



Analysis of the Impact of Strategic Charitable Giving on the Business Performance of Chinese-listed Companies

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Abstract: Chinese publicly traded firms have a social duty, and many actively contribute to society through strategic philanthropic gifts, enhancing their visibility and competitiveness and enabling them to achieve their commercial objectives more effectively. The author analyzes the impact of strategic philanthropic donations of listed companies on business performance, explains the relative relationship between charitable contributions and business performance, and offers insights on balancing the two to provide implications for the long-term implementation of strategic philanthropic donations of listed companies.

Keywords: Chinese listed companies, strategic philanthropic giving; business performance

Introduction

On the one hand, publicly listed companies' philanthropic giving methods symbolize their social responsibility. Additionally, it significantly impacts the firm's appeal, social recognition, and consumer confidence in the brand. Publicly traded companies must incorporate philanthropic giving into their strategic objectives, adhere to the path of sustainable development, implement philanthropic providing following the business environment, strike a balance between philanthropic giving and business performance, institutionalize long-term charitable giving, and keep pace with social development and corporate growth. This will help businesses to fulfill their social responsibilities while advertising their business more effectively. Development.

1. Strategic charitable giving and business performance of its definition

The term "strategic charitable giving" refers to a type of corporate philanthropic activity that is beneficial on both the social and economic fronts and has the potential to have a favorable influence on the business environment in which companies operate. It focuses on enhancing the competitive environment, and by concentrating on those environmental factors that are most important to the industry as well as the strategy of the company, businesses will be able to leverage their one-of-a-kind capabilities to assist in the production of more outstanding value for the people who will be receiving their donations. Strategic charitable giving has a more profound impact on corporate operations. It can contribute to achieving corporate goals through implementing a forward-looking strategy, particularly for listed companies, which are influential, prominent, and involve a large number of shareholders.

The term "business performance" refers to the level of operational efficiency and individual employee performance achieved by an organization during a given period. It is also the most direct expression of the operation, stated in terms of profitability, the degree of asset operation, financial solvency, and the capability to continue the firm's expansion. The performance of a company's operations is frequently reflected in financial metrics. In contrast, using a single economic indicator as a business measurement tool is inaccurate. This is especially true for publicly traded companies, which have a more significant number of shareholders, each of whom has a social responsibility. Public opinion directly influences how businesses are run. As is the case with strategic donations, the intuitive economic returns are restricted to some form of tax relief but more indirectly promote the enterprise in the form of value-added in the brand, social attention, reputation, etc., and then derived from attracting exceptional talent, increasing the sense of belonging and cohesion among employees, and thereby promoting the environmentally responsible growth of the enterprise's operations.

2. Impact of Strategic Charitable Giving on Business Performance

Strategic corporate philanthropy has two effects on the financial performance of publicly traded firms. On the one hand, charity giving is free for the direct cost of expenditure, which affects the enterprise's net profit; on the other hand,

strategic giving behavior requires a committed individual to plan, manage, and implement, which will incur costs in terms of people and material resources. On the other hand, strategic charitable donations can improve corporate reputation and increase the positive corporate image, making it easier to obtain cooperation opportunities and consumer trust; concurrently, philanthropic donations increase corporate visibility and are favored by more exceptional young talents, providing a talent pool for corporate development and promoting the sustainable development of the company.

2.1 The positive image impact of strategic charitable giving on listed companies

The level of philanthropy's growth is indicative of the advancement of social civilization. The strategic philanthropic contributions of publicly traded firms can encourage the redistribution of wealth and resources among various social classes, improve the general welfare level of society, assume responsibility for the community's growth, and generate a favorable company image. [Bibliography required] Giving strategically to charitable causes is essential not just to fulfill the demands of social development and economic globalization but also as the basis for the long-term success of enterprises. Long-term, the publicly traded corporation assumes specific social duties, such as charitable gifts. This is fundamentally a long-term self-beneficial behavior that is conducive to providing a harmonious external environment for the enterprise, attracting exceptional talent, regulating corporate behavior, and enhancing internal management through the cooperation and supervision of society to increase the economic efficiency of a publicly traded company.

