RESEARCH NOTES

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CORPORATE SOCIAL PERFORMANCE AND ORGANIZATIONAL ATTRACTIVENESS TO PROSPECTIVE EMPLOYEES

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Drawing on propositions from social identity theory and signaling theory, we hypothesized that firms' corporate social performance (CSP) is related positively to their reputations and to their attractiveness as employers. Results indicate that independent ratings of CSP are related to firms' reputations and attractiveness as employers, suggesting that a firm's CSP may provide a competitive advantage in attracting applicants. Such results add to the growing literature suggesting that CSP may provide firms with competitive advantages.

Many scholars and practitioners today are paying increasing attention to firms' corporate social performance (CSP), a construct that emphasizes a company's responsibilities to multiple stakeholders, such as employees and the community at large, in addition to its traditional responsibilities to economic shareholders (Clarkson, 1995; Donaldson & Preston, 1995; Freeman, 1984; Shrivastava, 1995). Early CSP work focused on firms' alleged wrongdoings, how firms affect specific social groups, and how firms' actions might be controlled through regulation, public pressure, and judicial actions (Sethi, 1995). Recently, however, attention has been directed toward identifying how socially responsible actions may be associated with certain competitive advantages (Porter & van der Linde, 1995; Romm, 1994; Shrivastava, 1995). For example, researchers have investigated relationships between corporate social performance and corporate financial success (Cochran & Wood, 1984; Johnson & Greening, 1994; McGuire, Sundgren, & Schneeweis, 1988; Waddock & Graves, 1994) and between CSP and certain consumer purchase decisions (Romm, 1994; Solomon & Hanson, 1985; Vandermerwe & Oliff, 1990). Additionally, scholars have suggested that firms adopting socially responsible actions may develop more positive images, which yield a

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competitive advantage by attracting a higher quantity and quality of human resources (Davis, 1973; Fombrun & Shanley, 1990); however, no previous research has investigated such links.

Attracting and retaining superior human resources can provide organizations with a sustained competitive advantage (Lado & Wilson, 1994; Pfeffer, 1994; Wright, Ferris, Hiller, & Kroll, 1995). As scholars have noted, with the current labor shortages in some fields (e.g., engineering, programming) and the projected shortages in the future, attracting top-quality applicants is becoming increasingly important for organizational success (Jackson & Schuler, 1990; Offermann & Gowing, 1990; Rynes, 1991). Organizations that attract more qualified applicants have a larger applicant pool, which results in greater utility of the organization's selection system and a potential competitive advantage (Lado & Wilson, 1994; Murphy, 1986). Little research, however, has investigated factors that influence applicants' initial attraction to a firm, which in turn influences their decision to interview with the firm (Barber & Roehling, 1993; Gatewood, Gowan, & Lautenschlager, 1993; Rynes, 1991). Nonetheless, scholars have suggested that initial applicant attraction to a firm is based on perceptions of the firm's image, which is thought to be influenced by the firm's corporate social performance (Fombrun & Shanley, 1990; Rynes, 1991). For example, certain companies, such as IBM, General Motors, and Microsoft, are sending out brochures to prospective applicants promoting their companies' philanthropic and environmental programs, indicating that some firms are using social responsibility as a recruitment tool (Poe & Courter, 1995). Drawing on propositions from social identity theory (Ashforth & Mael, 1989) and signaling theory (Rynes, 1991), we expected that firms engaging in socially responsible actions would have more positive reputations and would be perceived as more attractive employers by potential applicants, thereby providing those companies with a competitive advantage over their rivals.

THEORETICAL BACKGROUND

Wood noted that a firm's social reponsibilities are met by "individual human actors" (1991: 699) who manage in a changing environment that is full of choices. Managers, therefore, can (and do) take different actions regarding their level of environmental scanning (Fahey & Narayanan, 1986), their management of stakeholder relationships (Clarkson, 1995; Freeman, 1984), and their activities regarding emerging and developing social and political issues (Chase, 1984; Greening & Gray, 1994; Wartick & Cochran, 1985). These different actions result in considerable variability in the organization's social programs and policies (Wartick & Cochran, 1985), which, in turn, are expected to affect the organization's reputation and its attractiveness as an employer (Fombrun & Shanley, 1990).

