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## Article

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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)

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## 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 <sup>2</sup>	0.45
R <sup>2</sup> <sub>Korr.</sub>	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 kindergardens.

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.

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## Annex

### Annex 1: Manipulationcheck

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

  

Diversity	Induced Diversity-Orientation	Mean	Standard deviation	Sig.
Perceived Diversity-Orientation	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.