

CSR as an Employer Branding Tool: A conceptual study

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Abstract: Employer branding is one of the emerging topics nowadays. It is a process which is used for the purpose of forming an aggressive advantage in recruitment and selection. This allows to treat employees as internal clients, which confirms the image of the organization as a covet place to entice the most talented candidates. Above all an increasing range of organizations worldwide started promoting and inspiring their business through corporate social responsibility program as a result of the purchasers, the general public and therefore the investors expect them to act sustainable and responsible. CSR enhances the reputation of the company. Several studies today have found that CSR is working as employer branding. To retain highly skilled candidates the company must possess reputation and legitimacy. Commitment measures the 'loyalty' of employees which is one of the most important factors of employer branding. The objective of this paper is to give an overview of the use of Corporate Social Responsibility as a tool of employer branding to retain and to select the most efficient and skilled candidates as prospective employees.

IndexTerms - Employer branding, Loyalty, Retention, Reputation.

I. INTRODUCTION

The terms Employer Branding and Corporate Social Responsibility (CSR) are not new to the corporate sector as they are universal topics of these days. The Ministry of Corporate Affairs, Government of India has notified the Section 135 of Companies Act, 2013 along with Companies Rules, 2014 "hereinafter CSR Rules" and other notifications related thereto which makes it mandatory (with effect from 1st April, 2014) for certain companies who fulfill the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provisions relevant to Corporate Social Responsibility. The term 'Branding' was introduced to differentiate tangible products; over the years this has been applied to differentiate peoples, places and companies. Employer Branding is a long – running concept that has clearly found a momentum in the world. Ambler and Barrow (1996, p. 187) were a number of earliest instructors to outline the subject, and they defined it as: "The package of functional, economic and psychological benefits provided by employment, and identified with the employing company". Corporate Social Responsibility is no longer philanthropic or a publicity campaign, rather it is a business tool. Companies are taking social welfare activities time to time. CSR is considered as a section of the "triple bottom line", a concept that was coined by Elkinton (1998)¹ in which sustainability is built on financial, environmental and social grounds. Branding also plays a vital role in attracting good employees to the organization. Employer Branding is however markets your company to job seekers, as well.

II. THEORETICAL FRAMEWORK

2.1 Employer Branding

Employer Branding was first introduced in the early 1990s to represent an organization's reputation as an employer. Employer brand is understood as a brand which differentiates it from other competitors in the hire market. The term also includes long term strategy that establishes an organization's identity as an employer in the employment market (Barrow, 1990).

Employer branding can be further classified into five dimensions like- Interest Value, Economic Value, Development Value, Social Value and Application Value which are recognized by Schlager et al. (2011)² as follows.

Internet Value: It is the scope to which an independent is attracted to an employer that contributes a refreshing work

¹Elkinton.J.(1998), Cannibals with Forks: The Triple Bottom Line of 21st Century Business. 2nded. Captone Publishing Ltd., Oxford.

² Schlager T., Bodderas, M., Maas, P. and Luc Cachelin, J. (2011), "The influence of the employer brand on employee attitudes relevant for service branding: an empirical investigation", Journal of Services Marketing, Vol. 25 No. 7, pp. 497-508.

environment, has new work practices, and makes use of its employee's creativity.

Economic Value: It encompasses items such as a good salary, incentives, bonus, number of holidays and sensible retirement benefits. Organizations provide the comfort mostly for attracting and retaining employees and an increasing salary is directly related to happiness at job.

Development Value: It refers to variables such as good training, development opportunities, empowerment, learning environment and good mentoring culture.

Social Value: These are the range to which an individual is attracted to an employer that provides the opportunity to gain a good career plan, enhance experience, promotion, growth opportunities, rewards, recognition, appreciation and job security.

Application Value: Employer provides an opportunity for those employees who apply to learn and to develop others in a customer orientated and humanitarian environment.

Employer branding becomes the only strategy, which helps to place the organization as the most attractive one in the corporate ecosystem. An attractive employer is the one who creates the image that there are no choices for their employees outside the organization and thus being the most desirable employer for potential employees.

