Exploring Dimensions of Corporate Social Performance as a Strategy for Attracting Quality Job Seekers

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Abstract

The main objective of this paper is to explore job seekers’ perception of an organisation’s corporate social performance (CSP) credentials as a plausible consideration in the employment decision-making process as suggested by existing literature. Similarly, the paper provides a contextual extension of previous studies that were conducted in different cultural work environments. The paper developed a conceptual model based on a literature survey in order to achieve its objectives. A survey of 515 final year undergraduate and postgraduate students in a public university in Gauteng, South Africa, was conducted to empirically determine the relationship between various dimensions of CSP in relation to a job seeker’s attractiveness to an organisation. The economic responsibility dimension of CSP was found to have the greatest influence on organisational attractiveness to job seekers. Previous studies used organisational level as the unit of analysis in arriving at conclusions, without corresponding evidence at the individual level of analysis. Our analysis in this study was conducted at an individual level, thus filling an existing gap in the literature. This paper further extends the work of some previous scholars on job pursuit intention. The study is, however, limited by our assumption that all participants would enter the labour market immediately after graduation, without control for those who may want to pursue further studies.

Keywords: recruitment strategy; organisational attractiveness; quality job seekers; dimensions of CSP; employment decision

Introduction

Both management practice and theory have commonly acknowledged the dominance of the recruitment and selection system as a pragmatic talent management strategy for
many contemporary organisations (Cappelli and Keller 2014). Some talented job candidates still enjoy the liberty of choice in terms of job offers from potential employers, thus exacerbating the now renowned “war for talent” among employers. This “war” has become more intense now than ever before, as attracting talent to organisations remains a daunting challenge that recruitment practitioners are experiencing (Story, Castanheira, and Hartig 2016). Consequently, recruitment of quality job candidates requires a more creative and aggressive approach than previously experienced. This is because of a significant and progressive shift in the continued reliance on traditional sources of competitive advantage, such as financial capital, technology, logistics and others (Greening and Turban 2000). This competitive dynamism has thus imposed on human resource managers the necessity to develop a recruitment strategy that can attract a large pool of appropriately qualified job candidates to fill vacant positions within their organisations (Breaugh 2013). This task, however, remains challenging, particularly in economic contexts that are experiencing an acute shortage of critically skilled people, as obtainable in South Africa (Rynes and Barber 1990; Samuel and Chipunza 2009).

Organisations achieve sustained competitive advantage by leveraging on the quality of employees, which is a function of the ability to attract high-quality job candidates (Tsai, Joe, Lin, and Wang 2014). To achieve this, employers now mobilise and deploy a variety of corporate assets (e.g. brand and CSP scorecards) to drive the recruitment process. This has become necessary since an applicant’s pre-recruitment attraction to a firm has been considered a much stronger predictor of job choice decisions than an attraction that takes place after a selection activity (Tsai et al. 2014). It is now a common strategy for organisations to deliberately incorporate their CSP credentials into their strategic recruitment functions (Albinger and Freeman 2000; Backhaus, Stone, and Heiner 2002; Greening and Turban 2000; Jones, Willness, and Madey 2014; Lis 2012; Luce, Barber, and Hillman 2001; Story et al. 2016). The reality of this recruitment innovation has received empirical confirmation in a survey reported by Forbes (1997, quoted in Scott 2013), which found that more than 50 per cent of the total participants of 2 100 were happy to accept lower salary packages to work for a socially responsible organisation (Dolan 1997).

The Concept of CSP

The growing innovative and smart recruitment practices in recent years have seen large companies such as General Motors, IBM and Toyota creatively building recruitment campaigns around their impressive CSP achievement in environmental and philanthropic activities (Tsai et al. 2014; Turban and Greening 1997). Corporate social performance (CSP) has been described “as a set of descriptive categorisations of business activity, focusing on the impacts and outcomes for society, stakeholders and the firm” (Wood 2010, 51). It is a concept that emphasises the level of an organisation’s accountabilities to various stakeholders, such as employees, host communities, economic shareholders and society at large (Clarkson 1995). Previous
research (e.g. Greening and Turban 2000) has established a positive association between a strong CSP and willingness of a job seeker to accept an employment offer from an organisation. A good CSP is often associated with the reputation of an organisation, and this frequently assists organisations in attracting high-quality job seekers (Turban and Cable 2003), as an organisation’s reputational brand also has a rub-off effect on its employees’ personal and professional reputation among society members.

Research attention has been directed at a better understanding of the influence of CSP on job seekers’ perception of an organisation during their search for employment (Chatterji, Levine, and Toffel 2009). This is because CSP scorecards highlight an organisation’s ethical values and norms, with the intention of attracting favourable dispositions from both existing and intended stakeholders (including prospective job candidates) (Tsai et al. 2014). The essence of targeting the population of prospective job candidates is to potentially influence their cognitive job application decision-making processes. The reality of such an organisational attractiveness strategy has found support in extant literature (e.g. Turban and Greening 1997). Similarly, documented evidence has established that an organisation’s image, as represented by its CSP outlook, exerts considerable influence on a job seeker’s choice of prospective employer (Rynes 1991). This adoptive organisational recruitment strategy represents a re-engineering mechanism which is aimed at firmly reinforcing efficiency in the recruitment system.

