past research, such as behavioral intentions and organizational identification (Khan & Stanton, 2010; Madrigal, 2001).

In summary, the concept of goodwill (Meenaghan, 2001) and social exchange theory (Cropanzano & Mitchell, 2005), along with the findings of sport sponsorship studies on consumers (Ko et al, 2008; Lascu et al, 1995; Levin et al, 2001; Meenaghan, 2001) and employees (Hickman et al, 2005; Zepf, 2008), result in the following proposition: Employees who are actively involved with the sponsored sport likely recognize goodwill in cause-related sport sponsorship, which, in turn, would lead the employees to develop positive beliefs about the

sponsorship. This proposition must be confirmed explicitly for cause-related sport sponsorship because its cause affiliation may influence the role of sport involvement in forming employees' sponsorship beliefs, as discussed in the introduction. We thus tested the following hypothesis:

**H1:** The higher levels of sport involvement employees have, the more positive beliefs the employees develop about cause-related sport sponsorship.

### **Positive Association between Cause Involvement and Employees' Sponsorship Beliefs**

Cause involvement is defined as personal relevance or "the level of perceived personal importance" (Grau & Folse, 2007, p. 20) of a given cause to individuals. Given this definition, researchers have also called this construct cause importance (Inoue & Havard, 2014) or cause relevance (Berger et al, 1999). Although the sponsorship of a cause generally leads to a higher level of goodwill than the sponsorship of other categories (e.g., art, sport) does (Meenaghan, 2001), the level of goodwill associated with cause sponsorship increases for individuals with high cause involvement (Cornwell & Coote, 2005; Grau & Folse, 2007; Scott & Solomon, 2003). For example, Grau and Folse (2007) showed that consumers were more likely to support a company's campaign providing financial assistance for a cause, as their involvement with the cause became greater. Cornwell and Coote (2005) examined a related construct, consumers' identification with a sponsored cause, finding that consumers tend to develop greater purchase intentions toward a sponsor's product if they are highly identified with the cause. Through interviews with participants of a cause-related fitness event supporting breast cancer, Scott and Solomon (2003) identified the linkage among cause involvement, goodwill, and positive response to corporate sponsorship. The researchers demonstrated that personal involvement with the cause (i.e., breast cancer) and the perceived personal and social benefits of the event were main reasons for participating in the event. In addition, some participants "commended the

corporate participation and expressed gratitude for sponsorship generosity” (Scott & Solomon, 2003, p. 58).

Furthermore, the findings of Drumwright (1996) implied that the important role of cause involvement identified among consumers (Cornwell & Coote, 2005; Grau & Folse, 2007; Scott & Solomon, 2003) is applicable to employees. By conducting interviews with employees of companies engaging in different cause sponsorship campaigns, the researcher found that employees who had high affinity for a cause tended to indicate a campaign supporting the cause as successful (Drumwright, 1996). Although the findings of the previous studies seem to suggest the positive association between cause involvement and employees’ beliefs about cause-related sport sponsorship, research has yet to provide direct evidence for this association. Therefore, we tested the second hypothesis:

**H2:** The higher levels of cause involvement employees have, the more positive beliefs the employees develop about cause-related sport sponsorship.

## **Method**

### **Research Setting**

The FESJC is a cause-related sport event held annually in Memphis, Tennessee, in the United States. While the FESJC is a regular professional golf tournament sanctioned by the PGA TOUR, this event also represents a fundraising event for St. Jude, a local non-profit medical organization for pediatric cancer and other catastrophic diseases. Since 1970, the event has generated over \$25 million in donations for St. Jude by conducting various activities that aim to raise the awareness of the cause throughout the tournament week. In previous events, for example, St. Jude patients were featured, and caddies for the tour professionals wore bibs designed by St. Jude patients. Special fundraising events, including music concerts and a pro-am golf tournament, were also conducted at the event venue throughout the tournament week to

increase the interests of event attendees in St. Jude. The event organizers further encouraged players to visit patients during the pre-tournament period and used social media sites to engage fans and raise awareness of St. Jude year round.

The FESJC is sponsored by over 100 companies whose headquarters or offices are located in the Memphis area. The financial investments of these sponsors vary by specific marketing options (e.g., message display on video boards, on-site product exhibition, advertisement on event programs) through which they seek to expose their names and products to event attendees. Along with the event's title sponsor, FedEx, major event sponsors with the largest financial investment include such companies as AutoZone, ServiceMaster, Thomas & Betts, BlueCross BlueShield of Tennessee, and Window World.

