



## A COMPARISON OF EMPLOYEES' PERCEIVED AND EXPECTED EMPLOYER BRAND ATTRIBUTES: EVIDENCE FROM TURKEY

DOI: 10.17261/Pressacademia.2018.950

JBEF- V.7-ISS.3-2017(1)-p.200-207

Hande Sinem Ergun<sup>1</sup>, Berivan Tatar<sup>2</sup>

<sup>1</sup>Marmara University, Göztepe Campus, 34722, Istanbul, Turkey.

[hsergun@gmail.com](mailto:hsergun@gmail.com), ORCID: 0000-0003-3885-8902

<sup>2</sup>Gebze Technical University, 41400, Kocaeli, Turkey.

[btatar@gtu.edu.tr](mailto:btatar@gtu.edu.tr), ORCID: 0000-0002-0934-3734

Date Received: June 30, 2018

Date Accepted: September 8, 2018

### To cite this document

Ergun, H. S., Tatar, B. (2018). A comparison of employees' perceived and expected employer brand attributes: evidence from Turkey. Journal of Business, Economics and Finance (JBEF), V.7(3), p.200-207.

Permanent link to this document: <http://doi.org/10.17261/Pressacademia.2018.950>

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### ABSTRACT

**Purpose-** The concept of employer branding has provided great convenience for creating a sense of "great place to work" in the war for talent in today's business world. In particular, employer brand perception meeting the employees' expectations has a critical prescription for retainment ability of employers. In this context, the aim of the study is to evaluate the congruence of the expected and perceived employer brand.

**Methodology-** Data gathered from 300 employees in the banking sector was analyzed through SPSS 21.0. Factor and reliability analysis and paired sample t-test were used to test hypotheses.

**Findings-** Results indicated that employers mostly provide social and application value while employees expected social and economic value from their ideal employer. Furthermore, highest difference occurs between perceptions and expectations of interest and economic value in the banking sector.

**Conclusion-** The study contributes to the comprehension of that using employer branding practices alone is not sufficient and the compatibility of attributes with employees' expectations is essential for employer attractiveness.

**Keywords:** Employer brand, employer brand attractiveness, banking industry, employer brand expectation, employer brand perception.

**JEL Codes:** M51, M12, L20

### 1. INTRODUCTION

Organizations, in today's business world, have experienced difficulties and challenges in attracting and retaining potential and current employees because of competition for the limited talented workforce. One of the important reasons for talent shortages is the aging of the population. Rosethorn (2009) stated that percentage of human population in the 15-64 age group will be 7% in Germany, 9% in Italy, 14% in Japan and It is likely that this problem will emerge, in the near future, because of the one-child policy in China. Besides, 500 US largest companies have faced the risk of losing half of their senior managers in the coming five years and workforce borning in baby-boomers' generations will leave off employment because of retirement. On the other hand, the US has a risk of experiencing 10 million labor shortages by 2010. This talent scarcity has revealed the fact that human capital is one of the most important sources of competitive advantage for organizations.

<sup>1</sup> This article was prepared by expanding the paper submitted on May 24-25, 2018 at the Global Business Research Congress.

A vast number of organizations have used employer brand concepts and practices in order to be able to cope with this scarcity and the war for talent. Through the differentiated and unique employer brand experience with these practices, retaining current employees and being the first choice of potential employees has been targeted by the organizations. In this context, another important point is fit, congruence and relevance of employer brand with the values and needs of target group audiences. Knox and Freeman (2006) revealed that congruence between external and internal employer brand image lead to attractiveness. However, there is no study examining the potential gap between experienced and expected employer branding. With this regard, the aim of this study is to be one of the first study comparing actual and ideal aspects of employer branding. In this context, studies on the employer brand has been summarized in the literature section of this study; in the next section, methods and findings have been revealed and the results have been evaluated. In the last part of the report, suggestions have been made for future studies.

## **2. LITERATURE REVIEW**

The war for talent stemming from changes in demographic, economic and social factors has brought challenges for organizations in attracting and retaining the talented employees. With this regard, employer brand concept has been developed as a solution for the difficulty of finding a qualified employee as a result of a talent shortages through applying the brand concept to the field of human resources management.

Employer brand was firstly introduced by Ambler and Barrow (1996:188) and defined as *“the package of functional, economic, and psychological benefits provided by employment, and identified with the employing company”*. In other words, organizations as an employer provides benefits as monetary inducements, developmental opportunities, good working environment and recognition in exchange for effort, labor and skills of employees based on the mutual agreement in an employee-organization relationship. Ewing et al. (2002: 12) defined employer brand as *“building an image in the minds of the potential labor market that the company” and creating the perception of ‘great place to work’*. With this regard, the unique and differentiated values offered within the employer brand equity, referring *“a set of employment brand assets and liabilities linked to an employment brand, its name and symbol that add to (or subtract from) the value provided by an organization to that organization’s employees”* (p. 14), is the determinant of the performance and success of the employer brand.

