

Bettina Lis*

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**

Corporate Social Responsibility (CSR) has become a central issue of business management in recent years. This study aims to add to the literature by pointing out the relevance of CSR for a Sustainable Human Resource Management (HRM). In particular this research investigates job seekers' perceptions of CSR. The paper focuses on the importance of CSR with in the process of selecting potential employers by analyzing the impact of four different CSR-dimensions upon organizational attractiveness. To address this issue, a policy-capturing study was conducted. Generally the paper provides evidence that each aspect of CSR has a specific effect on organizational attraction. Referring to Sustainable Management the study reveals that CSR seems to be an effective tool to attract potential employees. If organizations are willing to provide Sustainable HRM practices they can become an employer-of-choice.

Key words: corporate social responsibility, Sustainable Human Resource Management, organizational attractiveness, prospective employees, sustainability (JEL: J24, M12, M14, M50)

* Dr. Bettina Lis, Assistant Professor, Media Management, Johannes Gutenberg University, 55128 Mainz, Germany. E-mail: lis@uni-mainz.de.

** Article received: May 30, 2011
Revised version accepted after double blind review: June 6, 2012.

1. Introduction

The apparent scarcity of highly skilled and motivated employees is one of the main problems Human Resource Management (HRM) is facing today. Many firms now realize the importance of attracting highly qualified employees as a necessary component of their business (Bhattacharya et al., 2008). The result of demographic change (especially in Europe), decreasing birth rates and an increasing number of people over standard retirement age, is consequently leads to a reduction in the availability of suitable candidates. To avoid this reduction in candidate companies must engage in what has been called a ‘war-for-talent’ and create incentives and image that present them as a *good company* (Backhaus et al., 2002; Losse, 2010).

Referring to Sustainable HRM organizations need to identify a method that ensures resource availability while simultaneously retaining these resources (Docherty et al., 2008; Ehnert, 2009a; Zaugg, 2009). Thus, it is essential to consider internal as well as external human resources in order to secure a stock of employees over the long-term. From a market-oriented perspective organizations have to align their HRM practices to the needs of the diverse human workforce (Wright et al., 1995; Boudreau & Ramstad, 2005). Meanwhile research has provided evidence that job seekers prefer organizations with socially valued characteristics (Albinger & Freeman, 2000; Backhaus et al., 2002; Greening & Turban, 2000). Therefore the organizations should consider using Sustainable HRM practices (e.g., diversity, work-life balance) in order to become an employer-of-choice.

Many scholars and practitioners now are paying increasing attention to firms’ Corporate Social Responsibility (CSR) as a part of the offerings to attract a large number of qualified employees (e.g. Angelidis & Ibrahim, 2004; Hansen & Schrader, 2005; Scherer & Palazzo, 2008). Some researchers found that firms with a reputation for high quality CSR may be more attractive (e.g. Turban & Greening, 1997; Backhaus et al., 2002; Kim & Park, 2011). However, previous research failed to capture a more complete spectrum of CSR in distinct aspects. As suggested by CSR literature, CSR is a multi-aspect construct accommodating not only economic concerns, but also non-economic concerns such as diversity or employee relations (Backhaus et al., 2002). Thus, the impact of every single dimension of CSR is of interest.

This study extends the research by adopting a multi-dimensional perspective of CSR. It focuses on the importance of CSR in the process of selecting potential employers by analyzing the impact of four different CSR-dimensions: environment, diversity, product and employee relations (Greening & Turban, 2000; Backhaus et al., 2002). The aim of this study is to identify which of the four CSR-dimensions that are most important to job seekers. To address this question, a policy-capturing design was used to explore how job applicants’ attraction to organizations is influenced by the four aspects of CSR. The policy-capturing design does not only examine the relative importance of each decision variable, but also the information processing strategies in combining multiple variables. This may lead to a better general understanding of the influence of the four CSR-dimensions on the attractiveness of potential employers. Organizations should work on these factors systematically in order to increase the success of their CSR-activities – as part of their attractiveness to potential employees.

2. CSR in the context of a Sustainable HRM

2.1 Development of CSR

The concept of CSR, particularly in terms of how it relates to other organizational goals, has been steadily evolving ever since the concept was introduced half a century ago (see Table 1).

Table 1: Theoretical trends in CSR thinking

	Pivotal Publications	Dominant Theme
1950s and 1960s	Bowen (1953), Davis (1960), McGuire (1963)	Ethics and social obligation of business Corporate externality control
1970s	Johnson (1971), Preston (1975), Friedman (1970)	Enlightened self-interest Reconciliation of two opposing sides of the debate Business of business is business
1980s	Carroll (1979), Freeman (1984), Wartick & Cochran (1985), Frederick (1987)	Stakeholder approach Corporate social performance model Pragmatic and comprehensive model construction
1990s	Wood (1991), Clarkson (1995), Frederick (1994), Carroll (1999)	Stakeholder approach and strategic management Practically (empirical testing and implementation) and competitive advantage
2000s	McWilliams et al. (2006), Frederick (2008), Carroll & Shabana (2010)	Global corporate citizenship/business case for CSR Sustainability concept

The increasing range of concepts over time reflects the complexity of the subject area of CSR (McWilliams et al., 2006; Haigh & Jones, 2007). Especially in the past decade Europe has developed to a very active and dynamic region in sense of CSR development (Loew et al., 2004; Schwalbach & Schwerk, 2008). The European Union (EU) started to develop its own concept of CSR in 2000/2001 through the proclamation of the EU strategy for the upcoming decade (European Commission, 2001a, b). In this strategy HR related topics became focused upon best-practices in the categories such as lifelong learning, equal opportunities, social comprehension as well as sustainable development. In 2001, the EU-Commission published a Green Paper on CSR in Europe aiming to stimulate a discussion amongst the wider European society about CSR (European Commission, 2001a; Bertelsmann Stiftung, 2005). Being socially responsible, in the eyes of the European Commission, means going beyond compliance and investing more in human capital, the environment and relations with stakeholders (European Commission, 2001b). Issues such as genuine two-way dialogue, recognizing the voice and rights of employees, empowerment, ensuring employee co-operation and involving them in maintaining and restoring the economic viability of the organization were highlighted (European Commission, 2001a, b). Within 'Europe 2020 – A strategy for smart, sustainable and inclusive growth' the Commission announced that it would work to renew the EU strategy to promote CSR as a key element in ensuring

long term employee and consumer trust (European Commission, 2010). In 2011, the Commission put forward a new definition of CSR as “the responsibility of enterprises for their impacts on society” (European Commission, 2011). The European interpretation of CSR also looks at the company’s contributions to sustainability and identifies CSR as an important contribution to be made by business to a sustainable economy. Thus, CSR programs contribute to the sustainable development of the EU (European Commission, 2001a, b, 2011).