As noted, increasing employee engagement in sponsorships through activation efforts is essential for the success of sponsorship linked internal marketing (Farrelly & Greyser, 2012; Rogan, 2008). In the current setting, for example, the title sponsor FedEx promotes and activates the FESJC sponsorship internally by encouraging employees to serve as volunteers during the tournament. Employees volunteering at the event have close access to participants by serving as crowd monitors during the event, are given time off work to do so, and are treated to a volunteer hospitality tent during the tournament where they can bring up to three guests. In addition, the golf course where the FESJC is played is located next to the FedEx headquarters, and the company runs shuttles from their campus to the tournament during the week so that employees can avoid having to park at the event. Consistent with these activation efforts, the majority of employees (65%) included in the sample of this study reported to have volunteered at the 2012 FESJC where the data were collected; this indicates that employees of sponsors including FedEx are highly engaged in the event. Given its status as a cause-related sport event as well as high



employee engagement, the FESJC is an appropriate research setting to examine employees' beliefs about cause-related sport sponsorship.

### **Participants and Data Collection Procedure**

The target population of this study was employees of the corporate sponsors of the 2012 FESJC at the time of data collection. The current study was conducted as part of a large project commissioned by the event organizers to understand attendees' experiences of this event (Inoue & Havard, 2014). The sampling method used was convenience sampling, and a web-based post-event survey was distributed to attendees whose contact information was available in the event organizer's email database (the number of individuals in the database was undisclosed by the organizer) or email lists compiled by the researchers during the event ( $n = 537$ ). Of 732 attendees completing the survey, the final sample of this study included 131 attendees who identified themselves as employees of an event sponsor and provided their responses for all variables used in the main analysis.

Given the use of convenience sampling, the limited generalization of the results based on this sample is a potential limitation of the study. To alleviate this limitation, we adopted a remedy for nonresponse bias, which compares early respondents to late respondents in terms of their demographics and responses to core variables used in the main analysis (Jordan et al, 2011; Miller & Smith, 1983). To perform this procedure, the 131 respondents were rank-ordered based on their survey completion dates. Subsequently, we compared 33 respondents within the 25th percentile to 33 respondents within the 75th percentile with respect to their demographics and other variables. Analyses using chi-square tests and MANOVA did not find significant differences between the two groups in any of the variables examined. These results lessened the concern for nonresponse bias (Jordan et al, 2011; Miller & Smith, 1983), although the limited

generalizability of the study's findings must be acknowledged because the characteristics of the target population were unknown.

A summary of demographic characteristics of the 131 respondents is: 67.2% were male; 35.1% were aged between 55 and 64, 32.1% were between 45 and 54, and 18.3% were between 35 and 44; 83.2% were Caucasian/White and 11.5% were African American; 82.4% were married; 72.5% had at least an undergraduate degree; and 81.7% had an annual household income of more than \$50,000. In addition, of the 131 respondents, 83 indicated their employers in an open-ended question; they worked for 20 different event sponsors with FedEx being the most frequently identified employer (63.9%). The other identified sponsors included major event sponsors listed earlier as well as sponsors with smaller financial investments, such as AutoZone, ServiceMaster, Trustmark National Bank, Brooks Brothers, and Landers Ford. We performed an ANOVA to examine if employment with specific sponsors might affect the respondents' responses to the sponsorship of the 2012 FESJC regarding the dependent variable (i.e., sponsorship beliefs). This analysis failed to find significant results, leading us to exclude the examination of the employer effect from further analyses.

