

# The Mediating Effect of Corporate Reputation on Perceived Corporate Social Responsibility and Job Intention of Potential Employees in China

Wei Yang\*, Sarana Photchanachan\*\*, Pensri Bangbon\*\*\*

Shinawatra University

Received: March 23, 2022 Revised: February 13, 2024 Accepted: May 8, 2024

## Abstract

In recent years, research on CSR has attracted more and more attention from all walks of life. Existing studies have well supported the view that corporations should fulfill social responsibility and gradually turned to the research on the relationship between CSR and stakeholders, forming a rich theoretical basis and experience summarization. However, as a special stakeholder of potential employees, the research on the relationship between job intention of potential employees and CSR, especially the influence of mentally perceived CSR on job intention, and the role of corporate reputation in it is still very limited. This study attempts to answer this question through in-depth analysis and provide support for research in related fields. This study uses a quantitative analysis research method. The primary data collection is mainly collected by questionnaire survey, using the perceived CSR, job intention of potential employees, and corporate reputation as variables, using the mature scale to design the questionnaire, and using the Likert 5-level scale to measure the relevant variables. By random sampling, 418 valid questionnaires were distributed and recovered. Descriptive statistical analysis, reliability and validity test, confirmatory factor analysis, regression analysis, and mediating effect analysis were used. The data were processed and analyzed by SPSS and AMOS statistical analysis software. The results of this research were indicated that the model of the relationship between perceived CSR, corporate reputation, and job intention of potential employees had a significant positive correlation between perceived CSR and job intention of potential, between perceived CSR and corporate reputation, and between corporate reputation and job intention of potential employees. And corporate reputation had a mediating effect on the relationship between perceived CSR and the job intention of potential employees. This research can expand the research horizon of related fields in theory and can guide CSR behavior in practice, which has research value. However, due to the limited sample size, further testing is required.

**Keywords:** Perceived CSR, Potential Employees, Job Intention, Corporate Reputation

## Introduction

In recent years, the research on corporate social responsibility (CSR) has attracted more and more attention from the academic community and has gradually been implemented in corporations. Research has found that some corporations have taken CSR as an important part of the corporate development strategy and have begun to formulate a clear strategic direction for social responsibility (Gao, 2018), establish a sustainable CSR strategic design and communication strategy (Kim, 2011), and begin to enhance corporate integrity transparency (Holladay, 2014), establish a mechanism for communication and dialogue with stakeholders (O'riordan & Fairbrass, 2008), attach importance to communication with consumers and the public, and enhance corporate competitiveness through effective communication of social responsibility (Xin, 2009). From the perspective of long-term development, CSR performance can enhance their competitiveness in the labor market, increase employees' sense of identity with the corporation, and become an effective way for the corporation to maintain a positive relationship with its employees (Kim, Lee, Lee & Kim, 2010).

Potential employees are important corporate stakeholders. With the advancement of economic globalization, talents are playing an increasingly important role in corporate competition (Rabbi, Ahad, Kousar, &Ali, 2015). More and more corporations have begun to actively promote their social responsibility information to potential employees, making them perceived CSR, in order to increase their attractiveness (Lis, 2012). Once the corporate reputation is cultivated and established, it can bring more identity to potential employees, and ultimately better performance for the corporation, enabling the corporation to develop in the long term (Helm, 2011).

In this context, it is of great value to discuss the issues related to perceived CSR and potential employees' job search intentions. It can not only extend the research horizon of CSR in theory but also promote the deepening and enrichment of research in related fields. In practice, it can also guide the corporation to better formulate development strategies, combine CSR performance with human resource management, and enhance the corporate reputation and talent attraction. At the same time, the research on the job-hunting intentions of perceived CSR and potential employees will enable the corporation to increase its enthusiasm for fulfilling and publicizing its social responsibilities, enhance the scientific nature of the government's guidance of the corporation, and ultimately benefit the society and the public.

## Literature Review

"Perception" is a series of processes in which consciousness perceives, feels, pays attention, and perceives internal and external information. It not only accepts information,

but is also affected by psychological effects, processes information in an organized manner, and understands and recognizes the existence of things. Perceived CSR refers to employee subjective perception of the results of a corporate fulfillment of social responsibility (Turder, 2009), which has a positive impact on employees' attitudes such as job satisfaction and emotional commitment (Roeck & Delobbe, 2012).