2.2 Strategic charitable giving optimizes the relationship between enterprises and the government

The competent government authorities monitor the operation of publicly traded companies, and a clear and unobstructed communication channel may aid in improving the business environment and ensuring the efficient running of businesses. Strategic charitable donations, on the one hand, are a positive response to the donation activities advocated by the government, such as earthquakes, floods, and other natural disasters; on the other hand, in the process of implementing charitable donations, listed companies strengthen the cooperation with the government by strategizing their donations, and maintain a smooth co As a consequence, the exposure and awareness of listed organizations, as well as their strength and competitive edge, will increase, as will their total business success.

2.3 Strategic charitable giving helps enterprises to gain economic benefits

The positive effect that intentional charity giving has on an organization's business operation is not always seen immediately. Despite this, expanding the economic advantages that firms receive over time is advantageous. The willingness of businesses to take on social responsibility and the strength of their corporate development can be demonstrated through charitable donations. As a result, these businesses enjoy more significant levels of trust from investors and consumers, and their products are more likely to be recognized by consumers. For example, domestic sports brand enterprises that have been recognized for their charitable donations have received widespread social attention and rapid recognition from consumers. Within a short period, the enterprise's popularity and sales have increased. Its popularity and sales skyrocketed in a concise amount of time, which resulted in considerable increases in the company's economic benefits. Clearly, strategic charity giving by Chinese publicly traded firms is more favorable to their economic benefits and helps foster the constant improvement of corporate operations.

2.4 Strategic charitable giving helps build a corporate culture

When it comes to the growth of publicly traded firms, a healthy corporate culture is key to fostering progress but also the soul of the organization. Strategic charitable donations help show the sense of responsibility and mission of the company, make the culture of the company rich and enriching, make every employee take the development of society as their responsibility, enhance the centripetal force and attraction of the company, and cast the soul for the development of the company; at the same time, good culture construction attracts more excellent talents, gives full play to their wisdom, and helps the development of the company. [Cast the soul for the development of the company]; Giving strategically to charities may therefore provide impetus and vigor to creating corporate culture, which is beneficial to increasing the business performance of corporations.

3. Thinking about the impact of strategic charitable giving on business performance

The strategic charitable giving behavior of listed companies involves many shareholders. Therefore, the implementation should be integrated, balancing multiple elements to improve business performance while fulfilling social responsibility. First of all, the state has supported the relevant tax system for charitable donations in terms of tax incentives and deductions. Listed companies should actively understand the tax policies of philanthropic donations by strengthening the training of financial staff and active communication with the tax department, and open up tax relief channels to reduce the corresponding tax

costs of the enterprise itself while implementing charitable donations, to improve the business performance of the enterprise . . . Secondly, listed companies should set up particular institutions and personnel to study strategic charitable donations, institutionalize and make long-term donations, coordinate and weigh the donation amount, donation methods, donation types, etc., balance the relationship between various stakeholders, ensure the smooth implementation of charitable donations and promote the development of corporate performance at the same time. Finally, the strategic charitable donations of listed companies need to be scientific and standardized, not dominated by the subjective factors of a particular person, but through the model of the conditions stipulated in the corporate system and the discussion and decision of the decision-making level of the company to find a balance point for charitable donations, to fulfill social responsibility through strategic charitable donations while bringing direct and indirect economic benefits, and to help the growth of contributions through the expansion of monetary benefits. The development of economic benefits will contribute to the sustainable implementation of the donation.

Conclusion

The strategic charitable giving activities of Chinese listed companies have a multifaceted impact on the business performance of enterprises. For listed companies, scientific and reasonable strategic philanthropic giving has a direct and indirect effect on the business performance of enterprises, both from the perspective of social responsibility and long-term corporate development. Therefore, Chinese listed companies should participate more actively in charitable giving activities, which can help society to solve some urgent problems and also enhance the social recognition of the enterprise. In addition, listed companies should institutionalize and scientific their charitable giving behavior and regulate the donation policy and donation amount through particular institutions and personnel to balance the relationship between donation behavior and corporate business performance, promote the sustainable development of enterprises, and steadily implement strategic charitable giving behavior.

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