

Prospective Employees' Perception of Employer Branding

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Attracting prospective candidates is an important matter in the recruitment process because it comprises of how various companies compete for scarce skilled labour. (Collins & Kanar, 2013; Fernandez-Araoz, Groysberg & Nohria, 2009; Hewlett & Rashid, 2010). In this context, organizations may attain differentiation and become more competitive in attracting talent through Employer Branding initiatives. By effectively communicating an employer's unique and positive aspects and the corresponding employment value proposition, Employer Branding strategies contribute to increasing employer attractiveness in the labor market as a whole and, more specifically, among potential skilled candidates (Backaus & Tikoo, 2004; Edwards & Edwards, 2013). Nevertheless, despite this increased visibility and relevance for companies, there are few academic studies on the Employer Branding subject. Moreover, literature has been mainly focused on concepts and results obtained through Employer Branding; research on the employer attractiveness dimensions used in Employer Branding strategies is still scarce (Biswas & Suar, 2014). Thus, the contribution of this paper is to investigate the employer attractiveness dimensions.

This research paper consists of six sections, apart from the introduction. Under the topic of review of literature, the concepts - employer attractiveness, and employer brand are reviewed and discussed. Following this, the methodology used for the study is presented. In the end, results are discussed along with the presentation of limitations and suggestions for further studies.

I. Review of Literature

This section presents a review and discussions based on the literature considered relevant for the research – the studies on the concepts of employer attractiveness and employer branding.

Employer attractiveness and employer branding

Employer attractiveness has received considerable attention from academicians in recent years (Breugh & Starke; 2000; Boswell, Roheling, LePine & Moynihan, 2003; Aiman-Smith, Bauer & Cable, 2001; Gatewood, Gowan & Lautenschlager, 1993), and it refers to the benefits that potential employees predict they could get by working for a particular employer (Berthon, Ewing & Hah, 2005). Hence, employer attractiveness has an impact on the recruitment and selection processes of the organizations (Gatewood et al., 1993) and the retention of professionals (Helm, 2013). Aiman-Smith et al. (2001) concluded that attractiveness refers to “an attitude or expressed general positive affect toward an organization, toward viewing the organization as a desirable entity with which to initiate some relationship”. The researchers also indicate that attractiveness is revealed when people effectively seek an opportunity to participate in the selection processes in a specific organization.

Developing an employer's attractiveness differs from the attraction stage in the recruitment process (Breugh & Starke, 2000). While in the initial stage of the recruitment process the goal is to attract applicants for specific available positions at a given time, organization attractiveness must be continuously worked on, so that the company becomes a recognized and attractive employer in the labor market; this will, in turn, facilitate the recruitment process (Collins & Stevens, 2002).

Attractiveness has been operationalized through the attractiveness attributes, the factors considered by potential candidates when choosing an employer (Berthon et al., 2005). These factors will be prioritized by applicants according to their respective needs and expectations (Cable & Turban, 2001).

Authors have proposed different approaches for research on these attributes. According to Lievens and Highhouse (2003), they may be instrumental and symbolic attributes, where the first makes a reference to what the organization offers that is useful for the job seeker (e.g. salary package, flexible schedule, location, etc.). Symbolic attributes, in turn, represent subjective and intangible aspects (e.g. business innovation degree, culture, prestige, etc.). According to Cruise O'Brien (1995), attributes may be classified into cognitive/rational (reliability, competence, etc.) and affective/emotional (openness, support, attention, etc.). Srivastava and

Bhatnagar (2010) identified eight attributes reflecting characteristics of what an organization “offers” as an employer (global exposure, career opportunities, development, etc.) and what it “is” (flexible and ethical, reliable and fair, etc.). Furthermore, studies have shown that symbolic attributes may be especially relevant and differentiate more an employer from its competitors than instrumental attributes do (Lievens and Highhouse, 2003; Srivastava and Bhatnagar, 2010).

Berthon et al. (2005) developed the Employer Attractiveness Scale, by integrating dimensions considered in other taxonomies, particularly, the functional, psychological, and economic aspects of attractiveness proposed by Ambler and Barrow (1996).