Chen and Yang (2012) believe that job intention can significantly predict the frequency, intensity, and nature of job hunting. Yang (2008) believes that job intention means that the public makes career planning for themselves according to their own hobbies and abilities, and clearly identifies the occupations they want to engage in, so as to find suitable jobs in a targeted way.

Fombrun (1996) has the most widely used definition of reputation in the business field. He believes that corporate reputation is based on the prediction of past behaviors and future prospects of the corporate. The corporate attraction to all stakeholders over its competitors. Hall (1992) believes that reputation consists of cognition and emotion, and corporate reputation is composed of rational cognition and emotional inclination of many individuals to the corporation.

According to attribution theory, since CSR egoistic attribution makes it impossible for employees to expect whether a corporation will continue to perform CSR in the future, the effect of perceived CSR on employee attitudes is not affected by CSR egoistic attribution. Based on this, the more employees attribute a corporate performance of CSR to altruism, the stronger the positive effect of perceived CSR on employee's job satisfaction and emotional commitment (Weiner, 1985). Therefore, potential employees feel the working conditions and welfare of corporate employees and the corporate sense of responsibility to the environment, society, consumers and other groups belong to altruistic attribution, and the job intention of potential Employees have a significant impact.

The formation of corporate reputation is a complex process of social cognition, which involves the flow and effect of CSR among various stakeholders. Cognition and information dissemination play an important role in the formation of reputation (Ravasi, Rindova, Etter & Cornelissen, 2018). CSR is an important driver of corporate reputation and can create economic value for the corporation over time. In the relationship between CSR and corporate reputation, stakeholder perceptions and evaluations are crucial.

The most critical, strategic, and enduring asset a corporation has is its reputation (Cravens, Oliver & Ramamoorti, 2003). A good corporate reputation is a positive signal to potential employees, which conveys trustworthiness, responsibility, high quality, and the pursuit of excellence to potential employees. Due to information asymmetry, potential employees infer corporate working conditions or environment based on corporate reputation. Because potential employees often cannot have a very deep understanding

of a corporation, they will use their understanding of reputation and their own experience as guidance job intention. A good corporate reputation can play the function of signal identification and help the corporation attract better potential employees in the market.

Reputation is a kind of social evaluation or social cognition. Corporate reputation is crucial for cultivating stakeholder relationships, especially for regaining public trust (Helm, 2011). Social cognition is prone to the deviation of set effect and halo effect. For a corporation with a good reputation, once the social evaluation is formed, it will be relatively stable, and people's evaluation of the current situation of the corporation will be influenced by the past cognition and produce a set effect. Once the corporation leaves a very good impression on stakeholders, under the influence of this impression, stakeholders may be more willing to believe that the corporation will undertake CSR, while questioning or selectively ignoring the authenticity of negative CSR. Thus, a corporation with a good reputation is more likely to resist damaging information and vice versa.

Therefore, this research proposes the following hypotheses:

H1: Perceived CSR is positively correlated with the job intention of potential employees.

H2: Perceived CSR is positively correlated with corporate reputation.

H3: Corporate reputation is positively correlated with the job intention of potential employees.

H4: Corporate reputation has a mediating effect on the relationship between perceived CSR and the job intention of potential employees.

The research framework is shown in Figure 1.

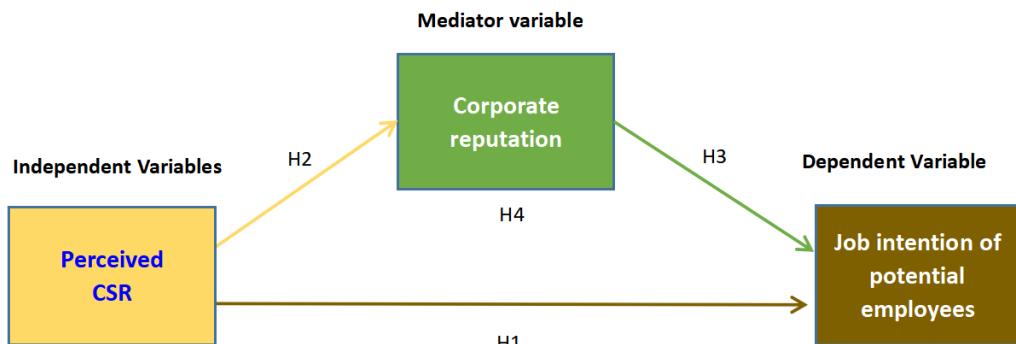


Figure 1: Conceptual Framework

## Methodology

This study mainly adopts quantitative research method. A questionnaire survey was mainly used to collect data. The population of this study is the potential employees, mainly graduates of ordinary colleges and universities in China. In 2021, there will be 9 million college graduates in China. There are 68 colleges and universities in Chongqing,

including world-class universities, world-class disciplines, regular undergraduate, junior college, and adult colleges and universities. The distribution structure and educational level of universities in Chongqing are typical for the whole situation of China.

