The relationship between reputation, employer branding and corporate social responsibility

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ABSTRACT

Reputation management requires coordination between internal understanding and external expectations (Cornelissen, 2011). The focus of this study were external expectations of potential employees. The main goal of the study was to contribute to the understanding of corporate reputation and its connections with perceived corporate social responsibility and employer brands. All three concepts were investigated amongst 550 senior college business students. The units of analysis were top twenty national organizations, rated according to a syndicated study on employer attractiveness. The results show that students assign good reputation to those organizations that are perceived as socially responsible and with a good employer brand. Reputation, at least according to our results, seems to be the umbrella concept that encompasses both perceived corporate social responsibility and perceived employer brands. Organizations that develop different strategies, policies and practices with regards to socially responsible behavior and nurturing employer brands have higher levels of perceived reputation among students. Additionally, students' perceptions and position on the list of the most attractive employers is consistent.

1. Introduction

Most public relations professionals agree that the reputation of an organization should be safeguarded by the public relations department (Bae & Cameron, 2006). As Duhé (2009), “Reputation falls squarely, though not exclusively, in the purview of public relations practitioners”. The fact that reputation (just as CSR and employer branding) does not fall exclusively into any single field is perhaps the main reason for its lack of unanimous operationalization. Although the concept of reputation has been widely used in various disciplines, and numerous studies, there is still no “definitive definition” (Lange, Lee, & Dai, 2011; Tkalac Verčič, Verčič, & Žnidar, 2016). In Bromley (2002) conclusion from fifteen years ago, (2002) the concept of corporate reputation lacks an agreed theoretical basis and this conclusion still holds today. Reputation has been used synonymously with identity, image, prestige, goodwill, esteem and standing (Tkalac Verčič et al., 2016).

Despite these conceptual differences, most authors seem to agree that various stakeholders make decisions with the reputation of the organization in their mind (Maden, Arikan, Telci, & Kantur, 2012). Today, when talking about reputation management, one of the most important goals for the organization is to remain legitimate (Martin, 2009) which emphasizes the importance of corporate social responsibility. CSR is often viewed as a strategic tool to respond to various expectations of multiple stakeholders (Lai, Chiu, Yang, & Pai, 2010; Maden et al., 2012). The potential relationship between reputation and CSR is well documented in literature and the two concepts are mostly considered close but still different (Maden et al., 2012; Hillenbrand & Money, 2007).

Developing CSR projects helps an organization build a better reputation amongst internal and external stakeholders, and through
attracting talent, motivating, recruiting and retaining employees, CSR can help build employer brands (Suliman & Al-Khatib, 2014). The employer branding concept is associated with corporate reputation (Ruiz, García, & Revilla, 2016) with some authors identifying it as the reputational protector (Burke et al., 2011).

Literature concerned with reputation, corporate social responsibility and employer branding shows a certain overlap on the conceptual, methodological and empirical level (Hendriks, 2016). Authors often connect CSR and reputation (Brammer & Pavelin, 2006; Maden et al., 2012; Stanaland, Lwin, & Murphy, 2011), as well as employer brands and reputation (Ruiz et al., 2016; Burke et al., 2011). The aim of this research is to further explore the potential influences of perceived corporate social responsibility and employer brands on corporate reputation. Literature on all three included concepts is reviewed followed by the overview of research on their relationship.

2. Literature review

2.1. The concept of reputation

Reputation is inherently subjective since it is based on perception. It is basically a summative experience that a certain stakeholder group has with an organization (Roberts, 2009). The problem with the concept of reputation is that it is often used without a clear explanation, operationalization or definition (Tkalac Verčič et al., 2016). The major reason for this confusion is the fact that reputation is a wide-reaching concept and encompasses many disciplines including strategic management, economics, marketing, market research, sociology, psychology and public relations.

