Integrating CSR with Employer Branding Initiatives: Proposing a Model

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Abstract: Building a strong reputation is one of the highest priorities for organizations. ‘Reputation’, synonymous to the organization’s ‘brand’, silently inspires perceptions of those who view the organization holistically, apart from its products, activities and interactions. Organizations are also looked upon as a brand based on how they are viewed as an employer, often termed as ‘employer brand’. The concept is best understood as the initiatives and actions taken in positioning the organization as a credible employer in the hearts and minds of the former, current and potential future employees. The employer branding initiatives should aim to inform the stakeholders about the potential benefits the workplace offers. It should also lead to transmitting trust among future employees in an attempt to reduce the perceived risk associated with future employment. One of the ways to ensure effective communication with relevant stakeholders is through the integration of Corporate Social Responsibility in the employer branding activities. This shall lead to strengthening its stand as a responsible workplace, which is a key to attract talented job aspirants. This paper focuses on leveraging the CSR induced benefits to and integration with employer branding initiatives of the organization. This strategy will ultimately help the firm in establishing and strengthening its image as a trustworthy and fair employer may serve as a differentiator.

Keywords: Employer Branding, Employer Image, Reputation, Corporate Social Responsibility, Responsible workplace.

1. INTRODUCTION

Employees, the intangible asset of the organization, with their skill, creativity and drive to deliver products and services to delight the customers, are supposed to provide a competitive edge to the organization over its competitors. This comes true only when the organization is
successful in attracting and retaining the talented pool of current and prospective employees. This task of appealing candidates and motivating them to apply for the organization becomes difficult because of the universal shortage of talented individuals (Michaels et al., 2001). A good ‘corporate citizen’ image of the organization, with the right mix of CSR policies and initiatives, may prove instrumental in this pain area, i.e., of impressing the talented pool and motivating them to join the organization. As quoted in the white paper by World Economic Forum (2003), Jim Copeland, Jr., the former chief of consulting superpower Deloitte Touche Tohmatsu, said that great individuals do want to succeed but, at the same time, they want to be associated with organizations that show a responsible ‘corporate citizenship’ characteristic. (as cited in Bhattacharya et al., 2008).

Corporate Social Responsibility reverberates the values that are cherished by an organization. While framing the ‘employee value proposition’, a popular framework for modern talent management, CSR emitted values may play an important role in it (Bhattacharya et al., 2008). Berry and Parasuraman (1992) emanate similar feelings when they contend that good salary slip may retain employees ‘physically’ but this alone may not hold them ‘emotionally’. They move on to suggest that ‘internal marketing’, the concept that treats employees as internal customers and attempts to satisfy them consequently, is the broader concept under which CSR generated values may help in attracting and retaining talented employee pool.

At a more strategic level, the majority of the CSR initiatives are designed and its outcomes are advertised keeping external stakeholders’ engagement in mind and the capacity of CSR towards internal stakeholder engagement is grossly overlooked. Bhattacharya et al. (2008) observed this phenomenon in detail and stated that most of the managers are not sure how to recognize specific CSR needs of a particular group of professionals and then how to constitute tailored CSR initiatives to satisfy their unique expectations.

Employer Branding
Historically, the employer brand was strongly rooted in the field of marketing. Aggerholm et al. (2011) addressed it as the ‘marketing approach’ to HR. It is a recent offshoot of the broader marketing concept of branding. Ambler and Barrow (1996) coined this term and introduced the concept in their seminal work presented at London Business School and proposed the definition of employer branding and emphasized on its positive aspect. They termed it as a bundle of economic, psychological and functional benefits that an employee receives and that can be identified with the organization. Later, Lloyd (2002) defined it as the total of an organization’s efforts to ‘communicate to existing and prospective staffs’ with the message that ‘it is a desirable place to work’. The definition was further advanced by Backhaus and Tikoo (2004). They expanded it to include the purpose and benefits of using employer branding strategies. They defined it as a process with the purpose of ‘building an identifiable and unique employer identity’.

