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Employer Branding as a Strategy to Attract Potential Workforce

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Abstract. This research analyzes the effect of PT. Citibank Indonesia employer branding with organizational attractiveness. The organizational attractiveness that is studied in this paper are divided into two category, such as instrumental attribute and symbolic attribute. These attributes are tested further by examining the workforces’ gender and level of education. Research data is obtained through surveys, literature study, and observation. To test the hypothesis, this study uses bivariate chi square and descriptive quantitative method. Samples consist of 94 workforces which are students from three universities (Universitas Hasanuddin, Universitas Negeri Makassar, and Universitas Muslim Indonesia) in Makassar, South Sulawesi. Research shows that PT. Citibank Indonesia employer branding which consists of two organizational attractiveness (instrumental attribute and symbolic attribute) have a significant effect to attract workforce in Makassar (by gender and level of education).

Keywords: employer branding, organizational attractiveness, instrumental attribute, symbolic attribute, workforce, gender, level of education

INTRODUCTION

The concept of employer branding is relatively new especially in Indonesia. Therefore, not many organizations are familiar with the application of the concept which has been developed for the past 20 years in The United States. Employer branding was first conceptualized by Ambler and Barrow in 1996 which aimed at attracting the best talents in a particular organization (Franca and Pahor, 2012). This concept becomes a tool to strengthen organizational branding to make it more attractive to potential candidates and to differentiate it from other organizations.

Nowadays, organizations feel the pressure of competition especially in attracting talented pool of people for work. One way to attract the pool of talent is through employer branding, which emphasize on having a good corporate image or reputation to attract the best people for a job. Companies in all sectors, including the banking industry, are facing the same difficulties in finding the best talented employees (Alniacik et al., 2014). Thus to maximize its recruitment activities, organizations try to attract candidates (workforce) through various job advertisements and utilize the company’s brand. This is because other companies are also doing the same to get qualified candidates (Elving et al., 2013). In addition, the availability of high skilled labor will continue to decline until 2020 (Dobbs et al., 2012). For that reason, companies need to take action to gain competitive advantage, and one way to get the best employees is through employer branding.

The rapid growth of Indonesia banking sector in recent years has made it very competitive (Ernst and Young Global Limited, 2017) including in the search for talented workforce. Companies, not excluding the banking industry, need to understand that people want to pursue occupations, jobs, and career that capitalize on his or her interest in terms of future projection (Dessler, 2013). Since the banking sector is a promising industry, as a result, it requires management to improve the quality of human resources in order to achieve its vision and mission and become a benchmark in their field. PT. Citibank Indonesia continues to evaluate its human resource programs in order to develop and adapt to the rapidly changing environment. One of the company’s strategy to win ‘the war of talent’ is by implementing employer branding.

As potential workforces looking for positive aspects of corporate image, they will most likely identify with brands
and will most likely seek an organization's membership status to add to the organization's self-image (Backhaus and Tikoo, 2004). Thus, in general, the term 'brand' in marketing is closely related to the product or service, while in human resource management, is an experience that the organization offers to prospective employees (Edwards, 2009). Employer branding is a representation of the company's image as a workplace that can create high demand by attracting talented candidates. For that reason, a strong company brand can easily attract the right talent (Collins and Steven, 2002).

The research objective is to identify dimensions of organizational attractiveness in employer branding. Therefore, this study aims to identify what is the preferred attribute (instrumental attribute or symbolic attribute) of organizational attractiveness in employer branding amongst workforce in Makassar, Indonesia. In addition, this study will also examine whether there are statistically significant differences in respondents' perceptions in view of gender and level of education.

The organizational attractiveness based on this research consists of instrumental attributes and symbolic attributes (Lievens and Highhouse, 2003; Lievens, Hoye and Schreurs, 2005). Instrumental attributes are attributes that are directly related to the role of work and the character of the organization. Those included in the instrumental attribute are recognition from management, opportunities for better jobs, gaining experience that will help career, the organization produce high quality products and services, the organization produce innovative products and services, good promotion opportunities within the organization, opportunity to apply what was learned at university, opportunity to teach others what you have learned at university, gain experience in a range of departments, the type of product and/or service produced by the organization, the quality of the management, a large organization, and an organization is well known through advertisement and media exposure (Arachchige and Robertson, 2011).

