



How to attract applicants in the Atlantic versus the Asia-Pacific region? A cross-national analysis on China, India, Germany, and Hungary

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ABSTRACT

While previous studies have shown that firms need to build a favourable employer image to prevail in the war for talent we still lack of an international perspective on employer branding. Based on a survey among engineering students from China, India, Germany, and Hungary, we show that the impact of some facets of employer image (e.g. task attractiveness) varies across different countries, while other employer image facets, such as perceived career opportunities and working atmosphere, unfold a stable influence on students' intention to apply. Thus, we propose that there is an opportunity for a global employer positioning approach.

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1. Introduction

Demographics and the shortage of skilled workers have caused companies to reconsider their attractiveness as employers to “win the war for talent”. The ability to attract superior human resources is crucial because such resources provide organisations with sustainable competitive advantages (Lado & Wilson, 1994; Pfeffer, 1994; Wright, Ferris, Hiller, & Kroll, 1995).

The main obstacles to attracting valuable staff are the interchangeability of jobs and company profiles inside the same industry (Maurer, Howe, & Lee, 1992; Taylor & Collins, 2000; Thomas & Wise, 1999) and the applicants' rudimentary knowledge during the early recruitment stages (Barber, 1998; Turban, 2001). To overcome these shortfalls, companies need to implement a powerful and unique employer image (Lievens, Van Hoye, & Frederik, 2007).

By drawing from brand equity and brand identity concepts (e.g. Allen, Mahto, & Otondo, 2007; Collins & Stevens, 2002; Lievens & Highhouse, 2003) previous research has provided meaningful insights into the impact of corporate image on job choice (e.g., Cable & Turban, 2001; Collins, 2007). There is still a lack of understanding on how employer image influences a job seeker's intentions to join a company in a cross-national context (Tarique & Schuler, 2010). This lack of knowledge is accentuated by the fact

that most studies on employer image have an ‘Atlantic’ perspective in that they mainly observe individuals in North America or Europe. Yet, the fastest growing regions are situated in the Asia-Pacific region (Adler, Doktor, & Redding, 1986) such as India and China (Budhwar & Khatri, 2001; Poon & Rowley, 2007). The fast growth in this region is aligned with the increased emphasis of multinational enterprises (MNEs) to recruit valuable staff members from these regions. Therefore, it is important to understand whether potential applicants from the Asia-Pacific region can be attracted in the same way as their Atlantic counterparts or whether different strategies are more promising.

Although MNEs are searching for appropriate international staffing strategies (Tymon, Stumpf, & Doh, 2010), we do not know whether a global employer image is equally suitable for attracting potential staff members from different countries and whether the impact of image facets varies across countries from the Atlantic and Pacific regions. Thus, we still do not know whether MNEs have to adapt their employer branding or talent management strategies to different environments or whether a more holistic approach is feasible (Caligiuri, 2010).

To address this research gap, we empirically analyse whether employer image facets, such as task attractiveness or career opportunities, have different impacts on application tendencies across Atlantic/European countries and countries from the Asia-Pacific region. By doing so, we examine whether the employer of choice can adopt a global positioning approach. Furthermore, we uncover which facets of the employer image perform well across countries and which facets are only effective on the national level. We deduce our hypotheses by drawing from brand equity reasoning as well as the international marketing standardisation literature and cross-cultural research. To test our hypotheses, we apply a multi-group comparison via structural equation modelling

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(SEM) based on data gathered in China, India, Hungary and Germany. We selected these four countries because of their importance for international business and global expansion strategies. This selection also allows us to compare the applicant reactions among Asia-Pacific region countries as well as between Asia-Pacific and Atlantic countries. The four selected countries reflect different combinations of national culture (Eastern vs. Western cultures) and economic ideology (capitalism vs. (post-)communism), which is also consistent with prior studies comparing work value systems across countries (e.g., Ralston, Holt, Terpstra, & Yu, 2008). Moreover, there are substantial differences between these cultures and ideologies that stem from divergent religious, historical and educational influences. We include four countries in our study that hold divergent ideological and cultural backgrounds. Accordingly, the potential job seekers from these countries are more likely to react differently to different communication contents than they would if they had stemmed from similar cultural or economic environments (Harris, 1979; Ronen & Shenkar, 1985).