2.2 Sustainability and human resources

Within commercial organizations HRM practitioners nowadays find themselves in permanent tension between short-termed profit making and long-term organizational viability (Ehnert, 2006, 2009a; Wright & Snell, 2005). Traditionally, many companies have viewed employees as a cost in relation to the business and may attempt to minimize costs through tight labor contracts and provision of the bare minimum of health and safety standards. Sustainable HRM takes the view that employees are far from a cost but are in fact a special value adding component of business operations and also have a value of their own (e.g. Ehnert, 2009b). Companies can only succeed in the long-term if they recruit and motivate highly skilled people who are able to respond to and shape the challenges of the future (Greening & Turban, 2000). Effective recruitment is crucial to the development of a cohesive workforce and a successful organization. Recruitment directly affects the quality of a potential applicant pool. Sustainability programs can provide a vehicle for engaging current and new employees (Boudreau & Ramstad, 2005; Montiel, 2008). Companies such as Pfizer are committed to align their sustainability and CSR strategies in ways to help deliver more effective recruitment strategies and outcomes, reduce employee turnover, improve morale and develop a leadership pipeline (Wilkinson, 2001).

According to the United Nation’s World Commission on Environment and Development (WCED, 1987), often called the ‘Brundtland Commission’, human capital has been identified as a very important resource category for building a sustained competitive advantage (Barney, 1991, 2002; Dyllick & Hockerts, 2002; Schuler & Jackson, 2005). The Brundtland Commission focused on sustainable development of societies and added a social dimension to the ecological and economic ones, defining sustainable development as a “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987, p. 43). This definition became one of the most often cited definitions which influenced the practical emergence of further constructs and definitions of sustainability in management theory and practice (Gladwin et al., 1995; Anand & Sen, 2000; Bansal, 2005).

2.3 The link between a Sustainable HRM and CSR

The literature linking sustainability and HRM has discussed sustainability as a possible perspective to broaden the understanding of strategic success in HRM (e.g. Mariappanadar, 2003; Boudreau & Ramstad, 2005; Schuler & Jackson, 2005) and to raise awareness for short and long-term side effects from HRM activities on employees. In line with the European Commission (2001a, b) CSR can be identified as an important contribution to a Sustainable HRM. Because of its relevance for employees’

management (Brammer & Millington, 2003; Lockett et al., 2006; Brammer et al., 2007), Organizational Behavior and HRM researchers have investigated different aspects of CSR (Aguilera et al., 2007; Rupp et al., 2006). While some CSR and HRM researchers have focused on relationships between leadership and corporate social behavior (Swanson, 2008; Waldman et al., 2006; Waldman & Siegel, 2008), other have investigated the role of stakeholders' behavior as a mediating variable between CSR and financial performance (e.g. McWilliams & Siegel, 2000; Margolis & Walsh, 2001; Orlitzky et al., 2003; Barnett, 2007). Aguilera et al. (2007) found that CSR can frame employees' perceptions of organizational justice. Rupp et al. (2006) highlighted the possibility that employees will turn to CSR to assess the extent to which their organization values such relationships and a high quality of CSR can meet employees' need for belonging within the organization and the society. Swaen and Maignan (2003) as well as Swanson and Niehoff (2001) suggest that CSR can affect Organizational Citizenship Behavior. A survey by Sirota Survey Intelligence (2007) affirmed that employees who are satisfied with their organization's commitment to social responsibilities are likely to be more positive, more engaged and more productive.

The importance of CSR on employees' management caused some studies to be focused on the influence of CSR on organizational attractiveness for prospective employees (Albinger & Freeman, 2000; Backhaus et al., 2002; Greening & Turban, 2000; Luce et al., 2001). Turban and Greening's (1997) was the first empirical study to explicitly investigate the link between CSR and organizational attractiveness as employers. Their findings were replicated by Albinger and Freeman (2000) who reported that the positive relationship between CSR and employer attractiveness was even stronger for job applicants with more employment opportunities than those with fewer choices. Bauer and Aiman-Smith (1996) show that an environmental orientation correlates positively with organizational attractiveness.

The studies reviewed above suggest that CSR is a strong predictor of job applicants' attraction to organizations. However, previous studies failed to capture the multidimensionality of CSR. They only examined a constrained set of corporate social activities as predictors and failed to capture a more complete spectrum of CSR in distinct aspects. In particular, they were outcome-oriented by emphasizing the specific social programs and policies directed towards different ethical issues. As suggested by CSR literature, CSR is a multi-aspect construct accommodating not only economic concerns, but also non-economic concerns such as diversity or employee relations (Backhaus et al., 2002). Waddock and Graves (1997) suggested that CSR's functions can be better understood when examining them on a dimension-by-dimension basis. Accordingly, it is important to integrate multiple components of CSR and examine the extent to which they are related to job applicants' attraction to organizations. Therefore especially the impact of every single dimension of CSR on organizational attractiveness is of interest.