The concept of organisational attractiveness or attraction of job seekers has been mentioned repeatedly in the foregoing literature. How then do we define this concept? It is an applicant’s willingness to apply for, and accept employment offer in an organisation of their preference (Tsai and Yang 2010). The problem that motivates this paper, as well as the value of the work, is stated in the next section.

**Motivation and Significance of this Paper**

While a reasonable extent of knowledge regarding the significance of CSP has been broadly developed, little is known about the extent to which the concept of CSP is understood by job seekers. Furthermore, while Turban and Greening (1997) acknowledged the lack of integrated theory and research on the attraction of quality individuals into an organisation, other authors (e.g. Barber 1998) have emphasised the need for further research in order to understand what fundamentally attracts job seekers to an organisation. This has become imperative as research on organisational attractiveness and a job seeker’s application decision-making process has shifted from its seemingly static disposition in the past (Belt and Paolillo 1982) to a more dynamic and innovative recruitment regime. It is also evident that existing conceptual propositions have failed to address the cognitive behaviour of job seekers in relation to organisational attractiveness (Rynes 1991).
The outcome of contemporary research, as suggested by Belt and Paolillo (1982) and Rynes (1991), will provide a reliable direction to job seekers who have prospects of getting job offers from their preferred employers. Similarly, such research outcomes would assist organisational and recruitment practitioners in branding and translating the value and quality of their organisation’s CSP into a competitive strength in their recruitment strategy. This paper is a response to the call by these authors with a view to providing a perception of prospective job seekers in relation to CSP and organisational attractiveness. Furthermore, this paper provides a contextual extension of previous studies that were conducted in different cultural work environments (e.g. Albinger and Freeman 2000; Cable and Turban 2003; Rynes 1991; Tsai et al. 2014; Turban and Greening 1997).

Carroll’s (1979) CSP Model in Perspective

Carroll (1979) developed a pioneering conceptual model of CSP that demonstrates the following key dimensions as important elements of a CSP:

- Social responsibility categories: economic, legal, ethical, and philanthropic.
- Philosophy (or mode) of social responsiveness: reaction, defence, accommodation, and pro-action.
- Social (or stakeholder) issues involved: consumers, environment, and employees.

Figure 1: Carroll’s (1979) corporate social performance model

Source: Carroll and Buchholtz (2009)
Carroll’s (1979) model projects the concept of CSP as one that involves both the responsibilities as well as the responsiveness of the organisation. Each dimension of CSP is considered a key job-seeking element that positively influences individual job seekers’ pursuit intention (Lin 2010; Tsai et al. 2014). Carroll’s model and its definition have been extended variously by Wartick and Cochran (1985), Wood’s reformulated CSP model (1991), and Swanson’s reorientation of CSP (1995). The various extensions to Carroll’s (1979) model are beyond the scope of this paper, and will not be discussed.

The main attention of this paper is on the social responsibility dimension of Carroll’s corporate social performance model. According to Carroll and Buchholtz (2009), the social performance of businesses encompasses the economic, legal, ethical and discretionary (philanthropic) expectations that society has of organisations at a given point in time. Economic responsibility involves being profitable by maximising sales and minimising costs (Tsai et al. 2014). With regards to legal responsibility, every modern society sets ground rules, laws and regulations that it expects organisations to follow (Lin 2010). Ethical responsibilities embody the full scope of norms, standards, values and expectations that suggest what an organisation’s stakeholders regard as fair, just, and consistent with the respect for or protection of stakeholders’ moral rights (Lin 2010). Lastly, philanthropic responsibilities involve the society’s expectation of an organisation to be a good corporate citizen by contributing resources to the community and improving the quality of life (Caroll and Buchholtz 2009).

**Theoretical Context**

The following section provides a theoretical underpinning for this study.

**Social Identity Theory**

The double perspective of this theory suggests that individuals enjoy both the benefits and adversity accruing from an employer’s positive and negative reputations respectively (Dutton and Dukerich 1994). There is, therefore, the propensity for a job seeker to leverage on the favourable CSP reputation of an organisation for personal, career and social enhancement. There is thus a perception that an organisational brand or reputation creates a social classification for individual employees in terms of social premium, esteem and self-concept within the organisation’s domain of influence (Ashforth and Mael 1989). The social identity theory thus provides a reasonable explanation of why prospective employees attach importance to the CSP rating of an organisation in their job application decision process. This rationality becomes more compelling as CSP initiatives appeal more to the society than any other corporate activities and performance outcomes such as organisational growth, or profitability, for example (Sen and Bhattacharya 2001).
Signalling Theory

This theory postulates that the perceived CSP rating of an organisation provides a search signal or direction to job seekers since they (job seekers) most often have limited information about an organisation of their preference when applying for vacant positions (Barber 1998). Further, in the absence of sufficient information in making informed decisions, prospective employees most often rely on public perceptions about the reputation of an organisation, which in most cases are derived from CSP initiatives (Greening and Turban 2000; Wanous 1992).