In public relations, there isn’t enough understanding or agreement on how reputation affects corporations and Bae and Cameron (2006) attribute this to a lack of empirical evidence on the effectiveness of reputation management. On the other hand, both academics and practitioners seem to agree that for public relations experts to be influential in their organizations, it is necessary to understand and demonstrate how reputation management contributes to the bottom line (Duhé, 2009). In academic research, corporate reputation theories predate contemporary public relations and include some of the most salient values of public relations (Ji, Li, North, & Jiangmeng, 2017). This is the main reason for determining mediating variables which connect corporate reputation and organizational benefits (Bae & Cameron, 2006).

Reputation has been widely recognized as one of the key foundations on which to build organizational success (Key, 1995). Reputation, when positive, is considered to be one of the most valuable intangible assets any organization can possess (Vidaver-Cohen, 2007). Numerous studies have documented a relationship between organizational reputation and organizational performance (Rindova, Williamson, Petkova, & Sever, 2005). Both academics and business professionals believe reputation reduces stakeholder uncertainty about future organizational performance, adds to organizational competitive advantage, contributes to public confidence and helps maximize the ability to receive a premium for a product or a service (Vidaver-Cohen, 2007). Additionally, a good reputation can lead stakeholders to give an organization the benefit of the doubt if negative information comes to light (Lange et al., 2011). A good reputation can also help the organization to produce desirable stakeholder-based outcomes. Customers become more loyal and less price conscious, job applicants are more interested in joining the organization, investors are more willing to provide capital, and local communities become reader to give praise (Fombrun, 1996). All of this effectively illustrates why reputation management is increasingly important in public relations.

Corporate reputation is a result of a general assessment of an organization by its stakeholders (Cornelissen, 2011). This means that reputation is a result of aggregate views of various stakeholder groups (Fombrun, Gardberg, & Sever, 2000). Whilst reputation is often seen as a synthesis of collective opinions by outside stakeholders, it is also founded internally in “the sense making experiences of employees” (van Riel & Fombrun, 2007, p. 57; Johnston & Everett, 2012, p. 541). In this research, we selected potential employees as a stakeholder group in which the combined effects of reputation, employer brands and perceived corporate social responsibility were investigated.

2.2. Corporate social responsibility

Reputation is not the only indicator considered by various organizational stakeholders. Potential employees can be attracted by an organization’s social policies and programs, which serve as a source of information on the working conditions at the prospective workplace. Since potential employees don’t have enough information about working conditions, they use the information they have to fill the gap (Turban & Greening, 1997). This underlines the importance of investigating the links between an organization’s social responsibilities (and how they are fulfilled) and its competitive advantages. Corporate social responsibility is therefore not only “doing the right thing” but also “doing well by doing good” (Albinger & Freeman, 2000).

The broadest definition ofCSR includes corporate actions that are aimed at issues beyond its economic, technical and legal requirements (Gond, El Akremi, Igalens, & Swaen, 2010). Barnett (2007, p. 801) defines corporate social responsibility as “a discretionary allocation of corporate resources toward improving social welfare that serves as a means of enhancing relationships with key stakeholders”. Corporate social responsibility is becoming a tool for managing various stakeholders’ expectations (Lai et al., 2010).

Research of corporate social responsibility practices has largely been conducted on institutional and organizational level and has mostly focused on external stakeholders (Aguiinis & Glavas, 2012). However, exploring CSR at the micro level is becoming increasingly popular (Glavas & Kelley, 2014). CSR has been positively related to employee performance (Jones, 2010), commitment (Maignon, Ferrell, & Hult, 1999) and attractiveness to prospective employees (Greening & Turban, 2000).
Fombrun and Shanley (1990) conceptualized CSR as a marketing tool for attracting qualified employees and as an important component of corporate reputation. CSR can be directed towards employees as well as prospective employees and can be an appropriate tool for enhancing corporate image and reputation (Gond et al., 2010). Turban and Greening (1997) demonstrated that there is a connection between higher rating in corporate social performance and better reputation. They also showed that higher corporate social performance ratings attract quality employees. In other words, socially responsible organizations were perceived as more attractive employers.