3. Theoretical Development

3.1 Conceptualization of CSR

Based on the level of responsibility that a company has to accept, there are broad and narrow definitions of CSR. A representative of a narrow definition of CSR is Fried-

man, who considers the profit maximization as the only social responsibility of an organization (Friedman, 1970). Broad CSR-definitions reach far beyond the economic responsibility. A widely used definition of this category is the multidimensional conceptualization of CSR by Carroll: “The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (Carroll, 1979, p. 500). Critics argue that definitions – such as the concept of Carroll – based on the expectations of society does not provide any indications of which specific CSR-activities organizations should enforce. For this reason, many researchers recommend embedding the CSR-concept in the stakeholder theory (e.g. Pirsch et al., 2007). The stakeholder theory also provides clues, which CSR activities companies should carry out and which demands and expectations of the society should be taken into account. Accordingly, an organization is responsible to multiple stakeholders. In line with Carroll (1979) and Maignan et al. (1999) CSR includes the economic, legal, ethical and philanthropic responsibility of an organization derived from the claims of its various stakeholders. This definition proves to be appropriate for this study because it takes the multidimensional nature of CSR into account and also makes a specification of the stakeholders within the meaning of the stakeholder theory.

Referring to the multidimensional nature of CSR there are some methodological problems assessing the research on CSR (Backhaus et al., 2002). Various measures have been used but the variation among them has led to difficulty in generalizing the findings. Many of these problems have been addressed by the use of data from Kinder, Lydenberg and Domini (KLD) (Graves & Waddock, 1994), which is the same source of data used by numerous other CSR researchers (Graves & Waddock, 1994; Sharfman, 1996; Waddock & Graves, 1997; Luce et al., 2001). The KLD rating scheme has been tested for construct validity by Sharfman (1996). KLD ratings measure social performance of major corporations, assessing firms in different categories of CSR, which include environment, diversity, product and employee relations (Waddock & Graves, 1997). These four dimensions have become widely used in management research on CSR (Turban & Greening, 1997; Berman et al., 1999; Albinger & Freeman, 2000; Greening & Turban, 2000; Backhaus et al., 2002).

The attractive feature of KLD is that the comprehensive quality of the multi-aspect conceptualization of CSR is conducive to identifying important cues in a policy-capturing study. Using a policy-capturing design it is important to accurately separate the factors. Relating to Carroll’s (1991) four-factor construct of CSR there are controversies as to whether corporate philanthropy is based on altruistic or economic considerations and can frequently not be accurately separated (Keim, 1978a, b; Varadarajan & Menon, 1988). Due to this ambiguity this study focuses on the KLD model, which is proved to separate accurately the different CSR-dimensions (Greening & Turban, 2000; Backhaus et al., 2002).

3.2 Hypotheses

The positive link between CSR and applicant attraction and hence its relevance for a Sustainable HRM can be explained in terms of Social Identity Theory and Signaling Theory (Tajfel & Turner, 1986). Social Identity Theory suggests that employees’ self-

image is influenced by the image and reputation of their employers. People classify themselves into social categories on the basis of different characteristics, one of which is organizational membership (Tajfel & Turner, 1986). Organizational membership is an important aspect of an individual's identity, which influences his self-concept (Ashforth & Mael, 1989; Dutton et al., 1994). Dutton et al. remark: "When members associate with organizations that have an attractive perceived identity, it enhances their self-esteem as they acquire a more positive evaluation of self" (Dutton et al., 1994, p. 245). Since socially responsible companies tend to develop a positive reputation, being a member of such companies would be seen as self-enhancing (Albinger & Freeman, 2000; Van Dick, 2004). In addition, the Social Identity Theory leads to the assumption that an emphasis on the different dimensions of CSR could provide a significant contribution to an improved self-concept of potential employees.

Signaling Theory also may be relevant for understanding the influence of CSR on the attractiveness of an organization (Spence, 1973, 1974). Especially at the beginning of the recruitment process there is a serious lack of information for the potential employer and employee- but especially there is a dearth of information on the part of prospective candidates. For this reason the applicants tend to interpret information they receive as 'signals' about the working conditions. In addition, candidates tend to use information about CSR-dimensions as signals to choose their prospective employer (Greening & Turban, 2000). In this context, CSR gives information about the social norms and values of the company to prospective employees. However, a social responsible organization sends more attractive signals about its work area than a corporation without a strong CSR image (Greening & Turban, 2000).

Several empirical studies support the importance of CSR as a predictor of organizational attractiveness (Greening & Turban, 2000; Luce et al., 2001; Backhaus et al., 2002; Kim & Park, 2011). As stated above, CSR is a multidimensional construct with the specific aspects of product, diversity, environment and employee relations. A survey conducted by the Cherenson Group (2002) found that the most important factors affecting the attractiveness of an organization, as a place to work in, are the way the employees are treated – which is at the heart of Sustainable HRM – and the quality of its products and services. Product issues have shown to be important to prospective employees as well. Highhouse et al. (1999) found that product image was one of the most important indicators of employer image. Other studies have established that environmental concerns and diversity programs can also influence job choices (Ng & Burke, 2005; Smith et al., 2004). This study builds on these findings indicating that employee relations, product, environment, and diversity appear to be important for job seekers (Greening & Turban, 2000). To the extent that people are capable of distinguishing among the four CSR-dimensions, job applicants should be influenced by these components differently. Accordingly, it is important to integrate multiple dimensions of CSR and examine the extent to which they are related to job applicants' attraction to organizations. Therefore:

- Hypothesis 1: The CSR dimension "product" positively affects the perceived organizational attractiveness.
- Hypothesis 2: The CSR dimension "diversity" positively affects the perceived organizational attractiveness.

Hypothesis 3: The CSR dimension “environment” positively affects the perceived organizational attractiveness.

Hypothesis 4: The CSR dimension “employee relations” positively affects the perceived organizational attractiveness

Of the four dimensions under consideration, employee relations is particularly important when it comes to effects on workers (Riordan et al., 1997). A company’s positive or negative record in terms of treatment of employees sends a clear signal to potential employees about the desirability of working for that employer (Albinger & Freeman, 2000). Therefore:

Hypothesis 5: Employee relations will be most influential of the four dimensions on assessment of organizational attractiveness.

