

Employer reputation building – a managerial challenge in HR marketing

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Abstract. Recruitment of desired employees in Latvia becomes increasingly challenging. Besides negative demography signals, competition between employers for talent is part of the tight job market. All of this and more is challenging for the businesses to effectively attract employees. Employer branding and recruitment marketing are widely known approaches used by businesses to fulfil their needs and speed up application quantities as well as promote employer attractiveness. Nevertheless, there is a lack of research discussing what effects external HR marketing brings to the labour market. The main task of this study is to analyse the recruitment marketing impact and determine how should recruitment marketing be evaluated. To achieve the goal, a literature review was performed and quantitative data from a survey were collected. The review of existing literature reflects the main factors that should be considered when evaluating recruitment. Additionally, attitudes shared by job seekers regarding recruitment marketing and expectations from employers were collected. The results of the survey showed that the recruitment marketing message can cause bias and encourages individuals to make biased decisions. This research provides a base for future studies by raising several questions – e.g., if the impact of recruitment marketing rises efficiency in the long term and if biases could be beneficial from a brand and an employee perspective, or they become less beneficial. Additionally, no research has considered whether the bias is increasing recruitment sustainability. Further research should be done to understand in what cases employer brand does not bring value to organizational image.

Keywords: Employer branding, recruitment marketing, Halo Effect, recruitment sustainability.

I. INTRODUCTION

Labour market tightness has changed it to candidate driven. That means that employers must put more effort into talent attraction in order to be more competitive. A

widely used approach is employer branding, which allows to build and promote the employer brand internally in organization and externally. It offers to get more attention from desired potential employees and helps to ease talent acquisition. Researchers have discussed HR marketing components like – employer brand, employer branding, recruitment marketing, and how to increase employer attractiveness also what influences job seekers' intention to apply. In fact, in various sources value role is outlined when we get to the external HR marketing and the promise that should be delivered. Thus, the employer value proposition is the core of the employer brand promise, and it corresponds with business values. Moreover, they should be attractive to existing and potential employees. Regardless of the extensive analytical spectrum that already is done, there is limited research that analyses external HR marketing practices in tight labour market circumstances, and how external HR marketing should be communicated to avoid creating bias. To analyse this several research questions have been raised.

Q1: Do recruitment tactics differ in a tight job market?

Q2: Can employer branding cause bias?

Q3: What factors impact the results of recruitment marketing?

To answer the questions, a literature review and job seekers survey was done. It is important to analyse external employer branding practices in a tight labour market to clarify factors that bring recruitment marketing results and understand the impact on potential employees.

Limitations

As the job markets differ even in relatively small labour markets, this research and the survey is focused on the Latvian labour market. Also, this is academic research with

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the aim to understand if a bias occurs from recruitment marketing advertisements. Another deeper and wider research should be done to evaluate specifically, what kind of information or on which job seeker groups it applies Halo Effect with recruitment marketing.

II. MATERIALS AND METHODS

To answer the research questions of this study a literature review was performed, and the obtained answers were supplemented with empirical data analysis. Empirical data was collected by an online survey that was shared with 115 job seekers in the Latvian job market. To test the bias development component caused by recruitment marketing message Halo Effect was selected and correlation between the recruitment marketing message was tested in this research. Spearman's correlation coefficient was used to analyse the received results.

III. DISCUSSION AND RESULTS

HR marketing, Employer branding and Recruitment marketing

Nowadays marketing is commonly used within HR. As Bejtkovsky points out, HR marketing is a broad concept. It promotes employer value proposition internally and externally, stimulates loyalty of existing employees and the interest of potential candidates. HR marketing's role is to help create positive contact for current employees, candidates, and society (Bejtkovský. 2020). Thus, HR marketing can be applied in all the HR cycle internally and externally and consist of two main directions – employer branding and recruitment marketing. In such an extensive researched field, it is important to clarify definitions, even more, regarding employer branding and recruitment marketing, which are interconnected Fig 1. Some of employer branding definitions, like:” [...] *Employer branding is thus basically how an organization markets what it has to offer to both potential and existing employees (Walker, 2007).*”

could seem to overlap with recruitment marketing, thus the difference should be pointed out. According to recruitment marketing definition analysis by Alashmawy, it is used in the pre-applicant phase to



Figure 1. HR marketing components.