2.1.1 Fundamentals of Employer Branding

The fundamentals of employer branding that every organization can lay its focus on to achieve their goals:

- 1) Transparency
- 2) Momentum
- 3) Well Being
- 4) Additional Perks and Benefits
- 5) Rewards and Recognition
- 6) Culture and Fairness and Diversity
- 7) Women Empowerment

In this present unstable situation of business and commercial communication, there is a simultaneous concern for reputation, identity and brand management. The need for an operational definition of reputation as a strategic resource in communications and management studies with a stakeholder framework has been agreed upon in both fields. The ultimate goal is to provide conceptual and methodological clarities for future research that seeks to develop a better understanding of both organizational reputation and branding in the context of interdisciplinary understanding and practice (Huang, C. Y, 2011)³. In a competitive business environment organizations must intelligently market themselves while attracting the right candidate. Many successful organizations that have influenced the way we live today such as Google and Microsoft have proven that their strength lies in their intellectual property, thus in their people. Attracting and retaining the right employees can make a significant impact on an organization's financial performance. In a dynamic business environment recruiting and retaining of talent is a real challenge for companies. Employer branding is a relatively new approach towards hiring and retaining the best possible human talent within an employment environment that is becoming more competitive.

2.1.2 Importance of Employer Branding

In an organization employer brand is a must strategy because it helps the firms to hire better individual, decrease recruiting and marketing costs, and increase productivity. Therefore, an organization that are still in doubt about sink money into employer branding, here's why it's so important.

1. Helps retain employees and recruit new ones
2. Reduces costs
3. Your employees become your ambassadors

³Huang, Yi-HuiC. 2011. "Organizational Reputation: A Perspective on Public Relations Value", International Association of Media and Communication Research (IAMCR), Kadir Has University, Istanbul.

4. Improves employee engagement

2.1.3 The principles of employer branding

Employer branding is nowadays become conscious as a necessary part of long-term scheme. It helps to recognize potential employees, and related stakeholders with regard to particular organizations.

There are two main models of employer branding strategy (Kantowicz-Gdanska2009)⁴

- Martin’s model – employer branding is a process to create organizations image. It is determined by corporate identity and deeply set in organizational culture. The company image is basis of organization reputation that attracts employees.
- Backhouse and Tikoo’s model – employer branding is a group of functional, economic and psychological benefits provided by employment, and identified with the employing organization. It initiates the identity of the organization as an employer. It contain company value system, policies and behaviours that can attract motivate and retain the firm’s current and potential employees (Backhaus & Tikoo, 2004)⁵

According to ManpowerGroup (2015)⁶, there are eight necessary aspects in developing effective employer branding strategy:

1. Be Candidate Centric
2. Be Authentic
3. Be Consistent
4. Be Creative
5. Be Proactive
6. Be Reactive
7. Be Bold

Having an effective employer branding strategy is crucial, but if your strategy is not convincing for those whom you are targeted it is not going to reap any results.

2.2 Corporate Social Responsibility

Corporate social responsibility (CSR) is how organization command their business processes to produce an overall positive impact on society. It covers property, social impact and ethics, and done correctly should be about core business - how organization make their money – not just add-on extras such as philanthropy. Different organizations have farmed different definitions – although there is a considerable common ground between them. “CSR is all about to manage the processes of business and to produce an overall productive impact on society. CSR could be a broad thought that may take several forms reckoning on the corporate and trade.

| Autor | Definion |
|------------------|---|
| Bowen (1953) | It is the obligation of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of out society |
| Frederick (1960) | It implies a public posture toward society’s economic and human resources and a willingness to see that those resources are used for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms |

⁴Kantowicz-Gdanska M., (2009) Employer branding – kwestie definicji i modelu, Human Resources Management, No. 6, pp. 63.

⁵ Backhaus K., Tikoo S., (2004) Conceptualizing and researching employer branding, The Emerald Research Register, Vol. 9 Issue 5, pp. 501-518

⁶ManpowerGroup (2015) If you Build it, They Will Come: The New Role of Employer Brand, ManpowerGroup Solutions Recruitment Process Outsourcing, www.manpowergroup.com.

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| Friedman (1962) | There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud. |
| Davis and Blomstrom (1966) | Social responsibility, therefore, refers to a person's obligation to consider the effects of his decisions and actions on the whole social system. |
| Sethi (1975) | Social responsibility implies bringing corporate behaviour up to a level where it is congruent with the prevailing social norms, values, and expectations of performance. |
| Carroll (1979) | The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organisations at a given point in time. |
| Jones (1980) | Corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. |
| Wood (1991) | The basic idea of corporate social responsibility is that business and society are interwoven rather than distinct entities. |
| Baker (2003) | CSR is about how companies manage the business processes to produce an overall positive impact on society. |

Source: Kakabadse, N.K. Rozuel, C. and Lee-Davies, L. (2005)⁷

2.2.1 Importance of CSR

- Improved public image
- Increased brand awareness and Cost savings
- An advantage over competitors
- Increased customer engagement Greater employee's engagement
- More benefits for employees

Along with these there are alternative benefits of building CSR like hold on to investors who want to constantly know that their funds are being used properly, creating strong partnership between nonprofit organizations and firms and dig out the most effective of their workforce. With so many benefits and a vision to be accompanying that people look upon must be the ultimate goal of every corporation after all.