4. Method

4.1 Research design

The aim of this study is to identify which of the four CSR-dimensions that are considered to be most important to job seekers. To address this question, this study uses a policy-capturing design to explore how job applicants’ attraction to organizations is influenced by the confluence of multiple aspects of CSR. Policy-capturing has repeatedly been applied in studies investigating job choice decisions (e.g. Rynes & Lawler, 1983; Judge & Bretz, 1992). It is a regression-based methodology in which participants are asked to make decisions in response to a series of scenarios describing various levels of the explanatory factors or cues. The researcher regresses the decision outcomes on the values of one or more cues embedded in the scenarios and uses the regression weights to make inferences about the subjects’ decision policies (Karren & Barringer, 2002). Policy-capturing offers a number of advantages to researchers. First, the inherent experimental control permits strong causal inferences and enables researchers to better assess the independent effects of cues. Second, policy-capturing weakens the social desirability effects, which are often found with self-report attribute method, by indirectly assessing the importance of cues. Third, asking individuals to make overall judgments about multi-attribute scenarios is more similar to the real-life decision problems than is a self-report attribute design (Karren & Barringer, 2002). Taken together, this design allows an estimation of the relative importance of the various CSR-dimensions because the independent effects, on organizational attractiveness, of each dimension can be determined. The approach provides statistical parameters for the importance the various cues play in the assessment (Karren & Barringer, 2002).

In the present study the four CSR-dimensions (product, environment, diversity, and employee relations) were manipulated. The variables were contrasted in two stages (high/low level). Thus, this study employed a 2x2x2x2 within-subjects design. All values of each CSR-cue variable were fully crossed with the values of each of the others, creating every possible combination. The completely crossed design resulted in $2^4 = 16$ scenarios. Two random scenarios were replicated to assess subjects’ reliability between the scenarios, bringing the total number of scenarios to 18. The descriptions of the variables were derived from KLD in line with Greening and Turban (2000) and Backhaus et al. (2002). Five subject matter experts reviewed the descriptions and

agreed that they are adequate in portraying different levels of each CSR-dimension. Figure 1 reveals a scenario with high levels of each dimension (Annex 3):

Figure 1: Scenario with high levels of each CSR-dimension

The company produces environmentally friendly products. The company advocates the engagement and encouragement of women and minorities. The company has implemented a quality management system. There exists an occupational pension scheme in the company.

To test whether the manipulation of the independent variables was successful, an additional manipulation check was carried out in a pretest with 10 people (Annex 1).

4.2 Variables

A research instrument was developed to test the hypothesized relationships. The instrument items were adapted from previous research (Turban & Keon, 1993). A multi-item approach was used with each construct being measured by a few items for construct validity and reliability. Referring to the dependent variable 'organizational attractiveness' the present study follows the definition of Turban and Keon (1993). Accordingly, organizational attractiveness is defined as a positive affective attitude toward an organization which is associated with the motivation to build a relationship with this organization and to enter its employment. Perception of organizational attractiveness was measured with four items using a five-point scale adapted from Turban and Keon (1993). The items are divided into the areas general organizational attractiveness (e.g. "I would find a job with this company attractive.") and job readiness (e.g. "I would like to work for this company.") (Annex 2). The Cronbach's alpha for this four-item scale was .78. Age and work experience were also measured, as these have been used as control variables in previous studies (Greening & Turban, 2000).

4.3 Sample

Within the survey period a total of 300 questionnaires were handed out. 234 questionnaires were filled out and returned. This represents a response rate of 78%. The incomplete questionnaires have not been included, bringing the total number of questionnaires to 193. 51.8% of the participants were female, 48.2% male. The median age was 25 years. All participants were undergraduate students of various disciplines approaching graduation at a German university.

One reason for the strong representation of undergraduate students in this type of research is that these people are likely to be attractive potential employees. Furthermore, the use of college student surveys as part of research in the context of potential employees is not unusual (Backhaus et al., 2002). Respondents were instructed to read a series of scenarios based on descriptions about the company's product, environment, diversity, and employee relations representing the four CSR-dimensions. They were asked to imagine themselves as job seekers preparing to be interviewed by an organization possessing the characteristics depicted in the scenarios. At the end of each scenario, they were asked to answer a series of questions about the organization's attraction to a potential employer (Annex 3).

5. Results

This study intends to examine the effects of four different CSR-dimensions (product, environment, diversity and employee relations) on organizational attraction. The organizational attractiveness was regressed in a policy-capturing approach on the four variables. Table 2 provides the results of the regression analysis.

Table 2: Correlations

Independent Variables	Organizational Attractiveness
Product	0.19***
Diversity	0.46***
Environment	0.17***
Employee Relations	0.41***
Age	-0.04
Work Experience	0.11
R ²	0.45
R ² _{Korr.}	0.44
F-Value	609.45***
N	193

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

Of the hypothesized relationships, all of the four CSR dimensions were significantly correlated with perception of Organizational Attraction. Therefore, hypotheses 1, 2, 3, and 4 were supported. With an empirical F-Value of 609.45 the model reaches a significant overall-level. The model explains 45% ($R^2 = 0.45$) of the variance. Therefore, almost half of the variation of the organizational attractiveness can be explained by the influence of the four CSR-dimensions. Taken together, a directly positive impact of CSR on organizational attractiveness could be proved. As hypothesized, the four dimensions of CSR did have differential effects on participants' assessment of the organizational attractiveness. Thus, each CSR-dimension showed specific signals or values which had a different importance for the respondents. The largest changes in ratings are associated with diversity and employee relations. The effect of employee relations is lesser than that of diversity. Therefore, hypothesis 5 is not supported.

