

Female Leadership, Philanthropy, and Corporate Management: A Study Based on Listed A-Share Companies

Haoyue Yang^{1,a,*}

¹*Jinan Foreign Language School, No. 3399, Jinyu Avenue, Licheng District, Jinan City, China*
a. haoyue_323@sina.com

**corresponding author*

Abstract: This paper investigates the impact of female leadership and their involvement in philanthropic activities on corporate management, utilizing data from listed A-share companies. The study reveals that from 2006 to 2021, the proportion of female leaders in listed companies steadily increased, with particularly significant growth in female supervisory positions. Further analysis shows that companies with female directors and executives tend to have a higher proportion of charitable donations compared to those without female leadership. Moreover, companies with higher charitable donation ratios also exhibit correspondingly higher returns on assets. This finding not only highlights the positive role of female leaders in promoting philanthropy but also provides empirical evidence for the synergy between corporate social responsibility and economic benefits. The study also notes that despite the numerous opportunities for female-led philanthropy, such as policy support, improved market conditions, and heightened awareness of social services, challenges remain, including the relatively low number of female leaders and limited societal recognition. The value of this research lies in emphasizing the potential and importance of female leadership in philanthropy, providing theoretical and practical references for the sustainable development of female-driven philanthropy.

Keywords: Female Leadership, Charitable Donations, Corporate Performance.

1. Introduction

In recent years, with the growing awareness of gender equality and the increasing prominence of corporate social responsibility, the leadership role of women in corporate management has garnered widespread attention. Female leaders not only demonstrate unique decision-making styles and supervisory abilities in corporate governance but also play a crucial role in charitable donations and the fulfillment of social responsibilities. Existing research indicates that the participation of female leaders in companies significantly enhances corporate governance quality, strengthens internal supervision, and promotes diversity in corporate decision-making. However, the specific mechanisms through which female leadership influences corporate philanthropic behavior and the impact of such behavior on corporate performance require further exploration. This study, based on data from Chinese A-share listed companies, systematically analyzes the impact of female leadership on corporate charitable donations and their economic benefits. The research primarily covers the following areas: First, it explores the changes in the proportion of female leaders in listed companies from 2006 to 2021 and their influence on charitable donations. Second, it examines the performance

of companies with female directors and executives in terms of charitable donations. Third, it investigates the relationship between the proportion of corporate charitable donations and financial performance. The findings indicate a continuous rise in the proportion of female leaders in companies, with a particularly notable increase in female supervisory roles; the higher the proportion of female leaders in a company, the larger the scale of charitable donations, and higher charitable donation ratios are positively correlated with better financial performance. The significance of this study lies in revealing the important role of female leaders in corporate philanthropy, providing empirical support for the win-win scenario of fulfilling social responsibility and achieving economic benefits. At the same time, this study also identifies the opportunities and challenges faced by female leadership in corporate philanthropy, such as the development opportunities brought by policy support and improved market conditions, as well as the challenges of the overall low number of female leaders and insufficient social recognition. By emphasizing the philanthropic potential of female leaders, this study offers theoretical foundations and practical guidance for promoting gender equality and enhancing corporate social responsibility. It also provides valuable references for policymakers and corporate managers in their future strategic planning.

The remainder of this paper is organized as follows: Section 2 provides a literature review; Section 3 introduces the impact of female leadership on corporate charitable donations and their economic benefits; and Section 4 concludes the study.