From the employers’ perspective, employer brand entails the talent pool, strategic competence and the organizational culture and combinedly it builds their reputation as a great place to work (Ewing et al., 2002); whereas, from the employees’ perspective, it is about what prospective employees can expect, as McLaren (2011) puts it, as a promise from the prospective employer about what their workplace is going to look like. As these perspectives are not essentially in-sync with each other, Moroko and Uncles (2009) recommend that the major emphasis in the employer branding initiative of an organization should be on accommodating the concerns of all the stakeholders so that it protrudes the right ‘employee experience’.
Ambler and Borrow (1996) in their seminal work argue that the recruitment and selection being a costly affair for any organization, an impressive employer brand will positively impact the bottom line of the organization by keeping its employees engaged and involved for a longer period. Caplan (2004) takes the argument forward and claims that the employer brand may support the organization in attracting candidates with matching aspiration and value system and who rightly fit with the culture and systems of the organization. This further reduces the chance of occurrence of disagreement as the ‘best fit’ employees make choices and take decisions that are in-sync with the interest of the organization.

A prominent challenge to employer branding is achieving and maintaining brand alignment. In case of no discrepancy in brand alignment, i.e., what employees expect from the organization and what they experience are matching, it results in positive consequences in the form of positive employee outcomes like positive word-of-mouth, higher employee satisfaction, occurrences of employee responsible behaviour, improved employee retention etc. On the other hand, when employees find a discrepancy between what they expect from the organization and what they experience, it results in negative consequences like the intention to quit, reduced job performance and satisfaction, heightened trust deficit etc (Carlini, 2015).

The concept of employer branding has some overlap, both conceptually and empirically, with other similar constructs like employer image, employer reputation and employer attractiveness. This overlay necessitates addressing the similarities and differences amongst these constructs to generate understanding that is well-grounded in the extant literature.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) refers to “the responsibility of enterprises for their impact on society” and it accommodates the integration of “social, environmental, ethical, human rights and consumer concerns into business operations and core strategy in close collaboration with their stakeholders” (European Commission 2011). Gond et al. (2010) define CSR in its broadest sense when they say that it comprises all the activities and decisions that are focussed on matters outside its ‘economic, technical and legal’ compulsions, whereas Barnett (2007) calls it ‘a discretionary allocation’ of organizational resources for improving the society and the relationship with its stakeholders’ as a consequence. Further, as Lai et al. (2010) aptly declare, nowadays, organizations are considering it as a strategic tool to satisfy the expectations of its stakeholders.

Traditionally, the CSR research was concentrated at the organizational level and the focal point of such research used to be the external stakeholders (Aguinis & Glavas, 2012). Nevertheless, contemporarily, an impressive research domain is getting created inside CSR literature that is focussed on the CSR study at the micro-level (Glavas & Kelley, 2014). Jones (2010) focused on how employee performance can be improved through CSR; Maignan et al. (1999) focussed on CSR and employee commitment relations whereas Greening and Turban (2000) investigated the future employees attracting capacity of CSR. Further, employees, as a stakeholder, are at the core of many popular CSR frameworks. The European Union (2008) compartmentalized the social responsibilities of businesses into four distinct chambers, namely, Workplace CSR, Marketplace CSR, Environment-related CSR and Community-related CSR; out of which employees occupy the centre stage of ‘Workplace CSR’ component.

CSR Practices

CSR practices are the fundamental base on which an organization’s ‘responsible organization’ image is firmly ingrained in and the number and quality of those practices, along with the sincerity of the organizations in implementing them, play an important role in this
exercise. These practices can be classified based on the type of stakeholders the practices are addressed to; namely primary stakeholders and secondary stakeholders. Primary stakeholders are the parties that are directly engaged in and are essential for the organization’s survival and growth (like shareholders, employees, customers and suppliers); whereas secondary stakeholders are not involved in the organization’s activities directly but may have a profound indirect impact on the success of the organization (like the community, government, competitor and media) (Harrison & St John, 1996). Cornelissen et al. (2007) proposed the stakeholder group method to categorize CSR practices into Internal and External. Internal-CSR practices are directed to the organization’s internal stakeholders, primarily its employees, and external-CSR practices are directed at the organization’s external stakeholders, primarily the community and the environment.