The scale comprises five attractiveness attributes and it assesses to what extent the organization offers the following values:

- 1) *Interest Value (IV)*: a challenging and stimulating job, with innovative working practices, products, and services, in an environment that encourages creativity and innovation;
- 2) *Social Value (SV)*: a positive and pleasant social and interpersonal environment;
- 3) *Economic Value (EV)*: above-average wages, compensation package, job security, and promotion opportunities;
- 4) *Development Value (DV)*: provides recognition, self-worth and confidence, the development of skills and career-enhancing experiences;
- 5) *Application Value (AV)*: opportunity to apply expertise and convey knowledge to others, in a customer-oriented and humanitarian workplace.

Although the various proposals have different structures, in general, the attributes refer to the dimensions proposed by Ambler and Barrow (1996). However, the scale developed by Berthon et al. (2005) has been more frequently used in subsequent studies (Alniaçik & Alniaçik, 2012; Arachchige & Robertson, 2011; Roy, 2008; Sivertzen, Nilsen & Olafsen, 2013), suggesting a convergence in terms of attribute classification. And that is why the researcher has adopted this instrument in this study.

Employer Brand refers to the “sum of a company’s efforts to communicate to existing and prospective staff that it is a desirable place to work” (Berthon et al., 2005, p. 153). It involves applying branding principles to the recruitment and hiring process and focuses on the “package of functional, economic, and psychological benefits provided by the employment and identified with employing company” (Ambler & Barrow, 1996, p. 187), in order to create differentiation from other employers, both to attract potential candidates and to motivate, engage, and retain current employees (Backaus & Tikoo, 2004).

According to Lievens (2007), employer branding involves three stages: in the first, a compelling and unique employer value proposition - the attributes or benefits to be offered to prospective and actual employees - is designed; in the second, this value proposition is communicated; and the third is the implementation stage, that is, to actually implement the promises made in the value proposition, in terms of the attraction attributes. Employer Brand relies on brand equity theories to analyze the influence of attractiveness attributes on people. Such theories focus on people’s perceptions and beliefs concerning products and service brands, which influence their preference hierarchies (Collins & Stevens, 2002), and that increases the likelihood of differentiation from competitors. According to Cable and Turban (2001), brand equity principles may be extrapolated to the attraction and recruitment situation, where the choice among attractive employers will be made according to the applicants’ attributes preferences.

Therefore, Employer Brand strategies and activities contribute to organization attractiveness to the extent that they create, convey, and reinforce the positive aspects of the company as an employer (Collins & Kanar, 2013; Edwards, 2010). Besides, Employer Branding is not only about recruitment because “where traditional recruitment strategies are short-term, reactive, and subject to job openings, employment branding is a long-term strategy designed to maintain a steady flow of skills in the organization” (Srivastava & Bhatnagar, 2010, p. 26).

The premise behind Employer Brand strength and value derives from the benefits achieved from a strong brand: differentiation and loyalty. The brand must be able to differentiate, to create loyalty, to satisfy, and establish an emotional connection with potential candidates (Davies, 2008). Thus, the value of a brand is associated with its awareness/recognition degree and the image it conveys to people. Besides differentiation and loyalty, employer brand can bring additional benefits to the organization, insofar as it provides a rationale to simplify management and to establish and focus on priorities, increasing productivity and improving recruitment, by ensuring a continued flow of adequate candidates (Holliday, 1997).

Attractiveness and prioritization of attractiveness attributes may vary according to the different cultures and demographic characteristics (Alniaçik, Alniaçik, Erat & Akçin, 2014; Newbury, Gardberg & Belkin, 2006) and, therefore, it is important to understand these aspects concerning national contexts.

II. Methodology

In order to pursue the research objective - i.e. the identification of employer attractiveness factors for MBA graduate students, the researcher chose to adopt a quantitative study that, according to Creswell (2003) provides a quantitative or numerical description of trends, attitudes, or opinions of a population.

Data collection and sample

For data collection, 150 MBA students were called to fill the questionnaire. The questionnaire contained the Employer Attractiveness Scale.