Hypothesis Development and Conceptual Model

In the following section, we articulate organisational attractiveness literature in relation to the four dimensions of CSP identified in Caroll’s (1979) model. These dimensions are economic, legal, ethics and philanthropy. Based on the literature survey, four hypotheses were formulated to provide direction for data collection, analysis and statistical conclusions. Further to the partial achievement of the objectives of this paper, and based on literature evaluation, we developed and presented a conceptual model depicting the linear relationships between organisational attractiveness and each dimension of Carroll’s CSP.

Organisational Attractiveness and Economic Responsibility Dimension

The strength of CSP to induce a significant pool of quality job candidates has been well established in the literature (e.g. Backhaus et al. 2002; Luce et al. 2001; Turban and Greening 1997). This provides an appropriate signal for the development of an effective recruitment mechanism by organisations to positively influence the pursuit intention of job seekers (Tsai et al. 2014), since employees with strong social awareness are essential in building a high-performance organisation. The logical implication of an inefficient recruitment strategy is the attraction of inappropriately qualified job applicants or those with a poor person-organisation-fit index who will eventually reject job offers (Williamson, Lepak, and King 2003). Organisations with a recognisable good social performance by job seekers are known to have a better chance of attracting a large pool of superior job applicants, and this translates to greater utilities for organisation recruitment campaigns and stronger competitive advantages in the long run (Tsai et al. 2014). Though some knowledge about the significance of CSP (for employees) has been widely advanced, not much is known about how such CSP is understood by job seekers (Albinger and Freeman 2000).

An organisation’s value system is carefully embedded in its CSP report from which prospective employees can perceive prevailing working conditions in the organisation (Turban and Greening 1997). This information compels a strong organisational attraction on job seekers who can match their own values with the working environment they have visualised. Job applicants with a positive pre-employment person-organisational value-fit thus record a high likelihood to accept job offers and this outcome is positively related to an organisation’s CSP (Turban and Greening
Building on earlier theorisation, Greening and Turban (2000) measured a direct relationship between CSP and organisational attractiveness by providing research participants with CSP information to determine the effects of such information their perceptions. The result was a positive relationship between CSP and organisational attractiveness ratings. In a similar finding, Albinger and Freeman (2000) report that CSP influences organisational attractiveness ratings. This finding was, however, limited to those job seekers with high levels of job options. Greening and Turban’s (2000) finding was challenged by Luce et al. (2001), who argued that the link between CSP and organisational attractiveness was an indirect one that is mediated by job applicants’ familiarity with the organisation. For Kim, Myung Seok Park and Wier (2012), job seekers are more attracted to work for organisations that are engrossed in CSP activities, albeit with an underlining positive net impact on profitability.

The utilisation of organisational features as predictors of working conditions is located within the context of signalling theory. The theory postulates a signalling effect that an organisation’s social policies and programmes may exert on job applicants’ estimation of working conditions which, in turn, influences the organisation’s attractiveness as an employer (Rynes 1991). It, therefore, seems likely that an organisation’s CSP concerning its prevailing working conditions represents a signal of some organisational values and norms, which are a significant attraction to a job seeker. Further to this is that CSP information also projects the propriety of an organisation, which is an important evaluative criterion for job applicants (Tsai et al. 2014). CSP information regarding the utilisation of career-enhancing practices such as training, compensation, job advancement and education, is a further indication that the organisation is one worth working for, thus improving its attractiveness to job seekers (Aiman-Smith, Bauer, and Cable 2001).

Literature suggests that each dimension of Caroll’s (1979) CSP model can be viewed as an important job-seeking signal that positively influences a firm’s organisational attractiveness (Backhaus et al. 2002). This is because probable job applicants evaluate the positive outcomes arising from the prospect of being employed by an organisation that participates actively in socially responsible activities (Turban and Greening 1997). The primary and essential social responsibility of an organisation is mostly located in its economic responsibility, as long as the organisation is considered by society as a basic economic unit (Carroll 1979). Such an entity should be capable of providing for its various stakeholders such as employees, shareholders and the host community (Lin et al. 2012; Turker 2009). Drawing from the foregoing literature, this paper formulates the following hypothesis:

Hypothesis 1: There is a significant positive relationship between job seekers’ perceived economic responsibility of an organisation and their attraction to the organisation.
Organisational Attractiveness and Legal Responsibility Dimension

Organisations are viewed as corporate citizens and are expected to conduct their operations within the prevailing legal requirements (Lin et al. 2012). Job seekers with a severe aversion to illegality are hesitant to join an organisation that is perceived as active in unlawful activities such as smuggling, tax evasion, bribery and corruption. Consistent with the signalling theory, compliance with a regulatory framework is a signal that portrays an organisation as law-abiding, and this categorisation enhances its reputation among the population of job seekers. The legal component of an organisation’s CSP is, therefore, considered as a preferential attraction to job seekers (Belt and Paolillo 1982; Lefkowitz 2006). Consistent with this theoretical persuasion, we hypothesise that:

Hypothesis 2: There is a significant positive relationship between job seekers’ perceived legal responsibility of an organisation and their attraction to the organisation.