An organization's social policies and programs may attract potential applicants by serving as a signal of working conditions in the organization. Scholars have suggested that because applicants have incomplete information about organizations, they interpret information they receive as signals about the organizations' working conditions (Breaugh, 1992; Rynes, 1991; Spence, 1974). More specifically, propositions based on signaling theory suggest that organizational attributes provide applicants with information about what it would be like to be a member of an organization because such attributes are interpreted as providing information about working conditions in the organization. For example, a firm's policy to manage diversity may influence its attractiveness as an employer because of what it signals about the firm's working conditions (Williams & Bauer, 1994). Similarly, it seems likely that a firm's corporate social performance provides a signal about working conditions in the organization by denoting certain organizational values and norms. As Chatman (1989) noted, people are attracted to organizations they view as having values and norms they deem important. Because a firm's CSP is thought to signal certain values and norms, it seems likely that it influences applicants' perceptions of working conditions in the organization and, therefore, the attractiveness of the organization as an employer.

Furthermore, social identity theory suggests that people classify themselves into social categories on the basis of various factors, such as the organization they work for, and that membership in these social categories influences an individual's self-concept (Ashforth & Mael, 1989; Dutton, Dukerich, & Harquail, 1994). For example, Dutton and Dukerich (1991) described how actions taken by the Port Authority of New York and New Jersey influenced employees' self-concepts. In particular, they noted that organizational actions on social issues can be particularly influential in enhancing or damaging a firm's image and, by extension, employees' self-images. Because corporate social performance incorporates organizational actions on social issues, we would expect that it influences organizational image and thus, applicants' image of what it would be like to work for the firm. More specifically, we expect that CSP positively affects an organization's attractiveness as an employer because potential applicants will expect to experience positive outcomes, such as an enhanced self-concept, from being employed by a firm that engages in more socially responsible actions.

Although recruitment theories suggest that organizational attributes, such as corporate social performance, may influence applicants' initial attraction to firms, little research has investigated such effects (Barber & Roehling, 1993; Rynes, 1991; Rynes & Barber, 1990). Some empirical evidence suggests, however, that organizational attributes do influence an organization's attractiveness as an employer. For example, Turban and Keon (1993) found that applicants were more attracted to firms that were decentralized in decision making and to firms that based pay on performance rather than on tenure. Gatewood and colleagues (1993) found that potential job applicants' intentions to pursue employment with a firm were related to their perceptions of the firm's image. In addition, some evidence suggests that firms that engage in socially responsible actions are seen as more attractive employers. Bauer and Aiman-Smith (1996) found that firms with a pro-environmental stance were viewed as more attractive employers than firms without such a stance. Wright and colleagues (1995) found that the financial markets reacted positively to firms with award-winning affirmative action programs and negatively to firms with discriminatory practices, and those authors also suggested that firms with positive affirmative action programs were more able to attract high-quality human resources than firms with discriminatory practices. Because treatment of the environment and treatment of women and minorities are dimensions used to measures corporate social performance, our studies further investigate the link between CSP and organizational attractiveness as an employer.

In summary, scholars have suggested that CSP may provide a competitive advantage to firms by attracting a larger pool of candidates (Davis, 1973; Fombrun & Shanley, 1990), although no research has investigated such relationships. Therefore, we investigated whether firms' actual corporate social performance is related to their reputations and their attractiveness as employers. Drawing on propositions from signaling and social identity theory, we would expect firm CSP to be positively related to corporate reputation and to attractiveness as an employer.

> *Hypothesis 1. Organizations higher on independently rated corporate social performance will have more positive reputations and will be perceived as more attractive employers than organizations lower on corporate social performance.*

METHODS

Procedures

The unit of analysis for this study was the organization, and we investigated the relationships between organizations' corporate social performance, their attractiveness as employers, and their reputations. The sample of organizations was drawn from Kinder, Lydenberg, Domini & Co. (KLD) Company Profiles, a database that has been used by several researchers interested in CSP (Graves & Waddock, 1994; Johnson & Greening, 1994; Ruf, Muralidhar, & Paul, 1993) and is the largest multidimensional CSP database available to the public. We used data from the 1992–93 database, which contains ratings for 633 organizations. We used several heuristics in determining which companies to use for our study, which involved students rating the reputations and attractiveness of the organizations. Because we originally planned to investigate the relationships of the KLD ratings with *Fortune*'s annually published reputation ratings, we included only companies that were in both the KLD database and the *Fortune* ratings. We then eliminated companies that were unknown to four management department faculty members and five business school seniors who were representative of our intended respondents. These deletions left 189 companies. Finally, when more than two-thirds of the students rating the firms indicated they could not judge the reputation or the attractiveness of an organization, we did not include that organization in the analyses. Applying these heuristics resulted in 161 firms with reputation ratings and 160 firms with attractiveness ratings.