Internal-CSR practices are directed towards an organization’s employees and sometimes it is conceptualized and broadcasted keeping the prospective candidates in mind. The practices that are broadly categorized under internal-CSR belong to areas like employee-friendly work policies and practices, employee-centric health and safety measures, training and development opportunities for employees, equal opportunity in employment-related matters etc. The external-CSR practices, that are concerned with the outbound community and environmental practices, falls under areas like code of conduct for suppliers, commitment to fair-trade policies, policy on human rights, the welfare of the local community, fulfilling environmental protection and ecology preservation-related obligations etc. In addition to external-CSR policies directing the organization to ‘do good’, organizations also need to frame policies to avoid ‘doing bad’ (Lin-Hi & Muller, 2013). Any lapses in framing the policies or adopting the practices to avoid wrongdoing may be termed as irresponsibility and may in turn tarnish the identity, image and reputation of the organization.

Impact Of Csr On Employer Branding: Theoretical Framework

Some theories can be used in conceptualizing the impact of CSR on Employer Branding. In understanding the impact of a particular component of CSR, namely Workplace CSR, Marketplace CSR, Environment-related CSR and Community-related CSR (European Commission, 2008), specific theories may come handy. The ‘Workplace CSR’ component and its impact on EB can be recognized by using the motivational theories. When the organization proactively works on internal-CSR through creating and institutionalizing activities like better working conditions and improved environment, providing good training and development opportunities and adequate financial and social benefits, it creates a better organizational image that ultimately motivates employees to give their best to the employer and remain dedicated for a longer period.

On the ‘external CSR’ front, the impact emitted by the remaining three CSR components can be decoded with the help of Signalling Theory, Social Identity Theory and Person Organization Fit theory. Signalling Theory is the most widely used theory to explain this ‘CSR-EB’ nexus. Connelly et al. (2011) acknowledged the contribution of this theory in taking decisions or undertaking actions in an ‘asymmetric information’ environment. Borrowing from the signalling theory, the information available to the current and prospective employees on the organization’s values, beliefs, strategies and the idea about the workplace is limited. In this situation, the only means to know and judge the organization is to interpret the signals sent to the market by the firm. Hence, they utilize the noticeable actions of the organization to get information that is not noticeable (Spence, 1974). Dögl and Holtbrügge (2014) further used this theory in their research and opined that organizations tend to emit signals especially when they struggle to acquire scarce resources such as talent. With the help of this theory, CSR can be viewed as a signal that a prospective candidate receives about the
organization and this information helps the candidate in constructing the organization’s attractiveness as a good employer.

The Social Identity Theory is the second most popular theory used by researchers to explain why a prospective candidate gets attracted to those organizations that have an impressive CSR track record. The theory helps us in creating an assumed link between the organization and the individual’s reputation. Using this theory Ashforth and Mael (1989) establishes that an individual finds a connection with a specific group and tries to favour the group through labelling themselves and others into multiple social categories. People assume the association with an organization as an important group affiliation and they transmit their value to the society through this relationship. Hence, the theory explains how CSR is capable to positively influence the perceived social identity of current and prospective employees and how, in turn, it facilitates lifting their self-esteem. On the contrary, when they find a mismatch between their own identity and values and that of the organization’s, they tend to discontinue their association with the group (leave the organization) (Wrzesniewski et al., 2003).

Similarly, the Person Organization Fit Theory can also be used to comprehend the ‘CSR-EB’ nexus. The theory proposes that people try to attain a right-fit of organizational and personal values and norms. The CSR practices of an organization provide a conducive avenue for the present and future employees to achieve this person-organization-fit. This study grounds the proposed CSR-EB model mainly in Signalling Theory and Social Identity Theory. These two theories overall encompass the essential aspects of the theoretical underpinning for the study.

**Integrating Csr With Employer Branding Initiatives**

To gain a competitive advantage, building an effective employer brand is essential. Attracting and retaining talent leads to the expansion and growth of the business. Employer branding helps communicate the positive image of the organization and is used as a technique to motivate and engage employees. Employer brand is understood as the bundle of economic, functional role and psychological benefits that employers provide to employees (Mosley, 2007). Employer brand is a sum of distinguishable features that prospective and current employees perceive about the organization's employment experience i.e. tangibles (salary, incentives, position), and intangibles (culture, values, management style, learning and development).