On the other hand, symbolic attributes describe subjective perceptions of the organization such as a fun working environment, feeling good about yourself as a result of working for the organization, feeling more self-confident as a result of working for the organization, having a good relationship with superiors, having a good relationship with colleagues, supportive and encouraging colleagues, working in an exciting environment, innovative organization-new work practices and ideas, the organization values and makes use of your creativity, socially responsible organization, acceptance and belonging, happy work environment, the organization is known for its honesty and fairness, and giving you greater respect for your family and friends (Arachchige and Robertson, 2011).

**RESEARCH METHOD**

In order to test the research hypothesis, a quantitative approach has been chosen and data was collected using survey. The samples were collected in three different universities (Universitas Hasanuddin, Universitas Negeri Makassar, and Universitas Muslim Indonesia) all located in Makassar, South Sulawesi, Indonesia. These universities are the three largest universities in South Sulawesi which produce the most graduates ready to enter the career world. A total of 94 respondents which consists of undergraduate and post-graduate students in those universities participated in the study. Samples were collected using purposive sampling judgement, specifically business students in the Faculty of Economics at the selected universities.

The employer attractiveness (EmpAt) scale has 27 items corresponding to the functional, economic and psychological benefits outlined by Ambler and Barrow's (1996) definition of employer branding. Respondents are asked to indicate to what extent they consider the listed items important when choosing an employer. Responses are measured using 5 point Likert scale where 1=Not at all important and 5=extremely important. To test the hypothesis, chi square is used to analyze the responses.

Previous research by Lievens and Highhouse (2003) shows the advantages of applying employer branding with the existence of two organizational attraction attributes (instrumental attribute and symbolic attribute) which have a positive impact on employees and prospective employees. Further studies finds that employer branding reduce employee turnover and helps retain talented employees (Backhaus and Tikoo, 2004; Barrow and Mosley, 2005; Berthon, Ewing and Hah, 2005; Knox and Freeman, 2006; Gittell, Seidner, and Wimbush, 2010). This means organizations must understand the key concept of employer branding in order to attract potential applicants and retain high performing individuals.

In order to attract potential recruits, managers must develop favourable employer branding and understand what factors will mostly be appealing to job applicants (Alnicak et al., 2014). This study analyses the fundamental factors of employer brand that are most appealing to students seen from the perspectives of gender and level of education. These additional variables are considered important because it is hoped able to help managers understand how to attract a pool of candidates more accurately for their organization (Arachchige and Robertson, 2011). Thus, we proposed three hypothesis which can assists as a managerial tool in selecting job applicants based on the determining perceptions. H1: there is a significant effect of the different levels of importance in employer attractiveness to gender. H2: there is a significant effect of the different levels of importance in employer attractiveness to level of education. H3: the levels of importance in employer attractiveness based on level of education is higher compared to gender.

Human Resource Management (HRM) is the management discipline that specializes in people management within organizations (Martin, 2010). Similarly, Noe et al. (2010) considers that most organizations or companies view the field of human resource management as a practice that emphasizes on “people practices”. This is because HRM focuses on several dimensions in organizations such as the implementation of policies and systems affecting employee behavior and performance (Noe et al., 2010).

Furthermore, Dessler (2013) defines human resource management as “a process of attracting, training, appraising, and compensating employees, and attending to their labor relations, health and safety, and fairness concerns”. Recruitment remains one of the most important activities
of human resource specialists in the organization as its main purpose is to attract suitable applicants to fill vacant positions (Stredwick, 2005). More simply Snell and Bohlander (2013) states that human resource management is a process in managing human talent to achieve organizational goals. Therefore it can be said that human resource management is a form of art and science that views employees as a company’s most valuable asset. Without employees, the company cannot achieve its vision, mission, and goals effectively. Managing, and maintaining human talent or the best talents is a process and a challenge. Thus, to survive in a competitive business environment, companies need to strategize in terms of attracting the best talents and one way to attain them is through employer branding.

Many companies, nowadays, are facing difficulties in finding the best talented employees. As a result, organizations are competing in promoting its company's brand to attract the most potential candidates. With the development of science, it was not until the late 20th century, the term 'brand' is used more broadly and not just associated with products or services (Barrow and Mosley, 2005). For example, the term ‘brand’ is now used to describe everything that carries a different identity, and the reputation (good or bad) that is associated with that identity (Barrow and Mosley, 2005). Today, companies are starting to use the term ‘brand’ in human resource management. The application of branding principle to human resource management is known as employer branding.

