



Improving Organizational Attractiveness in Job Choice by Communicating CSR Practices

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Abstract

The study aimed at examining the correlation between providing information of CSR practices and organizational attractiveness in the job choice among prospective applicants. Based on signaling theory, we hypothesized that providing information of CSR practices would affect the organizational attractiveness for prospective applicants. Participants (N=333) viewed job postings of four companies and rated the attractiveness of the companies. Finding showed that providing the information of the CSR practices positively affected organizational attractiveness. In general, it contributed to CSR and communication literatures by showing the importance of providing the information of the CSR in the job postings for prospective applicants. The finding empirically showed that providing the CSR information would affect the organizational attractiveness in the job choice among prospective applicants. At practical level, it increased the importance of providing the information of the CSR practices during recruitment. The companies could use their engagement in CSR to improve their attractiveness among the prospective applicants.

Keywords: corporate social responsibility, corporate communication, CSR practices, organizational attractiveness, and recruitment.

Abstrak

Tujuan dari penelitian ini adalah untuk menguji hubungan antara pemaparan informasi praktik CSR dengan daya tarik organisasi dalam pemilihan tempat bekerja bagi calon karyawan potensial. Berdasarkan penelitian terakhir, kami berhipotesis bahwa memaparkan informasi tentang praktik CSR akan mempengaruhi daya tarik organisasi bagi para calon karyawan potensial. Responden (N = 333) membaca lowongan pekerjaan dari empat perusahaan dan kemudian memberi peringkat terkait daya tarik perusahaan. Temuan menunjukkan bahwa memaparkan informasi tentang praktik CSR mempengaruhi daya tarik organisasi secara positif. Secara umum, penelitian ini berkontribusi terhadap literatur CSR dan Komunikasi dengan menunjukkan pentingnya pemaparan informasi CSR bagi calon karyawan potensial dalam lowongan pekerjaan. Temuan secara empiris menunjukkan bahwa pemaparan informasi CSR akan mempengaruhi daya tarik perusahaan dalam pemilihan tempat bekerja bagi para calon karyawan potensial. Pada prakteknya, hasil penelitian ini menunjukkan pentingnya menyediakan informasi tentang praktik CSR selama proses rekrutmen. Perusahaan dapat menggunakan keterlibatan aktif mereka dalam praktik CSR untuk meningkatkan daya tarik perusahaan di mata calon pelamar.

Kata kunci: corporate social responsibility, corporate communication, program CSR, daya tarik organisasi, dan rekrutmen

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Introduction

The primary objective of the study was to identify the importance of corporate social responsibility (CSR) practice in job choice for prospective applicants, while the secondary objective of it was to examine the correlation between providing information of CSR practices and amount of CSR information and organizational attractiveness. The implication of it would be noteworthy. At theoretical level, it could extend the topic about the correlation between the CSR and the organizational attractiveness by showing which companies have higher attractiveness, the companies that provided the CSR information or those that did not provide any CSR information. The finding could increase the importance of providing the information of the CSR practices during recruitment. Based on it, companies could use their engagement in CSR to improve their attractiveness among prospective applicants.

Theoretical Framework

According to Albinger & Freeman (2000), corporate social responsibility (CSR) referred to a business entity's attention and accomplishment of responsibilities to multiple stakeholders that existed at various levels, from economic, legal, ethical, to philanthropic levels.

In their paper Leveson & Joiner (2014) emphasized that organizations were increasingly expected to behave in ethically and socially responsible ways. Business leaders were also expected to possess the competencies and the skill to address a range of issues including equity, sustainability and ethics.

Not only accomplishing social responsibilities enabled organizations to show their high levels of moral or ethical conducts, but also it has been shown to provide them with instrumental benefits and various types of competitive advantages (Albinger & Freeman, 2000). The benefits included things such as superior financial performance, enhanced reputation, more motivated work forces, and the ability to attract desired employees.

Also, according to Chong (2009), employees defined themselves using firm-specific

attributes that they believed as the identities of the organization itself, while the extent to which the employees were similar to the organization implied that employees and corporate shared common identity. Thus, the organizations with desirable corporate identities attracted both bigger number and higher quality of job applicants.