Measures

Corporate social performance ratings. As numerous authors have noted, CSP has been difficult to study because of measurement issues (Carroll, 1991; Graves & Waddock, 1994; Wokutch & McKinney, 1991). Researchers have measured corporate social performance utilizing surveys, content analyses of annual reports, expert evaluations, activities in controlling pollution, and fines imposed by the Environmental Protection Agency (Aupperle, 1991; Bowman, 1978; Wolfe, 1991; Zahra, Oviatt, & Minyard, 1993). Recently, however, scholars interested in corporate social performance have used Company Profiles, a database developed by Kinder, Lydenberg, Domini and Company. This financial advisory firm specializes in the assessment of companies' corporate social performance; one of the products they produce is Company Profiles. As Graves and Waddock (1994: 1039) noted, there are several advantages of using the KLD ratings as a measure of CSP: KLD rates firms using an objective set of screening criteria, the ratings are applied consistently across all companies, and KLD consists of knowledgeable individuals who are not affiliated with any of the rated companies.

KLD rates firms on nine dimensions of corporate social performance, five of which are typically used for research. These dimensions are community relations, treatment of women and minorities, employee relations, treatment of the environment, and quality of services and products. Every firm in the KLD database is given a "strength" and a "concern" score for each dimension. Specifically, the firms can be given an X for a moderate concern or strength, an XX for a strong concern of strength, or a blank to indicate no special concerns or strengths. We followed procedures used by several researchers (Johnson & Greening, 1994; Sharfman, 1993) and coded a blank as 0, a moderate strength as 1, a strong strength as 2, a moderate concern as −1, and a strong concern as −2. For each CSP dimension, a firm's score was the sum of its concern and strength ratings; therefore, scores could range from −2 to +2.

Organization reputation. Students (n = 75) in two sections of a senior-level strategic management course rated 189 companies in terms of their reputations on a five-point scale ranging from 1, "very poor reputation," to 5, "very good reputation." Respondents were also given a "cannot judge" option. As noted above, an organization was retained for subsequent analyses only if at least one-third of the respondents actually rated it. Each organization's reputation score was the average rating for the respondents who rated the firm. Average reputation ratings ranged from 2.74 to 4.87.

Organizational attractiveness as an employer. We followed a similar procedure, using different students, to obtain ratings of organizational attractiveness as an employer. Students in two sections of a senior-level strategic management course (n = 34) rated each of the 189 companies in terms of its attractiveness as an employer on a five-point scale ranging from 1, "unattractive employer," to 5, "one of the most attractive employers." Again, respondents were given a "cannot judge" option, and we retained an organization for subsequent analyses only if at least one-third of the respondents actually rated it. Each organization's score for attractiveness as an employer was the average rating for the respondents who rated the firm; such ratings ranged from 2.68 to 4.64.

Control variables. Because we expected larger and more profitable firms to receive more publicity and to have greater name recognition, we controlled for organization size and firm profitablity. Turban and Keon (1993) presented evidence that an organization's size influences its attractiveness, although such effects were moderated by applicants' self-esteem and need for achievement. In addition, evidence indicates that a firm's profitability is related to its reputation (Brown & Perry, 1994). We measured firm size as total assets and measured firm profitability as return on assets, using data obtained from the Standard & Poor's COMPUSTAT Annual Data tapes.

ANALYSES AND RESULTS

Table 1 presents descriptive statistics and correlations among the variables. In general, although the CSP dimensions were significantly correlated with each other, none of these correlations was higher than .48, suggesting that corporate social performance is a multidimensional construct and providing support for our separate analysis of the five dimensions. Assets (firm size) was not significantly related to either reputation or employer attractiveness, although it was positively related to community relations and the treatment of women and minorities and negatively related to product quality. Profitability was positively correlated with community relations, reputation, and employer attractiveness, supporting its inclusion as a control variable.