6. Discussion

This study focused on the importance of CSR in the process of selecting potential employers by analyzing the impact of four different CSR-dimensions. Overall, this study indicates that CSR has a positive effect on the way in which prospective employees view the attractiveness of organizations. Furthermore, it shows that certain dimensions of CSR have differing effects on employees' assessments. It can be suggested that Signaling Theory and Social Identity Theory may help to explain these findings. As previously indicated, Signaling Theory suggests that job seekers look for clues to indicate what it would be like to work for a company. As a possible explanation it can be assumed that each dimension sends out specific signals and values which have different importance to the participants. In this way Social Identity Theory pro-

vides an explanation that the emphasis of each CSR-dimension could possibly contribute an essential impact on an improved self-concept of the potential employees.

An interesting result of the study is the variation of the impact each CSR-dimension has on the organizational attractiveness. With focus on the most significant beta-factors of the regression analysis, the variables diversity and employee relations proved to have the strongest influence on the organizational attractiveness. Maybe the respondents attach to these both factors a higher personal relevance. Both dimensions correspond to this because they affect, appreciably, the daily work life of an employee (Backhaus et al., 2002). In that sense, more fair and responsible work conditions were associated with a high diversity and employee relations or interpreted as a particular interesting corporate characteristic. Albinger and Freeman's (2000) work on CSR supports this suggestion. Their study revealed that a firms' support for diversity and employee relations was related to positive perceptions of the firm as an employer.

On the flip side, having a good product and environmental records adds little to the attractiveness of the organization. Probably these two dimensions play a less important personal role for the respondents. This probably can be explained by the relatively high regulations and requirements regarding safety and environmental standards or other legal requirements in Germany. In line with institutions such as the chamber of industry and commerce, the technical control board (TÜV) as well as many consumer protection organizations, a minimum level of quality is always guaranteed. Against the background of mostly homogeneous products the dimension 'product' is probably less important to the respondents in the decisions of employer-selection. This is also applicable to the dimension environment. Compared to other countries, Germany is exemplary in its environment-regulations. Since the 1970s a growing environment-orientation can be noticed (Habisch & Wegner, 2005). Accordingly potential employees could interpret these dimensions as standard features.

Referring to sustainable management the study reveals that CSR seems to be an effective tool to attract potential employees. If organizations are willing to provide Sustainable HRM practices they can become an employer-of-choice. From a market-oriented perspective organizations have to align their HRM practices to the resulting needs of the diverse human workforce. Thus, the organization should absorb Sustainable HRM practices in terms of the different aspects of CSR. The results outline process through which applicants weight the single CSR-dimensions in different ways. Accordingly, corporations should bring their HRM strategies and activities in line especially with the two most important CSR-dimensions diversity and employee relations. Serious consideration should be taken of how these two dimensions can be explicitly promoted or escalated. The companies can develop and execute real Sustainable HRM practices to increase these dimensions: i.e. encouragement of older employees, the compatibility of job and family, retirement arrangements, encouragement of women in leadership positions or establishment of corporate kindergartens.

Finally, the development of organizational attractiveness by emphasizing CSR-orientation could help to improve Sustainable HRM in the sense of attracting and bonding highly skilled employees and 'talent' to the company. As a result this could improve the company's position in the 'war-for-talent' and the ability to attract highly capable employees as a major contribution by HRM to support a sustainable corpo-

rate success by managing the sustainable supply of employees. Whether sustainable management and CSR-activities are useful to address and attract potential employees depends on the level of successful communication of these signals. Thus, CSR- or sustainability reports seem to represent a useful and an appropriate communicational tool. Such communication tools have been given titles such as “Global Citizenship Report”, “Corporate Responsibility Report”, “Environmental Sustainability Report”, “Sustainability Report”, and “Environmental & Social Responsibility Report”. The reports are mostly voluntary and should provide objective information about the different aspects of CSR although there is a risk of ‘green-washing’ or hiding the reality of CSR behind PR puff. In the framework of these reports diversity and employee relations could be mentioned explicitly. Thus, companies could publish corporate disclosures with performance indicators regarding employee-related indicators (like expenditures for education and development or retirement plans). With a focus on diversity, corporations could report on the recruitment and employment of women and minorities or women-support-programs. The particular reports could be offered at recruiting fairs or could be linked in the internet to career sites of the companies.

Some limitations of the conducted survey and aspects for further research should be mentioned. As this study shows that not all CSR-dimensions have the same relevance but vary in their importance, further research could investigate if the perception of the single CSR-dimensions varies through individual personal characteristics. Referring to the organizational culture profile by O’Reilly et al. (1991) an examination of whether personal individual characteristics moderate the single CSR-dimensions would be useful. Furthermore, the compensatory impact of CSR on salary could be examined in detail. A similar study-design which addresses company-scenarios with different characteristics of the factors CSR and salary could take this potential effect into account. By applying a policy-capturing approach the reactions of the participants are examined on scenarios which do not fully correspond to real life. The organizational characteristic manipulations did not reflect all of the information applicants may obtain about organizations and jobs. Nonetheless the study has attempted to develop realistic descriptions through demonstrative illustrations in line with current research studies and results. In this way, the design has created a precise simulation of potential employers during the decision making process of applicants. Finally, the study is based on the assumption that employees have access to the particular CSR-information. Under real life conditions this assumption cannot always be certain.

References

- Aguilera, R., Rupp, D. E., Williams, C. A., & Ganapathi, J. (2007). Putting the s back in corporate social responsibility: A multilevel theory of social change in organizations. *Academy of Management Review*, 32(3), 836-863.
- Albinger, H. S., & Freeman, S. J. (2000). Corporate social performance and attractiveness as an employer to different job Seeking populations. *Journal of Business Ethics*, 28, 243-253.
- Anand, S., & Sen, A. (2000). Human development and economic sustainability. *World Development*, 28(12), 2029-2049.
- Angelidis J., & Ibrahim N. (2004). An exploratory study of the impact of degree of religiousness upon an individual’s corporate social responsiveness orientation. *Journal of Business Ethics*, 51, 119-128.
- Ashforth, B. E., & Mael, F. (1989). Social identity theory and the organization. *Academy of Management Review*, 14, 20-39.

