

# Evaluating the Impact of Cause-Marketing on Job Seekers – An Extended Abstract

Michael C. Peasley, [mcpasley@memphis.edu](mailto:mcpasley@memphis.edu)\*  
Parker J. Woodroof, [parkerwoodroof@gmail.com](mailto:parkerwoodroof@gmail.com)

## Introduction

Participation in corporate social responsibility and cause-marketing initiatives have become part of mainstream business practices for national companies, facilitating a shift from “should we support a social cause” to “which social cause should we support” and “how should we support a particular cause?” The assumption that firms will be rewarded for being socially responsible and supporting social initiatives has influenced many organizations to adopt social initiatives to contribute to charitable causes. The majority of research in this area has focused on the positive impact on consumers’ affective and behavioral responses (i.e., Ellen, Mohr, and Webb 2000; Sen and Bhattacharya 2001); however, little is known about the effects of these cause-marketing influenced initiatives on employees.

The conventional wisdom of job seekers has been that the major incentives to join a company are financial in nature. However, recent research, including a study of 759 MBAs from 11 schools, found that more than 97 percent of the MBAs in the sample were willing to sacrifice some financial benefits to work for an organization with a superior reputation for CSR and ethics (Montgomery and Ramus 2011). In line with this logic, this paper explores the influence the effect of cause marketing (CM) has on employees. CM directly relates the purchase of a product or service to a philanthropic donation (Varadarajan and Menon 1988). Thus, CM can be viewed as a subset of CSR, and may impact employees differently than CSR. CM involves a much larger commitment to being socially responsible than that of CSR, precisely because revenue from the product or service tied directly to a cause is transferred to the non-profit beneficiary.

Firms spend a large amount of financial resources and time attracting, hiring, and retaining employees. Given the high costs of the hiring process and employee turnover, knowledge of how an organization’s CM initiatives relate to the top factors that job seekers look for when making employment decisions is valuable. An understanding of how job seekers are affected by CM will help inform management and marketing theory and practice, positioning organizations to leverage social change as an organizational strategy. Drawing on signaling theory (Connelly, Certo, Ireland, and Reutzel 2011; Spence 1973), the purpose of the current study is to demonstrate how a job seeker’s perceptions of an organization’s CM initiatives can impact his or her anticipations and perceptions of job-related and organizational characteristics.

### **Conceptual development**

Job seekers often have little information about potential employers, so they rely on signals from information they gather to make inferences about working conditions and other organizational characteristics (Rynes & Miller, 1983). Signaling theory focuses primarily on the deliberate communication of information in an effort to convey positive organizational attributes. In his formulation of signaling theory, Spence (1973) utilized the labor market to model the signaling function of education. Employers lack information about the quality of job candidates; therefore education is a signal of employee quality. The premise falls within the idea that lower quality candidates would not be able to withstand the rigors of higher education. Thus, high-quality prospective employees distinguish themselves from low-quality prospects through the signal of rigorous higher education.

The organizational factors that we chose to study were identified as six common themes throughout four studies of job seekers by Stolle (1977), Kochanek and Norgaard (1985), Chan and Ho (2000), and Montgomery and Ramus (2011). Job seekers and employees primarily value opportunities for advancement, nature of work, salary, firm image, organizational culture, and relationships with other employees. Furthermore, information for some of these factors may be easier for job seekers to attain than others. Thus, job seekers make inferences about the factors that are experiential to the job (advancement opportunities/nature of work/job meaningfulness, organizational and employee collectivism, atmosphere/ethical culture) from the factors they learn about in researching the firm or interviewing with the firm (salary, prestige/image, CM). These factors can be said to influence job seekers' anticipated organizational commitment and organizational attractiveness.

While we do not discount the existence of other factors, we focused on these particular experiential factors for the following reasons. Each signal-based factor reflects something that job seekers and employees value and desire from their employment experience: *advancement, opportunities/nature of work/job meaningfulness*, being associated with an organization that is known for providing intrinsically valuable opportunities for employees (Renn and Vandenberg 1995); *organizational/employee collectivism*, working within an organizational culture in which the employees and managers are friendly and support each other (Hofstede 1980); *atmosphere/ethical culture*, working for an organization that you believe does right by its' stakeholders (Kadlec 2011).

