

Christin Wessels

Corporate Social Responsibility and its Potential Role for Employer Branding. An Empirical Study

Master's Thesis

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FOM Hochschule für Oekonomie & Management
Hochschulzentrum Dortmund

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zur Erlangung des Grades eines

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über das Thema

Corporate Social Responsibility and its Potential Role for Employer Branding – an Empirical Study

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Christin Wessels

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Abstract

Human capital becomes more and more important for enterprises and actions have to be taken to become employer of choice for potential candidates. This can happen as a result of an employer brand transmitting a positive image of a themselves to potential candidates. At the same time, Corporate Social Responsibility can have an impact on motivating, retaining and finding employees. The present master thesis combines these two aspects with the intention to find establish which role CSR plays in employer branding.

Based on a literature review and current research, a survey was developed. Criteria defining CSR was determined before an online survey including these aspects was published. Students from FOM's Dortmund, Essen and Munich locations were asked to fill in the survey online survey. The results show that CSR is an important aspect for candidates. The importance is dependent on the life phase of the candidate and criteria currently being evaluated. The results can be used by employers to develop their employer branding further. Enterprises should focus on aspects regarding personal fulfilment, followed by social aspects along their supply chain and finally ecological aspects. The importance of the different aspects is dependent on the employee's phase of life, gender and work experience level. That's why employers should examine the composition of their staff group. A targeted, group-oriented, communication is a key factor for a successful enterprise which binds employees. The integration of CSR should happen as the vision of the enterprise combines the strategy. It then affects the corporate brand, influencing the employer brand.

Table of Contents

List of Figures	V
List of Tables	VII
List of Abbreviations.....	VIII
1. Introduction	1
1.1 Problem Description	1
1.2 Aim of the Thesis.....	2
1.3 Thesis Design	3
2. Background and Theory – CSR.....	4
2.1 Defining CSR	4
2.2 CSR and Sustainable Development	7
2.3 CSR in Enterprises.....	9
2.3.1 Reasons for CSR in Enterprises	10
2.3.2 Integrating CSR in Enterprises	12
2.3.3 Factors of Success	15
3. Employer Branding.....	17
3.1 Defining Employer Brand	17
3.1.1 The Employer Brand as Part of the Corporate Brand	17
3.1.2 Employer Brand's Functions.....	20
3.2 Representing the Employer Brand: Employer Branding	22
3.2.1 Employer Branding versus Human Resource Marketing	22
3.2.2 Objectives of Employer Branding	23
3.2.3 Process of Employer Branding	24
3.2.4 Factors of Success	27
4. CSR and Employer Branding	29
4.1 Current Research	29
4.1.1 Role of CSR to Attract and Retain Employees.....	29

4.1.2	Role of HR in CSR.....	31
4.2	Sustainable Brand as Connection of Employer Brand and CSR	32
5.	Interim Conclusion: Research Question and Aim of the Study	35
6.	Methodology.....	37
6.1	Defining and Operationalising CSR Aspects	37
6.1.1	Analysing International Standards to Define CSR Aspects	37
6.1.2	The ERG-Theory as Basis for Ranking.....	40
6.2	The Questionnaire as Research Method	42
6.2.1	Target Group and Sample Size	44
6.2.2	Questionnaire Design	46
6.2.3	Pretest.....	47
7.	Empirical Results.....	48
7.1	Demographic Characteristics of Respondents.....	48
7.2	Results Analysed by Category	49
7.3	Results Analysed by Age Group.....	56
7.4	Results Analysed by Work Experience	62
7.5	Results Analysed by Gender	69
7.6	Results Analysed by ERG-Theory	73
8.	Discussion.....	80
8.1	Answering the Research Questions	88
8.2	Implications for Employers	90
8.3	Limitations of the Work and Suggestions for Future Research	92
9.	Summary.....	94
	Appendix.....	97
	References	126
	Online References	132

List of Figures

Figure 1: Carrol's CSR Pyramid	5
Figure 2: Triangle of Sustainability	9
Figure 3: Sustainability Stakeholder Framework	13
Figure 4: The Four Stages of Development	15
Figure 5: Stakeholder Cosmos.....	18
Figure 6: Functions of an Employer Brand	21
Figure 7: Sphere of Employer Branding	24
Figure 8: Process of Employer Branding	26
Figure 9: Synthesis of a Sustainable Brand	33
Figure 10: Approach of Data Collection	37
Figure 11: Alderfer's ERG-theory	41
Figure 12: Methods to Collect Primary Data.....	42
Figure 13: Types of Questionnaires	43
Figure 14: Sampling Techniques	45
Figure 15: Participant's Age	48
Figure 16: Participant's Degree.....	49
Figure 17: Participant's Work Experience	49
Figure 18: Participant's General Importance of Criteria	51
Figure 19: Participant's Importance of Criteria Choosing an Employer.....	52
Figure 20: Participant's Importance Choosing an Employer	53
Figure 21: Consideration of Criteria by Participant's Employers	54
Figure 22: Participant's Willingness to Change the Employer by Criteria	55
Figure 23: Participant's Top Criteria Leaving an Employer.....	56
Figure 24: Participant's Importance of Criteria by Age Group.....	58
Figure 25: Participant's Top Criteria Choosing an Employer by Age Group	59
Figure 26: Participant's Willingness to Change the Employer by Age Group.....	61
Figure 27: Participant's Top Criteria Leaving an Employer by Age Group	62
Figure 28: Participant's Importance Choosing an Employer by Work Experience	64
Figure 29: Participant's Top Criteria Choosing an Employer by Work Experience.....	65
Figure 30: Participant's Willingness to Change the Employer by Work Experience	67
Figure 31: Participant's Top Criteria leaving an Employer by Work Experience	68
Figure 32: Participant's Importance Choosing an Employer by Gender	70
Figure 33: Participant's Top Criteria Choosing an Employer by Gender.....	71