Besides, Lievens and Highhouse (2003) adopted a symbolic and instrumental framework in marketing literature to determine the attractiveness of the employer side of the organization. Instrumental attributes refer to objective and tangible benefits creating utility for the employees while symbolic attributes denote the intangible and subjective side of the employer branding. Based on this classification, authors stated that instrumental and symbolic attributes, rather than traditional organizational attributes, have facilitated the differentiation and attractiveness. Backhaus and Tikoo (2004) revealed the two assets created with the employer branding as employer brand associations and brand loyalty. According to their employer brand framework, associations gathered from different resources of knowledge have shaped the employer brand image including functional and symbolic attributes of the employer brand. Power of these associations and, hence, the image of the employer brand has shaped the attractiveness of the employer brand.

On the other hand, Moroko and Uncles (2005) accentuated the similarity of consumer and corporate brand characteristics with employer branding in terms of being noticeable and known, seen as relevant and resonant, differentiated from direct competitors. In this context, attractiveness and accuracy have defined as the key success factors for the employer branding. Awareness of target employees, differentiation from the competitors in terms of provided benefits and relevance of these benefits with needs and expectation of employees lead to attractiveness while consistency between promised and experienced employer branding contribute to accuracy. Besides, Davies (2008) investigated that employer brand personality affects the perceived differentiation of employer brand, loyalty and satisfaction of employees. Additionally, affinity and agreeableness aspect of employer brand personality is the most important determinant of these outcomes.

Employer brand, based on the reviewed literature, is the crucial conceptual framework by virtue of attracting and retaining the best talents. Benefits and core values provided through employer branding also contributes to satisfaction and commitment level of employees. High level of satisfaction and commitment leads to an increase in customer satisfaction and loyalty. With this regard, the investment and development of employer branding indirectly have enhanced the profitability of organizations (Gaddam, 2008).

In this context, organizations have been responsible for establishing employer branding in line with organizational goals, positioning employer brand and increasing involvements of managers, communicating and interacting with potential and current audiences, creating good relationship with each member of organizations having role in the employer branding activities and monitoring the potential gap between desired and experienced employer branding for the success and effectiveness of the concept ( Barrow and Mosley, 2005).

### 3. HYPOTHESIS DEVELOPMENT

Attracting and retaining the best-talented employees is the crucial for gaining a competitive advantage in the war for talent and a large number of organizations need to work with employees having similar skills, knowledge, and abilities. With this regard, organizations have developed differentiated and unique strategies for increasing their attractiveness. Lievens and Highhouse (2003) stated that employer brand attractiveness of banks is mostly predicted by attributes of employer brand as innovativeness, competence, sincerity, advancement, and pay. Lievens (2007) investigated the employer brand perception of potential applicants, actual applicants, and current employees and found that symbolic attributes have an important role in employer brand attractiveness perception while instrumental attributes have no impact on the attracting current employees.

Lievens, Van Hove and Anseel (2007) demonstrated that symbolic attributes of employer brand are the best predictors of employees' identification and their perception of employer brand image instead of instrumental attributed of employer branding. Maxwell and Knox (2009) focused on what makes organizations attractive and motivate employees for "living the brand" and revealed that specific attributes as employment, organizational successes, construed external image, and product or service characteristics are the predictors of attractiveness. Schlager et al. (2011) examined the role of the symbolic and instrumental attribute on the attracting the current employees and ideal employer of the respondents on their organizational outcomes. Findings showed that employees expect employer branding attributes based on social, diversity and reputation value for developing identification while their perception of social and reputation value are determinants of identification and economic, development, social and diversity value aspect of employer brand are predictors of their satisfaction. Similarly, Wahba and Elmanadily (2015) investigated that agreeableness, enterprising and chic effect the satisfaction level of current employees from their jobs and employers.