Examination of the correlations indicates that organizations' corporate social performance is related positively to their reputations and attractiveness as an employer. Specifically, reputation is correlated significantly with community relations, employee relations, environment, and product quality. Attractiveness as an employer is correlated significantly with community relations, employee relations, and product quality. To further investigate whether CSP is related to organizational reputation and attractiveness as an employer, we conducted hierarchical regression analyses, controlling for assets and profitability. Specifically, we entered the two control variables in the first step and the five CSP dimensions in the second step. The change in R^2 from step 1 to step 2 provides a test of whether the set of CSP dimensions explains variance in the dependent variable beyond what the control variables explain. The significance of the regression coefficients indicates whether the CSP dimensions explain unique variance in the dependent variable. As shown in Table 2, after we controlled for assets and profitability, the set of CSP dimensions explained an additional 9 percent of the variance in

TABLE 1
Correlations and Descriptive Statistics[a]

Variable	Mean	s.d.	1	2	3	4	5	6	7	8	9
Corporate social performance											
1. Community relations	0.67	0.82									
2. Employee relations	0.07	1.02	.40**								
3. Environment	−0.38	0.85	.26**	.21**							
4. Product quality	−0.35	0.95	.00	.18*	.30**						
5. Treatment of women and minorities	0.55	0.94	.48**	.31**	.18*	−.01					
Control variables											
6. Assets	25,415.00	42,910.00	.22**	.02	−.01	−.19*	.31**				
7. Profitability	0.04	0.05	.16*	.14†	−.02	−.07	.11	.00			
Reputation and attractiveness											
8. Corporate reputation	3.85	0.36	.16*	.20**	.21**	.16*	.15†	−.05	.25**		
9. Attractiveness as an employer	3.59	0.41	.22**	.25**	.06	.16*	.13†	.13	.23**	.75**	

[a] Values of n ranged from 155 to 171.
† $p \leq .10$
* $p \leq .05$
** $p \leq .01$

TABLE 2
Results of Regression Analyses Predicting Reputation and Employer Attractiveness[a]

Predictors	Attractiveness as an Employer β	Attractiveness as an Employer Change in R^2	Organizational Reputation β	Organizational Reputation Change in R^2
Step 1		.07**		.07**
Assets	.14†		−.06	
Profitability	.19*		.22**	
Step 2		.09**		.07*
Community relations	.12		.03	
Employee relations	.16†		.09	
Environment	−.05		.13	
Product quality	.19*		.10	
Treatment of women and minorities	−.03		.08	
Total R^2		.15**		.14**

[a] Standardized regression coefficients for the full model are shown. The unit of analysis is the organization; $n = 160$ for attractiveness as an employer and 161 for reputation.

† $p \leq .10$
* $p \leq .05$
** $p \leq .01$

attractiveness as an employer and an additional 7 percent of the variance in reputation. Product quality and employee relations (at the .10 alpha level) explained unique variance in attractiveness as an employer. None of the CSP dimensions, however, explained unique variance in organizational reputation, although, as noted above, the set of CSP dimensions added a significant amount of unique variance in reputation. Taken in sum, such results support the conclusion that an organization's corporate social performance is related to its attractiveness as an employer and its reputation.

Unfamiliarity with firms. We conducted additional analyses to investigate factors related to the percentage of respondents who indicated they couldn't judge a firm's reputation or attractiveness as an employer.[1] Although different respondents rated firms for reputation and employer attractiveness, across firms the correlation between the percentage of respondents who couldn't judge reputation and the percentage of respondents who couldn't judge attractiveness as an employer was .96. Therefore, we created a measure, *unfamiliarity with firm,* that was the average of those two percentages. Unfamiliarity with firm ranged from 0.5 to 82.5, indicating some firms (the ones with low scores) were very familiar to repondents and that other firms (those with high scores) were very unfamiliar to respondents.

We calculated correlations between the variable for unfamiliarity with firm and firm size, profitability, media exposure (obtained from All News, a Lexis-Nexis database), advertising expenditures (from Standard & Poor's

[1] We thank an anonymous reviewer for suggesting these analyses.

