

Pre-Recruiting HR Marketing for new Gen Talent Acquisition: The Mediating Role of Word of Mouth

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Abstract: The purpose of this study is to investigate how, at the pre-recruitment stage, product brand awareness and publicity of a company affect the knowledge of the company's Employer Brand and the intention to apply for a job in this company. Furthermore, it will be investigated whether these associations are strengthened by the mediating effect of the positive Word of Mouth about the company as a desired employer. The Structural Equation Modeling (PLS-SEM) software was used on a sample of 737 students and recently graduates from Greek public universities. Overall, the findings of our research indicate the impact of a company's product/service brand awareness on the formulation of positive comments about the company as an employer. Indeed, product knowledge, when linked to company publicity initiatives and both are leveraged in a general pre-recruiting marketing plan of the HR department, positive Word of Mouth (WOM) commentary is enhanced. The information that job seekers receive from employees' feedback helps them to gain practical and useful details about the work conditions and the opportunities for training and personal development within it. Moreover, through the descriptions of the employee experience in the company the job seekers' intention to search employment in this particular employer is strengthened. Furthermore, the findings of our study have important implications on how a company's HR departments should plan and organize their pre-recruitment marketing strategy in order to create an attractive image of the company as an employer for the new generations of candidates and activate them to search and apply for a job vacancy in this company. Despite methodological and contextual limitations, this study extends the most acknowledged and recent approaches in the pre-recruitment marketing literature, focusing on the mediating role of the Word of Mouth in order to provoke employer brand awareness and influence candidates decisions and behaviors.

Keywords: Pre-recruitment marketing practices, Word of Mouth, Employer brand, Training and development, Intention to apply

1. Introduction

As the effort of HR departments to attract and integrate young people with a high profile of knowledge and skills is intensifying, recruiters are looking for practices to influence the choices of job seekers so that they include their own company in the list of potential employers of choice (Srivastava and Bhatnagar, 2010). The actions to create a unique and attractive Employer Brand start in university environments where companies are looking for the new talents they want to recruit (Turban, 2001; Agrawal and Joseph, 2010). In this context potential applicants seek and evaluate practical and symbolic information from various sources, such as positive feedback from employees, and from prior knowledge about the company, as presented in its product identity and general publicity events (Lievens and Highhouse, 2003; Lievens 2007; Collins, 2007). Based in this information they choose as employers, companies that match their own culture that facilitates and encourages their personal and professional development (Tanwar and Kumar, 2019).

2. Conceptual Framework

In this attempt, HR corporate teams use the theoretical background provided by marketing and in particular the theory related to customer-brand equity considering that a job seeker makes decisions and behaves like a potential customer (Cable and Turban 2001; Lievens and Highhouse, 2003). Therefore, just as the company adopts specific marketing practices to influence, strengthen and retain its customer base, so too does the company's HR department designing recruiting actions to communicate the company's advantages as an employer to senior students and young graduates (Collins and Han, 2004; Collins, 2007). Prior knowledge about the company, at this stage of initial entry into the labour market, may come from non-recruitment sources of information, such as product brand awareness, and is linked to the company's general reputation (Cable and Turban, 2001). However, beyond the knowledge of the company's products, recruiters apply different pre-recruitment practices. Four main pre-recruiting practices are reported in the literature that vary according to prior or no prior knowledge about the company and require less or more effort on the part of the job seeker to search specific information about the job position and work environment (Collins and Stevens, 2002). Based on the aforementioned criteria, low information practices are the publicity that a company receives without paying a price for it, sponsorship and general advertising (Agrawal and Joseph, 2010; Collins

and Stevens, 2002). On the contrary, high-intensity information and activation practices for job seekers are Word of Mouth endorsements of employees about the company and job advertisements where the candidate can see detailed information and understand more fully the working conditions and prospects (Collins and Han, 2004). The exploitation of the appropriate pre-recruiting practice, depending on the cognitive maturity and familiarity of job seekers with the characteristics of the company as an employer, is the main challenge for HR departments. Research has shown that the power to influence the attitudes and actions of candidates is magnified when pre-recruiting practices are applied in combination (Collins and Stevens, 2002; Collins, 2007). In addition, their interaction with marketing activities like publicity to strengthen the corporate brand and product brand identities contribute to the formation of associative positive connotations for the company in the minds of job seekers.

