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Employer Branding for Recruitment in a Volatile Environment - An Empirical Study

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Abstract

In this era of competitive and volatile job market, it is imperative to build and maintain employer brand and it is crucial to attract and retain the talent in long term. With the effort of employer branding, the organization can create unique employer image (Ambler and Borrow, 1996). Attracting talent is a tough challenge for organizations today; hence it is necessary to study importance of employer brand and candidates' perception about the employer brand during recruitment and selection process. To understand the factors contributing to the candidates' perception about the employer brand, the exploratory factor analysis was conducted. The results indicate that perceived employer brand is influenced by Social media presence, Organization's CSR Activities, Company Ranking, Use of technology for Recruitment and Selection (R & S), and Symbolism in Advertising, Prompt Communication, and Candidate's experience during R & S process. This study adds value to the discipline of recruitment and employer branding.

Keywords: Employer branding, Factors Analysis, Perception, Recruitment and Selection

1. Introduction

In this dynamic era of Volatility, Uncertainty, Complexity and Ambiguity (VUCA) and competitive global environment, it is challenging to attract and retain appropriate talent. This is a major concern for HR managers today. In today's volatile environment, employer brand is considered as advertisement for recruitment and crucial tool for attracting candidates. The recruitment process comprises of recruiters, potential candidates and recruitment team of companies (Schlesinger and Heskett, 1991). Candidate's perception about employer brand is significantly associated with his perception about the organizational attributes and recruiter's behavior (Turban et.al., 1998). The new recruit's prior decision is significantly dependent upon the organization's employer brand (Gatewood et.al., 1993).

Employer Branding: Employer branding is the set of economical, psychological and functional and benefits which helps companies to be recognized as the employing company (Ambler and Barrow, 1996). A powerful employer brand can surely attract potential candidates (Collins and Stevens, 2002). Employer branding is the process of establishing the organization image as 'ultimate place to work' in the mind of target potential applicants (Wilska, 2014). In this globalized and dynamic challenging market, corporate image and brand are vital for developing assumptions about the employment in candidate's mind (Lievens and Highhouse, 2003) and attracting best

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potential candidates (Cappelli, 2001). Employer branding is an aid to become the preferred employer and a place where employees desire to work (Armstrong, 2006).

Social Media Presence and Perceived Employer Brand: As per (Sivertzen *et al.*, 2013), social media plays a crucial role in recruitment and selection process and social media presence is important for the organization brand to attract candidates. Organization are using social recruiting, many global retail brands have integrated with social media for recruiting (Doherty, 2010). Social media presence is highly important for companies to create employer brand and attract candidates (Hund, 2010).

H₁: There is significant relationship between social media presence and perceived employer brand.

Organization's CSR Activities and Perceived Employer Brand: As per (Dokania and Pathak, 2013) CSR activities create positive organizational brand and CSR efforts of the organization are one of the important key factors to attract talent and retain current workforce. Study conducted by (Suliman and Al-Khatib, 2014) confirms that CSR activities help in shaping brand of organizations and to motivate current employees.

H₂: There is significant relationship between Organization's CSR activities and perceived employer brand.

Company Ranking and Perceived Employer Brand: The surveys like 'Great place to work' and 'Fortune Best companies to work for' are very popular. Organizations prefer to participate and get good rankings to attract applicants (Bakanauskienė *et al.*, 2014). As per (Joo and Mclean, 2006) increasing number of organizations are participating in corporate image ranking studies to become employer of the choice or to promote.

H₃: There is a significant relationship between company ranking and perceived employer brand.

Use of Technology in Recruitment and Perceived Employer Brand: Earlier, it is confirmed that applicants have shown positive reactions when organizations are using technology for recruitment and selection (Davis and Cowles, 1989) (Mathisen *et al.*, 1985) (Schmitt *et al.*, 1993). (Zusman and Landis, 2002; Galanaki, 2002; Cober *et al.*, 2004) discuss that corporate website which are easy to access and draw more people towards the websites helps company to create good brand and attract more candidates. (Parry and Tyson, 2008) confirm that use of various technologies on the internet helps companies to promote their employer brand.

H₄: Use of technology during recruitment is significantly associated with perceived Employer Brand.

Symbolism in Advertising and Perceived Employer Brand: Company's brand is represented by symbolic associations like feelings and ideas (Elliott and Wattanasuwan, 1998). There is lot of strength in symbolism of a brand and it conveys more than tangible benefits (Hirschman, 1980). Employers' differentiate themselves by different symbolic attributes like prestige or innovativeness to attract candidates and survive in competition (Lievens and Highhouse, 2003).

H₅: There is a significant relationship between symbolism in advertising and perceived Employer Brand.

Prompt Communication and Perceived Employer Brand: The sum of a company's efforts to communicate effectively to the perspective staff and existing employees about the desirability of workplace is considered as Employer branding (Lloyd, 2002). As per (Saks and Uggerslev, 2010) information provided during recruitment process and prompt communication after interview impact the candidates' perception.

H_6 : There is a significant relationship between prompt communication and perceived Employer Brand.

