

Editorial

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The role of Brands in Recruitment

In this issue, we present four academically rigorous but highly market relevant research manuscript from young scholars.

Here, we present my research with Gordhan Saini and Pritha Banerjee of Tata Institute of Social Sciences on “The Role of Brands in Recruitment: Mediating Role of Employer Brand Equity.” This research was submitted to and presented in the Conference organized by Association of International Business at Temple University in October 2016.

The Role of Brands in Recruitment: Mediating Role of Employer Brand Equity

The role of brands is well researched in marketing and consumer behaviour streams; and studies focussing on brand benefits for non-marketing areas are limited. Recently scholars (e.g., DelVecchio *et al*, 2007; Kim *et al*, 2011) have argued for an increasing role of branding in human resource management (HRM); and have suggested that HR departments can significantly benefit through branding, for instance, recruiting talented candidates. Inadequate research in this area is shocking considering the high similarity between product choice decisions and job choice decisions (DelVecchio *et al*, 2007). DelVecchio *et al* (2007) and Kim *et al* (2011, p.166) show that organisation may gain a hiring advantage by leveraging the brand. This becomes even more important when employees are critical to customer satisfaction (Schultz, 2002) and firm performance (Lado and Wilson, 1994). Thus, in order to understand the boundary spanning role of strong brands, research on the effect of brands on non-marketing areas is required.

In studying brands influence on HRM functions, a majority of HRM research has largely focused on corporate brand and its impacts (Kim *et al*, 2011). Research shows that, at an aggregate level, overall reputation/corporate brand of a company can help attract new employees (Gatewood *et al*, 1993). Kim *et al* (2011) argue that mere focus on corporate brand may underestimate the benefits of strong brands because studies (DelVecchio *et al*, 2007) explain that brands are expected to impact opinions about a firm. For many new job seekers, the first point of interaction with companies is as a consumer (i.e., through advertising exposure and/or product use). Subsequently, job seeker may evaluate the company based on the perceived brand perceptions. Thus, Kim *et al* (2011) include both product-level and corporate-level brand effects on recruiting decisions.

Numerous studies have focused on the product brand and its consequences such as consumer decision making (Hoyer and Brown, 1990; Macdonald and Sharp, 2000; Yoo *et al*, 2000); and there are studies on corporate brand and its influence on customer value (Cretu and Brodie, 2007). Studies have shown that firm's product/brand influence job seeker's application decision (e.g., Collins, 2007; Cable and Turban, 2001; Wilden *et al*, 2010) and at the same time, corporate brand is likely to lead better employer image (Cable and Turban, 2003; Formburn, 1996). To the best of our knowledge, there is only one study (i.e., Kim *et al*, 2011) that examined the impact of both product brand and corporate brand on applicant's intention to apply.

Although this study provides useful insights into the role product and corporate brand on job pursuit intentions, it ignored employer brand equity dimensions and focused merely on the outcome of it, that is - intention to apply. We postulate that the effect these two types of brand may not be direct rather it may be indirect. Collins (2007) show that several recruitment activities first influence the employer brand (i.e., three dimensions of employer knowledge), which in turn significantly affect the application intentions and decisions. Several studies (Collins and Kanar, 2013, Collins and Stevens, 2002; Cable and Turban, 2001) provide conceptual clarity about the concept of employer brand and show how it impacts the intention to apply. Studies converge that employer brand is an important antecedent of application decisions. Consistent with above literature, we expect that corporate brand and product brand first influences the employer brand which later influences the job pursuit intention. In other words, presence of strong product and corporate brand can significantly contribute in building the employer brand and supplement in recruitment efforts.

We attempt to make two important contributions through this study. First, we test the results obtained by Kim *et al* (2011) and see whether their results are generalization in an emerging economy context. Kim *et al* writes (2011, p.177) that "...we show a relationship between product brand equity, "corporate brand equity," and recruitment, little research to date has investigated this relationship. Second, we improve on their framework by proposing a mediating relationship of employer brand between corporate brand and intention to apply; and product brand and intention to apply.

Hypotheses

In this paper, we set out the following hypotheses:

H1: Product brand significantly influences the employer brand of an organization.

H2: Corporate brand significantly influences the employer brand of an organization.

H3: Employer brand significantly influences the applicant's intention to apply to a firm.

H4a: Employer brand mediates the relationship between corporate brand and intention to apply.

H4b: Employer brand mediates the relationship between product brand and intention to apply.

Data

Total 619 responses were collected from 170 participants (84 male and 86 female) from 11 organizations. Each respondent rated three to four companies depending on the questionnaire they were provided randomly. Majority of the respondents were pursuing the final year of their graduate studies and post-graduate studies. They were looking for a job immediately after their degrees. Also, people with work experience were contacted to get enough diversity in the sample. Experienced people were considered as they were already in the labour market, had certain opinion about various firms and better informed about job market condition and the industry subtleties. In this manner, it was possible to understand the perception of candidates who will soon enter the workforce immediately after their studies as well as experience people who are already in the job market. Overall, respondents average work experience was 37 months and average age of the respondents was 27 years.

Analysis and Results

Structural equation model (SEM) techniques were used to analyse the data and test the hypotheses. The findings suggest that the corporate brand affects the employer brand to a great extent and subsequently, employer brand positively contributes to intention to apply. Such results are consistent with some of the previous research (e.g., Kim *et al*, 2011). Organizations seem to be able to create a positive feeling towards the company and its job opportunities basis through its corporate reputation. A strong corporate brand, as measured through the organization's reliability and financial strength, their focus on customer orientation and consideration of social and environmental responsibility, has been able to largely impact the employer brand of a firm. This is likely to create positive image about the organization in general and employer image in particular. Perhaps, corporate brand activities generate spill-over effect on the employer brand building efforts and job seekers positively evaluate the organization which have strong corporate brand (similar to Buil *et al*, 2016). This indicates that the firms can create a powerful employer brand image by effectively channelizing and utilizing the benefits of corporate brand to attract a talented pool of human resources.

Corporate brand, which contributes to a candidate's job seeking intentions via employer brand, relates closely to the symbolic attributes of organizational personality (subjective and intangible attributes of organization). And literature shows that it explains incremental variance over instrumental attributes in job seekers' attraction to organization (Lievens and Slaughter, 2016), thus a high contribution of corporate brand to employer brand is not surprising.

However, in our study, the product brand doesn't seem to affect the employer brand and the intention to apply to a firm. This is contrary to the results obtained by Kim *et al* (2011). There can be various reasons behind such findings. First, job seekers may discount the product brand while searching for a job and they are not carried away by the strong brand marketed by the employer. Second, the manufacturer of a strong product brand may not be a great place to work. Third, risk of choosing a wrong employer may be much more than buying a wrong product (Moroko and Uncles, 2008, p. 167). Fourth, in a way, corporate brand attributes are similar to symbolic traits, and symbolic trait inferences are generalizable (Lievens and Slaughter, 2016).

The mediating role of employer brand between corporate brand and employer brand indicates that corporate brand may not directly influence the job seeker's application decisions rather corporate brand building activities lead to favorable perception about the employer. This is consistent with literature (Buil *et al*, 2016; Cable and Turban, 2003; Formburn, 1996; Kim *et al*, 2011; Melewar, 2003).

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