## **Measures**

We identified three multi-item scales (all items measured on a seven-point Likert scale) included in the current analysis from existing research. First, *sport involvement*, which was operationalized as employees' levels of involvement with the sponsored sport (i.e., golf), was measured with three items from a sport involvement scale (Beaton et al, 2011; Ridinger et al, 2012). Second, we measured employees' level of *cause involvement*, or the extent to which they found the sponsored cause (i.e., St. Jude) to be personally important and relevant to them (Grau & Folse, 2007), using three items from a scale developed by Lichtenstein et al (2004). Finally,

employees' beliefs about the sponsorship of the 2012 FESJC were measured with three items adapted from Speed and Thompson's (2000) scale. Because Speed and Thompson developed the scale to measure regular attendees' (i.e., non-employees) beliefs about how the sponsorship of a sport event influenced their attitudes toward the event sponsor, we modified the wording of the items to be aligned with the investigation of employees. The three items were designed to collectively measure employees' beliefs about how the sponsorship of FESJC positively influenced the affective (i.e., feeling more favorable toward the company), cognitive (i.e., improving the perception of the company), and behavioral (i.e., more likely to stay with the company) aspects of their attitudes toward their company.

**Reliability and validity assessment.** After the data collection, we assessed the psychometric properties of the three scales through a confirmatory factor analysis (CFA) using Mplus 7.0. The maximum likelihood estimation with robust standard errors (MLR) was employed as an estimation method to address the potential violation of multivariate normality (Muthén & Muthén, 1998-2012). The analysis supported the overall fit of the measurement model,  $\chi^2(24) = 34.21$  ( $p = .08$ ), CFI = .97, RMSEA = .06, SRMR = .06. In addition, all scales exceeded the recommended level of .70 for construct reliability (CR) and .50 for average variance extracted (AVE), demonstrating adequate reliability and convergent validity (Fornell & Lacker, 1981; Hair et al, 1998; see Table 1). As for correlations, sponsorship beliefs had a significant positive correlation with cause involvement ( $r = .54, p < .001$ ), but non-significant correlation with sport involvement ( $r = .13, p = .25$ ); in addition, non-significant correlation was found between sport involvement and cause involvement ( $r = -.02, p = .84$ ). Based on these correlations, the AVE value of each scale was greater than the square of its correlation with any

others scales, supporting discriminant validity (Fornell & Lacker, 1981). The collective results provided evidence for the reliability and validity of the three scales.

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## **Analysis**

A multiple regression analysis was performed to test the hypotheses. This analysis included the composite scores of sport involvement and cause involvement as the independent variables and the composite scores of sponsorship beliefs as the dependent variable. Before the regression analysis, we conducted preliminary analysis using ANOVA, and confirmed that none of the demographic and socio-demographic variables measured had a significant effect on sponsorship beliefs. Therefore, these variables were excluded from the regression analysis.

## **Results**

Descriptive results support the efficacy of cause-related sport sponsorship in inducing positive responses among employees. According to the frequency analysis of the three items for sponsorship beliefs, 88.6% of the 131 respondents agreed or strongly agreed that the sponsorship of the 2012 FESJC made them feel more favorable toward their companies; 81.7% agreed or strongly agreed that this sponsorship improved their perception of their companies; and 64.2% agreed or strongly agreed that this sponsorship would make them more likely to stay with their companies. Furthermore, the mean composite score of this scale was 6.18 ( $SD = 1.11$ ) where the maximum possible score was 7. As for the remaining variables, sport involvement had a mean of 5.32 ( $SD = 1.53$ ), and cause involvement had a mean of 6.34 ( $SD = .83$ ) (for both, the maximum possible score was 7).

Regarding the testing of the hypotheses, the regression model explained approximately one fourth of the variance in sponsorship beliefs,  $R^2 = .24$ ,  $p < .001$ . Specifically, cause involvement had a significant positive association with sponsorship beliefs ( $\beta = .48$ ,  $t = 6.17$ ,  $p < .001$ ), whereas sport involvement had a non-significant association ( $\beta = .08$ ,  $t = 1.08$ ,  $p = .28$ ). These results rejected H1, but supported H2.

### **Discussion**

This study demonstrates how employees would form their beliefs about their companies' sponsorship of a cause-related sport event by focusing on the main effects of their involvement with sport and cause. A unique contribution of this study relates to the non-significant effect of sport involvement on employees' sponsorship beliefs. Although the study participants generally believed that their companies' sponsorship of the 2012 FESJC was an effective internal marketing strategy, such beliefs were unaffected by their psychological connection with the sponsored sport (i.e., golf). This finding contradicts the existing literature on sponsorship linked internal marketing that has focused on the role of sport in understanding employees' assessment of sport sponsorship (Hickman et al, 2005; Zepf, 2008). Specifically, despite the prevailing logic that companies can enhance the perception of goodwill by sponsoring sport that is important to their employees (Meenaghan, 2001; Zepf, 2008), we find that this logic does not apply to cause-related sport sponsorship, a unique type of sport sponsorship closely affiliated with a cause (Irwin et al, 2003). Our finding contributes to the literature by indicating that how employees evaluate cause-related sport sponsorship may be different from their evaluation process of traditional sport sponsorship without the cause affiliation. This finding highlights the need to conduct further internal marketing research specific to cause-related sport sponsorship.