Candidate Experience during Recruitment Process and Perceived Employer Brand: There are many factors associated with candidates' experience during the recruitment process like prompt communication, information provided by recruiter. These things contribute to the candidates' reaction towards the company (Saks and Uggerslev, 2010). As per (Roberson, *et al.*, 2005) candidates observe the environment in an organization during the interview process and review the experience before joining.

H_7 : There is a significant relationship between experience during recruitment process and perceived employer brand.

2. Research Methodology

The operationalization of the constructs is mentioned in Table 2. The instruments used to measure perceived employer brand were generated after extensive literature review.

3. Research Instrument Design

The research instrument is designed with reference to the earlier research conducted in the subject of perceived employer brand. The questionnaire was finalized by getting review of subject experts. The final reflective constructs are operationalized and shown in Table 2.

4. Sampling and Data Collection

Online data collection method was use to collect primary data. A modified version of (Dillman's, 2007) total design test method was used to increase the response rate. A total of 640 questionnaires were emailed to the respondents. In the first wave, 130 questionnaires were acceptable and in second wave 288 questionnaires were acceptable. As per (Amstrong and Overtons, 1977) suggestions, the researcher compared the responses of the early and late waves of the returned surveys to test for non-response bias. In total, 418 responses were found to be complete in all respects and fit for further analysis. This study used convenience sampling of the junior and middle level employees of different companies who are active on Job Portals. The demographic details are as below:

Table 1: Respondent Profile

Demographic	Options	Respondents
Gender	Female	38 %
	Male	62 %
Education	Graduate	24 %
	Post Graduate	76 %
Income (per month)	Less than Rs. 1 Lac	9 %
	Rs.1 Lac to Rs. 2 Lac	20 %
	Rs. 2 Lac and above	71%

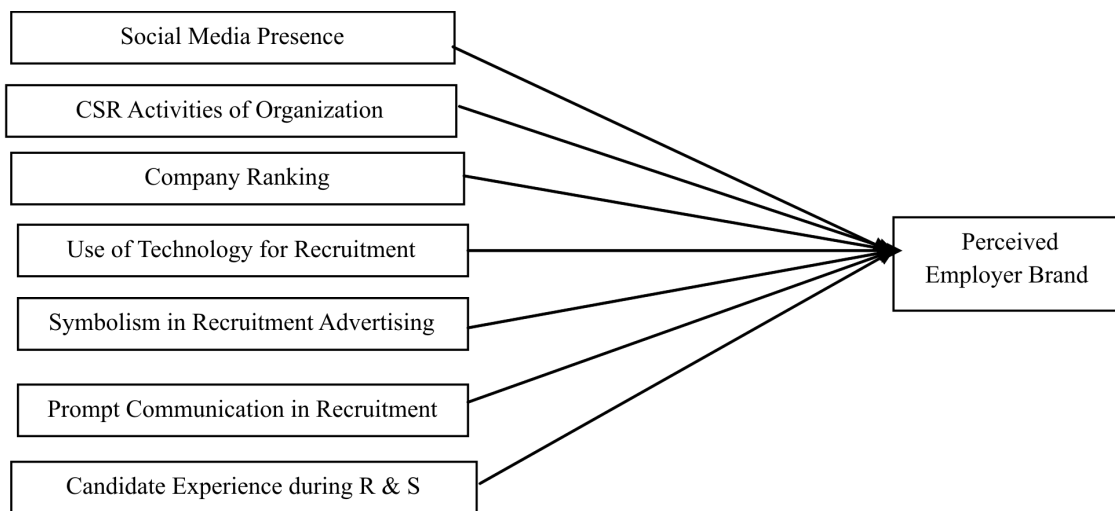


Figure 1: Conceptual Framework

5. Analysis and Interpretation

This study conducted the Principal Component Analysis with varimax rotation in accordance with the Churchill procedure to identify the antecedents of perceived employer brand. While determining the number of factors, rule of Kaiser Criterion is considered (selected the factors corresponding the to the Eigen values above 1.0). To assess the reliability of the antecedents, Cronbach alpha was used. The estimated coefficients are accepted as all are above 0.70 (Peterson, 1994). The primary data of this research is suitable for data analysis with the help of factor analysis as Table 2 shows that Kaiser-Meyer-Olkin (KMO) value - 0.578 which is greater than 0.5 and it shows the measure of sample adequacy. 0The factor model of this research is suitable as per the Bartlette's test of sphericity as it explains that the correlation matrix is not an identity matrix. The correlation is significant as p-value is less than 0.05. Seven factors F1 to F7 were extracted and cumulatively explain 70.498 per cent of the total variance after factor analysis. The factor loading of the items on the factors are shown by rotated component matrix.