Before the scale design, this study collected, read, and analyzed a large number of relevant literatures, defined the key concepts in the study on the basis of summarizing previous studies and determined the measurement items according to the operational definition of each variable. Variables in this study were measured by items. Among them, perceived CSR, corporate reputation and job intention all have relatively mature scales

In order to compare with the previous research conclusions, this research basically follows the existing scale, only the same or similar measurement items in the scale is combined and summarized, and the items are controlled according to the core view of this research and the research environment Adjust within the range. Taking into account that many subjects are not very sensitive to language words, the measurement of variables adopts the Likert 5-level scale.

This study randomly selected 10 universities in Chongqing, China. The researchers conducted the survey at 10 universities. Each university randomly sampled about 50 people, all senior students or graduates of that university. Affected by COVID-19, the questionnaire was distributed in the form of the online questionnaire. Finally, 418 valid electronic questionnaires were collected in this study.

After data collection, we use SPSS to perform descriptive statistics to analyze and explain the personal profile of the respondents. In addition, we use reliability analysis and validity analysis to test the reliability of the scale and the consistency of measurement results and characteristics. This study directly uses AMOS to carry out confirmatory factor analysis to test the measurement model of each latent variable. Finally, SPSS was used to analyze correlation analysis and mediating effect analysis.

## Results

### 1. Descriptive Statistical Analysis

As shown in Table 1, there are 418 interviewees in this questionnaire survey, among which 214 are males, accounting for 51.2%. There were 204 females, accounting for 48.8%, and the proportion of males was slightly higher than that of females. The age of interviewees is mainly between 21 and 25 years old, accounting for 82.8% of the total sample. Most of the interviewees have good educational background, and the interviewees with bachelor degree or above account for 79.2% of the total sample.

**Table 1:** Research Sample of Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
male	214	51.2	51.2	51.2
Valid female	204	48.8	48.8	100.0
Total	418	100.0	100.0	

## 2. Reliability and Validity Analysis

As shown in Table 2, the Cronbach's Alpha value of Perceived CSR is greater than 0.9, indicating that the reliability is very satisfactory. The Cronbach's Alpha value of Corporate Reputation is greater than 0.8, indicating that the reliability is very good. The Cronbach's Alpha value of Job Intention is greater than 0.9, indicating that the reliability is very satisfactory.

**Table 2:** Reliability Statistics

	Cronbach's	
	Alpha	N of Items
Perceived CSR	.967	17
Corporate Reputation	.883	4
Job Intention	.930	4
CSR Awareness	.956	10
CSR Attention	.939	7
CSR Credibility	.814	4

As shown in Table 3, the KMO value is 0.973 and the validity is very good.  $P=0.000 < 0.05$ , reaching the significance level, passing the Bartlett's test.

**Table 3:** KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.973
Bartlett's Test of Sphericity	Approx. Chi-Square
	df
	1035
	Sig.
	.000