- Backhaus, K. B., Stone, B. A., & Heiner, K. (2002). Exploring the relationship between corporate social performance and employer attractiveness. *Business and Society, 42*, 292-318.
- Bansal, P. (2005). Evolving sustainably: A longitudinal study of corporate sustainable development. In: *Strategic Management Journal, 26*, 197-218.
- Barnett, M. L. (2007). Stakeholder influence capacity and the variability of financial returns to corporate social responsibility. *Academy of Management Review, 32*, 794-816.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99-120.
- Barney, J. (2002). *Gaining and sustaining competitive advantage*. New Jersey: Prentice Hall.
- Bauer, T. N., & Aiman-Smith, L. (1996). Green career choices: The influence of ecological stance on recruiting. *Journal of Business and Psychology, 10*, 445-458.
- Berman, S. L., Wicks, A. C., Kotha, S., & Jones, T. M. (1999). Does stakeholder orientation matter? The relationship between stakeholder management models and firm financial performance. *Academy of Management Journal, 43*, 488-506.
- Bertelsmann Stiftung (2005). *Die gesellschaftliche Verantwortung von Unternehmen – Dokumentation der Ergebnisse einer Unternehmensbefragung der Bertelsmann Stiftung*. Gütersloh 2005. (Bertelsmann Trust (2005). The company's corporate social responsibility – Results from an investigation from Bertelsmann Trust, Gütersloh 2005).
- Bhattacharya, C. B., Sen, S., & Korschun, D. (2008). Using corporate social responsibility to win the war for talent. *MIT Sloan Management Review, 49*, 37-44.
- Boudreau, J. W., & Ramstad, P. M. (2005). Talent ship, talent segmentation, and sustainability: A new HR decision science paradigm for a new strategy definition. *Human Resource Management, 44*, 129-136.
- Bowen, H. R. (1953). *Social responsibilities of the businessman*. New York: Harper & Row.
- Brammer, S., & Millington, A. (2003). The effect of stakeholder preferences, organizational structure and industry type on corporate community involvement. *Journal of Business Ethics, 45*(3), 213-226.
- Brammer, S., Millington, A., & Rayton, B. (2007). The contribution of corporate social responsibility to organizational commitment. *International Journal of Human Resource Management, 18*(10), 1701-1719.
- Carroll, A. B. (1979). A three-dimensional conceptual model of corporate social performance. *Academy of Management Review, 4*, 497-505.
- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons, 34*, 39-48.
- Carroll, A. B. (1999). Corporate social responsibility: Evolution of a definitional construct. *Business and Society, 38*, 268-296.
- Carroll, A. B., & Shabana, K. M. (2010). The business case for corporate social responsibility: A review of concepts, research and practice. *International Journal of Management Reviews, 12*, 85-105.
- Cherenson Group (2002): Ethical corporation magazine: Reputation more important than high salary, says new US research. <http://www.cherenson.com/news/ECM-Rep.shtml>
- Clarkson, M. B. E. (1995). A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of Management Review, 20*, 92-117.
- Davis, K. (1960). The case for and against business assumption of social responsibilities. *Academy of Management Journal, 16*, 312-322.
- Docherty, P., Shani, A.B., & Forslin, J. (eds.) (2008). *Creating sustainable work systems: Emerging perspectives and practice*, 2nd edition. London: Sage.
- Dutton, J. E., Dukerich, J. M., & Harquail, C. V. (1994). Organizational images and member identification. *Administrative Science Quarterly, 39*, 239-263.
- Dyllick, T., & Hockerts, K. (2002). Beyond the business case for corporate sustainability. *Business Strategy and the Environment, 11*(2), 130-141.
- Ehnert, I. (2006). *Sustainability issues in human resource management: Linkages, theoretical approaches, and outlines for an emerging field*. Paper presented at the 21st EIASM SHRM Workshop, Birmingham, March 28-29.
- Ehnert, I. (2009a). Sustainable human resource management: A conceptual and exploratory analysis from a paradox perspective. In *Contributions to Management Science*. Physica, Springer: Heidelberg.
- Ehnert, I. (2009b). Sustainability and human resource management: Reasoning and applications on corporate websites. *European Journal of International Management, 3*(4), 419-438.