Organisational Attractiveness and Ethical Responsibility Dimension

The ethical configuration of the CSP of an organisation is a function of societal perception regarding the rationality and acceptability of the way an organisation pursues both its economic and social activities. Ethical behaviour involves activities that are perceived as acting beyond legal requirements and aimed at sustaining the environment in which they operate (Samuel and Mqombiti 2017). To a job seeker and labour unions, a significant approach for evaluating organisational ethical responsibility and reputation is by drawing inferences from its employee welfare practices (Lin et al. 2012).

Job seekers are more attracted to developing a long-term psychological contract (Lee 2001) with an organisation with reputable labour relations and people practices. Individuals are also proud to announce their membership of an organisation that is perceived as ethically reputable, since such corporate behaviour has a rub-off effect on employees’ social standing in the society (Schwepker 2001). It is, therefore, reasonable for individuals searching for a job to rely on an ethical justice valuation for them to conclude whether an organisation is attractive, non-biased and will treat them as sincere stakeholders (Rupp, Shao, Thornton, and Skarlicki 2013). Job seekers immediately become hesitant to join an organisation that has a reputation for deplorable unethical behaviours such as environmental pollution, racial or sexual discriminatory employment policy, unfair and unethical labour relation practices and other severe ethical violations (Lin et al. 2012). From this literature, we further hypothesise that:

Hypothesis 3: There is a significant positive relationship between job seekers’ perceived ethical responsibility of an organisation and their attraction to the organisation.
Organisations often formulate policy statements that define their social relationship with host communities and society at large. This is often manifested in the form of monetary or social infrastructural donations to certain segments of organisational stakeholders. Instances exist where relief materials have been donated to flood victims, financial assistance to needy students in the form of bursaries, sponsorship of social events, and so forth. These are some corporate philanthropic behaviours that job seekers consider as important indicators that attract them to an organisation (Greening and Turban 2000; Lin et al. 2012). Lin and colleagues further emphasised that individuals cultivate a higher probability of applying for available jobs in an organisation that displays a constructive and verifiable corporate commitment to public benefits and social welfare. Organisations with formidable CSP in philanthropic arenas are considered as more attractive organisations to work for than those with unenviable CSP (Bauer and Aiman-Smith 2001; Turban and Greening 1997). For this reason, we present the following hypothesis:

**Hypothesis 4**: There is a significant positive relationship between job seekers’ perceived philanthropic responsibility of an organisation and their attraction to an organisation.

Organisational Attractiveness and Job Pursuit Intention

Here we considered the existing relationship between organisational attractiveness and the intention of job seekers to pursue employment in certain organisations. Literature has suggested that further empirical research should be conducted into the variables that mediate and predict job seekers’ pursuit intention at the application writing stage (Rynes 1991; Williamson et al. 2003). A related call to this was the necessity to also investigate job seekers’ perceptions regarding organisational attractiveness (Behrend, Baker, and Thompson 2009). The latter call is predicated on the research which shows that an organisation’s preliminary attraction to job seekers is functionally related to their perception concerning the organisation’s reputation (Cable and Turban 2001). Several multinational corporations operating in South Africa (e.g. Unilever) communicate information relating to their CSP in the realm of economic, environmental and philanthropic activities to its outside prospective stakeholders (Van den Ende 2004). This strategy is an important recruitment tool, used by big corporations to gain a competitive advantage in attracting quality job seekers. The CSP information that is targeted at job seekers often strongly emphasises a “wonderful” and irresistible working environment, the opportunity for accelerated career growth and other attention-catching organisational attributes (Ramasamy and Yeung 2009). The intention of such organisational image “marketing” is to attract and positively appeal to the job pursuit intention of prospective job applicants. In line with suggestions by the authors referred to earlier in this section, regarding the need to investigate other variables that impact on the pursuit intention of job seekers and their perception of organisational attractiveness, we derive the following hypothesis:
**Hypothesis 5:** There is a significant positive relationship between organisational attractiveness, which is dependent on the organisation’s reputation, and job seekers’ intention to apply for a job vacancy.

The resulting research model, depicting the linear direction among the hypotheses of this study, is illustrated in Figure 2. Structural equation modelling (SEM) was used to show the path model and to test the fit of the conceptual model. The strength and direction of relationships between the investigated variables were determined using both regression and correlation statistical analyses.