2. Conceptual framework and hypotheses development

The findings from the interface of marketing and human resources show that job applicants do not have complete information about their potential employers. The applicants interpret the activities and information provided by a company as signals of their future working experiences in that company (Rynes, 1991). Therefore, an applicant's intention to apply to a company is influenced by the company's perceived characteristics rather than its actual ones. These perceptions form the employer brand (Backhaus, 2004).

A brand is among a company's most valuable resources and can be described as an amalgamation of the associations related to a company or a product (Aaker, 1991). Strong brands evoke a specific, unique and desirable image that influences the preference structures of the targeted stakeholders (Aaker & Jacobson, 2001). This image leads stakeholders to become attracted to the brand. The strength of a brand is reflected by its brand equity, which is the "set of brand assets and liabilities linked to a brand [...] that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers" (Aaker, 1991, p. 15). Such brand equity plays a crucial role in consumers' decision-making processes for the following reasons: (1) it increases the probability that the branded product or service will be among those considered during an imminent purchase, (2) it generates positive effects toward the branded product or service, and (3) it creates points of differentiation as well as reasons to choose the brand over its competitors (Aaker, 1996; Keller, 1993).

The concept of brand equity is applicable not only to product marketing but also to the branding of the firm as an employer (Maurer et al., 1992; Rynes & Barber, 1990) because the cognitive processes underlying employer choice are comparable with high-involvement product choices (i.e., choices that are aligned with a high personal or downside risk and/or high costs; Petty & Cacioppo, 1986).

Applicants extensively evaluate a potential employer with regard to the benefits provided by the job and the organisation and compare these benefits with those of competing firms. Valuable applicants (i.e., applicants with a high level of human capital) have multiple options in terms of employer choice. Employers need to outline the benefits that they provide just as they do with their products to attract consumers. Just as strong product brands increase the attractiveness of a product, strong employer brands will increase the attractiveness of a company as an employer (Collins & Stevens, 2002). The following literature

review underlines this relationship. First, the review emphasises the relation between employer image and application intentions before concentrating on how this relation may be altered in a cross-national context.

2.1. The relation between employer image and application intention

Previous research has provided solid proof that employer image determines job pursuit intentions (Gatewood, Gowan, & Lautenschlager, 1993; Knox & Freeman, 2006; Turban & Keon, 1993). Organisational and job characteristics, such as the ability to pay or organisational values, form a general impression of the attractiveness of the organisation as an employer (Rynes & Barber, 1990). According to prior studies, this employer image heavily influences the applicant's initial decisions because he or she only disposes of a small amount of information at the beginning of the job choice process (Rynes, 1991; Rynes, Bretz, & Gerhart, 1991). Turban, Forret, and Hendrickson (1998) found that the employer brand image positively influences the applicants' perceptions of the recruiters' behaviour as well as the job and organisational attributes after the interview. Collins and Stevens (2002) showed that an applicant's attitude toward a company and employer-specific knowledge both affect his or her actual application decision. Collins (2007) emphasised these results by showing the significant impact of job information on application behaviour. According to these results, we can conclude that employer image is a major predictor of application intention.

2.2. Facets of the employer image

To understand how decision processes are influenced by the brand image, marketing researchers have employed associative memory models because the brand image is rooted in the individual memories (Anderson, 1983; Wyer & Srull, 1989). According to these memory models, information is stored in nodes (i.e., specific bits of information) and is interconnected by links that can trigger the activation of additional bits of information if the link is strong enough (Keller, 1993). Thus, "information about and memory of a product brand (and presumably an employer brand) have two key dimensions: (a) the node itself, or awareness of the brand or employer and (b) its links to related information, or the associated feelings and knowledge of the brand or employer" (Collins & Stevens, 2002, p. 1122).

Brand memory or brand image is a multifaceted construct consisting of interdependent bundles of associations (Keller, 1993). Prior research has already tried to identify the main facets of employer image. These inquiries imply that the most important dimensions of employer image are the attractiveness of pay, career and developmental aspects, task characteristics, and social factors (see Table 1 for an overview). By following the established employer image scales (e.g., Collins, 2007; Collins & Stevens, 2002) we define the perceived *working atmosphere*, *work-life comfort*, *career opportunities*, *task attractiveness* and *payment attractiveness* as distinct dimensions of employer image.

2.3. The moderating role of national context in (employer) branding

Although we find empirical proof for the general assumption that the facets of employer image have a positive impact on application intentions, no studies have yet examined the impact of these facets in a cross-national setting. Thus, we need to draw on the international marketing standardisation literature and cross-cultural research to develop our assumption that the impact of

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