Employer attractiveness scale validation

The survey employed the Employer Attractiveness Scale developed by Berthon et al. (2005). As mentioned, this instrument was chosen because it has already been employed by various international studies, showing good reliability (Alniaçik & Alniaçik, 2012; Arachchige & Robertson, 2011; Roy, 2008; Sivertzen et al., 2013; Wallace, Lings & Cameron, 2012). Furthermore, Sivertzen et al. (2013) found that the instrument involves employer attributes that influence a company's reputation and this, in turn, effectively influences the employer attractiveness among job seekers. Respondents must evaluate each item in the questionnaire through the following question: "How much is this aspect important to you when choosing a new job?" In this regard, a five-option Likert scale was used (1 = not important at all, 5 = very important).

A pretest with 6 human resources researchers was performed, to check and adjust the understanding of the translated scale. Then, to examine scale validity and reliability, a confirmatory factor analysis was conducted. As a normal distribution was not observed (Kolmogorov-Smirnov test), partial least squares (PLS) estimation was adopted. At the first stage of the confirmatory analysis, convergent validity was addressed through the average variance extracted (AVE). It is recommended that AVE is 0.50 or over (Hair et al., 2011).

Table 1 shows the indicators used in the study and the AVEs for each dimension. Table 1 also displays the reliability indicators (composite reliability) of each attractiveness dimension; as they are above 0.70, the reliability of dimensions was regarded as satisfactory (Hair et al., 2011).

Regarding the reliability of each indicator, although factor loadings of 0.70 or over are regarded as the most desirable, loadings between 0.50 and 0.70 are also acceptable and, in such cases, the items may still be maintained (Chin, 1998; Hair et al., 2011; Hulland, 1999).

Regarding discriminant validity, it was evaluated by having two procedures as a basis. First, the researcher checked the existence of cross-loadings between the factors, which were not detected. Then, it was noticed that, as needed, the square roots of the AVEs were higher than the correlations between the factors (Fornell & Larcker, 1981). Thus, discriminant validity was also regarded as satisfactory.

III. Results

Table 2 shows the results obtained for the entire sample. It is observed that Development Value (MM = 4.28, SD = 0.56) and Economic Value (M = 4.20, SD = 0.54) had the highest mean scores, followed by Social Value (M = 4.08, SD = 0.54), Interest Value (M = 4.04, SD = 0.59), and Application Value (M = 3.90, SD = 0.60).

Table 1

| Dimensions | Standardized loadings |
|---|-----------------------|
| Interest Value (AVE: 0.60; composite reliability: 0.86) | |
| Working in a vibrant/challenging environment | 0.88 |
| Innovative employer – novel work practices/forward-thinking | 0.82 |
| The organization both values and makes use of your creativity | 0.81 |
| The organization produces high-quality products and services | 0.89 |
| The organization produces innovative products and services | 0.76 |
| Social Value (AVE: 0.62; composite reliability: 0.89) | |
| Having a good relationship with your colleagues | 0.85 |
| Having a good relationship with your superiors | 0.82 |
| A fun working environment | 0.88 |
| Supportive and encouraging colleagues | 0.72 |
| Happy work environment | 0.76 |
| Application Value (AVE: 0.57; composite reliability: 0.80) | |
| Humanitarian organization – gives back to society | 0.87 |
| Opportunity to apply what was learned in college/university | 0.74 |
| Opportunity to teach others what you have learned | 0.74 |
| Acceptance and belonging | 0.98 |
| The organization is customer-orientated | 0.95 |
| Economic Value (AVE: 0.73; composite reliability: 0.94) | |
| Good promotion opportunities within the organization | 0.78 |
| Job security within the organization | 0.82 |
| Hands-on inter-departmental experience | 0.95 |

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|--|------|
| An above average basic salary | 0.95 |
| An attractive overall compensation package | 0.92 |
| Development Value (AVE: 0.79; composite reliability: 0.96) | |
| Feeling more self-confident as a result of working for a particular organization | 0.88 |
| Recognition/appreciation from management | 0.85 |
| A springboard for future employment | 0.80 |
| Feeling good about yourself as a result of working for a particular organization | 0.82 |
| Gaining career-enhancing experience | 0.81 |

Table 2
Descriptive Statistics

| | M | SD |
|----------------------|------|------|
| 1. Development Value | 4.28 | 0.56 |
| 2. Economic Value | 4.20 | 0.54 |
| 3. Social Value | 4.08 | 0.54 |
| 4. Interest Value | 4.04 | 0.59 |
| 5. Application Value | 3.90 | 0.60 |