Maintaining the competitive advantage in a hypercompetitive world organization had to make huge investment in technology, infrastructure and also in their right workforce. Additionally, human resources also played an important role for the organizations to achieve success.

According to Turban & Greening (1997), attracting and retaining superior human resources could provide organizations with a sustainable competitive advantage. Considering labor shortage, it was increasingly important for organizations to attract top-quality applicants for future success. The organizations that attracted more qualified applicants had a larger pool, which resulted in more reliance on the organization's selection system and potential competitive advantages.

Highly competent human resources would be sustainable competitive advantage for an organization. Consequently, finding the right prospective employees for the existing job should be given top concern by any organization.

According to Highhouse, Lievens, & Sinar (2003), organizational attractiveness was reflected in individuals' affective and attitudinal thoughts of particular companies as potential places for employment. It was passive in nature because it did not necessarily imply that any actual behaviors would exist toward the companies. This passivity allowed individuals to be simultaneously attracted to many companies and consequently more active pursuit of the companies would require resource conversation and increasingly limited possibilities.

Moreover, Duarte, Gomes & Neves (2015) also described organizational attractiveness in their paper as the degree to which prospective applicants perceived an organization as a good place to work and a positive desirability of developing a work relationship with it. It related to the affective evaluation of an organization made by prospective applicants, which was usually considered as an important output of the attraction stage of

recruitment as it related to important applicants' evaluation of organization and also to applicants' behaviors.

The first study to examine the correlation between CSR and organizational attractiveness was conducted by Turban & Greening (1997). It showed that job seekers tended to be more attracted to organizations that acted in a socially responsible manner. They asked a group of students in two sections of a senior-level strategic management course (n=75) to rate organization reputation of 189 companies listed in Kinder, Lydenberg, Domini & Co. (KLD) Company Profiles, a company database for researchers who were interested in corporate social performance. Other group of students (n=34) were asked to rate each of the 189 companies in terms of their attractiveness. It investigated the perceptions of a fairly sophisticated job-seeking population with considerable choices. As senior level business undergraduates, the population presumably had access to recruiting information of many firms and a business education institution that they were familiar with case studies or other educational materials of various organizations. As the students received the signals that were sent by competing organizations, they considered the organizations with stronger signals of social responsibility as more attractive.

A study by Duarte, Gomes & Neves (2015) found that company's engagement in CSR practices has influenced its attractiveness for participants. A hundred and ninety five participants considered the company as a significantly more attractive place to work when it showed them its high engagement in CSR practices. The perceived level of the engagement in CSR practices activated the process that led individuals to evaluate an organization as a good place to work.

CSR message in a company's website had significant effect on the perceived reputation of the company and made it more attractive for prospective employees. A study by Behren, Baker, and Thompson (2009) suggested that CSR message posted on a recruitment website positively affected job pursuit intentions. However, the study focused only on environmental support message.

Another study also found that prospective applicants who learned about a company's CSR practice overwhelmingly ranked it as their top choice and highlighted the potential benefits of leveraging CSR practice during recruitment. Companies might benefit from communicating CSR

practice initiatives in their websites, recruitment materials and via recruiters. The study (Jones, Willness & Madey, 2014) examined how three signal-based mechanisms, including anticipated pride of being affiliated with the organization, perceived value that fitted the organizations, the expected treatment and more significant correlation between CSR and organizational attractiveness.

Previous study by Tsai *et. al.* (2014) also evaluated positive correlation between CSR and job pursuit intention by assessing socio-environmental consciousness as key moderator of the correlation. This study was a pioneer in this topic. Four positive and significant social performance dimensions of the job pursuit intention indicated a four-track approach to attract potential job seekers by signaling company's endeavor to achieve economic, legal, ethical, or philanthropic citizenship. They suggested that management should increase CSR engagement of various aspects.

Materials and Methodology

Based on previous studies (Tsai *et. al.*, 2014), the subject of job pursuit was very important for university students who were close to graduation. Therefore, the samples of university students had a higher involvement than other samples. The samples of the students had some noticeable advantages. They were Indonesian students coming from undergraduate, master to Ph. D. programs.

