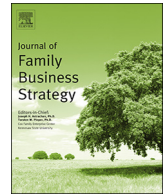




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Family business employer brand: Understanding applicants' perceptions and their job pursuit intentions with samples from the US and Belgium

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ABSTRACT

Recruiting college educated non-family employees has been one of the challenges identified by family business owners affecting the success and continuity of family firms. To better understand this challenge, we build on previous work from recruitment, branding, and family business literature to introduce the family business employer brand construct and its components. We explore the perceptions that non-family applicants have about the family business employer brand components, and how these perceptions affect intentions to pursue a job with a family firm. Data were collected through surveys in the USA (N = 293) and Belgium (N = 324). Results from both countries indicate that participants evaluated instrumental (i.e., compensation, job security, and advancement opportunities) and symbolic (i.e. trustworthiness, innovation, thrift, style, and dominance) components of the family business employer brand differently in the two countries and these factors varied in the effect that they had on the intent to pursue a job in a family firm. Implications of these results for practice and further research are discussed.

1. Introduction

Qualified employees are important because they bring unique intellectual capital that can influence organizational performance and other firm level outcomes. Therefore, attracting, hiring, and retaining skilled workers is critical for the success of any organization (Barney & Wright, 1998; Huselid, 1995; Rynes & Cable, 2003). For family firms this means that, when the family system does not have members who have the specific qualifications and skills needed for the family firm to succeed, the organization will need to rely on recruiting and retaining non-family talent to achieve short and long-term goals (Chrisman, Memilli, & Misra, 2014). Family business owners frequently indicate that one of the greatest challenges that they face is recruiting and hiring qualified non-family talent for positions that require a college degree (Chrisman, Chua, & Litz, 2003; Kahlert, Botero, & Prüggl, 2017). Researchers have tried to explain why this challenge exists using three approaches. Some scholars argue that the difficulty in recruiting and hiring skilled non-family employees can be linked to the type of human resource (HR) practices that family businesses use during recruitment

and how professional these practices are perceived by applicants (see: Carlson, Upton, & Seaman, 2006; de Kok, Uhlaner, & Thurik, 2006; King, Solomon, & Fernald, 2001). Other scholars suggest that the difficulty in recruiting non-family applicants is linked to the individual characteristics of those who prefer to work for a family business and the ability of family firms to identify these specific candidates (see: Block, Fisch, Lau, Obschonka, & Presse, 2016; Covin, 1994; Hauswald, Hack, Kellermanns, & Patzelt, 2016). A third group of researchers suggests that family firms have difficulty recruiting qualified non-family employees because of the perceptions that these applicants have about family firms being small and what they offer as places to work (Botero, 2014; Botero, Graves, Thomas, & Fediuk, 2012; Kahlert et al., 2017). This project focuses on applicants' perceptions and the role these perceptions play in the intentions to pursue a job in a family firm.

Early in the recruitment process applicants rely on their general perceptions of a firm to determine whether or not to consider the organization as a place to work (Barber, 1998; Cable & Turban, 2003; Lemmink, Schuijff, & Streukens, 2003; Rynes, 1991). Researchers who study how applicants make decisions about where to work argue that

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this assessment shares similarities with decisions about what brand to buy (Cable & Turban, 2001; Collins & Stevens, 2002). In particular, for an applicant to be willing to consider an organization as a place to work they need to perceive that this organization offers important value as an employer (Cable & Turban, 2001). Building on this rationale, researchers have applied principles from marketing into the recruitment context to further explain why creating a positive brand can be useful when recruiting applicants. This idea is studied under the employer brand label. In its most general sense an employer brand represents a set of beliefs that a job seeker holds about the attributes of an organization and a job (Cable & Turban, 2001; Collins & Stevens, 2002; Lievens & Slaughter, 2016). A positive employer brand is important because it can influence current and future intentions to pursue a job within a particular organization (Barber, 1998; Lievens & Slaughter, 2016; Theurer, Tumasjan, Welpe, & Lievens, 2018).

Researchers that explore the role of perceptions in the recruitment of non-family talent have introduced similar ideas into the family business literature. For example, researchers suggest that early in the recruitment process the use of a descriptor like “Family Business” works similar to a brand in that it provides a signal that helps applicants evaluate what the family firm offers as a place to work (Botero, 2014). Thus, using the “Family Business” descriptor can affect how an applicant perceives important organizational and job attributes that a firm offers, and can influence their intentions to pursue a job with a family business (Botero, 2014; Kahlert et al., 2017). However, this research has several shortcomings. First, although branding concepts have been introduced, there is no explicit articulation of how and why the branding literature could help us better understand the recruitment of non-family employees. Second, we have limited understanding of the components of family business employer brands that are relevant in the recruitment process. And, third, we do not know how applicants evaluate these brand attributes, and the effects that these evaluations have on the intention to pursue a job with a family business.