2. Literature Review

Numerous academic studies generally assert that female leadership has a positive impact on corporate management. Specifically, female leaders are widely recognized for their role in strengthening corporate oversight functions. Although some perspectives question whether this may have a negative impact on company performance, the exceptional supervisory abilities demonstrated by female leaders remain a critical factor in influencing corporate operations [1]. Further research indicates that a higher proportion of female leadership within a company contributes to enhancing decision-making capabilities. Compared to male leaders, women exhibit unique advantages in workplace decision-making, including a more comprehensive, long-term, and human-centered approach to handling workplace pressures, thereby promoting the scientific and effective nature of corporate decisions [2]. Educational background, as one of the factors measuring the competence of female leaders, is positively correlated with corporate performance; that is, the higher the level of education attained, the more significant the contribution to corporate performance [3]. Although a few studies suggest a reverse or insignificant relationship between the number of female leaders and corporate performance, this viewpoint has not garnered widespread support [4]. On the contrary, a large body of research tends to indicate that the participation and presence of female leaders in companies generally correlate positively with corporate performance, particularly in companies facing challenges and difficulties, where this positive effect is especially pronounced [5]. The presence of female leaders in companies not only promotes gender diversity but also tends to reduce the level of operational diversification when they hold significant positions within the company [6]. Given their strong decision-making capabilities and cautious mindset, female leaders are more prudent in analyzing issues during future planning and risk mitigation, leading to more comprehensive problem-solving and better risk reduction for the company [7]. In summary, female leaders play an irreplaceable role in corporate management, with strengths in supervision and decision-making, as well as unique advantages and value in performance improvement, diversity, and future planning. As society continues to progress, the position and role of female leaders in corporate management will become increasingly important.

Most of the literature indicates that philanthropy is a result of altruism, with its significance lying in maximizing social welfare—a selfless act aimed at helping others rather than for commercial purposes [8]. Philanthropy has a positive impact on the company itself by providing value and support

to both recipients and stakeholders. Although some studies suggest a negative or insignificant relationship between the presence of female leaders and corporate charitable giving, a substantial body of literature shows that female leadership has a significant positive influence on corporate charitable donations [9]. Specifically, the higher the proportion of female leaders and the stronger their influence within the company, the greater the extent and scale of corporate charitable giving [10]. In summary, the participation of female leaders in corporate management and philanthropy has a positive impact on corporate operations and management.

3. Current Status of Female Leadership in Philanthropy

3.1. Proportion of Female Leadership in Listed Companies

Figure 1 illustrates the changes in the proportion of female leadership in listed companies from 2006 to 2021. Female leadership is categorized into three groups for evaluation: female supervisors, female directors, and female executives. The results indicate a steady upward trend in the proportion of female leaders in listed companies. First, the proportion of female supervisors increased from 13.28% in 2006 to 21.97% in 2021, representing the most significant growth among the three categories of female leadership. Second, the proportion of female directors rose from 9.60% in 2006 to 17.41% in 2021, though growth plateaued between 2010-2011 and 2012-2015. Finally, the proportion of female executives grew from 12.24% in 2006 to 18.67% in 2021, with a consistent upward trend each year except for a slight decrease from 12.24% to 12.07% between 2006 and 2007. This growth trend reflects the increasing involvement of women in corporate leadership, providing an essential context for studying the impact of female leadership on corporate management and philanthropic activities.

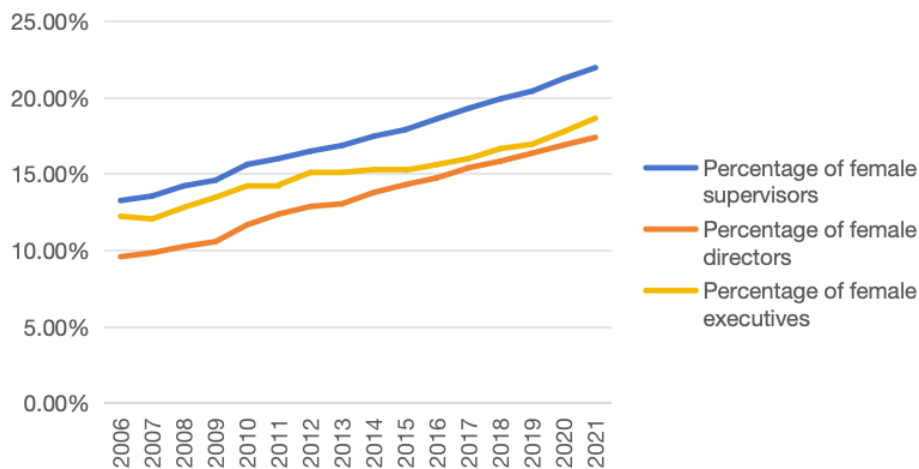


Figure 1: Proportion of Female Leadership in Listed Companies.