As CSR can enhance organizations’ reputation (Siltaoja, 2006; Yoon, Gurhan-Canli, & Schwarz, 2006) it is clear why it is an important topic in public relations (Caprioti & Moreno, 2007). Kim and Park (2006) report that CSR can be an effective reputation management strategy for various stakeholders. Developing stakeholder relationships is the core of both, CSR and public relations functions (Wang & Chaudhri, 2009). Both disciplines are aimed at enhancing the quality of relationships between organizations and key stakeholder groups (Clark, 2000). Additionally, CSR is an important element of creating mutual understanding and managing potential conflicts which makes it especially important for public relations (Grunig, 1989). As Golob and Bartlett (2007) conclude, CSR activities and reporting are a key tool for communication with stakeholders and can ensure greater corporate transparency and through this a higher level of engagement with multiple stakeholders.

### 2.3. Employer brands

Another way of differentiating an organization from its competitors amongst potential employees is through the organizational employer brand. Employer brands help potential employees in understanding their future workplace (Bustamante, 2014). Employer branding can be defined as the ‘sum of a company’s efforts to communicate to existing and prospective staff that it is a desirable place to work’ (Lloyd, 2002). Ambler and Barrow (1996) defined it as ‘the package of functional, economic and psychological benefits provided by employment, and identified with the employing company’ (p. 187).

For the employer, their brand combines human capital, strategic capabilities and culture into its reputation as a best place to work (Ewing, Pitt, de Bussy, & Berthon, 2002). For the employee, the employer brand represents what their workplace is going to be like (Prouty McLaren, 2011). Since these two perspectives are not necessarily aligned, the main objective in employer branding should be to take into consideration multiple stakeholders and try and project the right employee experience (Moroko & Uncles, 2009; Mosley, 2007). Aggerholm, Andersen, and Thomsen, 2011 conceptualise employer branding as “communicative, relationship building and cross-disciplinary processes, which create, negotiate and enact sustainable employer-employee relationships, i.e. long-term relationships between an organization and its potential and existing employees initiated by corporate branding processes integrating the notion of corporate social responsibility”.

Literature across the spectrum shows a certain level of overlap when it comes to concepts of organizational reputation, organizational attractiveness, employer branding and reputation on both a conceptual and empirical level (Hendriks, 2016). The term reputation is often used to refer to the term employer brand (Mosley, 2014; Cable & Turban, 2003), with some authors defining reputation as an integral part of employer branding (Tüzüner & Yüksel, 2009). So, as Hendriks (2016), p. 7) concludes, “some authors see organizational reputation as the overall attractiveness of an organization and others see it as an employer brand or a part of employer branding”.

### 2.4. The relationship between the concepts

For modern organizations, attractiveness, profitability and future operations depend on their readiness to put employees and future employees first and recognize them as most important stakeholders to organizational development (Aggerholm et al., 2011) and the overlap of concepts such as reputation, corporate social responsibility and employer branding is integral to this. If public relations experts want to manage organizational relationships, it is crucial to have a clear grasp of how reputation is connected to CSR and how both relate to employer brands.

Most studies that combine the three concepts are concerned with the relationship between two of them, and this is predominantly reputation and CSR. The employer branding concept has been connected to reputation as it gains importance and is becoming a business imperative (Martin, Beaumont, Doig, & Pate, 2005). Even though most authors agree that employer branding is an important protector of reputation (Burke et al., 2011) results are still inconclusive. Walsh and Beatty (2007) and Reputation institute (2013) found that employer branding was a significant antecedent of corporate reputation, while Ruiz et al. (2016) found a negative effect in one of their two samples. Other literature showed no contribution. Maden et al. (2012) investigated the effect that corporate social responsibility has on corporate reputation as an antecedent, as well as investigating the effects of corporate reputation on the behaviors of various stakeholder groups, including employees. Their results show that CSR has a positive effect on reputation, which in turn has positive effects on the behaviors of customers, employees, and investors.