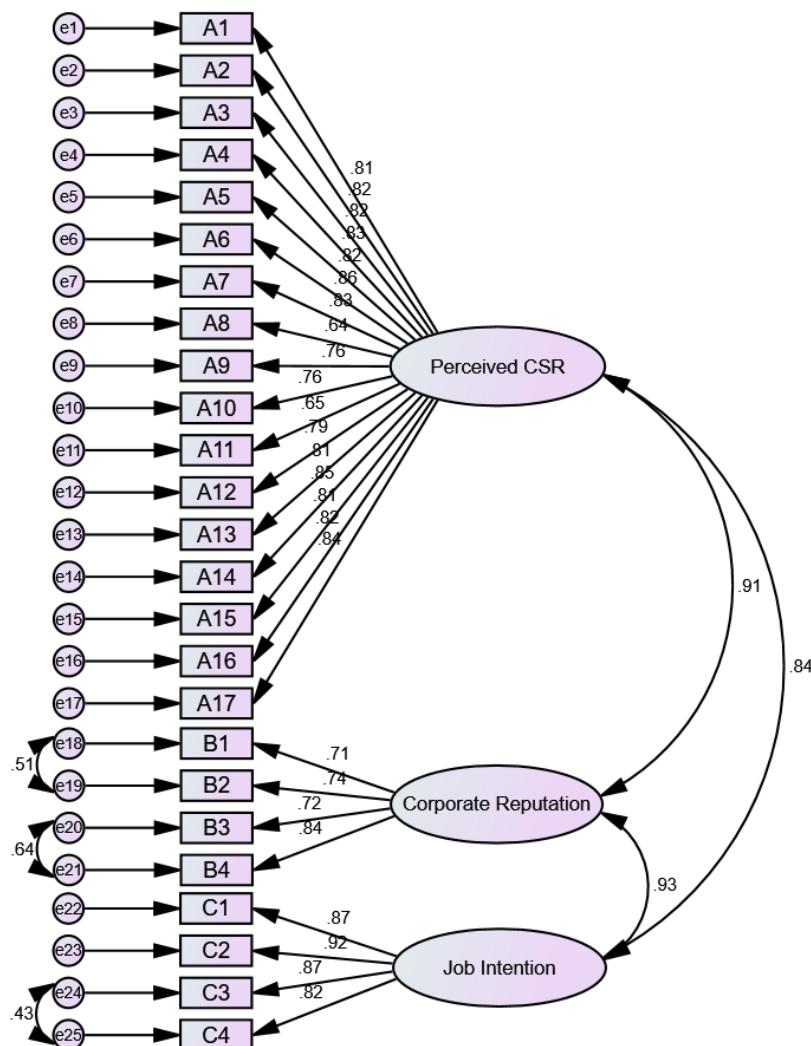
### 3. Confirmatory Factor Analysis

Establish a structural equation model (Figure 2). After calculation, the  $\chi^2/df$  value is 2.543, which is less than the judgment criterion 3. The RMSEA value is 0.061, which is less than the judgment criterion 0.08. The values of NFI, RFI, IFI, TLI, and CFI are all greater than the judgment standard 0.9, indicating that the measurement scale data has good construct validity, as shown in Table 4.

**Table 4:** Structural Equation Model Fit Index

$\chi^2/df$	RMSEA	NFI	RFI	IFI	TLI	CFI
2.543	.061	.932	.924	.958	.953	.958

Figure 2: Structural Equation Model



As shown in Table 5, the AVE values of the three latent variables of perceived CSR, corporate reputation, and job intention are 0.6182, 0.5715, and 0.7590 respectively, which

are all greater than the judgment criterion 0.5, and the CR values are 0.9464, 0.8415, and 0.9264, respectively, which are all greater than judgment standard 0.7. The above indicators show that each item has a strong ability to explain the degree of variation of latent variables, and the overall reliability and internal consistency of each item are high, which meets the requirements of convergent validity, and the measurement scale data has good convergent validity.

**Table 5:** Structural Equation Model Convergence Validity Index

Path			Estimate	AVE	CR
A1	<---	Perceived CSR	0.805		
A2	<---	Perceived CSR	0.823		
A3	<---	Perceived CSR	0.824		
A4	<---	Perceived CSR	0.827		
A5	<---	Perceived CSR	0.824		
A6	<---	Perceived CSR	0.863		
A7	<---	Perceived CSR	0.834		
A8	<---	Perceived CSR	0.640		
A9	<---	Perceived CSR	0.761	0.6182	0.9464
A10	<---	Perceived CSR	0.765		
A11	<---	Perceived CSR	0.647		
A12	<---	Perceived CSR	0.791		
A13	<---	Perceived CSR	0.806		
A14	<---	Perceived CSR	0.848		
A15	<---	Perceived CSR	0.815		
A16	<---	Perceived CSR	0.821		
A17	<---	Perceived CSR	0.838		
B1	<---	Corporate Reputation	0.710		
B2	<---	Corporate Reputation	0.743		
B3	<---	Corporate Reputation	0.724	0.5715	0.8415
B4	<---	Corporate Reputation	0.840		
C1	<---	Job Intention	0.871		
C2	<---	Job Intention	0.923		
C3	<---	Job Intention	0.865	0.7590	0.9264
C4	<---	Job Intention	0.823		