Table 2: Factor Analysis

Factor Title	Statements	Reliability (α)	Factors Loading	Eigen Value	% Variance Explained	Cumulative %
F1 (Social Media Presence)		.864	-	5.122	18.428	18.428
	S1 – Refer company on social media		.822			
	S2 – Company followers on social media		.852			
	S3 - Continuous updates on Social media		.756			
	S4 – Reviews on social media		.774			
F2 (Organization's CSR Activities)		.822	-	4.476	12.120	30.548
	S1- Like organizations who conduct CSR activities		.812			
	S2 – Attracted towards organization who conduct CSR activities		.779			
	S3- Consider CSR activities of organization as an important attribute to work for company		.881			
F3 (Company Ranking		.812	-	3.782	11.868	42.416
	S1 – Check company Ranking before joining		.789			
	S2 – Refer Company ranking by various bodies		.802			
F 4 (Use of Technology in Recruitment)		.848	-	3.122	10.582	53.002
	S1 – Prefer organization who use more technology for R &		.853			
	S2 – Attracted towards organization who use technology for R & S		.835			
	S3 – Use of technology provide ease to the candidate		.802			
F5 (Symbolism in Advertising)		.828	-	2.424	7.826	60.828
	S1 – Like recruitment advt. which has symbolic meaning than words		.816			
	S2 – Read recruitment Advt. Which has symbolic meaning		.792			
	S3 – Attracted towards the organization who as symbolic values		.826			
F6 (Prompt Communication)		.806		1.646	5.686	66.514
	S1 – Like the organization who communicate faster		.893			
	S2 – Communicate result of interview immediately		.802			
F7 (Candidate experience)		.822		1.184	3.984	70.498
	S1 – Prefer organization when Good experience during interview process		.883			
	S2 – Like Good environment in company		.798			
	S3 – Attracted towards good culture observed during interview process		.786			

KMO = 0.578, Overall Cronbach Alpha (α) = 0.812, Bartlett's Test of Sphericity = Approx. Chi-Square – 3340.215 {(p=0.000)}

6. Findings

To find out the impact and influence of these factors on perceived employer brand, Multiple Linear Regression (MLR) tests using step regression method were conducted. It explains the impact of changes in the independent variable on dependent variable. Table 3 displays the overall fit statistics and multiple regression model. The adjusted R² of the model .785 with R² value of .616 that means the linear regression explained is 61.6% of the variance in the data.

Finally the factors extracted are Social media presence, Organization's CSR Activities, Company Ranking, and Use of technology for R & S, Symbolism in Advertising, Prompt Communication and Candidate experience during R & S process.

Table 3: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.785 ^a	.616	.606	.468

- a. **Predictors:** (Constant), Social media presence, Organization's CSR Activities, Company Ranking, Use of technology for R & S, Symbolism in Advertising, Prompt Communication, Candidate experience during R & S process).
- b. **Dependent Variable:** Perceived Employer Brand

The linear relationship between the variables in the model is significant as per Table 4 the F-test is significant.

Table 4: ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	57.678	6	10.104	36.679	.000 ^a
Residual	33.368	140	.254		
Total	91.046	146			

- a. **Predictors:** As per Table 3.
- b. **Dependent Variable:** Perceived Employer brand

As per Table 5 the multiple linear regression estimates including the intercept and the significance levels. The independent variables are: 1) Social media presence, 2) Organization's CSR Activities 3) Company Ranking 4) Use of technology for R & S 5) Symbolism in Advertising 6) Prompt Communication and 7) Candidate experience during R & S process.

7. Testing of Hypotheses

The t values for Social media presence, Organization's CSR Activities, Company Ranking, Use of technology for R & S, Symbolism in Advertising, Prompt Communication and Candidate experience during R & S process is significant at 5%. Hence we accept the alternate hypothesis that there is a significant impact of these independent variables on the Perceived employer brand and rejected null hypotheses.

Table 5: Coefficients^a

Model	Model	Un-standardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	T	
1	(Constant)	.648	.224		2.892	.004
	Social Media Presence	.314	.069	.370	4.550	.000
	Organization's CSR Activities	.260	.079	.244	3.291	.001
	Company Ranking	.242	.074	.268	3.270	.001
	Use of Technology for R & S	.226	.059	.057	3.830	.003
	Symbolism in Advertising	.186	.049	.068	3.795	.004
	Prompt Communication	.146	.059	.047	2.474	.002
	Candidate Experience	.122	.077	.072	1.584	.003

- a. **Dependent Variable:** Candidate's Perceived Intention

8. Findings and Results

In today's scenario, Employer brand plays a vital role in attracting applicants and satisfaction of current employees. The research finding shows that Social media presence, Organization's CSR Activities, Company Ranking, and Use of technology for R & S, Symbolism in Advertising, Prompt Communication and Candidate experience during R & S process are antecedents of perceived employer brand. It has become imperative for organization to maintain good employer brand to attract candidates.

9. Discussion and Conclusion

This study contributes to the current literature of Employer branding. The result of study shows that factors contributing to the perceived employer brand by applicants. These factors Organization's CSR Activities, Company Ranking, Use of technology for R & S, Symbolism in Advertising, Prompt Communication and Candidate experience during R & S process need to be considered for maintaining good employer brand. This study confirms to the previous literature and research conducted regarding the employer branding (Collins and Stevens, 2002; Wilska, 2014). This study provides the insight to recruiters and HR managers to understand the factors influencing the candidate's perception about the employer brand. This study is conducted in Pune and Mumbai area and it can be extended to the other part of country to confirm further reliability of result.

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