Given the above, we attempt to investigate the following three hypotheses:

H1. A company's Product Brand awareness is positively related to its Publicity actions

H2. A company's Product Brand awareness is positively related to employee's positive Word of Mouth for this firm as an employer

H3. A company's Publicity actions are positively related to employee's positive Word of Mouth for this firm as an employer

As mentioned above, positive WOM from a person who had or has work experience in the company, is a strong catalyst for a job seeker to become interested in learning more information about the company's personality as an employer. Moreover, a factor that is part of the Employer Brand construct and has over time emerged as an important criterion of attractiveness is the company's investment in the training and development of its employees (Berthon et al, 2005; Bellou et al, 2015; Hillebrand and Ivens, 2012; Tanwar and Prasad, 2017; Sharma and Prasad, 2018). This dimension of a company's employment promise is an essential criterion for young employees and for those in the process of choosing an employer, as this provision is related to the personal satisfaction of individuals' career development expectations and the continuous upgrading of their professional profile (Huang and Lee, 2017; Zhu et al, 2014).

As has been shown in studies, when the person giving the recommendations has strong ties with the candidate then his/her comments carry particular weight, have a positive effect on the attractiveness of the company, and ultimately on the candidate's decision to apply for a job with the company (Van Hoyer, 2008; Sun et al, 2013). This impact seems to play an essential role in the pre-recruitment stage where passive job seekers first come into contact with a company through the feedback of its employees who may be fellow students or graduates of their school (Collins and Stevens, 2002). These encounters may be part of marketing practices, organised by the HR departments of companies, and take place at networking events or career days in universities (Agrawal and Joseph, 2010; Alashmawy and Yazdanifard, 2019). At other times, they may result from friends, relatives, or social media contacts of the job seeker in various communication environments, in person or via the internet. (Evertz et al, 2021; Melián-González and Bulchand-Gidumal, 2016).

Taking the above into account, we proceed to formulate the following two hypotheses:

H4. An employee's positive Word of Mouth is positively related to its Employer Brand dimension "Training and Development"

H5. An employee's positive Word of Mouth is positively related to a job seeker's Intention to Apply for employment in this company

The combination of instrumental and symbolic benefits that a company chooses to create its unique identity/image as an employer, i.e. to create its own Employer Brand, is initially aimed at enhancing its attractiveness to the audience it values as talent (Lievens and Highhouse, 2003). Employer branding is defined as the process by which the company in question seeks to achieve the above positive outcomes in terms of employee selection, as well as employee satisfaction and retention (Ambler and Barrow, 1996; Backhaus and Tikoo, 2004). The continuous training of employees, which involves their personal development and is related to their professional future, within or outside the company, is, as mentioned in previous paragraphs, a key element in encouraging the new generation of candidates (Tanwar and Prasad, 2017; Huang and Lee, 2017). As confirmed by surveys worldwide, the young job seekers will choose a company at the start of their career that provides them with systematic professional training and access to sources of knowledge updating and skills development (Sharma and Prasad, 2018; Bellou et al, 2015; Zhu et al, 2014).

Based on the above, we hypothesize:

H6. A company's Employer Brand dimension "Training and Development" is positively related to a job seeker's Intention to Apply for employment in this company.

Familiarity with the company's products and the positive publicity the company receives in the media are low information and involvement sources and can often substitute each other. (Collins, 2007). On the other hand, positive comments from employees are an important source in terms of shaping the beliefs and decisions of job seekers, as they contain detailed and in-depth information about the work environment. (Van Hoya and Lievens, 2009; Keeling et al, 2013). The combination of the above sources in an early-recruitment plan has proven to contribute both to the recognition of the company's Employer Brand and the benefits it offers to its employees, as well as to the strengthening of the intention to apply for a job with it (Van Hoya, 2008).

Considering the above, we formulate the hypothesis below:

H7. An employee's positive Word of Mouth mediates in the relationships between: a) a company's Publicity actions and the awareness of the Employer Brand dimension "Training and Development", b) the Product Brand awareness and a job seeker's Intention to Apply for employment in this company.

3. Methodology

3.1 Sample and Procedure

This survey was conducted during the spring semester of 2021 and 737 electronic questionnaires were collected from students and young graduates of Greek universities.