To address these gaps this project has three goals in mind. First, it introduces and explains the family business employer brand construct and identifies its components. Second, it assesses how a sample of U.S. and Belgian applicants evaluate the components of the family business employer brand. And, third, it explores the relationship between the evaluation of the components of the family business employer brand and the intent to pursue a job with a family firm. To achieve these goals, this paper builds on literature in recruitment, marketing, and family business branding to present the rationale for our study. Data were collected from students in the U.S. (N = 293) and Belgium (N = 324) that were looking for internships and entry-level post college positions. Using a survey approach, participants were asked about their intentions to pursue a job in a family firm; their perceptions of tangible (i.e., salary, advancement opportunities, and job security) and intangible (i.e., trustworthiness, innovation, dominance, thrift, and style) components of the family business employer brand; their familiarity with family firms as a control variable; and demographic information. Our results indicate that applicants in the two countries evaluated the components of the family business employer brand as neutral and positive. Additionally, the perceptions on several of these components had a significant effect on their intent to pursue a job in a family firm.

These results are important because they continue to build our understanding about the family business brand and its effects (See: Binz Astrachan, Botero, Astrachan, & Prügl, 2018), and provide important implications for academics and practitioners. For academics, the ideas presented in this project enhance our understanding of branding and recruitment in family firms. In the branding area, our ideas help to understand some of the components of the family business employer brands, the evaluation of these components, and how these evaluations can influence the intention to pursue a job within a family firm. In the recruitment area, our study helps to continue to assess the factors that are relevant when non-family applicants make decisions about working for family firms. This knowledge complements other studies that

explore who is likely to work for a family firm (Block et al., 2016; Hauswald et al., 2016), what are the human resource practices that are used in the recruitment process (de Kok et al., 2006; King et al., 2001), and the roles and expectations that non-family members have within family firms (Tabor, Chrisman, Madison, & Vardaman, 2018). At a practical level, results from this study can help managers identify the effects of promoting the family business brand in the recruitment process, and understand what needs to be communicated during the recruitment process and to whom it needs to be communicated. In the following sections we further elaborate on the rationale for our study, and present our methodology and results. We conclude by discussing the contributions of our work for research and practice.

1.1. The recruitment process

Recruitment is a process that incorporates activities and practices that are conducted by the organization with the primary purpose of identifying and attracting applicants to a firm, and assessing how these activities are perceived and experienced by the applicant (Barber, 1998). In general, recruitment can be divided into three phases: generating applicants, maintaining applicant’s interest, and influencing applicant’s job choice decisions (Barber, 1998). Both applicants and organizations have goals within each phase. In the first phase, applicants collect and evaluate information to assess the possibility and desirability of an organization as a place to work, while organizations try to identify the pool of applicants that can help them better meet their needs. In the second phase, applicants narrow their options to consider the best candidates as place to work, and companies start their face-to-face interaction with the applicant to better assess the applicant’s capabilities and interest in the firm. Finally, in the third phase, applicants and organizations make their choices of where to work and who to hire.

Each of the stages is relevant for applicant and organization decision-making. However, the initial stage is particularly important for the rest of the recruitment process because it determines the success of the other stages (Barber, 1998; Turban & Greening, 1996). When an applicant is not willing to engage with a firm early in this process, they will not engage with the firm at all. Similarly, when an applicant is not perceived as interesting and qualified for a position early on, they will no longer be taken into consideration. With this in mind, this project focuses on the initial stages of recruitment in the context of family firms. The focus is on the applicant, and the factors that play a role in their decision-making regarding whether or not they intend to pursue a job in a family firm (i.e., intention to take action to find out more information about the organization, and to consider the organization as a place to work; Aiman-Smith, Bauer, & Cable, 2001). During these decision-making events, individuals collect information from the organizations (e.g., recruitment messages, organizational website, or brochures) and from important others (e.g., family, acquaintances, and friends) to evaluate and determine which firms they intend to apply to (Barber, 1998). However, early in the recruitment, applicants tend to rely on limited information and previous experiences to make their initial assessments about a firm (Barber, 1998). Although these initial perceptions are created based on limited information they have important implications. In the short run, when initial perceptions are not favorable, applicants are likely to discard that organization from their pool of options (Barber, 1998). In the long-term, these perceptions can also bias the applicant in their future job searches (Barber, 1998). Because of this, it is important to understand the initial evaluations that applicants have about different types of firms.

1.2. Family business employer brand

In their search for a job, applicants often show diverse preferences regarding their interest in an organization as a place to work (Barber, 1998; Cable & Turban, 2001; Fombrun & Shanley, 1990; Gatewood,

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