



IMPACT OF EMPLOYER BRAND DETERMINANTS ON POTENTIAL HIRES' JOB PURSUIT INTENTION

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ABSTRACT

There is a growing demand for talent in the market and organizations are struggling for winning the war for talent. In this situation talent is becoming sensitive towards various aspects of employer brand along with salary. Main purpose of this study is to check the impact of employer brand determinants on potential hires' intention to job pursuit. This is an empirical investigation and a sample of 200 respondents was taken from NCR (Delhi, Gurugram, Noida). This study found that economic value, training and developmental value, social value, reputation value and corporate social responsibility are the determinants of employer branding that significantly impacts the potential hires' intention to apply for a job vacancy.

Key words: Employer Brand; Job Pursuit Intention; Potential Hires.

1. INTRODUCTION

As per attraction- selection- attrition model, an individual feel attracted towards an organization if he finds that organization attractive and similar to his own characteristics otherwise he will leave that organization (Lieber, 1995). Individual preferences differ from each

other and they self-select themselves by making a fit between them and organizations. The fit between individual and organization is of two types supplementary fit and complementary fit. If an employee feel that organization have similar culture, norms and values that the employees have known as supplementary fit between employees and organization. On the other side, complementary fit means employer provides all the things that applicant needs. This is also known as person-supplies fit (Kristof, 1996; Kristof-Brown, A.L., Zimmerman, R.D., & Johnson, E.C., 2005). Supplementary fit helps is value congruence and complementary fit useful in psychological need fulfillment with in organization (Cable & Edwards, 2004). Various studies highlighted that there should be minimum level of fit between organization and employee for employer attractiveness (Cable and Judge, 1996; Carless, 2005; Hoye and Turban, 2015).

In order to increasing the attractiveness of employer, organizations started to strengthen the name of organization as a brand that is termed as employer brand (Sivertzen et. al., 2013). Phillips and Connell (2008) highlighted that employees wants to work with an organization that have a brand name rather than working with a company without brand name. This created a great need of creating positive brand image among the potential and existing employees of the organization. Ambler and Barrow(1996) initially discussed about the employer brand term and defined it “as the package of functional, economic and psychological benefits provided by the employment and identified with in the employing company”. Walker (2006) defined employer brand as “a set of attributes that makes an organization distinctive and attractive to those people who will feel an affinity with it and deliver their best performance within it.” Backhaus and Tikoo, (2004) highlighted that there are two aspects of employer branding that are external marketing aspect that presents the organization ‘employer of choice’ and attracts the best workers towards the organization and internal marketing aspect that helps to create a workforce for the organization that is hard for others to imitate. It develops a strong and unique culture within organization that helps employees’ retention with in organization.

For the survival and development of the organization, it is necessary for the organization to attract “best and the brightest” (Fishman, 1998). Drury, P. (2016) argued that “best employers get nearly twice as many job applications compared with other organizations.” Hewitt Associates conducted a survey in (2006) on employer branding and highlighted that employer brand is necessary for all the forms even for those organizations that have a strong customer organization brand exist. 85 % managers accepted the need of employer branding in future. Employer brand

makes an organization an employer of choice where best and brightest candidates want to work. In all types of climates, employer brand is the only really asset for the organization (Sripirabaa, B. and Subha, V., 2013).

Banking sector considered as the life line of modern economy and it is also facing the problem of war for talent because of growth of various sector of economy. Banking sector also accepted the need of developing employer branding for attracting the qualified staff within the organization. With the entry of private and foreign sector banks the competition becomes very tough for the other banks employers to attract the talent. Foreign sector banks become the first choice of elite class students as their prospective employer (PwC, 2013). Professional training and development, high future earning, good reference for future career, challenging work, good leadership, performance recognition, competitive base salary, creative and dynamic work environment are the major attributes that makes the banking sector attractive for the applicants. It is also highlighted that banking oriented students wants to work with banks because they see banks as a good place for ground work for a bright future career (Universum talent survey, 2014). This study highlights the role of employer branding determinants in potential hires' intention to apply for a job vacancy.

