



# Research on the Impact of Corporate Philanthropy on Employer Brand

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## INTRODUCTION

In recent years, China's philanthropy has developed rapidly, and more and more enterprises have devoted themselves to public welfare and charity. As the highest manifestation of corporate social responsibility, charity can improve the distribution pattern of income and wealth. In addition, it is of great significance in organizing market resources, regulating the gap between the rich and the poor, easing social conflicts and promoting social equity. Therefore, it is very necessary for enterprises to develop charity.

As for the research on charitable behavior; Liket & Simaens (2015) believes that corporate philanthropy is divided into multiple levels, including individuals, organizations, institutions and the combination of these different levels. From different levels, corporate philanthropy has different motivations, implementation methods, and social consequences. However, most of the current researches on corporate philanthropy at the individual level focus on the decision-making of senior leaders, while few researches on employees of enterprises. Employees are important internal stakeholders of an enterprise. Employer brand is the result of employee relationship, corporate culture and business strategy, and it is a significant feature that distinguishes a company from its competitors and a key factor for an enterprise to gain competitiveness in the labor market. Employer brand plays an important role in attracting potential employees and retaining existing employees.

At present, most academic studies mainly focus on the motivation and economic consequences of charitable donation, and relatively few studies on the relationship between corporate philanthropy and employer brand. Therefore, this paper carries out an empirical study on the influence of corporate philanthropy on employer brand and its influence mechanism. In this paper, a-share listed companies in 2020 are selected as research samples to empirically analyze the relationship between corporate philanthropy and employer brand. Based on the signaling theory, advertising input is introduced as a moderating variable to verify its impact on the relationship between corporate philanthropy and employer brand. This paper provides a new idea for enterprises to formulate charity strategic plan and marketing strategy.

## RESEARCH METHOD AND MAIN PROCESS

Based on the theory of enterprise value chain and signal transmission theory, the following hypotheses are put forward:

H1: Corporate philanthropy has a positive impact on employer brands.

H2: Advertising investment will enhance and regulate the positive impact of corporate philanthropy on employer brand.

To study the impact of corporate philanthropy on employer brand, this paper collects employer brand data for 2020 and corporate philanthropy data for 2018 for empirical research. Descriptive statistical analysis, correlation coefficient analysis and regression analysis of data are carried out with STATA software.

## RESULTS AND ANALYSIS

The empirical results show that: (1) there is a significant positive correlation between the operating years of corporate charitable foundations and employer brand, that is, the longer the establishment of charitable foundations, the stronger the positive impact on employer brand. (2) Advertising investment has a significant positive impact on employer brand. (3) When enterprises make charitable donations and invest in advertising at the same time, it will have a negative impact on the employer brand.

In view of the conclusion (3), the attribution theory shows that enterprise independently advertising and marketing, will improve enterprise's popularity, make enterprise potential employees and other external stakeholders of corporate culture and value concept, has certain positive understanding, but when the charitable donations to appear at the same time, would be considered more high-profile enterprise, to question the motives of the charity, It is hypocritical to suggest that companies engage in philanthropic activities for marketing purposes, and thus negatively impact the employer's brand.

## CONCLUSION

From this paper, we can conclude that charitable foundations help companies build employer brands. In addition, to avoid malicious speculation about charitable motives that negatively affect the employer's brand, companies should pay attention to the planning of charity strategy and advertising marketing strategy.

Therefore, enterprises should consider employees' perception when carrying out philanthropic strategic planning, adopt appropriate philanthropic behavior to assist in building a strong employer brand, improve employees' sense of identity with the organization, and build talent base for the sustainable development of enterprises.

This paper provides a new idea for corporate philanthropy strategic planning and employer brand building. In addition, the enterprise should also consider the exposure and evaluation brought by the enterprise's advertising marketing, and masters the degree of advertising investment, so that the good deeds of the enterprise can be repaid.