3.2 Measures

To measure all survey data, we have used a five-point Likert-type scale ranging from 1 = strongly disagree to 5 = strongly agree. Also, an "Exploratory Factor Analysis (EFA) was conducted via SPSS v.22 ("maximum likelihood extraction method"; "promax rotation"; "cutoff value=0.50").

In detail, a company's product brand was assessed by three-item scale originally developed by Collins (2007). These items focused on company's product brand awareness in pre-recruiting context. A company's publicity connected with its pre recruitment actions was assessed using a two - item scale developed by Collins and Stevens (2002). Positive Word-of-Mouth (WOM) was assessed using a three -item scale, originally developed by Van Hoya (2008). "Training and Development" as a company's Employer Brand dimension was assessed by two items remained after the EFA analysis, based on the six item scale originally developed by Tanwar and Prasad (2017). "Intention to apply" was assessed with four items of the frequently used five - item scale originally developed by Highhouse et al (2003).

3.3 Statistical Analysis and Analytical Procedures

In assessing our model, we used Structural Equation Modeling (SEM) with the use of SmartPLS 3.0 software (Ringle et al, 2015).

In the Figure 1 we present the conceptual framework of the proposed model.

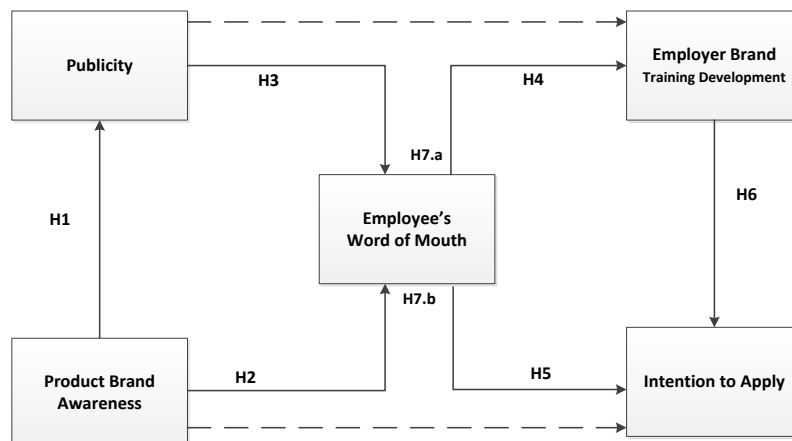


Figure 1: The conceptual model

4. Results

All factor loadings were above the 0.5 threshold whereas Composite Reliability (CR) scores above the threshold of 0.50 and Average Variance Extracted (AVE) scores above the threshold of 0.70 in four of the five variables (one scores at 0.670 and five score up to 0.80). Hence, convergent validity was established. Regarding discriminant validity, we use two criteria available in SmartPLS (Henceler et al, 2015), namely the “Fornell-Lacker criterion” and the “Heterotrait-Monotrait ratio” (HTMT<0.85). According all the results, as these values were below the critical value of 0.85, discriminant validity was supported. Multicollinearity between constructs is examined through the Variance Inflation Factors (VIF) (Cenfetelli and Bassellier, 2009), in order to examine common method bias. As all VIFs calculations in our inner model they resulting from full collinearity test were below the 3.3 threshold the model can be considered free of common method bias (Kock, 2015).

Table 1 presents the “means”, “standard deviations”, “reliabilities” (in parentheses) and “bivariate correlations” among the study variables. As demonstrated in Table I, all the Cronbach’s alpha coefficients were greater than 0.70, while four were greater than 0.80 confirming that internal consistency reliability of the proposed model was excellent.

Table 1: Means, SDs and correlations (Cronbach’s α is in parentheses).

