

Using Corporate Social Responsibility to Win the War for Talent

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C.B. Bhattacharya, Sankar Sen and Daniel Korschun

New research indicates that there are five steps that can help business leaders increase CSR's effectiveness as a lever for talent management.

It is by now an article of faith that employees who are skilled, creative and driven to satisfy customers are essential for differentiating a company from its competitors. Increasingly, success comes from being able to attract, motivate and retain a talented pool of workers. However, with a finite number of extraordinary employees to go around, the competition for them is fierce.¹

There is growing evidence that a company's corporate social responsibility activities comprise a legitimate, compelling and increasingly important way to attract and retain good employees. For example, in a bid to burnish their images as socially responsible companies and thereby attract and retain talent, CEOs of high-profile companies such as Home Depot, Delta Air Lines and SAP recently pledged to deploy millions of employee volunteers to work on various community projects.² Their efforts appear to make sense: Jim Copeland, Jr., former CEO of Deloitte Touche Tohmatsu, puts it this way: "The best professionals in the world want to work in organizations in which they can thrive, and they want to work for companies that exhibit good corporate citizenship."³



In general, CSR initiatives reveal the values of a company and thus can be part of the “employee value proposition” that recent studies indicate is the lens through which managers must view talent management today. CSR also humanizes the company in ways that other facets of the job cannot; it depicts the company as a contributor to society rather than as an entity concerned solely with maximizing profits. As other researchers explain it, “a paycheck may keep a person on the job physically, but it alone will not keep a person on the job emotionally.”⁴ Moreover, because of the many forms that it can take, CSR often serves as a genuine point of differentiation for the company.

It is not surprising, then, that so many companies engage in so many CSR initiatives. Indeed, many companies big and small, including blue-chip names such as Cisco Systems, General Electric and IBM, view employee engagement in CSR as a “strategic imperative.”⁵ Yet few if any companies have figured out how best to reap the returns of such CSR engagement. We consider “internal marketing” to be the most apt rubric under which CSR can be used to acquire and retain employees.

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ABOUT THE AUTHORS

C.B. Bhattacharya is an associate professor in the marketing department of Boston University’s School of Management. Sankar Sen is a professor of marketing at Baruch College, City University of New York. Daniel Korschun is a doctoral candidate at Boston University’s School of Management.

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