2. REVIEW OF LITERATURE:

Employer brand is a multi-dimensional construct and includes various aspect of an organization as an employer. Employer brand is the entirety of all the differentiable features (tangible and intangible) that potential and current employees perceive about an organization's employment experience (Dawn and Biswas, 2010; Kucherov, D. and Zavyalova, E., 2012; Agrawal and Swaroop, 2011). Some determinants of employer branding are discussed here:

2.1. Economic Value:

Nigel Wright recruitment survey (2011) highlighted that 79% potential hires said that receiving attractive compensation package from the employer is important for them and that helps in their job choice decision. Weathington, (2008) found benefits as the most significant contributor for individuals' workplace choice. Saraswathy et. al. (2011) defined economic value as the "organization's capacity to take of the psychological and security needs by providing a competitive employment package. Rathee, V. and Ritu (2015) found economic values as the

most contributing factor for developing employer brand in banking sector. It includes the variables named good compensation package, timely and fair reward, retirement factors and job security.

Ho1:There is no significant impact of economic value on potential hires' intention to job pursuit.

Ha1:There is significant impact of economic value on potential hires' intention to job pursuit.

2.2.Training and Development value:

This determinant of employer branding directed towards imparting necessary skills among employees for the current and future job positions (Tanwar and Prasad, 2016). For evaluating an organization by potential employee's developmental value found a significant dimension (Wilden et. al., 2010). Developmental opportunities are an instrumental benefit that is provided by the employer brand (Lievens and Highhouse, 2003). A bank provides career development opportunities equally and fair to its employees then it will influence the employees intention to work and stay with the organization (Sokro, Evans, 2012).Potential hires considered that developmental value is important during their job choice decision (Nigel Wright recruitment survey, 2011).

Ho2:There is no significant impact of training and development value on potential hires' intention to job pursuit.

Ha2:There is significant impact of training and development value on potential hires' intention to job pursuit.

2.3.Social value:

Social value is most preferred determinants among potential hires during job choice decision. More than 80% job seekers stated that good relationship with colleagues, and superiors are important for them (Nigel Wright recruitment survey, 2011).If co-workers and superiors found cooperative then it will develop positive attitude of individuals towards the organization (Saari and Judge, 2004).In context of Indian organizations, Saini and Budhwar (2004) found that supervisor guidance and interpersonal relations between employees have a significant importance for them.

Ho3:There is no significant impact of social value on potential hires' intention to job pursuit.

Ha3: There is significant impact of social value on potential hires' intention to job pursuit.

2.4.Reputation value:

Reputation value depicts the beliefs of job seekers towards the employer (Cable and Turban, 2001). Reputation of an organization always considered as a tool of differentiation for an organization. Key importance of reputation is that it makes an organization as an “employer of choice” (Sutherland et. al., 2002). Corporate reputation acts as symbol for the applicants to select the prospective employer (Phillips et. al., 1994). By incorporating corporate reputation as a determinant of employer branding helps a firm in continuation (Moroko and Uncles, 2005). Cable and Turban (2003) highlighted that job seekers are ready to accept the job offer from a company that have a good reputation in the labour market at approximately 7% less salary.

Ho4:There is no significant impact of reputation value on potential hires' intention to job pursuit.

Ha4:There is significant impact of reputation value on potential hires' intention to job pursuit.

2.5.Corporate Social Responsibility:

By performing its corporate social responsibilities an organization can build a unique image among current and potential employees of the organization (Tanwar and Prasad, 2016). Sohn, M. et. al. (2014) studied the influence of corporate social performance on employer attractiveness in transport and logistics industry in Germany and found that in pre decision phase of employment job seekers firstly compares the corporate social performance information of various organizations and after they make decision of employment. They usually choose organization that has a better CSP profile. They are ready to trade-off CSP information with salary information. Greening and Turban (2000) highlighted that potential applicants (students) are more willing to apply in that organizations that are more socially responsible. Connelly et. al.,(2011) highlighted that a firm can give signals through CSR that it cares its employees and environment. On the basis of that signals an individual interpret that organization as an attractive place for work.

Ho5: There is no significant impact of corporate social responsibility on potential hires' intention to job pursuit.

Ha5: There is significant impact of corporate social responsibility on potential hires' intention to job pursuit.

3. RESEARCH OBJECTIVES:

- To investigate the impact of employer brand determinants on potential hires' intention to job pursuit.

4. RESEARCH METHODOLOGY:

4.1. Research design: Exploratory cum descriptive research design used in this study. Exploratory research design explores new things and descriptive research design describes the concept more clearly.