Figure 34: Participant's Willingness to Change the Employer by Gender	72
Figure 35: Participant's Top Criteria leaving an Employer by Gender	73
Figure 36: Participant's General Importance of Criteria Categorized by ERG-Theory .	75
Figure 37: Participant's Importance of Criteria Choosing an Employer Categorized by ERG-Theory	77
Figure 38: Participant's Top Criteria Choosing an Employer	78
Figure 39: Consideration of Criteria by Participant's Employers	79
Figure 40: Participant's Top Criteria Choosing an Employer	79
Figure 41: CSR Requirements of Candidates	87

List of Tables

Table 1: Effects of CSR on Corporate Success	12
Table 2: Effects on Brand Value	19
Table 3: CSR Criteria per Category	40
Table 4: Criteria Categorized by ERG-theory.....	42

List of Abbreviations

ACSR	Aflac CSR
EU	European Commission
EVP	Employer Value Position
GRI	Global Reporting Initiative
HR	Human Resource
FOM	University of Applied Sciences for Economics and Management
NGO	Non-Governmental Organization
SDG	Sustainable Development Goals

1. Introduction

First appearing in the 1990's, the concept of Corporate Social Responsibility, based on discussions about climate change, scarcity of resources and demographic change, has become a more and more important issue (see *Carroll*, 1991, p. 40; *BMU*, 2008, p. 3). Current developments, such as the passing of the Sustainable Development Goals (SDG's) or the approval of the Paris Agreement 2015, underline the present relevance of this topic (see *BMZ* 2018). At the same time, society, with its different stakeholders, requires responsible business from enterprises as social entities linked to its environment (see *Hoogervorst*, 2009, p. 80; *BMU et al.*, 2007, p. 3). The so-called Corporate Social Responsibility (CSR) becomes a significant topic in enterprises, representing an economic enterprise taking social responsibility and acting reflecting ecological aspects (see *Schmidpeter* 2014, p. 95f.; *BMU et al*, 2007, p. 3). Concurrently, CSR is an opportunity for enterprises to increase their reputation and differ from external competitors. As a result, CSR can be an important factor in influencing the success of an enterprise (see *Rauch*, 2012, p. 47).

Another important factor for the success of enterprises are the employees, who make are integral within a company. They possess the necessary skills and competences needed for a successful business. As a result of this, employees are assets which are hard to replace (see *Stotz, Wedel-Klein*, 2016, p. 1). They form the corporate culture and represent the enterprise - no enterprise can exist without them (see *Schuhmacher, Geschwill*, 2014, p. 1). This demonstrates why human capital can be seen as the differentiating resource, which will have deciding influence on the future success of an enterprise (see *Stotz, Wedel-Klein*, 2016, p. 1).

1.1 Problem Description

Human capital becomes more and more important for enterprises and can be seen as a source of competitive. It becomes more and more difficult to find and bind skilled employees to businesses. The so-called war for talents has already begun. This war will increase in the future, intensified by emigration of high qualified employees which reflects the demographic change seen by western cultures (see *Stotz, Wedel-Klein*, 2016, p. 1f.).

Enterprises have to face this war by developing a strategy to find and bind employees that fit the company. Steps have to be taken to ensure that the organisation is the preferred employer for potential candidates who reflect the values of the enterprise (see *Brast*, 2017, p. 36). Only then can they differentiate themselves on the market and become the employer of choice. To differentiate on the market, a brand can be used focussing on (potential) employees. The so-called employer brand transmits a positive image of themselves to potential candidates and thus becomes an employer of choice (see *Kanning*, 2017, p. 132).

There is emerging evidence that an effective CSR management has an impact on motivating, retaining and developing employees. Employers taking responsibility have high employee retention and satisfaction (see *Loew, Clausen*, 2010, p. 21). Moreover, they are more successful in recruiting new employees (see *Bolla*, 2016, p. 47).

1.2 Aim of the Thesis

The increasing responsibility of enterprises is used as starting point for the present master thesis. There are no doubts that CSR has an effect on choosing an employer. But how important it is, isn't clear currently. Furthermore, what candidates understand and expect from employers fulfilling their responsibility isn't explored. Exploring the role CSR plays in choosing an employer and how it can be used for employer branding is the aim of the present thesis. To reach this objective, the concept of CSR and employer branding will be analysed, with regard to the differences and similarities. Therefore, the background of the concepts will be examined and the differences and similarities will be explored. Moreover, the current research situation will be discovered. Based on the theoretical background, an empirical study will be developed to answer the research question: What role does CSR has in choosing an employer? To answer this question, the following key questions will be answered:

1. Is CSR important for potential candidates?
2. Which aspects are relevant for potential candidates?
3. Is the importance of CSR dependant on age, gender and job experience?