Source: Developed by authors.

engage and nature potential employees. The authors point out the recruitment funnel, which describes the main levels of potential employee attraction that can be covered with successful recruitment marketing approaches to get more attention from the potential employees and to deliver enough information and to stimulate intention to apply in the consideration phase. It is applicable to increase awareness of the employer both as an employer and as a potential workplace, to ease and ensure consideration outcome for the potential employee, and to generate interest in the career opportunities (Alashmawy, 2019). Mashiah points out that recruitment marketing is more like a tool that delivers an effective brand message while employer branding is a strategic approach where the employer brand is created and maintained. In some way, employer branding generates content that is used in recruitment marketing approaches. Therefore, to understand recruitment marketing results, we must discuss employer branding (Mashiah, 2021). From this perspective, recruitment marketing is a bridge between employer brand promise and potential employees. Employer branding builds the content or essence that should be delivered to existing employees and potential employees. Therefore, the main attention should be focused on employer branding as a process of promise creation and promotion. Employer branding is linked to employer value proposition, or in other words values that the employer is offering and promising to share with current employees and potential colleagues.

Employer brand attractiveness and organizational reputation

The employer value proposition shapes content for any communication regarding the employer (Chhabra, 2011). It is linked to organizational values because these employer brand and organization brand are linked to each other. Similarly, as for the organizational reputation that can be a great asset to attract new employees, employer brand attractiveness can be the way how to build a desirable workplace image. Job seekers are looking for an organizational fit through social identification. By value angle, the goal is to find the best people organization fit, that increases retention possibilities. As reviewed in the literature a good corporate image can impact potential employees to align offered company values with theirs:”

[...] the effect of corporate image on intention to apply is a product of the job seeker's recognition of people-organization fit. Although a corporate image cannot make job seekers feel like insiders, the corporate image can induce the perception of having similar values to those of the company, raising perceived fit among some job seekers (according to social identity theory) and motivating them to apply (Wei, 2016).”

Thus, job seekers are seeking good employer brands to align them with their personal brand, and this leads to an increase in intention to apply. To achieve the goal, employers tend to exclude negative factors in communication, like responsibilities, risks, stress levels, etc. This is important in the consideration phase.

Moreover, based on Soeling's research, besides that employer brand attractiveness has influence on intention to apply, it also has influence on organizational reputation (Soeling, 2022). That indicates the significant influence of employer brand on reconsidering phase. Or in other words, nudges candidates to consider applying for the job based on employer brand attractiveness instead of considering it as an organization's reputation component. Thus, with a good employer branding strategy employer could succeed better than others regardless of organizational reputation. But with bad employer brand attractiveness organizational reputation could be impacted. Chhabra has developed a model that shows employer branding strategy to gain employer attractiveness advantage see Fig.2 (Chhabra, 2011). According to the findings from literature review, the first step is to build the brand, then develop the promise, and lately seek out channels where and in what format should the information be spread. Then the image of the employer gets a specific framing environment that influences employer attractiveness. This explains the importance of the employer value proposition role. The mentioned conceptual model helps to build awareness about the brand as an employer and illustrates phases that describe employer attractiveness.

Employer branding in tight labour market conditions

In turn, while the theoretical framework of employer branding is researched and well described, empirical research of recruitment marketing related to a tight job market situation is lacking. Thus, there is not enough empirical analysis to understand how external employer branding and recruitment marketing are used in a tight labour market and how they should be evaluated. Mashiah in his research outlines tech sector employer communication in challenging job market where is an

increasing lack of talent for the past few years. The research was conducted by analysing online activity of fourteen different global leading tech company websites, and valuable conclusions were done, that overall positive and only positive information was found on several levels.:

1. *Informative - general information describing the brand or the jobs he offers.*
2. *Inspirational – words intend to thrill and create a positive feeling.*
3. *Motivational – quotes boosting a candidate's motivation to be employed.*
4. *Persuasive - convincing words inviting the candidate to apply for any position (Mashiah, 2021).*

In a tight labour market, employers tend to spread only good news and limit or make softer any negative communication. The author concluded that tech companies encourage job seekers to visit their websites to find more information regarding the employer and job opportunities. In other words, they invite them to explore information prepared by themselves. That opens the question, of whether only positive information should be delivered to achieve the recruitment goals. By glorification of the workplace, more applicants will be reached so that in a tight labour market employers could attract more candidates. Also, employer approach is forced to be more inclusive because they should not discriminate or limit the candidate pool by company culture fit, etc., so their value proposition should fit the majority. Based on the literature review, employers spread information about themselves also to attract people from other segments and to get along with the tight labour market situation. Also, by value globalization values are becoming more broadly defined.