 Employer branding is defined by Ambler and Barrow (1996) as “the package of functional, economic and psychological benefits provided by employment, and identified with the employing company”. Therefore, employer branding is a strategy where an organization (employer) can communicate and interact with internal labor force (employees) and external labor market (prospective employees) in helping organizations gain and keep an advantage over competitors. As a result, employer branding is a corporate strategy that promotes a company’s image to its stakeholders (Sullivan, 2004), which comes with the organizational behavior that are portrayed by the company itself (Lew, 2009).

Barrow and Mosley (2005) draw attention to one of the earliest tools in the employer brand concept which was the employer brand ‘wheel’. This early prototype of employer brand outlined the key factors individuals are attracted to an ideal organization, such as vision and leadership; policies and values; fairness and cooperation; corporate personality; external reputation; communication; recruitment and induction; development; performance management; working environment; reward system; and post-employment. In a thriving business world, a variety of challenges will surely emerge and must be overcome in order for the organization to survive and grow. One of those challenges is attracting the right kind of employees for the right positions. As it is emphasized by Stredwick (2005) “the position offered has to be attractive to potential applicants so the package on offer must aim to meet a number of needs”.

In relation to the theory of organizational attractiveness, Schneider (1987) states that different individuals will be attracted to different organizations based on personality, needs and preferences. The attractiveness of a company is an employee's coveted advantage when he or she works in an organization (Berthon, Ewing and Hah, 2005). The attractiveness of the firm consists of several dimensions, such as social value, economic value, interest value, application value and development value (Berthon, Ewing and Hah, 2005). The value of interest includes innovation and interest in products and services. Social value refers to the conditions of the work environment and relationships with other employees. Economic value is related to economic gain. The value of development is the possibility for future employment opportunities. The value of the application includes the possibility of using something learned and an indication on how far the consumer-oriented organization (Sirvertzen, Nilsen and Olafsen, 2013).

**RESULTS AND DISCUSSION**

A total of 94 respondents participated in the study, ranging in gender and level of education. To ensure scale reliability, internal consistency tests are performed using Cronbach Alpha on SPSS. Nunnally (1978) states that alpha scores greater than 0.7 are considered reliable. The researchers found that the alpha for the final 27 items of the EmpAt scale was 0.94, which means that the data collected is very reliable.

From the reliability statistic table (shown in appendix 2), it can be seen that the indicator of all variables are valid, as indicated by the value of each statement item has a positive correlation coefficient and greater than 0.3. A low score (less than 0.3) indicates that the item does not measure something similar from the overall scale (Pallant, 2005).

The following discussion will be analyzing on the result of gender and level of education perspective. The reason this study examines gender characteristics in its relation to organizational attractiveness of employer branding is because of the shift in employment relationship where both male and female have equal employment opportunity. Although preference in organization attractiveness may be different due to expectations. Another characteristic that is tested in this study is the level of potential workforce education. Organization tend to hire applicants who has an educational background to fill certain position. As pointed out by Mathis and Jackson (2011) employers may need individuals with specific qualifications, such as educational backgrounds, experience, certification or other skills, knowledge and ability that are needed to perform a task.

Looking at the gender characteristics, 63.8 percent (n=60) of the respondents were male, and 36.2 percent (n=32) were female. Other characteristics used in this study is the level of education, and most respondents (n=83) were undergraduate students and only 11.7 percent (n=11) were postgraduate students. All students in the targeted population at the selected universities who met the determined criteria were invited to participate in the study.

In order to test the first hypothesis, a bivariate chi square analysis is used. It can be seen from the Table 1 that 44.66 percent (n=42) male respondents are more
attracted to instrumental attribute of employer branding implemented by the organization. This can be said because male’s perception is more towards career development and opportunity for better jobs, like promotion, in the future with the organization. As Arachchige and Robertson (2011) state that people who preferred instrumental attribute is more likely looking for an opportunity to gain an experience to succeed in their career. Stredwick (2005) also said that “a promotion generally gives a healthy signal both to the individual, who will feel valued but a signal is also given to the rest of the workforce who will be encouraged to stay, with the hope of following in the successful employee’s footsteps”. On the other hand, the female respondents 19.16 percent (n=18) preferred symbolic attribute as they are looking for a more stable and fun working environment (Arachchige and Robertson, 2011). What people think or feel about work, job, and the organization affect how they behave at work and the personal conviction about the outcome people might expect to obtain through work, such as a comfortable existence with family security, a sense of accomplishment and self-respect, social recognition, and an exciting life (George and Jones, 2012).