In another study measuring perception and expectation in terms of employer brand, Biswas and Suar (2014) defined the antecedents of strong employer brand as realistic job previews to applicants, perceived organizational support, equity in reward administration, perceived organizational prestige, organizational trust, leadership of top management, psychological contract obligation, and corporate social responsibility. Additionally, gap between desired and perceived value of these attributes adversely affect the employer branding. These research findings have also centered the necessity of a fit approach in the context of the employer branding. Person-organization fit refers mainly to value congruence between employees and organizations and this congruence perception leads to organizational attractiveness (Cable and Judge, 1996). In other words, employees tend to select the employers having the same value with their own (Lievens and Highhouse, 2003). In this vein, Charbonnier-Voirin, Poujol and Vignolles (2016) has addressed this issue in the context of value congruence and stated that perception of congruence between employees' values and organizations has formed the perception of being a member of strong employer brand. Furthermore, Elving et al. (2013) have defined employer brand as three step process comprising of developing employee value proposition, externally marketing the employer brand and integrating employer brand promise with the culture of the organization. As a result, congruence between perceived employer branding activities and expected value proposition attends to the long-term employee-employer relationship.

In this context, organizations should balance the actual and desired values for the effectiveness of the employer brand by designating desired values and comparing them with experienced value. Based on this benchmarking, organizations, as an employer, should develop strategies for closing the potential gap for effectiveness and improvement of employer brand. In a nutshell, the success of employer brand in terms of luring the best possible and current talents has mainly determined by creating the congruence and fit perception between employers and employees of the organization (Backhaus and Tikoo, 2004).

Based on these earlier findings, this study has focused on the determine the existence of gap or congruence the employer branding perception and expectation of employees for determining the attractiveness of the organization. Therefore:

H1: There is the difference between perception and expectation of application value aspect of employer branding.

H2: There is the difference between perception and expectation of economic value aspect of employer branding.

H3: There is the difference between perception and expectation of development value aspect of employer branding.

H4: There is the difference between perception and expectation of social value aspect of employer branding.

H5: There is the difference between perception and expectation of interest value aspect of employer branding.

## 4. DATA AND METHODOLOGY

### 4.1. Sample and Data Collection

Data used in the study have been collected through a self-administered questionnaire and convenient sampling technique. With this regard, the data obtained from 300 respondents in the banking sector were analyzed by using SPSS 21.0 Statistical Package Program. Descriptive statistics, factor analysis, reliability analysis and paired sample t-test were performed in the analyses of the data.

In terms of profile of respondents, participants' ages ranged from 22 to 51 years. The average age of the sample was 31,1. 45,8% of the participants were female (137) and 54,2% were male (162). In terms of education, 2,8% of respondents were graduated from high school (8), 8,7% of respondents were graduated from vocational high school (26), 49,5% of respondents were graduated from university bachelor's degree (139) and 31,7% of them have a master' degree (95) and 4,6 of them were graduated with a doctorate degree (13). The average of work experience of respondents in the current organization was 3,08 years and total job tenure of respondents was 5,57 years.

### 4.2. Measures

Data of research were collected through self-administrated questionnaire. The survey consisted of 55 items and three main parts as perceived and expected employer branding scales and questions to determine the demographic structure of the respondents. Six -point Likert scale was used for all scales ranging from "I totally disagree" to "I totally agree".

The 25-items Employer Attractiveness scale (EmpAt scale) developed by Berthon, Ewing and Hah (2005) has been used for measuring employer branding. EmpAt Scale has composed of five sub-dimensions as application value, economic value, development value, social value and interest value. Items in the scale adopted according to perception and expectation measurements. Sample items for measuring perception of respondents are "The organization I'm working for both values and makes use of my creativity" and "I Have a good relationship with my superiors". On the other hand, sample items for measuring the expectation of respondents from their ideal employer are "I want to work in an exciting workplace environment" and "I want to have a good relationship with my colleagues at the institution I work for".

## 5. FINDINGS

### 5.1. Factor and Reliability Analysis

Factor analysis was used to determine the construct validity of the scales used in the study. In the Exploratory Factor Analysis, the principal component analysis method and the varimax rotation technique were performed for determining the factor loadings for all scales. Factor and reliability analysis has been shown in Table 1 and Table 2.

**Table 1: Result of Factor and Reliability Analysis for Expected Employer Branding**

Factors	Loadings	Eigenvalue	%of Variance	Cronbach's $\alpha$
<b>Application Value</b>				
Opportunity to teach others what you have learned	,740	10,821	20,731	,903
Opportunity to apply what was learned at a tertiary institution	,723			
Humanitarian organization - gives back to society	,666			
The organization produces innovative products and services	,657			
The organization is customer-orientated	,630			
The organization produces high-quality products and services	,629			
Innovative employer - novel work practices/forward-thinking	,602			
<b>Economic Value</b>				
An attractive overall compensation package	,704	1,557	15,970	,884
Happy work environment	,660			
Acceptance and belonging	,657			
An above average basic salary	,637			
Good promotion opportunities within the organization	,617			