![Conceptual model of this study](image)

**Figure 2:** Conceptual model of this study

**Methods**

**Sampling Framework and Data Collection Procedure**

A questionnaire was administered to conveniently and purposefully sample (Bryman and Bell 2011) final year students (undergraduate and honours) at a public university in South Africa. A hand-delivered questionnaire was distributed to a total of 700 respondents by research assistants who were employed by the authors. A total of 515 questionnaires were completed and returned for analysis; thus achieving a 73 per cent rate of return. One questionnaire was not fully completed; this was treated as a
missing value in the analysis of data. The purpose of the study was explained in a
cover letter attached to the questionnaire, with a caveat that completion and return of
the questionnaire by respondents is an indication of their consent to voluntarily
participate in the study.

**Demographic Profile of Respondents**

The demographic profile of research participants is presented in Table 1. The
distribution spreads across different age groups and three faculties in the university.

**Table 1: Demographic profile of research participants**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Valid per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>326</td>
<td>63.3</td>
</tr>
<tr>
<td>Female</td>
<td>189</td>
<td>36.7</td>
</tr>
<tr>
<td>Total</td>
<td>515</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Valid per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>18–21 years</td>
<td>148</td>
<td>28.7</td>
</tr>
<tr>
<td>21–30 years</td>
<td>351</td>
<td>68.2</td>
</tr>
<tr>
<td>Above 30 years</td>
<td>16</td>
<td>3.1</td>
</tr>
<tr>
<td>Total</td>
<td>515</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level of Study</th>
<th>Frequency</th>
<th>Valid per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final year undergraduate</td>
<td>318</td>
<td>61.7</td>
</tr>
<tr>
<td>Honours degree</td>
<td>196</td>
<td>38.1</td>
</tr>
<tr>
<td>Total</td>
<td>515</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Faculty</th>
<th>Frequency</th>
<th>Valid per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commerce, Law and Management</td>
<td>234</td>
<td>45.5</td>
</tr>
<tr>
<td>Humanities and Social Sciences</td>
<td>76</td>
<td>14.8</td>
</tr>
<tr>
<td>Engineering and Built Environment</td>
<td>202</td>
<td>39.3</td>
</tr>
<tr>
<td>Missing value</td>
<td>1</td>
<td>0.19</td>
</tr>
<tr>
<td>Total</td>
<td>514</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The results in Table 1 show that the majority of the respondents were males (63.3\%) with females constituting 36.7 per cent. Respondents in their final year
(undergraduate) constitute 61.7 per cent while those in the honours degree category
account for 38.1 per cent.
Measurement Instrument

Measures

The four dimensions of perceived CSP were divided into four subscales: perceived economic responsibility; perceived legal citizenship; perceived ethical citizenship; and perceived philanthropic citizenship.

Perceived economic responsibility was measured using the modified four-item, 5-point Likert Scale developed by Zahra and La Tour (1987), focusing on employee benefits. The scale demonstrated strong internal consistency with Cronbach’s alpha value of 0.86.

Perceived legal citizenship from the aspect of law was measured using four items modified from the 5-point Likert Scale used in Maignan and Ferrell (2004). The scale demonstrated strong internal consistency with Cronbach’s alpha value of 0.90.

Perceived ethical citizenship from the aspect of ethical business practices was measured using four items modified from Maignan and Ferrell (2004), measured on a 5-point Likert Scale with a Cronbach alpha value of 0.89.

Perceived philanthropic citizenship from the aspect of social welfare and another two items re-worded from Garcia de los Salmones, Crespo, and Del Bosque (2005). The scale achieved a Cronbach alpha value of 0.90. All four scales described above were used in Lin (2010).

The convergent validity of the empirical data used in Lin’s (2010) study conformed to the three criteria recommended by Fornell and Larcker (1981). All the factor loadings were statistically significant at p<0.001, which is the first condition to confirm convergent validity of the construct (Anderson and Gerbing 1988). Furthermore, all the scales demonstrated strong internal consistency with Cronbach’s alpha values ranging between 0.86 to 0.9, indicating that the four scales were highly consistent and reliable, as these values are greater than the recommended threshold of 0.7 (Berthon 2005; Schaufeli and Bakker 2003). Lastly, the average variance extracted for all four constructs was either equal to or greater than 0.05, showing that they capture sufficient variance in the underlying construct.

Organisational Attractiveness Scale

The organisational attractiveness component was measured using the Organisational Attractiveness Scale (Highhouse, Broadfoot, Yugo, and Devendorf 2009). The scale consists of 15 items. However, only four items that were relevant to this study were used. The items were measured on a 5-point Likert Scale with a Cronbach’s alpha value of 0.82, indicating its reliability and consistency (Schaufeli and Bakker 2003).
Job Seekers’ Intention to Apply Scale

Job seekers’ intention to apply for a job was measured using the four-item adapted from Chu and Lu’s (2007) study. The scale showed an internal consistency reliability value of 0.87 and measured on a 5-point Likert Scale anchor.

Data Analysis

The conceptual model of the study was tested using structural equation modelling on IBM AMOS version 25. Following Malhotra, Nunan and Birks (2017), a two-stage SEM process was used. The first level of analysis is the measurement model tested through a confirmatory factor analysis (CFA). The second level is the structural model, the aim of which is to test the structural relationships hypothesised in this study.