Aksak, Ferguson, and Duman, 2016, in analyzing existing research on CSR, concluded that there is a very limited number of studies concerned with the relationship between corporate social responsibility and organizational reputation. They found a need for studies that expand the theoretical basis for a better understanding of the concepts, especially in public relations theory and practice.

The role of corporate social responsibility in defining an employer brand is crucial, especially when there is a growing level of cynicism about corporate actions amongst stakeholders. Implementing CSR initiatives into employer brands and presenting organizations as socially active seems clever (Suliman & Al-Khatib, 2014). Studies focused on exploring the influence of CSR on potential employees suggest that good CSR practices give a positive signal to future employees (Gond, El Akremi, Swaen, & Babu, 2017). Suliman and Al-Khatib (2014) report a positive, significant and strong connection between social responsibility and employer
branding.

Hendriks (2016) explored the differences between the concepts of organizational reputation and employer branding. On the conceptual level, she found the definitions show resemblance, and that both concepts were often based on the social identity theory and the signaling theory. On the empirical level, she found that both concepts have similar antecedents and that both play a role in recruitment and retention of employees.

2.5. The development of the research question

Our main aim was to further explore the possible connections between perceived corporate social responsibility, corporate reputation and employer brands. Stanaland et al. (2011) and Bramer and Pavelin (2006) both found a positive relationship between the two constructs. Maden et al. (2012) concluded that CSR is a strong antecedent of corporate reputation. As for employer brands, some authors have defined the concept as a protector of corporate reputation (Burke et al., 2011) while others did not confirm that it is in fact an antecedent of reputation (Ruiz et al., 2016). So whilst there is significant evidence of a connection between the variables, previous studies have failed to prove a conclusive relationship. Following our literature review, it was possible to conclude that there is a relationship between perceived corporate social responsibility, corporate reputation and employer brand. Therefore, potential employees who perceive organizations to be socially responsible will perceive those same organizations to have a good reputation and a good employer brand. Following the suggestion made by Turban and Greening (1996) that CSR may provide a competitive advantage to companies in attracting employees; we investigated if perceived corporate social responsibility is in fact positively related to their reputations and employer brands.

3. Methodology and results

3.1. Procedure and sample

In our research, corporate social responsibility was assessed at the individual level, through measuring perceived corporate social responsibility. We measured all three concepts amongst 550 senior college business students. Since the purpose of the research was to explore a relationship between three variables, we used a combined quantitative-qualitative approach in which we started with a survey. The list of organizations to be evaluated was drawn from the national study on employer brands (2017, April 2) and retrieved from Moj posao (2017) http://www.moj-posao.net/data/files/download/istrazivanja/PPINajpozeljniji_poslodavac_2017.pdf. The top twenty organizations were selected as the most familiar to business school students (all twenty are well known national companies).

Despite certain methodological problems linked to using college students as subjects, such as external validity and generalizability (Berthon, Ewing, & Hah, 2005), students may be a suitable choice of sample in specific situations, especially when they represent a population of interest (as they do in our study). Business students can be future business leaders, and therefore appropriate for studies in this domain (e.g., Abdolmohammadi, Gabhart, & Reeves, 1997; Ahmed, Chung, & Eichenseher, 2003; Borkowski & Ugras, 1998). University students can also be a key target market (Megehee, 2009) as was our case. Additionally, students can be effective for research purposes in instances such as theory-testing with multivariate relationships (our focus is on multivariate relationships among constructs and not univariate differences among samples). We followed the logic of Berthon et al., and since senior students were the population our research was focused upon, they were ideal candidates for this type of research question. The data was gathered during a two-week period in April 2017.