Table 1 shows the p-value of 6.08 > 3.841 where the chi square table at Df 1 and the significance of 0.05 is 3.841. So it can be concluded that workforce variables based on gender have a significant influence on employer attractiveness of PT. Citibank Indonesia.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Instrumental attribute</th>
<th>Symbolic attribute</th>
<th>Total</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>42</td>
<td>18</td>
<td>60</td>
<td>63.8</td>
</tr>
<tr>
<td>Female</td>
<td>16</td>
<td>18</td>
<td>34</td>
<td>36.2</td>
</tr>
<tr>
<td>Total</td>
<td>58</td>
<td>36</td>
<td>94</td>
<td>100</td>
</tr>
</tbody>
</table>


Furthermore, to test the second hypothesis the same statistical analysis is used. Results shows that undergraduate students prefer instrumental attribute with 67 percent (n=63) compared to symbolic attribute with only 21.3 percent (n=20). Since undergraduate students are first time job seeker and ready to enter the entry level position in an organization, most would consider organization reputation when applying for a job. Ewing et al. (2002) state that the company forms its own image which will then be seen by the prospective employees as an ideal workplace. Organizational characteristics play a major influence in workforce first impression of organizational attractiveness (Rynes, 1991; Turban and Keon, 1993). Further, Liefers, Decaestecker, and Coetsier (2001) specify that organizations should portray unique characteristcs which differentiate it from other organization and are visible to applicants. This way, applicants are able make decisions in choosing a company that is perceived as most attractive. Other organizational characteristics, such as organizaional culture and values, should become a tool to attract potential workforce.

Table 2. Employer Attractiveness and Level of Education

<table>
<thead>
<tr>
<th>Gender</th>
<th>Instrumental attribute</th>
<th>Symbolic attribute</th>
<th>Total</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>63</td>
<td>20</td>
<td>83</td>
<td>88.3</td>
</tr>
<tr>
<td>Post-graduate</td>
<td>4</td>
<td>7</td>
<td>11</td>
<td>11.7</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>27</td>
<td>94</td>
<td>100</td>
</tr>
</tbody>
</table>


Post-graduate students, conversely, prefer symbolic attribute (7.4%) compared to instrumental attribute (4%). Most post-graduate students are already employed and seeking acceptance and belonging in the organization. According to Gittell, Seidner, and Wimbush (2010) employer branding also helps to retain talented individuals, build trust in leaders, and develop strong relationship through the involvement of individuals, teams and organizations. Because of globalization, organizations are constantly looking for ways to be the best and gain competitive advantage. One way is to win ’the war for talent’ because every company wants human capital to add value to its company. In order for that to happen, the company began to apply employer branding as a strategy to attract prospective employees and retain them.

From the table below it is also known that the p-value is 7.41 > 3.841 where chi square table at Df 1 and significance 0.05 is 3.841. So it can be concluded that workforce variables based on level of education has a significant influence on employer attractiveness of PT. Citibank Indonesia.

The third hypothesis can be tested by looking at the p-value of the chi square table. It can be concluded that the levels of importance in employer attractiveness based on level of education (7.41) is higher compared to gender
(6.08). Therefore, even though people have different perspectives on organizational attractiveness, it is possible to know the common traits that are seen as beneficial by prospective candidates (Edwards, 2009) as long as the organization understands the beliefs of the targeted candidate so that the organization is able to conduct an effective recruitment practice (Cable and Turban, 2001).