It was a survey using cross-sectional and single-source data. Convenient sampling was employed in selecting participants.

Participants were asked to imagine that they were in the job market and looking for a job, which required them to review four job postings containing profiles of companies and job openings information for managerial positions. Reading the information, they were asked to complete questionnaire. They were assigned to two conditions related to four different versions of job posting. The content and the format of each job posting were adapted from the existing job postings and modified for the purpose of the study.

Four companies' job postings were selected based on the list of the 7th Annual Global CSR Awards 2015 (ACNNewswire, 2015), which was one of recognition awards program for CSR in Asia, organized by Pinnacle Group International. The

four companies were P.T. Holcim Indonesia Tbk., P.T. Adaro Energy, P.T. Pertamina, and L'Oreal Indonesia. For data presentation, the four companies were recoded as follows: P.T. Holcim Indonesia Tbk. was referred to as Company A, P.T. Adaro Energy as Company B, P.T. Pertamina as Company C, and L'Oreal Indonesia as Company D.

The job postings of the Company A and the Company C contained CSR practices information that read "We care about sustainable development", while the job postings of the Company B and the Company D did not contain any CSR practices information. The companies that informed the CSR practices also conspicuously featured most recent awards that the two companies received for their CSR engagements. The advertisement of the four job postings invited applicants to apply for managerial positions at four well-known companies in Indonesia.

The instructions informed participants that they were participating in a study that was purposed to understand the correlation between CSR practices and organizational attractiveness. Reading the corresponding scenario, the participants were asked to evaluate which companies were engaged in CSR practices and were considered as good places to work.

They were asked to indicate a set of socio-demographic characteristics (gender, age, major of study, educational level, the length of previous working experience and the planned time to find the job).

Before the study was conducted, a pilot study was conducted by involving the four selected participants to measure the understandability of the questionnaire. To prevent the language barrier, the participants were then asked to translate each question from English into Indonesian. Once the pilot study has been completed, the results were combined. Subsequently, the Indonesian version of the questionnaire were distributed to larger sample pool.

A set of questionnaires was given to each participant. The participants responded several questions in the questionnaire using a five-point Likert scale (with anchors ranging from 1 "strongly disagree" to 5 "strongly agree").

Multiple target companies were used to ensure that the correlation among the measures would not be idiosyncratically associated with a specific company as the case of previous study by Highhouse, Lievens, & Sinar (2003). The four companies' job postings were summarized and modified from their official websites for the purpose of the study. Understanding whether the CSR information would affect the organizational attractiveness or not, the CSR practice in the Companies A and C were provided, while that in the Companies B and D were not. The method was adapted from previous study by Behrend, Baker, & Thompson (2009).

Organizational attractiveness was assessed using five items adapted from Highhouse, Lievens, & Sinar (2003). This measurement was used in previous studies of organization choice, which combined items assessing general company attractiveness with items assessing intentions, general attitudes and specific intentions. High estimates of internal consistency have been used to support the practice. The five items were as follow: "For me, this company would be a good place to work", "I would not be interested in this company except as a last resort", "This company is attractive to me as a place for employment", "I am interested in learning more about this company", "A job at this company is very appealing to me."

Personal moral ethics was measured using six items adapted from Kolodinsky *et. al.* (2009), which were as follows: "The most important concern for a firm is making a profit, even if it means bending or breaking the rules," "The overall effectiveness of a business can be determined to a great extent by the degree to which it is ethical and socially responsible," "Social responsibility and profitability can be compatible," "Business ethics and social responsibility are critical to the survival of a business enterprise," "Business has a social responsibility beyond making profits," and "Good ethics is often good business."

Results and Discussion

1. Results

Totally, there were 353 participants involved in the study. Each of the participants

responded similar questionnaire. However, due to incomplete data, 20 participants were excluded from the data result.