3.2. Instrument

The survey instrument was comprised of three scales, which were drawn and adapted from existing literature. Sets of items were designed to measure perceived organizational reputation (by using four items proposed by Ponzi, Fombrun, & Gardberg, 2011), perceived corporate social responsibility (by using three items proposed by Shin, Hur, & Kang, 2016), and perceived employer brands (by using 25 items proposed by Berthon et al., 2005). All of the items were measured by seven-point Likert scales (1 - strongly disagree, 7 - strongly agree) and are presented in Table 1.

The perceived corporate reputation scale was selected due to its simplicity and length. This particular scale has been used as a short-form measure of reputation and supports the definition of reputation as a “second order latent variable determined by perceptions of corporate behavior and emotional responses to these behaviors” (Ponzi et al., 2011, pp 32). It can and has been used for studying the construct’s antecedents (Balmer & Greyser, 2006; Ponzi et al., 2011) which made it the right choice for this study. Since the aim of the study includes focusing on students’ perceptions of corporate social responsibility, we operationalized perceived CSR as the degree to which students perceive whether companies they rate take part in CSR policies and practices (Shin et al., 2016). The number of scales for perceived CSR is not very large. The three items used by Shin et al. (2016) were a good fit for our study. Finally, for the measurement of the employer brand concept, we used an instrument based on the perceptions of potential employees (Berthon et al., 2005). This scale was designed specifically for business school students (in their final year) and provided a foundation to identify consequences of employer brands. Even though it included more items then the previous two, it fit our purpose well. All the scales were translated to Croatian and then back-translated to finalize the survey instrument.

For the research, we selected the top twenty organizations on national list of employers ranked by employer attractiveness. This list has been published every year since 2005 by a well-known web portal in collaboration with a research agency. Each student answered a questionnaire that rated perceived corporate social responsibility, reputation and employer brands for two companies. Of
the respondents, 64% were female and 36% were male. Their average age was 23 years, and all of them were seniors of the biggest business school in the UK.

3.3. Results

A Cronbach Alpha value for each of the scales is provided in Table 2. The results show that all Cronbach Alpha values are greater than 0.90.

To test the relationship between measured concepts, we conducted a series of multiple regression analyses. The results of the multiple regressions are shown in Table 3. Results show a positive relationship between perceived CSR and reputation ($\beta = .224; p = .000$) and a positive relationship between employer brand perception and reputation ($\beta = .264; p = .000$).

In order to test the underlying factor structure of employer brands, we used a principal component analysis with a Varimax rotation and a factor extraction according to the MINEIGEN criterion (i.e. all factors with eigenvalues of greater than 1). The results of the FA are outline in Table 4. The two factors account for a cumulative 68.6% of the variation in the data.