	Mean	SD	1	2	3	4	5
EB_TrDev	4.46	0.61	(0.816)				
GeneralWOM	4.06	0.61	0.249**	(0.861)			
Intention to Apply	4.48	0.60	0.190**	0.222**	(0.889)		
Product Brand	3.43	0.72	0.144**	0.255**	0.105**	(0.754)	
Publicity	3.05	0.82	0.149**	0.250**	0.068**	0.518**	(0.847)

Note: N=737, SD: standard deviation

*indicates significant paths: *p<0.05, **p<0.01, ***p<0.001, ns= not significant

To analyze the hypotheses in the structural model, we ran the full model (Figure 2) with a bootstrapping procedure that used 2000 randomly drawn samples with replacement. The path coefficients and their significance level and the P-values of the inner model structure are depicted in Figure 2

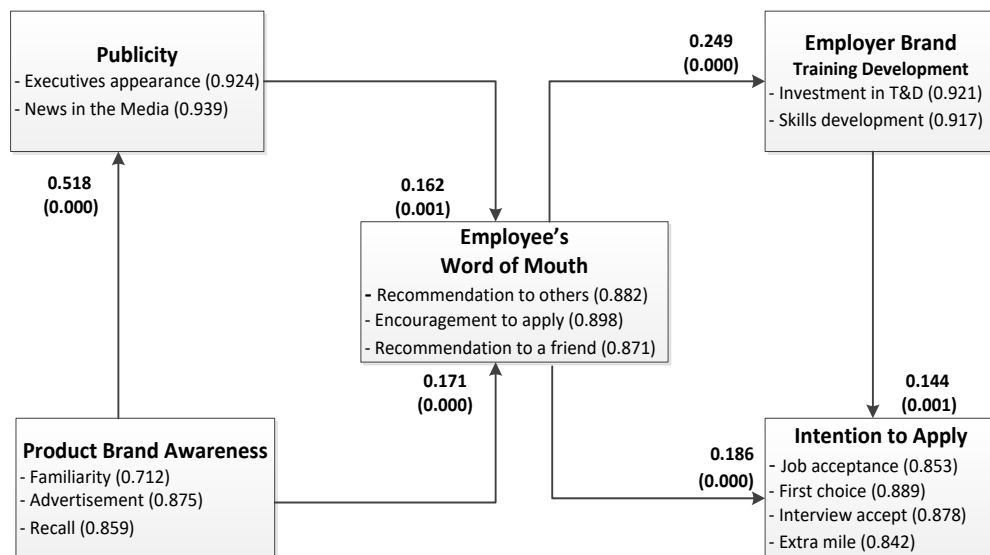


Figure 2: The Structural Model

Overall, Figure 2 shows that Product Brand is positively related to both company’s Publicity ($\beta= 0.518$, $p<0.000$) and General WOM positive comments ($\beta= 0.171$, $p<0.000$) and thus supporting Hypotheses 1, 2.

Similarly, company’s Publicity is significantly related to General WOM ($\beta= 0.162, p<0.001$) supporting hypothesis 3 and General WOM is positively related to both “Training and Development value” as a Employer Brand dimension namely the EB_TrDev ($\beta=0.249, p<0.000$) and Intention to Apply ($\beta=0.186, p<0.000$) supporting hypotheses 4 and 5. In addition, hypothesis 6 suggests that EB_TrDev value is positively related to candidates Intention to Apply ($\beta= 0.144, p<0.002$) so this sixth hypothesis is also supported. Finally, the effect of Product awareness on the Intention to apply is fully mediated by Word of Mouth ($\beta = 0.033, p = 0.006$) so as the Publicity actions, on the Employer Branding-Training and Development ($\beta = 0.041, p = 0.004$) supporting both hypotheses H7.a and H7.b. Additionally, from the model’s analysis we extract some interest findings that we take into consideration in our result interpretation although we had not included them in our hypotheses. Analytically, Publicity mediates partially and positively to the relationship between Product Brand and General WOM ($\beta = 0.084, p = 0.001$). In addition, EB_TrDev mediates partially and positively to the relationship between General WOM and the Intention to Apply ($\beta = 0.036, p = 0.006$). In the Table 2, we present the mediation effects between the model’s variables.

Table 2: Mediation effects

	Estimate	T-statistic	P-value	Mediation
Product Brand -> GeneralWOM -> Intention Apply	0.033	2.760***	0.006	Full
Publicity -> GeneralWOM -> EB_TrDev	0.041	2.884***	0.004	Full
Product Brand -> Publicity -> GeneralWOM	0.084	3.213***	0.001	Partial
GeneralWOM -> EB_TrDev -> Intention Apply	0.036	2.769***	0.006	Partial