3.2. Corporate Philanthropy

Figure 2 shows the proportion of charitable donations to total assets in companies with and without female directors. Companies with female directors generally have a higher donation-to-asset ratio compared to those without female directors. From 2006 to 2021, the donation-to-asset ratio for companies without female directors increased from 0.020% in 2006 to 0.037% in 2010, before gradually declining to 0.028% in 2021. In contrast, companies with female directors saw their donation-to-asset ratio rise from 0.023% in 2006 to 0.043% in 2013, followed by a gradual decline to 0.025% in 2021.

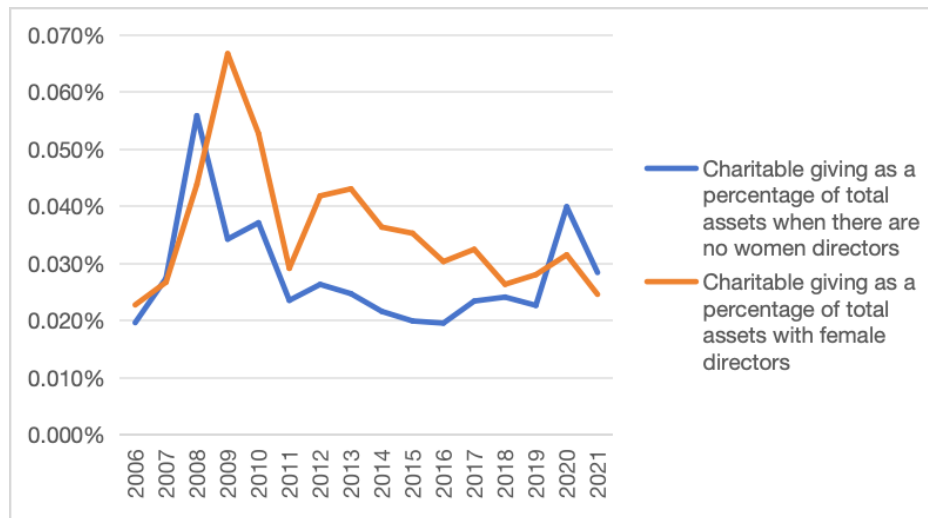


Figure 2: Proportion of Charitable Donations to Total Assets in Companies With and Without Female Directors.

Figure 3 presents the proportion of charitable donations to total assets in companies with and without female executives. Between 2008 and 2017, the donation-to-asset ratio was significantly lower in companies without female executives compared to those with female executives. Even during the periods of 2006-2007 and 2018-2020, when the donation-to-asset ratio was higher in companies without female executives, the difference between the two cases was minimal, ranging from 0% to 0.018%. This further demonstrates that the presence of female leadership has a positive impact on corporate charitable donations during most periods.

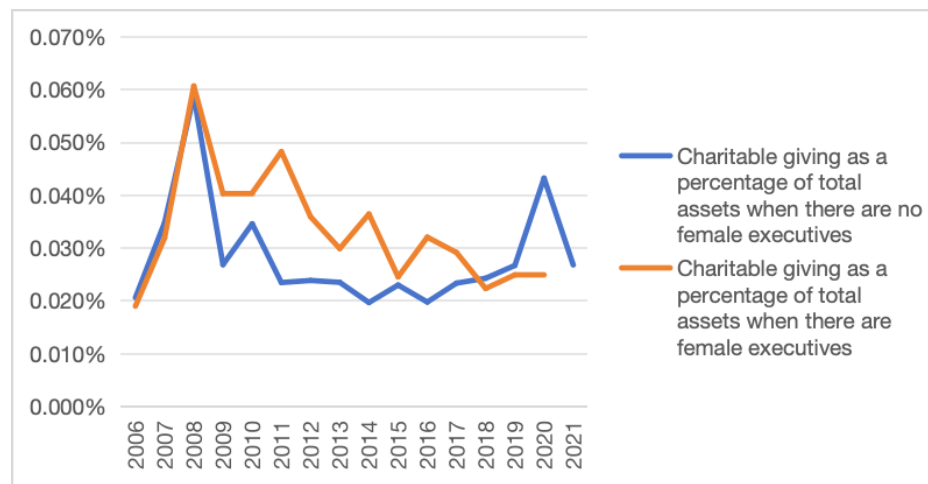


Figure 3: Proportion of Charitable Donations to Total Assets in Companies With and Without Female Executives.