Considering the results listed in tables 2, it is observed that Development Value ($M = 4.28$, $SD = 0.56$) had higher mean scores than Social Value ($M = 4.08$, $SD = 0.54$), Value of interest ($M = 4.04$, $SD = 0.59$), and Application Value ($M = 3.90$, $SD = 0.60$) and that these differences were statistically significant ($p < 0.01$). Similarly, Economic Value ($M = 4.20$, $SD = 0.54$) showed higher and significant average values related to Social Value, Interest Value, and Application Value. Nevertheless, the difference between Development Value and Economic Value, representing the two factors with higher average score values was not significant; so, it is observed that these two attributes are shown as the attractiveness factors most appreciated by respondents as a whole, without considering the generational differences. On the other hand, both the scores for Social Value and Interest Value were higher than the score for Application Value, with $p < 0.01$. The latter dimension was shown, therefore, as the attractiveness factor having the lowest weight for professionals as a whole. The scores for Social Value and Social interest did not register, however, a significant difference from each other.

IV. Discussion

Initially, mean scores for attractiveness factors were examined for the sample as a whole (tables 2 and 3). The results pointed out that all dimensions of the attractiveness scale seem to be relevant for the group of professionals under the study, taking into account that the lowest score achieved was 3.81 (Application Value). The high scores found may reflect the importance that all factors of the Employer Attractiveness Scale have for the recruitment process, a finding that is consistent with the results of previous studies on employer attractiveness, in topics such as work values and the meaning of work (Parry & Urwin, 2010; Dose, 1997; Morin, 2001; MOW, 1987), job and career expectations (Twenge et al., 2010; Cennamo & Gardner, 2008; Dries et al., 2008), among others. This finding is also aligned with Deal et al. (2010, p. 196) that emphasize that it is advisable to be attentive to all employees: "If you provide employees with an interesting job, good compensation, opportunities to learn and advance, colleagues they like to work with, a boss they trust, and leaders who are competent, employees of all generations will respond positively". What this article reinforces, however, is that such aspects are, in fact, observed and taken into account by job seekers; all of these elements (or only some of them) may be emphasized on Employer Brand strategies, since they can come to influence the preference for an employer over another. On the other hand, even if all factors seem to be relatively important, it was possible to determine differences between them. In fact, Development Value and Economic Value were more valued than Social Value, Interest Value, and Application Value by the sample as a whole.

However, although these findings are supported by the literature, some considerations are important, to put them in perspective. First, it should be noted that EB strategies seek to focus on specific attributes - rather than on all attributes at the same time - taking into account the characteristics of the addressed audiences (Ambler & Barrow, 1996). This justifies the stratification by age, gender, etc., which highlights the expectations prioritized by each group. Second, the employed instrument (Berthon et al., 2005) may have limitations usually related to questionnaires that do not adopt forced-choice scales; e.g. occasionally respondents might assign higher scores to the assessed dimensions because they perceive all dimensions as positive/desirable (see, for instance, Braunscheidel, Suresh & Boisnier, 2010), eventually increasing mean scores globally.

This study is limited to the city of Bengaluru in scope with the sample focused on MBA graduates.

Further, as mentioned previously, the instrument used (Berthon et al., 2005) may show limitations typically associated with scales that do not adopt forced-choice items, and this could increase scores globally. Another aspect is that the survey was cross-sectional; so, it does not examine the phenomenon of attractiveness

over time, leading to new questions: To what extent do the attributes valued by people turn into their employment choices? Moreover: Do they vary over time? Do they contribute to retaining professionals? These aspects may be investigated in further studies; also, a longitudinal approach could bring additional insights to the theme. Further research could also examine the impact of attractiveness factors on the psychological contract with hired employees: Which are the implications? Which expectations emerge concerning Employer Brand? This is a particularly relevant aspect: attractiveness attributes incorporated into Employer Brand strategies make sense only when reflecting the employer's reality and when they are provided to the employee, as a part of the experience within the company she/he works in (Ambler & Barrow, 1996; Cable & Turban, 2001; Edwards & Edwards, 2013; Martin et al., 2011).

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