5. Discussion

This study contributes to the growth of the HR marketing literature by further illuminating the underlying mechanisms and practices that HR departments have in their arsenal to create a positive image of their company as an employer. We investigated in detail the interaction between prior knowledge of product branding and the positive publicity a company has in shaping an environment of positive comments about the company as a good working environment. Of the aforementioned pre-existing knowledge and experiences that a potential candidate may have, in order to choose the right employer, the mediating role of positive Word of Mouth from employees was particularly studied. To begin with, in line with previous studies (Collins and Stevens, 2002; Collins, 2007), the findings of our study show that individual familiarity with the company’s products/services, through advertisements, personal use and a strong corporate brand, act as triggers of initial interest in the company. Also, the presence of the company’s executives and its positive visibility on the media contribute to the formation of a positive image. Both of the above, without being basic pre-recruitment tools as they are essentially marketing techniques, are adopted by the company’s HR at the pre-recruitment stage. The objective in this phase is to enhance the reputation of the company’s brand and to use them as sources of interest for job seekers to start looking for the company as a possible, future employer (H1).

The previously mentioned practices of low information about the company as an employer are positively and significantly related to the positive feedback of the company’s employees, thus confirming hypotheses H2 and H3. Positive web or face to face Word of Mouth is part of the high information tools for candidates as through it candidates learn about the actual employment conditions in the company (Van Hove and Lievens, 2007). As has been proven many times, employee feedback influences job seekers’ decisions to seek detailed information about benefits, such as investment in employee training and development and other employment benefits in the company (H4). In addition, positive Word of Mouth directly influences the intention to apply for a job in a company (H5). Furthermore, knowledge of the company’s employer brand, which captures the company’s promise to potential and existing employees, has a positive and direct effect on job seekers’ intention to apply (H6).

At this point, it should be noted that for the final intended result of forming positive attitudes and intentions of job seekers towards the company as an employer of choice, the direct effect of the low- intensity practices is not sufficient, as the information they contain does not provide data for evaluating the working environment. The necessary link in the sequence of actions to enhance the attractiveness of the company is the positive feedback from the company’s employees or from people, such as interns, who have had some kind of work experience in the company. Moving a step further, this study shows that employees’ Word of Mouth plays an absolutely mediating role in candidates’ decisions and reactions (H7).

In summary, we believe that our research findings confirm the fact that application intentions is achieved through a targeted corporate employer branding strategy where training and development emerges, as confirmed by many studies and practitioner researches, as a key attraction factor for students and young graduates. Furthermore, the image of a company, which differentiates it from other potential employers and enhances its profile as a desirable work destination, is important to meet the expectations of the new generation of candidates in relation to the work environment they wish to work in. It is equally important that this image should be promoted through the appropriate communication channels, such as employees' Word of Mouth, which the company uses as a means of informing and interacting with the young job seekers. In these conditions of interaction and information searching, the quality and quantity of information about jobs, as well as the way employees approach candidates, contribute to building the company's image and, ultimately, to enhancing awareness of its employer brand and generating application intentions (Yu et al, 2022)

6. Practical Implications and Limitations

In order to successfully attract new generation talent, companies should invest in both recruitment practices and non-recruitment information sources from which potential candidates have formed a prior image of the company. The reputation of a company's products/services can serve as a starting point for the formation of positive impressions of a company and recruiters should take this into account when developing their strategy. In addition, the use of positive publicity through the media can motivate individuals to seek more information about the advantages of the company as an employer. The aforementioned low-intensity information sources have a significant impact on shaping the attitudes and intentions of candidates when combined with Word of Mouth endorsements from former and current employees, interns, alumni etc.

Although we achieved the goal of our research to contribute to the research field of employee recruitment, some limitations do not allow us to generalize the results. In detail, the survey was conducted among senior students and recent graduates from Greek universities. It is possible that extending the survey to all student years and to graduates with some significant work experience, e.g. 3+ years, would reveal different values in the relationships and interactions between the controlled variables. In addition, in our own assessment, we investigate how product brand awareness and a particular pre-recruitment practices namely publicity and Word of Mouth influence job seekers perceptions and behaviors. We think it would be quite interesting to investigate in the future how corporate brand awareness and other recruitment practices affect job seekers' intentions to apply and actual applications for jobs with the organization. Finally, given the "explosion" of online commentary on employers by their employees and its influence on the opinions and attitudes of job seekers, we suggest future research in this field. In this way, we believe that the dynamics of word of mouth in recruiting processes will be more fully illustrated.

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