- European Commission (2001a). *A sustainable Europe for a better world: A European Union strategy for sustainable development*. COM (2001) final, Brussels.
- European Commission (2001b). *Green paper "Promoting a European framework for corporate social responsibility"*. COM (2001) final, Brussels.
- European Commission (2010). *Europe 2020 – A strategy for smart, sustainable and inclusive growth*. COM (2010) final, Brussels.
- European Commission (2011). *A renewed EU strategy 2011-14 for corporate social responsibility*. COM (2011) final, Brussels.
- Frederick, W. C. (1987). Theories of corporate social performance. In S. Prakash Sethi, & C. Falbe (eds.), *Business and Society: Dimensions of Conflict and Cooperation*. Lexington.
- Frederick, W. C. (1994). From CSR1 to CSR2. *Business and Society*, 33, 150-164.
- Frederick, W. C. (2008). Corporate social responsibility: Deep roots, flourishing growth, promising future. In A. Crane, A. McWilliams, D. Matten, J. Moon, & D. Siegel (eds.), *The Oxford handbook of corporate social responsibility* (pp. 522-531). Oxford: Oxford University Press.
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman.
- Friedman, M. (1970). The social responsibility of business is to increase its profits. *The New York Times Magazine*, September 13, 32-33.
- Gladwin, T. N., Kennelly, J. J., & Krause, T.-S. (1995). Shifting paradigms for sustainable development: Implications for management theory and research. *Academy of Management Review*, 20(4), 874-907.
- Graves, S. B., & Waddock, S. A. (1994). Institutional owners and corporate social performance. *Academy of Management Journal*, 37, 1034-1041.
- Greening, D. W., & Turban, D. B. (2000). Corporate social performance as a competitive advantage in attracting a quality workforce. *Business and Society*, 39, 254-280.
- Habisch, A., & Wegner, M. (2005). Overcoming the heritage of corporatism. In A. Habisch, J. Jonker, M. Wegner, & R. Schmidpeter (eds.), *Corporate social responsibility across Europe* (pp. 111-123). Berlin, Heidelberg: Springer.
- Haigh, M., & Jones, M. (2007). A critical review of relations between corporate responsibility research and practice. *Electronic Journal of Business Ethics and Organizational Studies*, 12, 16-28.
- Highhouse, S., Zickar, M., Thorsteinson, T. J., Stierwalt, S. L., & Slaughter, J. E. (1999). Assessing company employment image, an example in the fast food industry. *Personnel Psychology*, 52, 151-153.
- Johnson, H. L. (1971). *Business is contemporary society: Framework and Issues*. Belmont.
- Judge, T. A., & Bretz, R. D. (1992). The effects of work values on job choice decisions. *Journal of Applied Psychology*, 77, 261-271.
- Karren, R. J., & Barringer, M. W. (2002). A review and analysis of the policy-capturing methodology in organizational research: Guidelines for research and practice. *Organizational Research Methods*, 5, 337-361.
- Keim, G. D. (1978a). Corporate social responsibility: An assessment of the enlightened self-interest model. *Academy of Management Review*, 3(1), 32-39.
- Keim, G. D. (1978b). Managerial behavior and the social responsibility debate: Goal versus constraints. *Academy of Management Journal*, 21(1), 57-68.
- Kim, S.-Y., & Park, H. (2011). Corporate social responsibility as an organizational attractiveness for prospective public relations practitioners. *Journal of Business Ethics*, 103, 639-653.
- Lockett, A., Moon, J., & Visser, W. (2006). Corporate social responsibility in management research: Focus, nature, salience and sources of influence. *Journal of Management Studies*, 43(1), 115-136.
- Loew, T., Ankele, K., Braun, S., & Clausen, J. (2004). *Significance of the CSR debate for sustainability and the requirements for companies*. Berlin.
- Losse, B. (2010). Arbeitslosigkeit abhaken. *Wirtschaftswoche*, 43, 23.08.2010..
- Luce, R. A., Barber, A. E., & Hillman, A. J. (2001). Good deeds and misdeeds: A mediated model of the effect of corporate social performance on organizational attractiveness. *Business and Society*, 40(4), 397-415.
- Maignan, I., Ferrell, O. C., & Hult, G. T. M. (1999). Corporate citizenship: Cultural antecedents and business benefits. *Journal of the Academy of Marketing Science*, 27, 455-469.

- Margolis, J. D., & Walsh, J. P. (2001). *People and profits? The search for a link between a company's social and financial performance*. Mahwah, New Jersey, London: Lawrence Erlbaum.
- Mariappanadar, S. (2003). Sustainable human resource strategy: The sustainable and unsustainable dilemmas of retrenchment. *International Journal of Social Economics*, 30(8), 906-923.
- McGuire, J. B. (1963). *Business and society*. New York: McGraw-Hill.
- McWilliams, A., & Siegel, D. S. (2000). Corporate social responsibility and financial performance: Correlation or misspecification? *Strategic Management Journal*, 21, 603-609.
- McWilliams, A., Siegel, D. S., & Wright, P.M. (2006). Corporate social responsibility: Strategic implications. *Journal of Management Studies*, 43, 1-18.
- Montiel, I. (2008). Corporate social responsibility and corporate sustainability. *Organization & Environment*, 21, 245-269.
- Ng, E. S. W., & Burke, R. J. (2005). Person-organization fit and the war for talent: does diversity management make a difference? *The International Journal of Human Resource Management*, 16(7), 1195-2110.
- O'Reilly, C. A., Chatman, J., & Caldwell, D. F. (1991). People and organizational culture: A profile comparison approach to assessing person-organization fit. *Academy of Management Journal*, 34, 487-516.
- Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. *Organization Studies*, 24, 401-441.
- Pirsch, J., Gupta, S., & Grau, S. L. (2007). A framework for understanding corporate social responsibility programs as a continuum: An exploratory study. *Journal of Business Ethics*, 70, 125-140.
- Preston, L. E. (1975). Corporation and society: The search for a paradigm. *Journal of Economic Literature*, 13, 434-453.
- Riordan, C. M., Gatewood, R. D., & Bill, J. B. (1997). Corporate image: Employee reactions and implications for managing corporate social performance. *Journal of Business Ethics*, 16, 401-412.
- Rupp, D. E., Ganapathi, J., Aguilera, R. V., & Williams, C. A. (2006). Employee reactions to corporate social responsibility: An organizational justice framework. *Journal of Organizational Behavior*, 27, 537-543.
- Rynes, S. L., & Lawler, J. (1983). A policy-capturing investigation of the role of expectancies in decisions to pursue job alternatives. *Journal of Applied Psychology*, 68, 620-631.
- Scherer, A., & Palazzo, G. (2008). Globalization and corporate social responsibility. In A. Crane et al. (eds.), *The Oxford handbook of corporate social responsibility* (pp. 413-430). Oxford: Oxford University Press.
- Schuler, R. S., & Jackson, S. E. (2005). A quarter-century review of human resource management in the U.S.: The growth in importance of the international perspective. *Management Review*, 16, 11-35.
- Schwalbach, J., & Schwerk, A. (2008). Corporate governance und corporate citizenship. In Habisch, A., Schmidpeter, R., & Neureiter, M. (eds.), *Handbuch für Corporate Citizenship* (pp. 71-85). Berlin, Heidelberg: Springer.
- Sharfman, M. (1996). The construct validity of the Kinder, Lydenberg, and Domini social performance ratings data. *Journal of Business Ethics*, 15, 287-296.
- Sirota Survey Intelligence (2007). quoted from CSR boosts employee engagement, social responsibility boosts employee engagement 09 May, Retrieved 29.03.2011, from <http://www.management-issues.com/2007/5/9/research/social-responsibility-boosts-employee-engagement.asp>
- Smith, W., Wokutch, R., Harrington, K., & Dennis, B. (2001). An examination of the influence of diversity and stakeholder role on corporate social orientation. *Business and Society*, 40(3), 266-294.
- Spence, A. M. (1973). Job market signaling. *Quarterly Journal of Economics*, 87, 355-374.
- Spence, A. M. (1974). *Market signaling: Informational transfer in hiring and related screening processes*. Cambridge: Harvard University Press.
- Swaen, V., & Maignan, I. 2003. Organizational citizenship and corporate citizenship: two constructs, one research theme? In True, S. L., & Pelton, L. (eds.), *Business rites, writs and responsibilities: Readings on ethics and social impact management* (pp. 105-130). Kennesaw, Georgia, USA: Kennesaw State University.
- Swanson D., & Niehoff, B. P. (2001). Business citizenship outside and inside organizations. In J. Andriof, & M. MacIntosh (eds.), *Perspectives on corporate citizenship* (pp. 104-116). Greenleaf Publishing.