Measurement Model

The measurement model shows a satisfactory model fit as demonstrated by the following model fit indices (see Table 2).

Table 2: Model fit indices for the measurement model

<table>
<thead>
<tr>
<th>Model fit indices</th>
<th>Common threshold</th>
<th>Value obtained</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/DF</td>
<td>&lt;3</td>
<td>1.92</td>
</tr>
<tr>
<td>GFI</td>
<td>&gt;0.9</td>
<td>0.940</td>
</tr>
<tr>
<td>CFI</td>
<td>&gt;0.9</td>
<td>0.963</td>
</tr>
<tr>
<td>NFI</td>
<td>&gt;0.9</td>
<td>0.928</td>
</tr>
<tr>
<td>IFI</td>
<td>&gt;0.9</td>
<td>0.963</td>
</tr>
<tr>
<td>RMSEA</td>
<td>≥0.07</td>
<td>0.043</td>
</tr>
</tbody>
</table>

CMIN: Chi-square; DF= degree of freedom; RMSEA: root mean square error of approximation; GFI= Goodness-of-fit index; NFI : Normed Fit Index; CFI : Comparative Fit Index IFI: Incremental Fit Index

Validity and Reliability

The measurement model using the CFA approach also assessed the validity and reliability of the scales (Hair, Black, Babin and Anderson 2014). Table 3 indicates that the factor loadings and the Average Variance Extracted (AVE) are above 0.5, suggesting that there is a convergent validity for all the constructs. The reliability of scales was assessed by Cronbach’s Alpha supposed to be above 0.7, and confirmed by the composite reliability all above 0.7.
Table 3: Assessment of the convergent validity and reliability

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Statements</th>
<th>Factor Loadings</th>
<th>Mean (StD)</th>
<th>CR</th>
<th>Cronbach's alpha</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>JSI</td>
<td>JSI1</td>
<td>0.744</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JSI2</td>
<td>0.839</td>
<td>3.79 (0.68)</td>
<td>0.824</td>
<td>0.819</td>
<td>0.543</td>
</tr>
<tr>
<td></td>
<td>JSI3</td>
<td>0.722</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JSI4</td>
<td>0.626</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OA</td>
<td>OA1</td>
<td>0.807</td>
<td>3.89 (0.73)</td>
<td>0.850</td>
<td>0.850</td>
<td>0.654</td>
</tr>
<tr>
<td></td>
<td>OA2</td>
<td>0.785</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>OA3</td>
<td>0.834</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>ERP</td>
<td>ERP1</td>
<td>0.624</td>
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<tr>
<td></td>
<td>ERP2</td>
<td>0.799</td>
<td>3.70 (0.65)</td>
<td>0.754</td>
<td>0.753</td>
<td>0.508</td>
</tr>
<tr>
<td></td>
<td>ERP3</td>
<td>0.704</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LR</td>
<td>LR1</td>
<td>0.669</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>LR2</td>
<td>0.726</td>
<td>3.66 (0.64)</td>
<td>0.822</td>
<td>0.822</td>
<td>0.537</td>
</tr>
<tr>
<td></td>
<td>LR4</td>
<td>0.761</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>LR3</td>
<td>0.770</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ER</td>
<td>ER1</td>
<td>0.686</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ER2</td>
<td>0.759</td>
<td>3.68 (0.67)</td>
<td>0.768</td>
<td>0.766</td>
<td>0.526</td>
</tr>
<tr>
<td></td>
<td>ER3</td>
<td>0.728</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR</td>
<td>PR1</td>
<td>0.680</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PR2</td>
<td>0.726</td>
<td>3.69 (0.66)</td>
<td>0.812</td>
<td>0.813</td>
<td>0.520</td>
</tr>
<tr>
<td></td>
<td>PR3</td>
<td>0.786</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PR4</td>
<td>0.689</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3 also provides information about the means and standard deviation of each construct. Given that a 5-point scale was used to measure the constructs, the mid-point is 3. The mean above the value 3 suggests that most respondents tend to agree with the statements pertaining to each construct in the conceptual model.

The discriminant validity is evaluated through a comparison between the square root of the AVE and the highest inter-construct correlation (Malhotra et al. 2017) provided in the inter-construct correlation matrix below.
Table 4: Inter-construct correlation to test the discriminant validity

<table>
<thead>
<tr>
<th></th>
<th>ER</th>
<th>JSI</th>
<th>OA</th>
<th>CSP</th>
<th>LR</th>
<th>PR</th>
</tr>
</thead>
<tbody>
<tr>
<td>ER</td>
<td>0.725</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JSI</td>
<td>0.290</td>
<td>0.737</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OA</td>
<td>0.347</td>
<td>0.644</td>
<td>0.809</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ERP</td>
<td>0.477</td>
<td>0.463</td>
<td>0.648</td>
<td>0.713</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LR</td>
<td>0.683</td>
<td>0.299</td>
<td>0.380</td>
<td>0.538</td>
<td>0.733</td>
<td></td>
</tr>
<tr>
<td>PR</td>
<td>0.634</td>
<td>0.271</td>
<td>0.372</td>
<td>0.467</td>
<td>0.509</td>
<td>0.721</td>
</tr>
</tbody>
</table>

The square root of the AVE is represented in the diagonal.