### **Methodology**

Analysis for the experimental design was conducted using MANOVA. Before the study, manipulation checks were completed and shown that respondents viewed CSR and CM initiatives as significantly different. Eighty-eight undergraduate students enrolled in a marketing course at a major university participated in the study participated in the study. Participants were asked to think of themselves as a job

seeker in an industry in which you would be interested in working and read a profile for a fictitious company. Participants saw one of three scenarios (control, CSR, CM) with only one sentence modified to differentiate them.

We measured the dependent variables by asking participants to respond to questions on a scale from strongly disagree to strongly agree. We measured job meaningfulness using a three item scale from Thakor and Joshi (2005) (Cronbach's  $\alpha = .79$ ), perceptions of collectivism using a five item scale from Robert and Wasti (2002) (Cronbach's  $\alpha = .89$ ), perceptions of ethical culture using a five item created for this study (Cronbach's  $\alpha = .93$ ), anticipated organizational commitment using a seven item scale from Mowday, Steers, & porter (1979) (Cronbach's  $\alpha = .94$ ), and organizational attractiveness using a five item created for this study (Cronbach's  $\alpha = .93$ ).

### Results

The findings show that job seekers had higher perceptions and expectations of employment in companies engaged in CM than in the control condition. Anticipated job meaningfulness ( $M_{CM} = 3.95$ ,  $M_{CSR} = 3.78$ ,  $M_{CONTROL} = 3.42$ ;  $F_{(2,85)} = 3.42$ ,  $p < .05$ ), perceptions of collectivism ( $M_{CM} = 5.41$ ,  $M_{CSR} = 5.16$ ,  $M_{CONTROL} = 4.71$ ;  $F_{(2,85)} = 3.25$ ,  $p < .05$ ), ethical culture ( $M_{CM} = 3.81$ ,  $M_{CSR} = 3.48$ ,  $M_{CONTROL} = 3.21$ ;  $F_{(2,85)} = 5.18$ ,  $p < .05$ ), anticipated organizational commitment ( $M_{CM} = 5.68$ ,  $M_{CSR} = 5.29$ ,  $M_{CONTROL} = 4.79$ ;  $F_{(2,85)} = 5.03$ ,  $p < .05$ ), and organizational attractiveness ( $M_{CM} = 5.73$ ,  $M_{CSR} = 5.40$ ,  $M_{CONTROL} = 4.80$ ;  $F_{(2,85)} = 4.67$ ,  $p < .05$ ).



### Discussion

The results support our belief that CM can strengthen job seeker evaluations of potential employers. These findings are consistent with prior research in that a halo-effect can occur when a specific moral behavior of a company becomes a signal to other organizational attributes. The positive impact of CM on the perceptions of job-related attributes provides for a competitive advantage in recruiting and hiring. We show how a company's engagement in CM can actually change job seekers perceptions of

the organizational culture. From a theoretical standpoint, our research contributes to the existing literature on CSR, CM, and job seekers by demonstrating that CM engagement in social causes provides benefits far past social consumer goodwill. From a managerial view, these findings encourage organizations to adopt CM and long-term engagement with social causes in order to signal positive organizational attributes to consumers, job seekers, and current employees. This research highlights the importance of creating awareness of social engagement in social causes and using those initiatives as recruitment tools.