- Swanson, D. (2008). Top managers as drivers for corporate social responsibility. In A. Crane, A. McWilliams, D. Matten, J. Moon, & D. Siegel (eds.), *The Oxford handbook of corporate social responsibility* (pp. 227-248). New York: Oxford University Press, 2008.
- Tajfel, H., & Turner, J. C. (1986). The social identity theory of intergroup behaviour. In S. Worchel, & W. C. Austin (eds.), *Psychology of intergroup relations* (pp. 7-24). Chicago: Nelson.
- Turban, D. B., & Greening, D. W. (1997). Corporate social performance and organizational attractiveness to prospective employees. *Academy of Management Journal*, 40, 658-672.
- Turban, D. B., & Keon, T. L. (1993). Organizational attractiveness: Demography and turnover in top management groups. An interactionist perspective. *Journal of Applied Psychology*, 78, 184-193.
- Van Dick, R. (2004). My job is my castle: Identification in organizational contexts. *International Review of Industrial and Organizational Psychology*, 19, 171-203.
- Varadarajan, P. R., & Menon, A. (1988). Cause-related marketing: A coalignment of marketing strategy and corporate philanthropy. *Journal of Marketing*, 52, 58-74.
- Waddock, S. A., & Graves, S. B. (1997). The corporate social performance–financial performance link. *Strategic Management Journal*, 18, 303-319.
- Waldman, D. & Siegel, D. S. (2008). Defining the socially responsible leader. *The Leadership Quarterly*, 19(1), 117-131.
- Waldman, D. A., Siegel, D., & Javidan, M. (2006). Components of CEO transformational leadership and corporate social responsibility. *Journal of Management Studies*, 43(8), 1703-1725.
- Wartick, S., & Cochran, P. L. (1985). The evolution of the corporate social performance model. *Academy of Management Review*, 10, 758-769.
- WCED (World Commission on Environment and Development) (1987). *Our common future*. Oxford, UK: Oxford University Press.
- Wilkinson, A. et al. (2001). The sustainability debate. *International Journal of Operations & Production Management*, 21, 1492-1502.
- Wood, D. J. (1991). Corporate social performance revisited. *Academy of Management Review*, 16, 691-718.
- Wright, P., & Snell, S. A. (2005). Partner or guardian? HR's challenge in balancing value and values. *Human Resource Management*, 44(2), 177-182.
- Wright, P., Ferris, S. P., Hiller, J. S., & Kroll, M. (1995). Competitiveness through the management of diversity. *Academy of Management Journal*, 38, 272-290.
- Zaugg, R. J. (2009). *Sustainable HR management: New perspectives and empirical explanations*. Wiesbaden: Gabler.

Annex

Annex 1: Manipulationcheck

Environment	Induced Environment-Oriented	Mean	Standard deviation	Sig.
Perceived Environment - Orientation	low	1,89	1,32	0,000
	high	3,93	1,1	

Diversity	Induced Diversity-Oriented	Mean	Standard deviation	Sig.
Perceived Diversity-Oriented	low	2,12	1,57	0,000
	high	4,53	0,76	

Product	Induced Product-Orientation	Mean	Standard deviation	Sig.
Perceived Product-Orientation	low	1,83	1,89	0,000
	high	3,63	1,13	

Employee Relations	Induced Employee-Relations	Mean	Standard deviation	Sig.
Perceived Employee-Relations	low	1,51	0,99	0,000
	high	4,43	1,3	

Annex 2: Measurement of organizational attractiveness (Turban & Keon, 1993)

Organizational Attractiveness (OA)	
OA1	I would like to work for this company.
OA2	I would choose this company as one of my first choices for an employer.
OA3	I would find a job with this company attractive.
OA4	I would exert a great deal of effort to work for this company.

Annex 3: Information on survey questions

Survey Instructions	
<p>Please imagine yourself as a job seeker preparing to be interviewed by an organization. Below you will find descriptions of 18 organizations that could be potential employers. Within each, assume salary and compensation packages are the same and within your desired range. The types of work and promotion opportunities are equal and meet the standard that you have established in your employment search. The employment locations are all in your preferred geographic location.</p> <p>The only differences in the 18 are organizations relate to 1) diversity (treatment of woman and minorities), 2) product quality (implementation of a quality management system), 3) environment (environmentally unfriendly/potentially harmful products), 4) employee relations (occupational pension scheme).</p> <p>Please rate your likelihood of each employment action using the five-point scale below, where “1” is strongly disagree and “5” is strongly agree (mark one block for each section). You should answer completely all the questions about one scenario before moving on to the next scenario. Because you have many choices, please focus on the differences between the organizations.</p>	

Exemplary scenario with low levels of each dimension

The company produces environmentally unfriendly products. The company doesn't advocate the engagement and encouragement of women and minorities. The company doesn't have a quality management system. There is no occupational pension scheme in the company.	
1	I would like to work for this company.
2	I would choose this company as one of my first choices for an employer.
3	I would find a job with this company attractive.
4	I would exert a great deal of effort to work for this company.