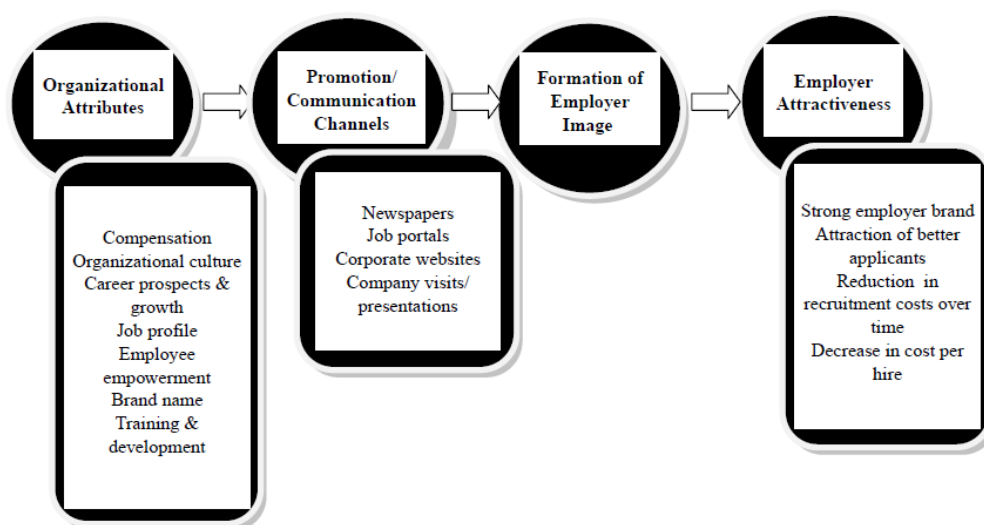


Figure 2. Employer branding process.

Source: Employer branding: Strategy for improving employer attractiveness (Chhabra and Sharma, 2011)

Q1: Do recruitment tactics differ in a tight job market?

Indeed, employer branding increases recruitment results, but the strategy should be adapted within tight job market conditions. Focus on encouragement of candidates and self-glorification and limited values to offer for a job seeker are crucial to keeping up with competitors. As reviewed in the literature, employer value proposition influence employer attractiveness, thus increasing intention to apply for vacancies. In the literature review Soeling points out: “[...] people tell good stories, company’s reputation is positive. On the other hand, bad reputation happens when people start to tell bad things about the company. In other words, employer brand promise should be matching with reality (Soeling, 2022).”

In other words, the more company spreads good and appealing information about itself, the higher employer attractiveness could be reached. It is reasonable, because the better we think we know something, the more likely we could believe in that and accept it as a truth. And finally, content positiveness is as much important as the fact that stories should match reality.

Recruitment marketing message and bias

In recruitment, it is important to communicate all the details and show realistic work conditions for both sides because of the long-term goal of cooperation. Psychological aspects nowadays are spotlighted as with deeper research that is done it is clear that they can significantly influence the outcomes of classical theories. In recruitment, it is similar. If the spread of information is not clear biased impressions could occur. J. Meng, referring to the work of E. Thorndike, states that the empirical study of the Halo Effect in science began in 1920. This effect implies that an individual's perception can create a positive or negative halo (Meng, 2022).

To clarify if a correlation between recruitment marketing message and Halo Effect exists, the Spearman rank correlation coefficient was used on collected data from the survey, see Table 1.

The results refer to one of the questions raised:

Q2: Can employer branding cause bias?

Recruitment marketing messages partly are correlating with Halo Effect statements. Thus, it is possible to assume that if only positive information is delivered to the job seeker, then an increase of intention to apply will be increased and employer attractiveness will benefit. However, we cannot exclude that it is causing biased decisions. A bias that decreases rational decision-making could benefit in the short term.

TABLE 1 CORRELATION BETWEEN RECRUITMENT MARKETING MESSAGE AND HALO EFFECT

Spearman’s correlation between recruitment marketing message and Halo Effect		
Halo Effect	Recruitment advertisement message	
	Message 1	Message 2
Statement 1	,295** ,001 115	,248** ,007 115
Statement 2	,169 ,072 115	,018 ,851 115

Source: Developed by authors.

