

Company partnerships may have in-house ramifications

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When companies partner with a sports team or a charity, the deal is usually about attracting consumers and strengthening their brands. Inside a company, however, what happens to employee allegiance?

That's the question raised in a conceptual paper written by researchers of the University of Oregon and two United Kingdom universities and published online ahead of print in *Academy of Management Review*, a journal that attempts to clarify or challenge existing organizational theory.

"A [company](#)'s sponsorship partner may be something that I, as an [employee](#), am not keen on, but I understand it is good for the company and supports sales," said T. Bettina Cornwell, professor and head of the UO's Department of Marketing. "Or I could say that I love the sponsorship agreement and everything about it. Or, I might say, I hate this deal and it violates everything I stand for."

That sense of organizational identity, she said, may play a role in whether an employee stays or goes, and companies may want to consider how such outward-facing lateral partnerships affect their own human resources.

In North America, 70 per cent of sponsor partnerships are in sports. Entertainment-related deals run a distant second. In 2015, 122 U.S. companies spent more than \$15 million each on partnerships.

Worldwide, [partnership](#) spending was expected to exceed \$62 billion in

2017.

The new study probes, through a review of available studies and theory, how these horizontal partnerships affect the [organizational identification](#) of employees - how does a deal influence the overlap of an individual employee's sense of self, loyalty to and value with the organization.

"The study focuses on how an employee's organizational identification is naturally entwined with these horizontal relations," said co-author Jennifer Howard-Grenville, a professor at the University of Cambridge. "We knew anecdotally that some employees—particularly new recruits—might identify more with the events or sports teams their bank, for example, sponsors, than with the bank itself. So, we asked how horizontal partnerships bring other aspects of employees' lives into their relationship with their employer."

Cornwell and Howard-Grenville had discussed the idea for such a study three years ago, when Howard-Grenville was a colleague of Cornwell's in the UO Lundquist College of Business. Joining the study was Christian E. Hampel, a former doctoral student of Howard-Grenville who now is with the Imperial College Business School in London.

"We felt that in virtually every study done on horizontal partnerships the lens has always focused on how they relate to consumers," Cornwell said. "What this paper says is that while the internal impacts of sponsoring may be secondary to company strategy, they should probably be an important lens to look through as well."

Such deals, the researchers suggest in the paper, can be strongly positive or destructive.

Partnerships that initially strike employees as unrelated to their organization's core activity may produce a positive effect. An employee

might see a deal as more in line with his or her personal commitments.

Or employees may react negatively to, say, a charitable partnership that supports a cause the employee does not personally champion, or that demands a sense of over-identification, such as through forced volunteering, that may impact the employee's work-home boundary.

A starting point for the study, Cornwell said, was looking at employee congruence, or how an employee initially assesses commitment to a company and how it fits with a chosen external partner.

"When congruence is either high or low, this can trigger an employee to evaluate his sense of self in relation to the employing organization," the researchers wrote in their paper. "High congruence can affirm, while low congruence raises questions about, an employee's understanding of who his organization is."

Low congruence, the researchers found, can result in positive surprises. Toyota's sponsorship of the Paralympics in 2016, the researchers noted, signaled that the company was more inclusive, or trying to be, than previously understood. The deal inspires a perception that could resonate with employees who value diversity and inclusivity and strengthen their bond with the company.

The company's current "Good Odds" Winter Olympics advertisement, which chronicles skier Lauren Woollsencroft's ascendance in advance of the 2018 Paralympics, no doubt is continuing to inspire Toyota employees, Howard-Grenville said.

On the other hand, the researchers noted, congruence can be influenced by the perceived authenticity of a partnership. Kentucky Fried Chicken's "Buckets for the Cure" sponsorship of breast cancer charity Susan G. Komen was widely criticized both internally and externally as

inappropriate since fried foods can contribute to breast cancer.

"It may be possible," Cornwell said, "to burn or build bridges with sponsorships."

More information: *Academy of Management Review*, [DOI: 10.5465/amr.2016.0209](https://doi.org/10.5465/amr.2016.0209) , [amr.aom.org/content/early/2018...r.2016.0209.abstract](https://amr.aom.org/content/early/2018/02/01/amr.2016.0209.abstract)

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