3.3. Charitable Donations and Corporate Profit

Figure 4 illustrates the relationship between the proportion of charitable donations and corporate profitability. By calculating the average charitable donation-to-asset ratio of listed companies over the years, the sample was divided into two categories: companies with a donation ratio higher than the average and those with a donation ratio lower than the average. The analysis shows that companies with a higher donation ratio generally have a higher return on assets (ROA). Except for 2015, where

companies with higher donation ratios had a lower ROA than those with lower donation ratios, and 2018, where both had the same ROA, all other years confirm the conclusion that a higher donation ratio correlates with a higher ROA. The difference in ROA between the two categories is significant, ranging from 1.24% to 7.09%, further supporting the positive impact of charitable donations on corporate financial performance.

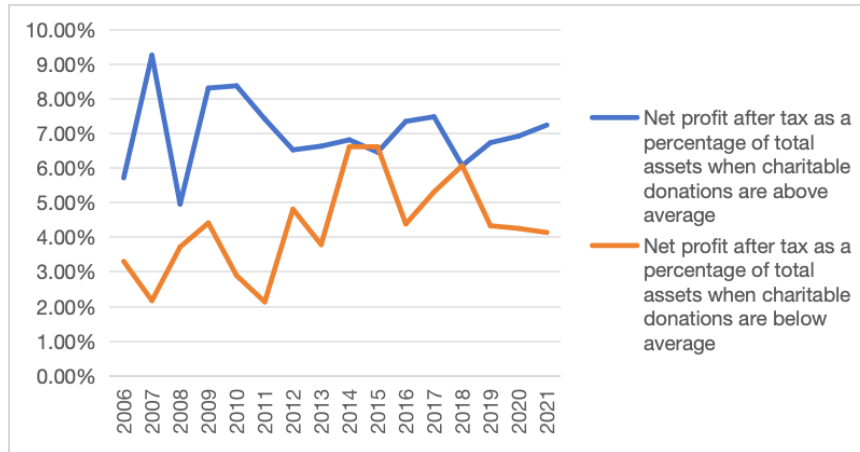


Figure 4: Charitable Donations and Corporate Profitability.

4. Conclusion

Since 2012, China has entered a decisive phase in achieving a moderately prosperous society in all respects, presenting a rare opportunity for the development of philanthropy. The central government and the State Council have placed significant emphasis on the growth of philanthropic activities, providing robust policy support. The rapid marketization process has created a more open market environment, offering female leaders in corporate governance greater opportunities to enhance corporate performance and laying a solid material foundation for the growth of philanthropy. Simultaneously, with the increasing awareness of social services, public enthusiasm for participating in philanthropy has been steadily rising. A growing number of individuals and institutions are engaging in charitable donations in various forms, fostering a positive social atmosphere. Therefore, female-led corporate philanthropic organizations should seize this favorable environment to actively expand their donation activities, thereby enhancing corporate performance and social impact [11].

Despite the favorable development backdrop, female philanthropy still faces significant challenges. Although data show that the proportion of female leaders in listed companies continues to rise, their overall numbers remain relatively low, with a considerable gap compared to international averages. Additionally, social and corporate recognition of female leaders is relatively low, often accompanied by gender bias. Under the influence of societal and cultural norms, gender is often prioritized over ability, making it difficult for female leaders to secure equal competitive opportunities and a respectful environment. Therefore, in the context of advancing social development, philanthropic organizations should prioritize collaboration with companies that have a higher proportion of female leaders to further increase their charitable donation ratios [12].

Since the reform and opening-up, China's social environment has undergone continuous change, leading to a significant increase in attention to and involvement in philanthropy, which has driven the positive development of the sector. The number of female-led philanthropic organizations has gradually increased, achieving significant progress in various fields such as healthcare, education, and the economy, thereby making a positive contribution to enhancing the social status of women. In the future, it is crucial to further strengthen awareness of female philanthropy, cultivate and

consolidate a culture of female philanthropy, and leverage new media and advanced technology to promote female philanthropic projects. This will increase their social visibility and attract more participants. The government should provide macro-level policy support to create a favorable environment for female leaders to participate in corporate development and social services, thereby promoting the sustainable development of female-led corporate philanthropy [13].

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