Employer branding plays a key role to position the organization and enhance corporate reputation as fair, transparent and as a place, that provides equal opportunity to all. Strong employer brands create a distinctive identity that increases the aspiration of potential employees to join (Morokane et al., 2016). This image of the firm is an impression that changes based on the action, performance and interaction with stakeholders. Firms higher in corporate social performance (CSP) have a reputation that is more positive and are more attractive as employers (Turban, & Cable, 2003).

Creating differentiation from the rest of the competitors in an industry is essential for business organizations to succeed and sustain. The ability to enhance and widen the gap of differentiation from its competitors stems from the fact that it is possible to do so only if the business firm has employees that are creative, highly skilled and demonstrate exemplary intellect to lead the organization in a volatile environment. Organizations can succeed and sustain only if they can attract and retain talented human resources. Organizations are known to create superior products, superior services, improve operational efficiency only due to the available intellect that helps to build this advantage over other competing firms.

Evidence from earlier research suggests that, of other ways, the conduct of corporate social responsibility activities provide an important source in attracting and retaining
employees. In testimony to this fact is the myriad of examples wherein business organizations involve its employees in various community benefit/development related projects (Grow, 2005). There is no surprise to the rising number of organizations participating in many socially responsible projects. Talented prospective employees may consider being part of a business that places high emphasis on being a good corporate citizen. Such actions strongly denote the organization as a contributor to societal development rather than being just being concentrated on profit maximization. Thus, businesses consider the conduct of corporate social responsibility activities as an essential part of their operations.

Building a positive image can be possible through socially responsible activities. Involving in socially responsible activities, which may be philanthropic or addressing specific needs of the society; sends a positive image about the organization to all stakeholders. The reputation so earned, helps to attract a large number of applicants, as the aspiration level to be associated with the organization that is perceived to provide good working conditions, is high.

Building strong brands is an integral aspect of the whole process of employer branding as it attracts potential employees to the brand's purpose and meaning, which indicates the need for a stronger connection between Corporate Social Responsibility and Employer Brand.

**Integrating Csr With Employer Branding Initiatives: The Proposed Model**

The model that integrates CSR with Employer Branding

Involvement in corporate social responsibility (CSR) activities sends strong signals of the prevalent value system and culture and may attract people who consider the value system as important to them. The positive action by an organization towards socially responsible issues can influence to enhance its image especially among those who would aspire to work with them and expect positive experiences. In their research, (Gatewood et al., 1993) found out that the perception of applicants about the organization's image influences their intent to seek employment with that organization. Greening et al. (1996) also conclude that the organizations that are involved in corporate socially responsible activities lead to builds their reputation positively and are more likely to attract potential applicants.
Use of CSR to signal its intent

By its involvement in CSR activities, organizations send positive communication to its stakeholders to convey its focus, its culture, and its intent to develop into a brand that provides equal opportunity for all. This communication, often known as signalling theory, is used by organizations to understand communication between them and their stakeholders (Connelly et al., 2011). The CSR activities that organizations get involved in, communicates about its concern for social development and social values, thereby exhibiting the strong value system that prevails within. The involvement leads to a positive image in the minds of its stakeholders, thus attracting potential job applicants (Ryan et al., 2000) resulting in the firm having a quality workforce (Greening & Turban, 2000). Ryan et al. (2000) further state that organizations that used the signaling approach increased their attractiveness as employers and potential employees were more likely to apply for a position in the organization. In doing so, the organization builds a strong employer brand. While a firm that is engaged in external CSR activities that may result in sending signals, it has to maintain consistency in having strong CSR programs internally, which in turn will lead to the stronger employer brand. Limited actions in any one of the CSR programs (either internal or external), will do more harm to the employer branding process.