COMPUSTAT tapes), reputation, employer attractiveness (using only the 161 and 160 firms with, respectively, reputation and attractiveness ratings), and the five KLD dimensions. Unfamiliarity with firm was negatively correlated with firm size (–.25), media exposure (–.45), advertising expenditures (–.40), reputation (–.52), attractiveness as an employer (–.49), community relations (–.27), and treatment of women and minorities (–.31). We also investigated curvilinear relationships between the KLD dimensions and unfamiliarity, positing that firms with very poor or very good corporate social performance would be known but that firms with average CSP would be relatively unknown (i.e., that an inverted U-shaped relationship between *unfamiliarity* and the CSP dimension would be observed). Results indicated curvilinear relationships for product quality and employee relations (at the .07 alpha level); however, the form of this relationship indicated that as CSP increased, unfamiliarity decreased at an accelerating rate. In general, the results indicate that firms that are more familiar to potential job applicants are larger, are in the newspapers more frequently, advertise more, and tend to have better community relations, treatment of women and minorities, product quality, and employee relations. Interestingly, profitability was not related to unfamiliarity. The negative correlations of reputation and attractiveness as an employer with unfamiliarity suggest that, in general, the more people who have heard about a firm, the more positively the firm is regarded. Additional analyses indicated that industry did not predict unfamiliarity, although, as might be expected, firms that recruited on campus were more familiar than firms that didn't recruit on campus ($\bar{x}$ = 20% and 37% for unfamiliarity, respectively) and firms that provided materials to the career services were also more familiar than firms that didn't provide materials to the career service office ($\bar{x}$ = 18% and 39%, respectively).

DISCUSSION

We investigated the relationships between firms' corporate social performance (CSP), based on ratings obtained from the KLD database, and firms' reputations and attractiveness as employers. Results indicate that firms higher in CSP have more positive reputations and are more attractive employers than firms lower in CSP. Such results suggest that potential applicants are aware of firms' corporate social performance and that those with more positive ratings may have competitive advantages because they attract more potential applicants than firms with lower CSP ratings. More broadly, our results extend other work indicating that firms' positive corporate social performance may lead to potential competitive advantages and suggest that firms' leaders may wish to consider not only the moral or ethical rationale for proactive corporate social actions (Swanson, 1995), but also the potential competitive advantages it may afford them. For example, Porter and van der Linde (1995) indicated that many firms develop competitive advantage by "being green" and taking proactive steps to develop innovative solutions to hazardous waste and pollution problems. Our results also support an association between corporate social performance activities and potential competitive advantages.

Drawing on propositions from social identity theory that an employee's self-concept is influenced by membership in an organization (Ashforth & Mael, 1989; Dutton & Dukerich, 1991), we proposed that firms with positive, rather than negative, CSP would have better reputations and would be seen as more attractive employers because potential applicants would expect to have more positive self-concepts when they worked for them. With the plethora of publicity about organizations' behavior in regard to environmental activities, affirmative action, product quality, and employee relations, we expected potential applicants to be somewhat aware of firms' corporate social performance and to use such information in determining their attraction to the firms.

Judge and Bretz (1992) theorized that applicants' perceptions of an organization's values may be influenced by the organization's concern for the environment. Similarly, we theorized that a firm's CSP provides potential applicants with signals about the organization's value system, which influences applicants' perceptions of working conditions and subsequent attraction to the organization. It seems likely, however, that some of the CSP dimensions, such as treatment of women and minorities and employee relations, were more likely to be interpreted as providing signals about working conditions in the organization than were other CSP dimensions, such as concern for the environment and product quality. Future research might use structural equation modeling to investigate whether organizational values and perceptions of working conditions mediate the relationship between CSP and organizational attractiveness as an employer. For example, researchers might use the Organizational Culture Profile (OCP; O'Reilly, Chatman, & Caldwell, 1991) to investigate whether the CSP dimension "treatment of women and minorities" influences the OCP dimension "respect for people," which in turn influences perceptions of working conditions and organizational attractiveness.

More broadly, research is needed to further explicate the causal relationships among corporate social performance, reputation, and attractiveness as an employer. We conceptualized CSP as the set of socially responsible or irresponsible activities by firms and proposed that CSP influences perceptions of their reputations and attractiveness as employers. Our results support this conceptualization, but because the data are cross-sectional, additional research is needed to investigate the causal mechanisms linking these variables. Additionally, research might further extend social identity theory by investigating whether individuals who work for firms with positive CSP report higher levels of organizational identification (Mael & Tetrick, 1992) than individuals working for firms with negative CSP. Distinctiveness has been shown to be a significant factor in increasing the tendency of individuals to identify with a social group (Ashforth & Mael, 1989); therefore, one might expect that individuals working for firms with distinctive and positive reputations for corporate social performance (e.g., The Body

Shop, Ben & Jerry's) will have stronger identification with those companies than employees working for firms with negative CSP reputations (e.g., the Port Authority of New York during crises involving homeless people [Dutton & Dukerich, 1991]), although research investigating such relationships is needed.