For example, could fill the pipeline and nudge candidates to choose a specific employer over others, but in the long term or for retention it is a risk not to fulfil expectations. Thus, risk of decreasing employer reputation and increase rotation in the company. To human resources that in long term could harm more than help. If a company spreads only glorification regarding it, the Halo Effect could occur. Regardless there are no research that evaluate bias levels that could be healthy in job seeking. That leads to the final research question.

Q3: What factors impact the results of recruitment marketing?

Based on reviewed literature in Fig. 3 are pointed out employer branding process evaluation. Employee’s decision to apply is influenced by both – organizational image and employer brand, although employer brand dominates.

Employers can choose which brand is more attractive for their targeted audience and how another component benefits from it. For example, if the strategy would be to put outstanding company image first, how does talent attraction benefit from it – does the talent pool get wider, does image values fit, etc? And if an employer brand will be dominating brand, how does it influence the organizational image? As it was discussed in the literature review employer branding shapes employer image, so it is important not only to clarify if candidates in the market are aware of the brand but how and what message they received to avoid causing bias. Lastly, the intention to apply is the result that shows if the employer is desired, but it should be combined with the labour market situation.

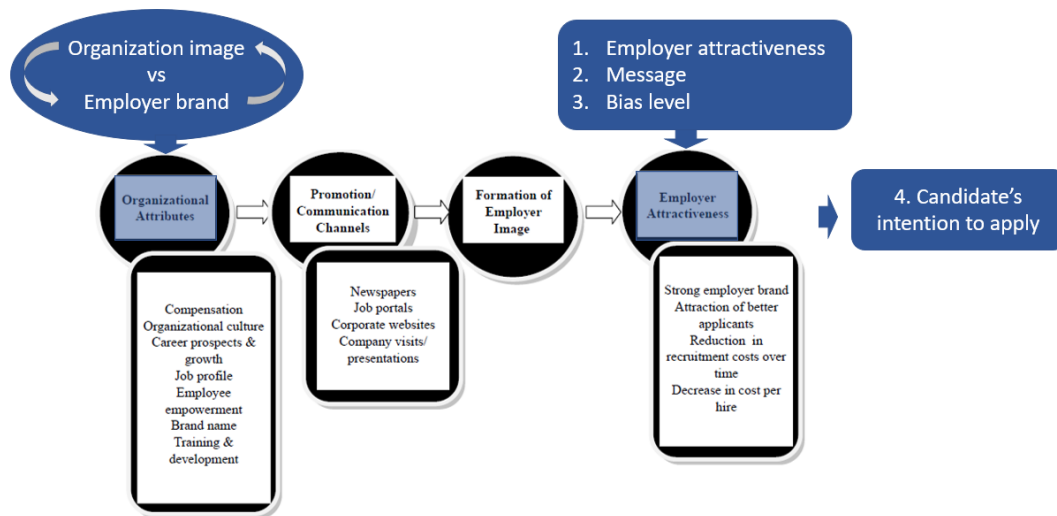


Figure 3. Employer branding process evaluation.

Source: Adopted by authors on basis of existing model: *Employer branding: Strategy for improving employer attractiveness* (Chhabra and Sharma, 2011).

IV. CONCLUSIONS

Organizational image can influence the candidate's intention to apply, as well as employer brand. The review of literature indicates that there are researchers that support different interpretations while they jointly support intent to perform further research in the context of talent acquisition. Also, according to the literature review, with high competition for talent, organizations tend to be encouraging, and diverse, and tend to glorify themselves as the best workplace to work in. If only good information is spread, biased opinions could occur. And lastly, to evaluate external employer branding communication, its organizational image, employer attractiveness, delivered message, bias level and attention to apply in the context of labour market situation should be measured.

Further research should be done to understand in what cases employer brand does not bring value to organizational image. Also, biased decisions caused by recruitment marketing should be examined wider along with testing of hypothesis whether only positive information should be delivered to gain recruitment goals, what content cause bias, and which job seeker groups are more biased. Also, it is advised to do empirical research on content analysis to compare content that is created by employers and spread by employees with a general public opinion to see how they are correlating and if any of them has a bigger impact on job or industry choice in a tight labour market situation.

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