Descriptive statistics of frequencies was used to analyze respondents' basic characteristics. There were 333 participants, 59.5% (n=198) of them were male, and 40.5% (n=135) were female. Their age ranged from less than 20 to more than 35 years old, with those of 20-25 years of age were considered as the biggest group at 82.3% (n=274). The educational levels of the participants were as follows: 55.3% (n=184) were undergraduate students, 42% (n=140) were master students and 2.7% (n=9) were Ph. D. students. They came from various backgrounds, 32.1% (n=107) were of engineering background, 27% (n=90) were of humanities background, 19.5% (n=65) were of business background, and 21.3% (n=71) were of other backgrounds. More than half of the participants had working experiences for less than 1 year (63%, n=211), while 27.9% (n=93) had between 1 to 3 years, and the rest had more than 3 years. At the moment of data collection, about 42% (n=142) of participants were planning to have job in less than 3 months, while 30% (n=100) were planning to have it in 3 to 6 months.

Another descriptive statistics of frequencies was used to analyze respondent basic characteristics of company profile. Overall, the percentage of the participants who agreed that they have ever thought to have job and more likely to find job in the companies that provided CSR information was higher than that of the participants who agreed that they have ever thought to have job and more likely to find job in the companies that did not provided any CSR information.

About 82.6% (n=275) of the participants said that they have ever thought to have job in the Company C and 30.6% (n=102) in the Company A that provided CSR information, while 21.9% (n=73) of participants said that they have ever thought to have job in the company D, and 19.5% (n=65) in the Company B that did not provide any CSR information.

Additionally, in terms of how likely to find job in the companies regarding participants' background, more than half participants (67.3%, n=224) said that they had high possibility to find job in the Company C, and 48% (n=160) in the Company A that provided the CSR information, while 42% (n=140) said that they had high possibility to find job in the Company D, and 39.3%

(n=131) in the Company B that did not provide any CSR information.

The correlation among the variables of gender, age, previous working experiences, personal moral ethics, amount of CSR information, company attractiveness of each company was analyzed using Pearson correlation.

In general, the correlation between the amount of the CSR information and the organizational attractiveness was strongly positive in four companies. The amount of the CSR information showed positive correlation with the organizational attractiveness ($r=0.348$, $p<0.01$) in the Company A. Meanwhile, in the Company B the amount of the CSR information showed positive correlation with the organizational attractiveness ($r=0.291$, $p<0.01$).

There was also positive correlation between the amount of the CSR information and the organizational attractiveness ($r=0.402$, $p<0.01$) in the Company C. Meanwhile, in the Company D, the amount of the CSR information showed a positive correlation with the organizational attractiveness ($r=0.257$, $p<0.01$).

All of the companies that provided the CSR information had higher attractiveness based on the mean than the attractiveness of the companies that did not provide any CSR information. The Company A (3.32, SD=0.81) and the Company C (3.96, SD=0.78) that provided the CSR information had higher company attractiveness than the attractiveness of the Company B (3.15, SD=0.78) and Company D (3.13, SD=0.80) that did not provide any CSR information.

The two companies that provided the CSR information were more likely to have higher mean of the amount of the CSR information than the mean of the amount of the CSR information of the companies that did not provide any CSR information. However, the mean results of the organizational attractiveness were not statistically significant to support hypothesis. Repeated measure ANOVA was performed to further examine the hypothesis by comparing the amount of the CSR information and the organizational attractiveness between the companies that provided the CSR information and those that did not provide any CSR information.

2. Pairwise Comparison

All of the companies that provided the CSR information had higher mean attractiveness than the mean attractiveness of the companies that did not provide any CSR information. The Company A (3.32, SD=0.81) and the Company C (3.96, SD=0.78) that provided the CSR information had higher organizational attractiveness than the organizational attractiveness of the Company B (3.15, SD=0.78) and the Company D (3.13, SD=0.80) that did not provide any CSR information.

Table 1 Pairwise Comparison of the Amount of the CSR Information

(I) Company	(J) Company	Mean Difference (I-J)	SD
	2	0.673*	0.07
1	3	-0.557*	0.05
	4	0.670*	0.07
2	3	-1.249*	0.06
	4	-0.003	0.05
3	4	0.246*	0.07

*The mean difference was significant

The two companies that provided the CSR information were more likely to have higher mean of the amount of the CSR information than the mean of the amount of the CSR information of the companies that did not provide any CSR information. However, the mean results of the organizational attractiveness were not statistically significant to support the hypothesis. Repeated measure ANOVA was performed to further examine our hypothesis by comparing the amount of the CSR information and the organizational attractiveness between the companies that provided the CSR information and those that did not provide any CSR information.