Table 3 indicates that all the $\sqrt{\text{AVE}}$s are above the values of the inter-construct correlation. This indicates that the discriminant validity of all the constructs in this model is ascertained.

**Testing Hypotheses with the Structural Model**

Given that the measurement model provides satisfactory results, the structural model can be tested. The model fit indices demonstrated that the structural model illustrated in Figure 3 fits the data: CMIN/df = 1.93; RMSEA = 0.043; GFI = 0.940; NFI = 0.927; CFI = 0.963; and IFI = 0.963.

![Figure 3: Structural Model: correlations between the predictors of OA to improve the model fit](image)


As depicted in Figure 3, the structural model tested the influence of ER, LR, PR and ERP on OA and subsequently the effect of OA on JSI. The model also accounted for the existing correlations between the predictors of OA and ERP to improve the model fit.

The results summarised in Table 4 indicate that ER, LR, PR and ERP account for 43.5 per cent of the variance of OA ($R^2=0.435$) and OA accounts for up to 42.4 per cent of the variance of JSI ($R^2=0.424$).

Only the variable ERP ($\beta=0.6$; $p$-value <0.01) had a statistically significant effect on OA. The corresponding hypothesis was therefore accepted. The other predictors LR, ER and PR had no significant effect on OA ($p>0.05$). The corresponding hypotheses are therefore rejected. This means that to increase OA, the emphasis should be put on improving ERP.

**Table 5: Hypotheses testing**

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent variables</th>
<th>$t$-value</th>
<th>$p$-value</th>
<th>Path estimates ($\beta$ value)</th>
<th>$R$ square</th>
<th>Decision on the hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>ER</td>
<td>OA</td>
<td>0.042</td>
<td>0.967</td>
<td>0.004</td>
<td>0.435</td>
<td>Rejected</td>
</tr>
<tr>
<td>LR</td>
<td>OA</td>
<td>0.223</td>
<td>0.823</td>
<td>0.017</td>
<td></td>
<td>Rejected</td>
</tr>
<tr>
<td>ERP</td>
<td>OA</td>
<td>8.123</td>
<td>***</td>
<td>0.605</td>
<td></td>
<td>Accepted</td>
</tr>
<tr>
<td>PR</td>
<td>OA</td>
<td>1.244</td>
<td>0.214</td>
<td>0.084</td>
<td></td>
<td>Rejected</td>
</tr>
<tr>
<td>OA</td>
<td>JSI</td>
<td>11.862</td>
<td>***</td>
<td>0.651</td>
<td>0.424</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Concerning the effect of OA on JSI, the results revealed that OA has a positive and statistically significant effect on JSI ($\beta=0.65$; $p$-value <0.01).

**Discussion**

The primary purpose of this paper was to explore the perception of job seekers regarding their prospective employers of choice using organisational ERP as a parameter. We adopted the four components of CSP developed by Carroll (1979) in conceptualising the study. Based on our conceptualisation, we developed five hypotheses to provide direction for the conduct of an empirical study. It was imperative to locate the study within a sound theoretical framework; thus, both the
social identity theory and signalling theory provided the context in which the study was grounded. The social identity theory postulates that there is a high propensity for individual members of society to be associated with organisations that command a significant reputation across social and economic spectrums of the society. Certain benefits—both positive and negative—are associated with such organisations and this extends to its individual membership. Such include enhanced self-image and social identification of organisational members in the society (Heslin 2005, 113–136; Wrzesniewski, Dutton, and Debebe 2003). Individual job seekers, therefore, aspire to enjoy the benefits associated with organisational reputation by seeking to become an employee (Dutton and Dukerich 1994). Similarly, job applicants most often do not possess the necessary information that could assist them in making an informed decision about a prospective employer. In such circumstance, applicants obtain and rely on the CSP record of an organisation as a reliable signal (signalling theory) for decision-making (Barber 1998). Consistent with the theoretical framework, this study provides empirical evidence to the effect that job seekers strongly consider the CSP outlooks before applying for employment in an organisation.

To further establish the uniqueness and contribution of this study, we developed and validated a conceptual model (see Figure 2) which demonstrated linear relationships between both the independent and dependent variables. Our findings highlighted the economic responsibility of an organisation as the strongest attractiveness signal for job applicants. This finding could perhaps be explained in terms of the ability of an organisation to meet its financial and other economic obligations to various stakeholders (Carroll and Buchholtz 2009). This result is somewhat expected, given the economic context in which the study was conducted. However, our finding was inconsistent with previous studies (e.g. Montgomery and Ramus 2003), which argue that job-seeking students attach less importance to financial considerations in their job-hunting endeavours. This argument is supported by Agnew (2014) who reiterated that the present generation of job candidates seems to prioritise work outcomes such as career fulfilment and a good work-life balance ahead of financial rewards. Further, because job candidates are more than ever aware of issues around organisational culture and social responsibility practices, Backhaus and Tikoo (2004) argue that environmental, community relations and diversity factors constitute important organisational attractiveness dimensions in the job application process. As mentioned above, economic contexts provide a plausible rationale for the divergence in our findings in relation to previous studies.