<b>Development Value</b>				
Feeling good about yourself as a result of working for a particular organization	,752	1,067	15,589	,858
Feeling more self-confident as a result of working for a particular organization	,730			
The organization both values and makes use of your creativity	,683			
Recognition/appreciation from management	,569			
<b>Social Value</b>				
Having a good relationship with your colleagues	,816	,899	11,181	,787
Having a good relationship with your superiors	,709			
Job security within the organization	,540			
<b>Interest Value</b>				
A fun working environment	,740	,768	8,491	,767
Working in an exciting environment	,684			

As a result of the exploratory factor analysis applied to the employer branding scale used for measuring expectation of respondents, it was found that the value of Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) is ,952 and the result of The Barlett Sphericity test was significant ( $p = 0,000$ ). In the exploratory factor analysis, firstly, 5 factors structure emerged accounting for 70,427% of the total variance. A total of 4 items were extracted from the analysis because of cross-loading and lower loadings ( $<0.50$ ).

Factor analysis with the remaining 21 items resulted in a 5-factor structure that accounts for 71,962% of the total variance. Finally, the KMO value of scale was ,946 and the Barlett Sphericity Test was significant ( $p = ,000$ ). In the reliability analysis, Cronbach's alpha of factors ranged from ,767 to ,903.

**Table 2: Result of Factor and Reliability Analysis for Perceived Employer Branding**

Factors	Loadings	Eigenvalue	%of Variance	Cronbach's $\alpha$
<b>Economic Value</b>				
A springboard for future employment	,741	12,540	26,768	,959
Good promotion opportunities within the organization	,721			
Humanitarian organization - gives back to society	,708			
Job security within the organization	,703			
An attractive overall compensation package	,701			
The organization produces high-quality products and services	,666			
The organization produces innovative products and services	,658			
Innovative employer - novel work practices/forward-thinking	,658			
Happy work environment	,618			
Having a good relationship with your colleagues	,566			
<b>Development Value</b>				
Feeling more self-confident as a result of working for a particular organization	,818	1,316	15,041	,909
Feeling good about yourself as a result of working for a particular organization	,787			
The organization both values and makes use of your creativity	,718			
<b>Application Value</b>				
Opportunity to teach others what you have learned	,836	,958	13,065	,797
The organization is customer-orientated	,757			
Opportunity to apply what was learned at a tertiary institution	,645			
<b>Social Value</b>				
Gaining career-enhancing experience	,771	,836	11,853	,869
Having a good relationship with your colleagues	,727			
<b>Interest Value</b>				
Hands-on inter-departmental experience	,803	,718	11,211	,821
A fun working environment	,712			
Working in an exciting environment	,550			

According to Table 2, it was found that the value of Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) is ,954 and the result of The Barlett Sphericity test was significant ( $p = 0,000$ ) for the employer branding scale used for measuring expectation of respondents. In the factor analysis, firstly, 5 factors structure emerged accounting for 75,849% of the total variance. A total of 4 items were extracted from the analysis because of cross-loading and lower loadings ( $<0.50$ ).

Factor analysis with the remaining 21 items resulted in a 5-factor structure that accounts for 77,939% of the total variance. Finally, the KMO value of scale was ,949 and the Barlett Sphericity Test was significant (Sig. = ,000). In the reliability analysis, Cronbach's alpha of factors ranged from ,797 to 0.959.

## 5.2. Results of Paired Sample T-Test

As a result of factor and reliability analysis, the dimensions of factors affecting employer brand have been determined. The Paired Sample T-Test results for the perceived and expected state comparisons of the employer brand dimensions have been shown in Table 3.

**Table 3: Paired Sample T-Test Analysis Results for Employer Branding**

	Expectation		Perception		Mean dif.	T	P
	Mean	S.D.	Mean	S.D.			
Application Value	5,394	,716	4,675	,873	0,719	13,158	,000
Economic Value	5,622	,579	4,427	1,005	1,195	18,939	,000
Development Value	5,447	,738	4,513	,951	0,934	15,224	,000
Social Value	5,562	,719	4,985	,822	0,577	11,611	,000
Interest Value	5,487	,658	4,230	1,153	1,257	17,448	,000