The pairwise comparison of the amount of the CSR information showed that there was significant difference between the companies that provided the CSR information and those that did not provide any CSR information. The comparison of the amount of the CSR information proved that the companies providing the CSR information had higher mean than the mean of the companies that did not provide any CSR information.

Table 2. Pairwise Comparison of the Organizational Attractiveness

(II) Company	(J) Company	Mean Difference (I-J)	SD
	2	0.084	0.05
1	3	-0.727*	0.04
	4	0.099	0.05
2	3	-0.811*	0.05
	4	0.015	0.05
3	4	0.826*	0.05

*The mean difference was significant

Based on the results it could be concluded that providing the CSR practices would affect the organizational attractiveness.

Conclusion

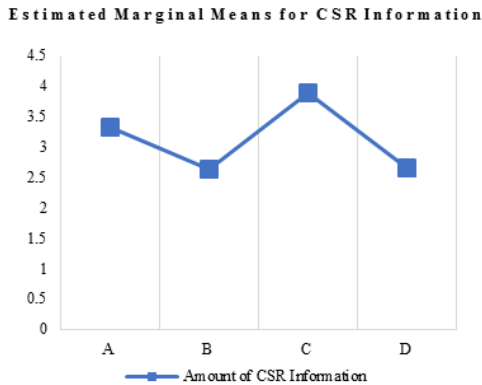
While previous study of the correlation between the organizational attractiveness for prospective applicants attractiveness and the CSR practice was still in the beginning stage, the study tried to complement the findings of the previous study.

It examined the correlation between the presence of the information of the CSR practices and the organizational attractiveness. Consistent with previous studies, the findings provided insight into how the companies that provided the CSR information had higher attractiveness than the attractiveness of the companies that did not provide any CSR information (e.g. by Behren, Baker, and Thompson, 2009; Jones, and Willness & Madey, 2014).

There was significant difference in the perceived CSR between the companies that provided the CSR information and the companies that did not provide any CSR information. It confirmed the hypothesis that the presence of the information of the CSR practices would affect the organizational attractiveness.

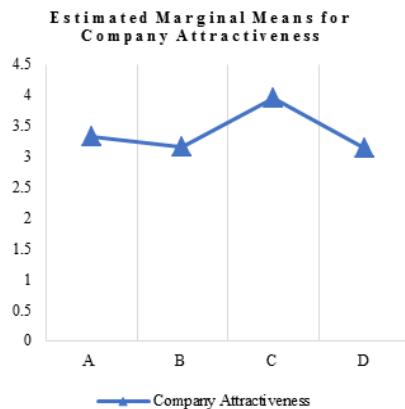
The implication of the findings was noteworthy. At a theoretical level, it extended the subject of the correlation between the CSR and the organizational attractiveness by proving that companies that

Fig. 1. Estimated Marginal Means of CSR Information



provided the CSR information had higher attractiveness than the attractiveness of the companies that did not provide any CSR information. The result complemented previous studies, especially in explaining how the CSR affected the organizational attractiveness. It proved that communicating the CSR practices in company’s job posting had significant effect on improving the organizational attractiveness for prospective applicants. Knowing the company’s CSR practice, the prospective applicants ranked the company as their top choice among other companies.

Fig. 2. Estimated Marginal Means of the Organizational Attractiveness



At a practical level, the findings increased the importance of providing information of the CSR practices during recruitment. Companies could use their engagement in the CSR to improve their attractiveness among prospective applicants. Aside from the statement of Duarte, Gomes & Neves (2015), in the perspective of stakeholders “high CSR” seemed to be a “good business”, as it fostered positive responses to the company. Communicating their engagement in the CSR and providing other specific information about job and organizational attributes could help maximize the applicant pool and the recruitment effectiveness and efficiency.

It was important to see the findings in the context of several limitations. First, the present study used four real companies for comparison purpose. Previous brand image of each company might affect the organizational attractiveness. Second, the data were collected from a single source of sample pool. Conducting similar study in different sample pool might give additional insights of the subject.

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