As part of its social contract with business entities, society permits businesses to engage in the production of goods and services (economic responsibility) to the benefit of their diverse stakeholders. However, regulatory frameworks are also established (by the government) to regulate the economic system and operating environment for business. The legal responsibility dimension thus becomes an important consideration for job seekers in their job pursuit activity. Even though the present study did not provide a significantly positive association between
organisational attractiveness and the job seeker’s perception of the legal citizenship pedigree of a prospective employer, it is reasonably unlikely that law-abiding or legal-conscious job seekers would enthusiastically aspire to membership of an organisation that is reputed for labour rights abuses, unfair labour practices, workplace discriminations, general and consistent breach of labour and environmental legislation. Labour relations practice and environmental protection management in South Africa are regulated by legislation such as the Labour Relations Act (1995), Basic Conditions of Employment Act (1997), National Environmental Management Act (1998), and so forth. Through public education and aggressive enforcement of various labour and environmental laws by the South African government, members of society are actively aware of corporate legal responsibility, and this could have influenced our findings in this study.

In terms of ethical responsiveness, job seekers would recognise the likelihood of fair and ethical treatment by any organisation that conducts its operations in an ethical manner (Peterson 2004). Ethical responsibility is manifested when an organisation conducts its activities in a manner that is believed to be fair to all affected parties (Lantos 2002). Such ethical behaviour reinforces a job seeker’s perception pertaining to the attractiveness of the organisation as an ethical employer. Ethical, in contrast to legal responsibility, does not follow any pattern of obligated rules and regulations, but is governed by a discretionary behaviour that society has adjudged as fair, right, just and acceptable (Shum and Yam 2011). While corporate ethical responsibility remains a profound organisational attractiveness initiative for organisations in South Africa, our study is not in agreement with a study done by Lin (2010), which submits that ethical matters present an insignificant organisational attractiveness to individuals.

Greening and Turban (2000) argue that the community relations component of philanthropic responsibility is significantly less important than the other dimensions of CSP in influencing organisational attractiveness. We, however, found support for our result establishing a positive relationship between organisational attractiveness and philanthropic responsibility as predicted in hypothesis 4 (see Albinger and Freeman 2000; Story et al. 2016; Turban and Greening 1997). Further support was found in a study conducted among volunteer workers by Deloitte (2011, quoted in Scott 2013), which indicated that most millennial participants would consider an organisation’s commitment to the community when making a job decision. The Deloitte study further established the tendency of pride, loyalty and satisfaction among regular participants in workplace volunteerism. The Deloitte study found a strong expression in Scott (2013), who submitted that consistency in organisational corporate philanthropy assists in the attraction of talented employees.

**Limitations**

In this study, the population comprised of postgraduate students in their last year of study at a university, with the assumption that the entire population of this category of students would approach the labour market in search of employment immediately after
graduation. This assumption may not be totally accurate, as some of the study participants may either proceed immediately to the next level of their academic pursuit or take a break for a while from further studies or take up part-time employment. The second limitation of this study is inherently located within the methodology employed in conducting the empirical aspect. We employed cross-sectional, as against longitudinal design, using a quantitative research strategy (Bryman and Bell 2011). Data were collected and analysed from study participants simultaneously and from a single source which represented a small fraction of institutions producing labour market ready job-seeking candidates. This methodological limitation has implications for generalisation of the research findings.

Perceptions are not the same as the actual experience; our current findings could change (validity) if we had repeatedly measured the responses of participants over a period of time (longitudinal) when perhaps many of them would have had actual experience of job-hunting processes and outcomes. Another dimension of this limitation is the use of quantitative strategy in data analysis. The data collection instrument regimented the response options available to participants, without allowing for “out-of-the-box” thinking or responses, as would be the case in interviews where interviewees on the one hand could inject their own opinions, while researchers on the other hand were also able to ask follow-up questions or obtain clarification of answers/ideas (qualitative strategy). This strategy does not allow for “fresh” or innovative ideas to be generated through primary data gathering, other than what is already known in the domain of literature. In this regard, we recommend that future research initiatives should consider a longitudinal research design using a qualitative research strategy.

Similarly, research findings could be more practically useful if the research population comprised “active” rather than “prospective” job seekers. This would allow movement from perception (academic) to reality (practice), thus adding substantial value to both theory and practice in the field of HRM.

Finally, information contained in CSP reports are sometimes technical in nature and may require more than a general level of education for it to be meaningful to prospective job candidates in their application decision-making process. We could not ascertain the extent to which participants understood the complexities that usually characterise CSP reports (Albinger and Freeman 2000).

References