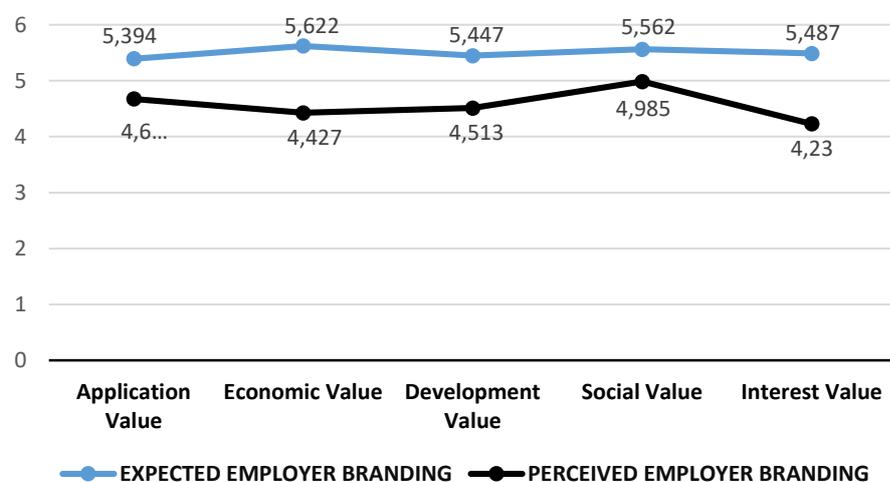
According to the results of the Paired Samples t-test, there is a difference between the perceived and the expected aspects of employer branding ( $p < ,001$ ). It is observed that employees' perceptions have remained under their expectations of the employer branding.

For the expectation aspect of employer branding, results have shown that employees expect from employer branding to be based on economic value (Mean score =5,662) and social value (Mean score =5,562). As a result, employees want to be a part of organizations having economic and social value based employer branding. On the other hand, respondents have expected application value (Mean score =5,394) and development value (Mean score =5,6447) less than other aspects of the employer branding.

In terms of experienced employer branding, social value (Mean score =4,985) and application value (Mean score =4,675) have been becoming prominent in accordance with other factors. These results have shown that employees have experienced social and application value based employer brand in their organization. Conversely, respondents experienced interest value (Mean score =4,230) and economic value (Mean score =4,427) less than other aspects of employer branding.

Graph 1 has been formed to show the level of difference between perceptions and expectations about the employer branding.

**Figure 1: Comparison of Expected and Perceived Employer Branding**



As seen in Figure 1, there have been differences between experienced employer branding aspects of their organizations and their expectations from their ideal employer and employer branding. In this context, it is seen that the greatest difference has existed between perceived and expected value of interest value (Mean difference=1,257) and economic value (Mean difference =1,195) factors of the employer brand. As a result, H1, H2, H3, H4, and H5 are accepted.

## **6. CONCLUSION**

In today's business world, aging population, changes in social, demographic and technological factors have led organizations to a search for ways of retaining current employees as well as attracting the potential employees. In this context, organizations need to increase their attractiveness with differentiated and unique employer brand practices.

Besides, the needs, values, and personalities of the employees should be taken into consideration in the process of determining these employer brand practices and the existing employer brand attributes must be relevant with the needs and expectations of the employees for attracting and retaining them in the organization (Moroko and Uncles, 2005). Verquer, Beehr and Wagner, (2003) accentuated that similarities of values, goals personality of organizations and their employees may lead to desirable employees' outcomes. In this point, organizational processes such as inducements, promotions, decision making need to be relevant and complementary to the employees' needs with regard to needs-structure fit.

Study of Backhaus and Tikoo (2004) has supported this argument through stating that attracting the potential employees depend on the evaluation of the employer branding attributes and values provided through this concept and importance and priority of these aspects for the potential employees. In a similar vein, retention of the current employees will depend on the importance level of employer branding aspects. The lack of compliance and fit will create a gap and inconsistency between the ideal employer brand profile and the current employer profile they experience in the minds of employees.

In the light of all discussion mentioned above, this study aims to determine the potential gap between perceived and expected employer branding. Results of the study have shown that the expectation of employees from the employer branding has not been met by the organization because of existence of gap between two sides of employer branding. The greatest gap has occurred in interest value aspect of employer branding. Besides, employers are seeking to work with an ideal employer having economic value based employer branding while current employers are applying social value-oriented employer branding practices. As a result, organizations should consider the expectation of employees from the employer branding and prevent this gap for increasing effectiveness and attractiveness of employer branding.

This study has some limitations because of gathering data from only the Kocaeli and İstanbul province of Turkey. The research was not conducted on a large sample due to time constraints and some difficulties during the collection of data. This affects the generalization of the study. For the future research, the effect of this gap between expected and perceived employer branding on the employees' organization outcomes as an intention to leave, commitment and satisfaction can be examined for contributing the literature.

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