The two factors account for a cumulative 68.6 percent of the variation in the data. Factor one accounts for 63.8 percent of the original and 39.2 percent of the explained variance. This factor reflects various elements of job related values such as support by colleagues, acceptance and belonging and job security. This factor encompasses a wide range of elements that include more pragmatic aspects of working for a particular organization. Factor two accounts for 4.8 percent of the original and 29.3 percent of the explained variance. This, second factor, includes items related to self-confidence, self-esteem and future prospects. Unlike the original postulation of the scale (that offered a five-factor solution), our confirmatory factor analysis only yielded two described factors.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Scale items.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct</td>
<td>Item</td>
</tr>
<tr>
<td>Corporate reputation Ponzi et al. (2011)</td>
<td>This organization is an organization I have a good feeling about</td>
</tr>
<tr>
<td></td>
<td>This organization is an organization that I trust</td>
</tr>
<tr>
<td></td>
<td>This organization is an organization that I admire and respect</td>
</tr>
<tr>
<td></td>
<td>This organization has a good overall reputation</td>
</tr>
<tr>
<td>Perceived corporate social responsibility Shin et al. (2016)</td>
<td>This organization is a socially responsible company.</td>
</tr>
<tr>
<td></td>
<td>This organization is concerned with improving the well-being of society.</td>
</tr>
<tr>
<td></td>
<td>This organization behaves responsibly regarding the environment.</td>
</tr>
<tr>
<td>Employer brand Berthon et al. (2005)</td>
<td>How important are the following to you when considering potential employers?</td>
</tr>
<tr>
<td></td>
<td>Recognition/appreciation from management</td>
</tr>
<tr>
<td></td>
<td>A fun working environment</td>
</tr>
<tr>
<td></td>
<td>A springboard for future employment</td>
</tr>
<tr>
<td></td>
<td>Feeling good about yourself as a result of working for a particular organization</td>
</tr>
<tr>
<td></td>
<td>Feeling more self-confident as a result of working for a particular organization</td>
</tr>
<tr>
<td></td>
<td>Gaining career-enhancing experience</td>
</tr>
<tr>
<td></td>
<td>Having a good relationship with your superiors</td>
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<tr>
<td></td>
<td>Having a good relationship with your colleagues</td>
</tr>
<tr>
<td></td>
<td>Supportive and encouraging colleagues</td>
</tr>
<tr>
<td></td>
<td>Working in an exciting environment</td>
</tr>
<tr>
<td></td>
<td>Innovative employer – novel work practices/forward-thinking</td>
</tr>
<tr>
<td></td>
<td>The organization both values and makes use of your creativity</td>
</tr>
<tr>
<td></td>
<td>The organization produces high-quality products and services</td>
</tr>
<tr>
<td></td>
<td>The organization produces innovative products and services</td>
</tr>
<tr>
<td></td>
<td>Good promotion opportunities within the organization</td>
</tr>
<tr>
<td></td>
<td>Humanitarian organization – gives back to society</td>
</tr>
<tr>
<td></td>
<td>Opportunity to apply what was learned at a tertiary institution</td>
</tr>
<tr>
<td></td>
<td>Opportunity to teach others what you have learned</td>
</tr>
<tr>
<td></td>
<td>Acceptance and belonging</td>
</tr>
<tr>
<td></td>
<td>The organization is customer-orientated</td>
</tr>
<tr>
<td></td>
<td>Job security within the organization</td>
</tr>
<tr>
<td></td>
<td>Hands-on interdepartmental experience</td>
</tr>
<tr>
<td></td>
<td>Happy work environment</td>
</tr>
<tr>
<td></td>
<td>An above average basic salary</td>
</tr>
<tr>
<td></td>
<td>An attractive overall compensation package</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 2</th>
<th>Cronbach Alpha values (N = 550).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct</td>
<td>Cronbach Alpha</td>
</tr>
<tr>
<td>Perceived CSR</td>
<td>.944</td>
</tr>
<tr>
<td>Reputation</td>
<td>.953</td>
</tr>
<tr>
<td>Employer brand</td>
<td>.973</td>
</tr>
</tbody>
</table>
4. Discussion

The accepted premise that building mutually beneficial and long-term relationships is one the major goals of public relations experts was adapted by Bae and Cameron (2006) who concluded that the goal is to build mutually beneficial and long-term reputations. They state that only a few researchers have empirically tested the effectiveness of good reputation management, which is why it is essential to determine the mediating variables that explain the space between reputation and other concepts. Understanding the factors that build a good reputation can help practitioners to better shape their strategies.

Reputation management requires coordination between internal understanding and external expectations (Cornelissen, 2011). Therefore, the external expectations of potential employees were the focus of the research. Job selection decisions are closely connected to the reputation of an organization, which in turn depends on the information about the corporation that is available to potential employees. Organizations which show a higher level of CSR, have a higher chance of attracting employees (Turban & Greening, 1997). It is for this reason that managers should fully consider the perceptions of potential employees with regard to CSR activities and employer brands. It is important for managers to understand how all of their stakeholders perceive an organization’s CSR policies, since this perception can be crucial for positive outcomes (Shin et al., 2016). Employers that understand the importance of corporate social responsibilities may want to stress this information when communicating to their future employees (Albinger & Freeman, 2000).