4.2. Sample design: A sample of 200 final year students at NCR who are interested in banking sector (private and foreign sector banks) were taken for the study. Purposive sample design is used for this study because data has been collected only from potential hires of private and foreign sector banks. Out of 200 distributed questionnaires 190 responses were collected out of which 186 questionnaires found correct for further research. Correct response rate out of total distributed questionnaires was 93 %.

4.3. Data collection: Both primary and secondary data is taken into the study. Primary data has been collected from questionnaire and secondary data has been taken from the books, journals, articles and web sites.

4.4. Questionnaire: There were two sections of the questionnaire in this study. Section A contains questions related with the demographic information. Section B contains questions related with the employer brand determinants and intention to job pursuit. Questionnaire was based on 5 point likert scale. Intention to job pursuit was measured from five statements taken from Highhouse et. al. (2003) scale and for measuring employer branding Tanwar and Prasad (2016), Berhonet. al. (2005), Schaleger et. al. (2011) scales were used.

5. DATA ANALYSIS:

For checking the impact of employer brand determinants on potential hires' intention to job pursuit stepwise regression technique was used by the researcher.

Table 5.1: Stepwise regression result

Independent Variable (Determinants of employer branding)	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	.837	.085		9.827	.000
Economic value	.250	.078	.171	3.199	.000
Training and Developmental value	.760	.075	.554	10.076	.000
Social value	.207	.009	.268	23.477	.000
Reputation value	.328	.010	.404	31.753	.000
Corporate social responsibility	.237	.078	.162	3.043	.003
Dependent variable: Potential hires' job pursuit intention					

Source: Derived from Stepwise Regression Analysis

For performing stepwise regression analysis potential hires' job pursuit intention was taken as dependent variable and Determinants of employer branding named economic value, training and developmental value, social value, reputation value, corporate social responsibility was taken as independent variable. All the determinants show significant impact on potential hires' job pursuit intention because their P value is less than 0.05. Higher the value of standardized coefficient beta depicts higher contribution of that determinant on potential hires' job pursuit intention.

Potential hires' intention to job pursuit depends upon economic value. Standardized coefficient beta value for this determinant is 0.171 and it is fourth most contributing

determinants for potential hires' intention to apply for a job vacancy. So that, hypothesis Ho1 is rejected and Ha1 is accepted i.e. there is significant impact of economic value on potential hires' job pursuit intention.

Value of standardized coefficient of beta for training and development determinant is maximum i.e. 0.554. This means that it is the most contributing determinant for potential hires' job pursuit intention. Therefore hypothesis Ho2 is rejected and Ha2 accepted i.e. there is significant impact of training and development value on potential hires' job pursuit intention.

Social value is the third most contributing factor for potential hires' job pursuit intention with beta value 0.268. Therefore null hypothesis (Ho3) rejected and alternate hypothesis (Ha3) accepted i.e. there is significant impact of social value on potential hires' job pursuit intention.

Reputation value is the second most contributing value for potential hires' intention for applying a job vacancy with standardized coefficient of beta value .404. So that, Ho4 is rejected and Ha4 accepted i.e. there is significant impact of reputation value on potential hires' intention to apply for a job vacancy.

Corporate social responsibility also shows significant impact on potential hires' intention to apply for a job vacancy. But it is least contributing determinant of employer branding for potential hires' job pursuit intention. Therefore, Ha5 is accepted i.e. corporate social responsibility has significant impact on potential hires' job pursuit intention.

CONCLUSION

In this study, we investigated the impact of employer brand determinants on potential hires' job pursuit intention. From the study it is found that potential hires' intention to apply for a job vacancy not only depend upon single factor but influenced by various factors. Applicants' are most sensitive towards the training and development environment with in the bank. It is the most contributing factor for their intention to apply for a job vacancy. Reputation of the organization in the market is the second most contributing factor that influences their intention to apply for a job vacancy. Social environment with in organization i.e. relations between colleagues, superior- subordinate relation, people oriented work environment found a

contributing factor for potential hires' intention to apply for a job vacancy. Economic value i.e. monetary and non-monetary benefits provided by employer and corporate social performance of the bank also found significant contributor for potential hires' intention to job pursuit. Thus, potential hire evaluates the employer from various aspects while applying for a job vacancy.

This study suffers from some limitations like restricted time and shortage of financial resources. This study considered only few aspects of employer brand and limited number of respondent in a specific region also acts as a drawback for the study.

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