In addition, the finding that cause involvement has a significant effect on employees' beliefs confirms previous studies indicating the important role of the cause affiliation in cause sponsorship for both consumers (Cornwell & Coote, 2005; Grau & Fölse, 2007; Scott & Solomon) and employees (Drumwright, 1996). This finding is noteworthy because cause involvement alone explained a large amount of the variance in employees' beliefs ( $R^2 = .24$ ), while none of the demographic and socio-demographic characteristics of the employees were related to the outcome. Furthermore, the standardized regression coefficient of cause involvement identified in this study ( $\beta = .48$ ) is comparable to the standardized coefficient for the effect of cause identification on consumer intention to purchase products linked to the cause found in Cornwell and Coote (2005;  $\beta = .54$ ). Therefore, the finding of this study reveals that, similar to the consumer context, the company can enjoy internal marketing benefits from its cause-related sport sponsorship when the affiliated cause is important for its employees.

Collectively, the results from the two hypotheses indicate that employees perceive the benefits of cause-related sport sponsorship from its cause affiliation, but *not* from its sport affiliation. These results diverge from our presumption based on the literature on sponsorship linked internal marketing (Hickman et al, 2005; Zepf, 2008). Yet the results are consistent with Meenaghan's (2001) findings from a focus group of consumers that the sponsorship of a cause generates a higher level of goodwill than do other categories of sponsorship, including sport sponsorship. The results can also be explained from Plewa and Quester's (2011) conceptual work on the link between sport sponsorship and corporate social responsibility (CSR), or "(corporate) actions that appear to further some social good" (McWilliams & Siegel, 2000, p. 117). According to Plewa and Quester, although increasing employees' perception of CSR is essential to establish the relationship between sport sponsorship and internal marketing benefits (e.g.,

employee retention), the mere sponsorship of a regular sport event has little effect on the perception of CSR; instead, companies must “choose a specific event of particular relevance to the community” (p. 305), such as a cause-related sport event, to link their sponsorship with CSR. Therefore, if employees see cause-related sport sponsorship as part of their company’s CSR, then they are likely to assess the level of goodwill generated from the sponsorship based on the extent to which the sponsored cause, rather than the sponsored sport, is important and relevant to them and the community.

This study carries implications for corporations engaging in cause-related sport sponsorship, particularly those utilizing the sponsorship as an internal marketing resource. That only cause involvement results in positive beliefs about cause-related sport sponsorship suggests that companies first solicit input from employees as to the causes, but not sports, of greatest interest. Subsequently, a company should identify employees highly involved with the selected cause and engage them in determining opportunities for leveraging the company’s sponsorship to genuinely benefit the cause (e.g., awareness, donations, volunteering). Furthermore, corporate sponsors can reinforce employees’ cause involvement in ways that allow them to display their association with the cause to other event attendees. For example, corporations could offer the employee some type of promotional material, possibly a pin or message to be worn on his or her apparel that indicates their involvement with the cause (e.g., “we support St. Jude”). Providing employees with associative material allows the employees to display their involvement with the cause, thereby eliciting their positive beliefs about the cause-related sport sponsorship of the company.

Although the results of this study are based on data collected from employees attending a cause-related sport event, research on sponsorship linked internal marketing suggests that a

company's sponsorship affects employees' evaluation even if they do not directly experience the sponsorship through event attendance (Hickman et al, 2005; Zepf, 2008). Therefore, the current results can provide companies with insight on how they should communicate their cause-related sport sponsorship to non-attending employees. Specifically, using various internal communication channels (e.g., corporate websites, newsletters), a company should provide its employees, regardless of whether or not they are located near the event site, with messages about the importance of the cause affiliated with a cause-related sport event as well as the ways of supporting the cause without attending the event. This should help employees develop their psychological connection with the cause, leading them to evaluate the cause-related sport sponsorship positively.