The aim of this research was to contribute to the understanding of corporate reputation and its connections with perceived corporate social responsibility and employer brands. We had anticipated that perceived corporate social responsibility would be positively related to reputation and employer brands, and that there would be a positive connection between reputation and employer brands. In order to test these relationships, we conducted a series of multiple regression analyses. The one that yielded the best results showed a positive relationship between perceived CSR and reputation, and a positive relationship between employer brand perception and reputation. Both connections were significant, with employer branding showing a slightly stronger bond. Results show that potential employees assign good reputation to companies they value positively in terms of their corporate social responsibility as well as employer brands. Just as Maden et al. (2012) proved, the socially responsible actions of companies seem to act as signals to potential employees and are used to develop impressions of companies.

These results are in line with the approach within which stakeholder relationships (Wang & Chaudhri, 2009) and the quality of those relationships (Clark, 2000) are the core of both, CSR and public relations. As L’Etang (1994) in public relations CSR can encompass all from issues management and strategic functions that benefit publics, to sincere efforts to improve society. Within public relations, corporate social responsibility is also practiced as a way of obtaining organizational legitimacy (Kent & Taylor,

### Table 3
Multiple regression analyses results.

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Adjusted R²</th>
<th>F change</th>
<th>Model α</th>
<th>Std. B</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived CSR</td>
<td>Reputation</td>
<td>.132</td>
<td>42,797</td>
<td>.224</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Employer brand</td>
<td>Reputation</td>
<td></td>
<td></td>
<td></td>
<td>.264</td>
<td>.000</td>
</tr>
</tbody>
</table>

### Table 4
Factor analysis of employer brands (N = 550).

<table>
<thead>
<tr>
<th>Component</th>
<th>Total</th>
<th>% variance</th>
<th>Cumulative %</th>
<th>Total</th>
<th>% variance</th>
<th>Cumulative %</th>
<th>Total</th>
<th>% variance</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15,949</td>
<td>63,795</td>
<td>63,795</td>
<td>15,949</td>
<td>63,795</td>
<td>63,795</td>
<td>9,809</td>
<td>39,238</td>
<td>39,238</td>
</tr>
<tr>
<td>2</td>
<td>1,197</td>
<td>4,788</td>
<td>68,583</td>
<td>1,197</td>
<td>4,788</td>
<td>68,583</td>
<td>7,336</td>
<td>29,346</td>
<td>68,583</td>
</tr>
</tbody>
</table>

Factor 1
- Supportive and encouraging colleagues
- Having a good relationship with your superiors
- The organization is customer-oriented
- Acceptance and belonging
- Having a good relationship with your colleagues
- Humanitarian organization – gives back to society
- Hands-on interdepartmental experience
- Job security within the organization
- Opportunity to teach others what you have learned
- Feeling good about yourself as a result of working for a particular organization
- Feeling more self-confident as a result of working for a particular organization
- A springboard for future employment

Factor 2

*Extraction method: principal component analysis; Rotation method: Varimax with Kaiser normalization; For clarity of interpretation, factor loadings < 0.7 are suppressed; Items sorted by loading.*
Our results support the fact that social responsibility, encompassing the well-being of society and environmental responsibility does affect the attitudes of potential employees. However, all studied concepts are potentially heterogeneous constructs. When measuring employer brands, we used the scale by Berthon et al. (2005) which outlines a five-dimensional construct for the employer brand construct. A confirmatory factor analysis in our research failed to confirm the five-factor solution. Their first factor, named interest value, was not replicated as significant in our research. Our confirmatory factor analysis yielded only two factors. The first one was a combination of factors two, three and five from the original study by Berthon et al. (2005) They named their factors social value (‘which assesses the extent to which an individual is attracted to an employer that provides a working environment that is fun, happy, provides good collegial relationships and a team atmosphere’), economic value (‘which assesses the extent to which an individual is attracted to an employer that provides above-average salary’), and application value (‘assesses the extent to which an individual is attracted to an employer that provides an opportunity for the employee to apply what they have learned and to teach others, in an environment that is both customer orientated and humanitarian’). The students in our sample did not seem to differentiate those dimensions of employer brands and rated companies on a combination of all of those qualities. Our results were somewhat closer to the three-dimensional solution, as proposed by Ambler and Barrow (1996), in which interest value and social value are represented by what authors call psychological benefits. Our second factor resembles factor four from Berthon et al. (2005) (‘development value, which assesses the extent to which an individual is attracted to an employer that provides recognition, self-worth and confidence, coupled with a career-enhancing experience and a springboard to future employment’) or what Ambler and Barrow called functional benefits.