#### 4. Correlation Analysis

As shown in Table 6, perceived CSR shows a significant correlation with corporate reputation and job intention respectively ( $p < 0.01$ ), and the correlation values are higher than 0.8, indicating that perceived CSR has a very close positive correlation with corporate reputation and job intention respectively. Corporate reputation and job intention show a significant correlation ( $p < 0.01$ ), and the correlation value is 0.766, indicating that there is a close positive correlation between corporate reputation and job intention. Therefore, hypothesis H1, H2 and H3 are supported.

**Table 6:** Correlations Analysis

	Meas n	t Deviation	d .Perceived CSR	.Perceived Corporate Reputation	Corporate Reputation	Job Intention	Job Intention
Perceived CSR	3.672	0.926		1			
Corporate Reputation	3.642	0.996		.802**	1		
Job Intention	3.532	1.056		.805**	.766**	1	

\*  $p < 0.05$  \*\*  $p < 0.01$

#### 5. Mediating Effect Analysis

In this study, the Bootstrap sampling method was adopted, SPSS macro tool PROCESS (v3.3) compiled by Hayes (2012) was used, and Model 4 (as shown in Figure 3) was selected for testing. X is independent variable perceived CSR, Y is dependent variable job intention, and  $M_i$  is dependent variable corporate reputation.

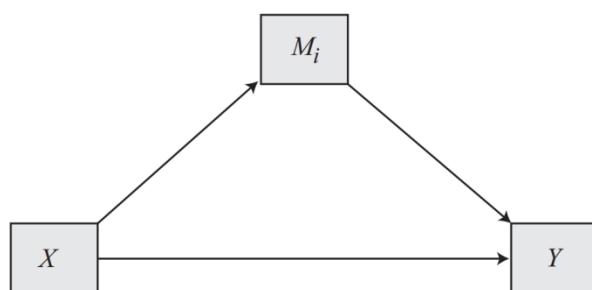


Figure 3: Model 4

As shown in Table 7, perceived CSR has a significant positive and direct effect on job intention ( $t=27.661$ ,  $p<0.001$ ), and the positive direct effect of perceived CSR on job intention is still significant after the inclusion of dependent variable ( $t=11.644$ ,  $p<0.001$ ).

Perceived CSR has a significant positive and direct effect on corporate reputation ( $t=27.390$ ,  $p<0.001$ ), and the positive direct effect of corporate reputation on job intention is also significant ( $t=7.356$ ,  $p<0.001$ ).

**Table 7:** Mediating Effect Analysis

	Job Intention		Job Intention		Corporate Reputation	
	t	p	t	p	t	p
Perceived CSR	11.644	0.000	27.661	0.000	27.390	0.000
Corporate Reputation	7.356	0.000				
R Square	0.688		0.648		0.643	
F	458.441		765.109		750.194	

In addition, as shown in Table 8, the direct effect of perceived CSR on job intention and the upper and lower 95% confidence intervals of Bootstrap of mediating effect of corporate reputation do not contain 0. Perceived CSR can not only directly influence job intention, but also through the mediating effect of corporate reputation. The direct effect (0.609) and the mediating effect (0.309) accounted for 66.37% and 33.63% of the total effect (0.918), respectively. Therefore, hypothesis that H4 is supported.

**Table 8:** Total Direct and Mediating Effects

	Effect	BootSE	BootLLCI	BootULCI	Proportion
Mediating Effects	0.309	0.042	0.222	0.390	33.63%
Direct Effects	0.609	0.051	0.512	0.713	66.37%
Total Effects	0.918	0.032	0.856	0.982	

## Conclusions

The empirical results of this study show that corporate reputation, as a mediator variable, has a mediating effect on perceived CSR and job intention of potential employees. Potential employees, as important stakeholders of corporate, have demand for CSR information and can respond positively. Meanwhile, CSR information can influence the job intention of potential employees, but its influence degree and direction are also affected by the mediator of corporate reputation. For a corporation with a bad reputation, the credibility of its positive information on social responsibility will be greatly

compromised by potential employees, and they are more likely to doubt the motivation of CSR activities. Therefore, positive information may not increase intention. Or weak. On the contrary, the negative information on CSR will significantly reduce the job intention of potential employees. A good reputation will reduce the negative impact of bad information on the corporation. The establishment and maintenance of corporate reputation require a long process, and the impact of corporate reputation on the behavior intention of stakeholders is also long-term. Therefore, the corporation should pay more attention to the implementation of social responsibility. Through actively participating in social welfare activities, attaching importance to environmental protection, providing safe and reliable products, and attaching importance to employee education and development, the corporation should demonstrate CSR and enhance corporate reputation. Thus, increasing the attraction to potential employees.