As part of Employer branding, CSR activities are undertaken by firms to enhance their attractiveness while hiring potential employees. Under CSR activities, potential employees receive signals increasing their intent to be associated with the organization that has a matching value system, whereby they perceive the firm to be a place that offers expected benefits. The employer brand plays a key role in increasing the organization's attractiveness and influencing the perception of potential applicants. It is noteworthy to mention that a strong employer brand and its CSR, attract potential applicants to apply for a position in the organization. The type of CSR activity undertaken will also play a role in determining the level of attractiveness for aspirants to apply (Backhaus & Tikoo, 2004). Potential applicants take pride in being associated with an organization involved in CSR. Potential applicants may not have adequate information about the position offered and the expected performance required and hence rely on the image and reputation of the organization (O’Cass et al., 2011). Generally, activities that are of immediate social benefits may be preferred by various stakeholders, including customers etc. that the organization offers a conducive work environment. It is important to note that when organizations conduct CSR activities that benefit the society, its communication can be widespread through interactions between members of various stakeholder groups, through informal talks between smaller groups of individuals, through social media whose spread has no control. As a note of caution, organizations have to put in honest and sincere efforts to make a positive impact rather than compromise and fall short in its attempt. Consequently, the power of this communication can have a direct impact (positive or negative) on the brand.

Potential applicants do evaluate the key attributes of a firm that influences their intent to apply. As discussed earlier, potential applicants are significantly attracted by the employer brand whose CSR activities help in creating distinctiveness thereby attracting potential applicants whose aspirations and values match with those of the firm. To increase the intent to apply, firms need to invest time, efforts and resources in CSR activities aimed at the societal benefit that will help build a positive image and reputation rather than engage in CSR activities that indirectly promote profitability. Thus, the image built through integrated CSR and Employer branding activities will positively affect the perception of potential applicants and their intent to be associated with the organization.

Internal CSR
Organizations consider CSR as an important tool to attract and retain their employees. Viewing employees as ‘internal customers’, organizations may work towards fulfilling their requirements by providing adequate salary benefits, learning opportunities, well-designed job responsibilities; all of which can lead to high productivity and job satisfaction (Bhattacharya et al., 2008). The management of the organizations needs to incorporate CSR internally taking into consideration the needs of its various employees. An important aspect is to have adequate clarity about the various needs of different sections of employees to effectively engineer the CSR activity to address the needs of the employees. Internally, employees go through the brand experience (Ambler & Barrow, 1996) through the conduct of various internal processes, training and development, providing benefits and compensation, feedback processes etc., which if conducted as per employee expectation, reflects the firm's behaviour as being socially responsible and concluding that firms internal CSR actions will largely benefit the employees.

The provision of non-financial benefits and amenities over and above the expectation of its employees sends strong signals that the firm is committed to its employees. One of the key priorities in the CSR employer brand efforts is to optimize the experiences of the employees. In commitment to its value system, organizations must attempt to provide an environment of learning and development for its employees and aim to align with its CSR expectations. Involving employees in decision making at all levels and conduct of employee engagement sends strong internal signals that organizations provide adequate opportunities for professional and personal growth, thereby resulting in positive contributions towards employer branding. It aptly demonstrates the fact that organizations are keen on the development of knowledge of employees and build ownership and commitment to the assigned tasks resulting in positive outcomes that employees perceive of immense benefit to them. This displays the transparency and ethicality in the conduct of its various internal processes.

There are some key challenges that organizations need to pay due attention during the conduct of internal CSR activities meant for the benefit of its employees. While formulating CSR programs, it is important to consider the various needs of its employees and then design CSR programs effectively tailored to address these needs.

2. CONCLUSIONS

It is imperative to have a strong knit between both external and internal CSR activities as they send strong signals to various stakeholders. Strong coordination in the conduct of both internal and external CSR activities needs to be built so that there is no gap in its planning and implementation. This will help organizations send a clear message about its CSR focus and effectively communicate what the brand stands for to its stakeholders. The CSR focus needs clear articulation with a perspective of development and benefit to all stakeholders. It may be co-created and implemented upon with the help of employees whose contributions and actions must be guided to achieve the larger goal. Building strong brands is an integral aspect of the whole process of employer branding as it attracts potential employees to the brand’s purpose and meaning, which indicates the need for a stronger connection between Corporate Social Responsibility and Employer brand. However, as a caution, there is universal agreement that CSR is associated with an organization’s commitment towards community development; its effective execution is the key, which we think, is the sole differentiator in developing a formidable Employer Brand.

REFERENCES