Even though our results showed a marked difference in the dimensionality of employer brands, it doesn’t diminish the importance of the concept. Whether two, three or five dimensional, the concept of employer branding is gaining importance and should be explored further. The number of dimensions depends on the operationalization of the concept and the way it is measured, but the fact remains that employer branding can be distinguished from corporate reputation but is closely connected to it.

All observed companies engaged in different organizational strategies, policies and practices, but are all primarily orientated toward promoting socially responsible behavior as well as building their reputation and fostering their employer brands, which perhaps explains their position amongst the top twenty national companies with regards to employer attractiveness. Various examples of organizational efforts include developing ethical codes and codes of conduct as well as policy documents focused on socially responsible practices. These policies are promoted both internally and externally, through web pages, internal newsletters or by organizing specific events. Organizations within the sample showed innovative and interesting organizational practices relating to different dimensions of their employer brands. Some of them include enhancing individual creativity and innovativeness, improving intradepartmental and interdepartmental cooperation and teamwork, developing personal skills, helping in individual career development and assuring employee satisfaction.

In academic studies, exploring the area of corporate reputation, employer branding and CSR is a potentially promising area for public relations research, particularly when centered on internal communication. Corporate reputation is important for corporate success (Kay, 2004, according to Martin, 2009). As Martin concludes, employer branding is a “currently fashionable notion” and actually a derivative of corporate communications. He added that all types of corporate communications need to be coordinated to create positive organizational reputation. If public relations experts decide to claim the area of reputation management, it is necessary for them to understand how strategic policies and communications can shape the quality of the different factors that build reputation. Understanding how CSR is perceived by various stakeholders, including potential employees, as well as what contributes to an employer brand, is an important part of understanding reputation. The concept of reputation is shaped from within the organization, just as CSR policies and employer brand decisions are which is why they can represent a challenge for corporate communication managers. CSR activities, reputation and employer brands would all benefit from organizational transparency and enhanced engagement (of all publics, including employees) which lead to good organization-public relationships (Kent & Taylor, 2015). Communication professionals need to be aware of best practice approaches, and through this, deliver strategies that build the best corporate reputations.

5. Conclusion and limitations

The aim of this research was to investigate the relationship between corporate social responsibility (as it is perceived by potential employees), employer brands (again as perceived by potential employees) and organizational reputation. We chose senior business school students as an important stakeholder group of potential future employees. Our results show that students assign good reputations to those organizations that are perceived as socially responsible and with a good employer brand. These results are consistent with previous studies (Maden et al., 2012). While the dimensions of CSR and reputation are beyond the scope of this study, they are both (just as the employer brand) multifaceted concepts. Investing into CSR and employer branding leads to beneficial outcomes since the linkages are proven to be positive. In other words, organizations that put effort into CSR and brand activities are recognized for it and this effort in turn affects their reputation. Even though multiple previous studies show this connection, the relations are mostly analyzed in isolation. In this study the relationship between the three concepts is explored further and the effect that both perceived CSR and employer brands have on corporate reputation is underlined.

The study has certain limitations that should be corrected in the future. Primarily, using self-reported cross-sectional data is a methodological problem in itself. Secondly, using students as the only stakeholder group gives a unidimensional view of the situation. Extending the study and including other important stakeholders would help the level of generalizability.
References