## References

- Chan, S Y. and Ho, S.S. (2000). Desired Attributes of Public Accounting Firms in the Job Selection Process: an Empirical Examination of Accounting Graduates' Perceptions. *Accounting Education*, 9 (4), 315-327.
- Connelly, B L., Certo, S.T., Ireland, R.D., and Reutzel, C.R. (2011). Signaling Theory: A Review and Assessment. *Journal of Management* 37 (1), 39-67.
- Ellen, P S, Mohr, L.A., and Webb, D.J. (2000). Charitable Programs and the Retailer: Do they Mix? *Journal of Retailing*, 76 (3), 393-406.
- Hofstede, G (1980). Motivation, Leadership, and Organization: Do American Theories Apply Abroad? *Organizational Dynamics*, 16 (4), 42-63
- Kochanek, R F., and Norgaard, C.T, (1985). Student Perceptions of Alternative Accounting Careers--Part I. *The CPA Journal*, 36.
- Montgomery, D B., and Ramus, C.A. (2011). Calibrating MBA job preferences for the 21st century. *Academy of Management Learning & Education*, 10 (1), 9-26.
- Mowday, R T., Steers, R.M., and Porter, L.W. (1979). The Measurement of Organizational Commitment. *Journal of Vocational Behavior*, 14 (2), 224-247.
- Renn, R.W. and Vandenberg, R.J. (1995). The Critical Psychological States: An Underrepresented Component in Job Characteristics Model Research. *Journal of Management*, 21 (2), 279-303.
- Robert, C. and Wasti, S.A. (2002). Organizational Individualism and Collectivism: Theoretical Development and an Empirical Test of a Measure. *Journal of Management* 28 (4), 544-566.
- Rynes, S.L. and Miller, H.E. (1983). "Recruiter and Job Influences on Candidates for Employment," *Journal of Applied Psychology* 68 (1), 147.
- Sen, S. and Bhattacharya, C.B. (2001). Does Doing Good Always Lead to Doing Better? Consumer Reactions to Corporate Social Responsibility. *Journal of Marketing Research*, 38 (2), 225-243.
- Sen, S., Bhattacharya, C.B., and Korschun, D. (2006). The Role of Corporate Social Responsibility in Strengthening Multiple Stakeholder Relationships: A Field Experiment. *Journal of the Academy of Marketing Science*, 34 (2), 158-166.
- Spence, Ml. (1973). Job Market Signaling. *The Quarterly Journal of Economics* (1973): 355-374.
- Stolle, C D. (1977). Perceived Differences Among Public Accounting Firms Which Affect Job Choices. *Accounting Review*, 474-478.
- Thakor, M V. and Joshi, A.W. (2005). Motivating Salesperson Customer Orientation:

Insights from the Job Characteristics Model. *Journal of Business Research*, 58 (5), 584-592.

Varadarajan, R. and Menon, A. (1988). Cause-related Marketing: A Coalignment of Marketing Strategy and Corporate Philanthropy. *Journal of Marketing*, 52, 58-74.

**Keywords:** *Cause-Marketing, Corporate Social Responsibility, Organizational Culture,*

**Relevance to Marketing Educators, Researchers, and Practitioners:**

The positive impact of cause-marketing (CM) on the perceptions of job-related attributes provides for a competitive advantage in recruiting and hiring. We show how a company's engagement in CM can actually change job seekers perceptions of the organizational culture. These findings should encourage organizations to adopt CM and long-term engagement with social causes in order to signal positive organizational attributes to consumers, job seekers, and current employees.

**Author Information:**

Michael Peasley is a Ph.D. candidate in his third year in the Department of Marketing & Supply Chain Management at the University of Memphis. Prior to entering the Ph.D. program, Michael worked for the Seattle Mariners Double A Affiliate as Vice President of Sales & Marketing and as a sales representative for Town & Country, Inc. In addition to over \$35 million in sales, his background involves building brand equity and training sales people. Michael has published in the *Journal of Advertising Research* and *Management & Marketing*. His research interests are focused on digital marketing, marketing strategy, neuro-marketing, sales, and services.

Parker Woodroof is an Assistant Professor of Marketing at the University of Central Arkansas. He received his Ph.D. from the University of Memphis in 2015. His research interests are in the areas of corporate social responsibility, cause-related marketing, and neuromarketing. Prior to his Ph.D. program, Parker was the Vice President of Marketing for Sedona Systems, a software company in Knoxville, Tennessee. Sedona is a self-service web database application that helps universities track the research, teaching, and service activities of their faculty. Over 50,000 faculty, in more than 300 universities around the world, are currently licensed to use the web-application. Parker still acts as a consultant for Sedona, currently evaluating new markets in primary education, healthcare, and market research

**Track:** Public Sector Marketing / Consumer Behavior