2.2.2 Six CSR Strategies that are good for business

- Align CSR to your business strategy
- Earn support from the top with engagement all levels
- Look for opportunities to build a future pipeline
- Strong, sustainable partnerships equal automatic success
- Find new drivers of innovation
- Integrate design thinking approaches

These six methods will facilitate your company take CSR off the shelf and weave it into the way of life of your business. As you do, you will find ongoing benefits that go beyond the initial community impact, making CSR a solid business strategy as well.

⁷Kakabadse, N. K., Rozuel, C., & Lee-Davies, L. (2005). Corporate social responsibility and stakeholder approach: A conceptual review. *Int. J. Business Governance and Ethics*, 1(4), 277-302. doi: 10.1504/IJBG.2005.006733

2.2.3 Seven Reasons why Sustainability Programs are good for Industry Associations

- **Help to attract and retain candidates:** Sustainability and CSR increases the value and connection of the association to current and potential candidate. It minimizes the risk that members will have.
- **Enhance innovation in the area:** Cost-effective pre-competitive CSR and sustainability collaborations can result in industry innovation, enabling the industry to improve its collective CSR impacts while driving business and operational benefits.
- **Build positive government and NGO relations:** Associations that increase their CSR or sustainability expertise are better positioned to contribute positively to regulatory initiatives by government and other agencies and to engage constructively with NGOs and other stakeholders. Associations with voluntary trade CSR and property standards that exceed compliance needs are able to forestall government regulation.
- **Help identify industry priorities:** Many generic global CSR and sustainability initiatives and standards are now available, and this in turn can make priority-setting for members difficult. A trade approach will assist member firms to develop an industry-relevant model tailored to the sector's most material risks and opportunities.
- **Fulfill association goals:** Typically association goals include assisting members to be competitive and profitable. CSR and property is one tool to reinforce member gain and fight.
- **Build industry reputation and brand:** An association's CSR and sustainability program demonstrates the sector's commitment to sustainable practices and leadership. It can build positive stakeholder relationships with customers, communities, NGOs, suppliers and others. In doing so, it enhances the sector's social license to operate and grow.
- **Enhance employee recruitment and retention:** Associations with CSR programs are able to attract and retain the best and brightest employees who prefer to work for organizations aligned with their values.

III. OBJECTIVES OF THE STUDY

- To develop an understanding about CSR.
- To follow the policies governing CSR.
- To understand and follow Employer branding.

IV. RESEARCH METHODOLOGY

The research paper is an attempt to exploratory research, based on the secondary data sourced from journals, magazines, articles, newspapers and media reports.

V. SUGGESTIONS

- In order to ensure that Employer Branding and CSR is progressively contributing and benefiting, the following suggestions are given to make both initiatives more effective:
- It is found that there is need for creation of awareness about Employer Branding and CSR amongst the general public to make both initiatives more effective.
- Allocating fiancé for recruitment and selection of employees CSR is an investment from which returns are expected.
- A durable perspective by organizations, which encircle their commitment to both internal and external stakeholders, will be critical to the success of CSR as an Employer Branding tool and the ability of organizations to deliver on the goals of their strategy.

VI. CONCLUSION

This study was done to see the combination between CSR and employer branding as a tool. A successful employer brand is essential for obtaining aggressive advantage. Increasingly, corporations are becoming deliberately strategic to deploy the employer brand to entice and keep hold talent for the expansion and growth. A strong employer brand has the capacity to entice and retain talent and stand variety to its customers, with the goal of gaining global recognition in a sustainable manner. Society is getting more concern about the working policies of the organizations. Society's assumptions are increasing towards the social development by the organizations. The reality is that CSR is not a plan for brand building; however it set up an internal

brand among its employees. Both Employer Branding and CSR focus from employees' point of view. So to attract and to retain the best skilled and talented individual an organization must compare Employer branding along with CSR.

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