Corporate managers should fully realize that CSR not only contributes to society but also promotes the realization of corporate goals. CSR behavior should not be in the passive demand, should change the understanding, take the initiative. In this process, the corporation needs to choose the social problems related to itself to solve the social problems in the process of solving social problems. It should not only create social value in the CSR behavior, but also benefit the society and the corporate to share value, and seek the maximization of economic and social benefits.

In talent recruitment, the Corporation makes information public through various communication methods and talks with potential employees to let them know about the corporation's performance of social responsibility, so as to eliminate information asymmetry in the performance of social responsibility. Improve the transparency of CSR activities, establish the positive perception of potential employees on corporate value, and establish the trust relationship between corporations and potential employees. Promote potential employees to produce job intention.

## References

Gao, Z. (2018). On corporate social responsibility and corporate strategic management. *Money China (Academic Edition)*, No. 469(04): 83-84.

Kim, S. (2011). Transferring effects of CSR strategy on consumer responses: The synergistic model of corporate communication strategy. *Journal of Public Relations Research*, 23(2): 218-241.

Holladay, S. (2014). **Corporate Integrity and Social Responsibility**. Business and Corporate Integrity: Sustaining Organizational Compliance, Ethics, and Trust [2 volumes]: Sustaining Organizational Compliance, Ethics, and Trust, 53.

O'riordan, L., & Fairbrass, J. (2008). Corporate social responsibility (CSR): Models and theories in stakeholder dialogue. *Journal of business ethics*, 83(4): 745-758.

Xin, H. (2009). **Research on corporate Social Responsibility report and its influence on consumers' purchase intention.** Doctoral dissertation, Shanghai Jiao Tong University.

Kim, H. R., Lee, M., Lee, H. T., & Kim, N. M. (2010). Corporate social responsibility and employee-company identification. *Journal of Business Ethics*, 95(4): 557-569.

Rabbi, F., Ahad, N., Kousar, T., & Ali, T. (2015). Talent management as a source of competitive advantage. *Journal of Asian business strategy*, 5(9): 208.

Lis, B. (2012). **The relevance of corporate social responsibility for a sustainable human resource management: An analysis of organizational attractiveness as a determinant in employees' selection of a (potential) employer.** management revue, 279-295.

Helm, S. (2011). Employees' awareness of their impact on corporate reputation. *Journal of Business Research*, 64(7): 657-663.

Turker, D. (2009). Measuring corporate social responsibility: a scale development study. *Journal of Business Ethics*, 85(4): 411-427.

Roeck, K., & Delobbe, N. (2012). Do environmental csr initiatives serve organizations' legitimacy in the oil industry? exploring employees' reactions through organizational identification theory. *Journal of Business Ethics*, 110(4): 397-412.

Chen, Y., & Yang, L. (2012). The correlation between job-hunting behavior and self-esteem and job-hunting intention of graduate students. *Journal of Jiangsu Institute of Education (Social Science)*.

Yang, C. (2008). **A Study on the Relationship between college students' career values, Job Intention and Job-seeking behavior.** Doctoral dissertation, Zhejiang Sci-Tech University.

Fombrun, C. J. (1996). **Reputation: Realizing Value from the Corporate Image.** Harvard Business School Press, Boston, MA.

Hall, R. (1992). The strategic analysis of intangible resources. *Strategic management journal*, 13(2): 135-144.

Weiner, B. (1985). An attributional theory of achievement motivation and emotion. *Psychological Review*, 92(4): 548.

Ravasi, D., Rindova, V., Etter, M., & Cornelissen, J. (2018). The formation of organizational reputation. *Academy of Management Annals*, 12(2): 574-599.

Cravens, K., Oliver, E. G., & Ramamoorti, S. (2003). The reputation index: Measuring and managing corporate reputation. *European management journal*, 21(2): 201-212.