### **Limitations and Future Research**

Our findings are subject to several limitations. The first limitation is the use of reduced scales to measure variables included in the analyses. Because this study was conducted as part of a commissioned survey that included items from various scales for assessing attendees' event experience, we selected a few items from each scale to address potential reductions in the response rate and response quality associated with a lengthy survey (Deukens et al, 2004). To ensure that the selected items would appropriately represent their original scales, we carefully selected the items based on the criteria of judgmental item qualities, such as items' quality of expression and their relevancy to the research context (Stanton et al, 2002). As reported in the method, we also confirmed the psychometric properties of all three multi-item scales through a CFA. We, however, recognize the possibility that the exclusion of items might have led to reducing the ability of this study to capture some important information relating to the variables.



The second limitation is the exclusion of employees who did not attend the event from the sample. Examining only employees attending the event can be justified because employees perceive greater benefits from a sponsorship when they participate in the sponsorship than when they do not (Pichot et al, 2008). In addition, our examination of participating employees can provide companies with implications for the ways of communicating cause-related sport sponsorship to non-participating employees. Nevertheless, future research should be able to provide broader implications by examining how employees' evaluation of cause-related sport sponsorship, as well as the roles of sport and cause involvement in determining their evaluation, differs by their level of participation (e.g., attending vs. non-attending) in the sponsorship.

The third limitation is the limited external validity of our results. Although we addressed nonresponse bias (Jordan et al, 2011; Miller & Smith, 1983), the generalizability of the current results to the population is limited by the use of convenience sampling. In addition, because we conducted this study at the event having a well-established relationship with the cause, one remaining question is how the effects of sport and cause involvement differ for a newer cause-related sport event. Another important question is whether the strong effect of cause involvement is observed for the sponsorship of sport organizations' community involvement activities, the second identified type of cause-related sport sponsorship (Fortunato, 2009). Future studies should address these questions by conducting field surveys at different cause-related sport sponsorships or by using experimental designs. As an example of the latter, researchers can conduct experimental studies with fictitious press releases to test whether the current results are replicable for cause-related sport sponsorships described to be associated with different sports and causes.

Along with addressing the limitations above, future research should search additional independent variables that influence employees' beliefs about cause-related sport sponsorship. This is because a large variance in the dependent variable was left unexplained by the variables examined in this study. For example, the perceived congruence between a sponsor and a cause-related sport event may serve as a significant determinant, given its identified role in the consumer context (Cornwell et al, 2005). Moreover, future studies can extend the current findings by testing the direct effects of both sport and cause involvement on other important employee outcomes, such as organizational identification and service quality (Khan & Stanton, 2010).

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**Table 1** Descriptive Statistics, Standardized Factor Loadings, Construct Reliability Coefficients, and Average Variance Extracted for the Measurement Model

Items	M	SD	$\beta$	CR	AVE
<b>Sport Involvement</b>	<b>5.32</b>	<b>1.53</b>		<b>.89</b>	<b>.74</b>
1. I really enjoy following golf.	6.11	1.35	.76		
2. Golf has a central role in my life.	5.11	1.79	.91		
3. Being a golf fan says a lot about who I am.	4.73	1.89	.90		
<b>Cause Involvement</b>	<b>6.34</b>	<b>.83</b>		<b>.77</b>	<b>.53</b>
1. Supporting St. Jude is important to me.	6.65	.72	.72		
2. I could see myself donating some of my time to supporting St. Jude	6.18	1.17	.70		
3. I can identify with St. Jude.	6.18	1.09	.77		
<b>Sponsorship Beliefs</b>	<b>6.18</b>	<b>1.11</b>		<b>.89</b>	<b>.72</b>
1. The sponsorship of the FESJC made me feel more favorable toward my company.	6.50	.94	.86		
2. The sponsorship of the FESJC improved my perception of my company.	6.27	1.16	.92		
3. The sponsorship of the FESJC would make me more likely to stay with my company.	5.77	1.59	.76		

*Note.*  $N = 131$ ; All items were measured on a 7-point Likert scale ranging from *strongly disagree* (1) to *strongly agree* (7); All standardized factor loadings were significant ( $p < .001$ ); M = Mean; SD = standard deviation;  $\beta$  = Standardized factor loadings; CR = Construct reliability coefficients; AVE = Average variance extracted.