The common traits of instrumental attribute (shown in appendix 3) that are most attractive to potential applicants in this study are good promotion opportunities within the organization with 95.7% (n=90). Many employees, including potential applicants, consider organizational efforts in aiding career development can significantly affect employee retention and build company’s reputation (Mathis and Jackson, 2011). In addition, as experts say “professionals who feel their company cares about their development and progress are much more likely to stay with the organization” (Dessler, 2013). As for 87.2% (n=82) respondents prefer organizations that are well known through advertisement and media exposure. Stredwick (2005) similarly observed that attracting suitable applicants is very much a public relations practice to promote the organization to the public as a desirable public image to potential workforce. Employees look for organizations that have good reputation to provide job security and career development opportunities (Noe et al., 2015). In general, it can be said that organizations that have good reputation will be more desirable to a pool of qualified applicants than those organizations with poor reputations (Mathis and Jackson, 2011). Not only employer branding attract more recruits, it also function as a self-selection tool for applicants since individuals will only consider applying for a job in a company that is most attractive to them. Mathis and Jackson (2011) continued by emphasizing that “recruiting and employer branding should be seen as part of organizational marketing efforts and linked to the overall image and reputation of the organization and its industry”.

Whereas, the common traits of symbolic attribute (refer to appendix 4) where applicants prefer organization that is known for its honesty and fairness with 97.9% (n=92). Men and women face different challenges as they climb the corporate ladder and most people value fairness as they advance in their careers. According to Dessler (2013) people entering the job market now differ in other ways from a few years ago. One implication is what employers and employees expect from each other. For example, management treat employees fairly and provide satisfactory work conditions and in return employees demonstrate good behavior, loyalty and commitment to the organization. Another symbolic attribute in which scored second highest is giving employees greater respect for their family and friends (96.8% / n = 91). Since employer branding or image of an organization is a view which is held not only by employees but also people outside the organization, employees feel good about themselves as a result of working for the organization. This showed that people still consider social reward can be extrinsically motivating (George and Jones, 2012). In other words, respondents in this study perceive having status in the community and social contacts are a desirable component of organizational attractiveness in employer branding.

It can be summarized that the organizational attractiveness which are studied in this research consists of instrumental attributes and symbolic attributes. The two attributes directly relate to the organization and its working environment. Instrumental attributes, for instance, includes: recognition and appreciation from management, opportunity for better jobs in the future, gaining experience that help ones career, the organization produce innovative and high quality products and services, promotional opportunities within the organization, opportunity to apply what was learned at university, opportunity to teach others, gaining experience from work in a range of departments, contribute to product and/or service development, quality of management, large organization, organizations is well known through advertisement and media exposure (Arachchige and Robertson, 2011). These attributes will be appealing to those candidates who are seeking career growth in the organization and like to be challenged.

On the other hand, employees and/or candidates who are attracted to an organization based on symbolic attribute are most likely seeking a fun working environment, proud working at the organization, confident working in the organization, have a good relationship with his or her superior and colleagues, supportive and encouraging colleagues, working in an exciting environment, innovative organization, the organization values and makes use of employees’ creativity, socially responsible organization, acceptance and belonging, happy work environment (Arachchige and Robertson, 2011). Candidates who are attracted to an organization because of its symbolic attribute consider working in a conducive working environment where people respects each other, treated with fairness and honesty.

CONCLUSION

Previous study by Lievens and Highhouse (2003) shows the positive impacts of employer branding of two organizational attraction attributes. Our research, then again, examines the possible differences in perceived levels of importance of different aspects of employer branding. More specifically, it investigates whether there are significant differences in gender and level of education on the perceptions of potential employees with regard to employer brand. Attracting and attaining the best employees has become fierce competition amongst companies (Berthon, Ewing and Hah, 2005), for that reason organizations want to be seen as attractive employers in the labor market (Lievens and Highhouse, 2003).

Our findings show that male respondents are more attracted to instrumental attribute as they are looking for “good promotion opportunities within the organization”, compared to female respondents who preferred symbolic attribute where a conducive working environment is more preferable. The second hypothesis shows that undergraduate students prefer instrumental attribute compared to symbolic attribute. Whereas, post-graduate students prefer symbolic attribute rather than instrumental attribute. Finally, the levels of importance in employer attractiveness based on level of education is higher.
compared to gender.

It can be concluded that this study and previous studies agreed on the important concept of employer branding being applied in organizations as a tool to attract high potential employees/workforce (Lievens and Highhouse, 2003; Arachchige and Robertson, 2011; Alniacik et al., 2014). However, there are some limitations in this study: (1) the study validates the need for further study on employer branding especially in Indonesia, and (2) further research may involve surveying more students and even alumni on a national scale in order to increase the validity of study result.

REFERENCES