We investigated factors related to potential applicants' unfamiliarity with firms. Results indicated that the firms that were more familiar to potential applicants were larger; had more media exposure, larger advertising budgets, more positive CSP, and more positive ratings for reputation and attractiveness as employers; and were more likely to recruit on campus and to provide materials to the college placement center. Industry and profitability were not related to respondents' familiarity with firms, although these results must be interpreted with caution because industries were not equally represented across firms (e.g., over two-thirds were in manufacturing). Of particular interest is the finding that the firms that were more familiar to respondents tended to have more positive reputations and were rated as more attractive employers. Such results extend Gatewood and colleagues' (1993) finding that applicant ratings of familiarity with a firm were related to ratings of the firm's overall corporate image and support their conclusion that the more applicants know about firms, the more positively the firms are evaluated. The mechanism for this relationship is unknown, however. One explanation for this finding is that because firms attempt to have positive information disseminated about themselves, in general, applicants are familiar with a firm because they have heard something positive about it. Another explanation is based on evidence that increased exposure to an object increases positive evaluations of that object (Zajonc, 1968); this suggests that applicants tend to rate more positively what they've been exposed to frequently, regardless of the nature of that information.

Our analyses were conducted on firms that were at least somewhat familiar to the respondents (i.e., at least one-third of the subjects were familiar enough with the firm to rate it), suggesting that corporate social performance may provide a competitive advantage in attracting applicants only when applicants are familiar with a firm and its CSP. Therefore, firms may want to publicize their positive corporate social performance activities. Furthermore, given evidence that brochure content influences applicant attraction to firms (Mason & Belt, 1986; Schwoerer & Rosen, 1989), firms may want to highlight their corporate social performance in their recruitment brochures. We would prescribe that firms accurately describe their CSP activities and be careful not to inflate those descriptions in an attempt to attract applicants. A misrepresentation of CSP activities may lead to unmet expectations on the part of new employees, which may then lead to job dissatisfaction and turnover (Wanous, Poland, Premack, & Davis, 1992). Therefore, unrealistically positive descriptions of firms' CSP may attract more applicants but may lead to dissatisfied employees who subsequently leave a firm, although future research is necessary to investigate this proposition. Nonetheless, our results suggest that firms should publicize their corporate social performance in an attempt to attract applicants, although they should provide realistic descriptions of their CSP activities.

Our results indicate that independent ratings of a firm's corporate social performance were related to ratings of the firm's reputation and attractiveness as an employer, suggesting that such performance may provide a competitive advantage by attracting potential applicants. Additional research is needed at the individual level of analysis to investigate the importance of CSP for actual applicants involved in a job search. For example, researchers might investigate whether CSP influences various applicant decisions, such as the decision to interview with a firm or the decision to accept a job offer. Evidence from studies adopting the person-organization fit perspective (e.g., Judge & Bretz, 1992; Turban & Keon, 1993) suggests that a firm's CSP may be more important in influencing applicant decisions about pursuing employment with the firm for individuals with certain characteristics and values. For example, because women and members of minorities have different perceptions of affirmative action than do men and nonminorities (Kravitz & Platania, 1993), it seems likely that women and minorities may react differently to the treatment of women and minorities than do men and nonminorities. In general, we expect that corporate social performance will be less important for applicants with few choices because, at the extreme, applicants with only one job opportunity may not be influenced by the firm's CSP. Our results may hold only for the top-quality applicants who are pursued by many firms and typically have many choices. These are the applicants whom firms are attempting to attract, however, so CSP may provide a competitive advantage by attracting such applicants.

In sum, results suggest the importance of firm's corporate social performance for influencing ratings of reputation and attractiveness as an employer. Furthermore, our results highlight the importance of corporate image as an influence on prospective applicants' attraction to a firm. At a time when corporate success depends more and more on a high-quality workforce, firms are becoming increasingly aware of the need to attract the best workers to their companies. Many normative works have stressed the need for firms' positive corporate social performance; our research specifically suggests that firms may develop competitive advantages by being perceived as attractive places of employment because of their performance in regard to quality products and services, treatment of the environment, and issues of diversity. Firms can do this by signaling potential workers in brochures and advertisements that they offer a work environment conducive to socially responsible activities and by providing a culture and environment that reinforce individual workers' self-concepts and social identities. Our results suggest that corporate social performance may, in fact, be "good business" (Solomon & Hanson, 1985).

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