

DETERMINANTS OF ORGANIZATION ATTRACTIVENESS AS AN EMPLOYER IN THE OPINION OF MANAGERS

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Abstract

The successes of modern companies depend to a larger extend on labour forces which enable them to create the values which are impossible to duplicate by their rivals. The companies take actions which aim is to make the image of the company as an employer more attractive hoping that these actions enable them to retain employees. This article presents the factors of attractiveness of an organization as an employer in theory and also in practice. The opinions of Polish managers on this topic are presented.

Key words: attractiveness of the organization, employer, employer branding, managers.

Introduction

Managerial staff belongs to a few occupational groups that despite relatively high rates of unemployment can enjoy a great freedom of choice of an employer. Therefore, it seems to be cognitively interesting to examine what elements and / or characteristics of an organization decide that the highest managerial staff evaluates it as an attractive employer. The presented research results can be used in practice by those organizations that want to consciously shape its policy in favour of a personal acquisition and retention of managers with the expected level of professional competencies.

The aim of the article is to systematize knowledge of the factors of attractiveness of the organization as an employer and refer theory to practice by recognising opinions of Polish managers on this subject. The study was

conducted in March 2015, among 60 students of the Executive MBA at the Institute of Economics of Polish Academy of Sciences in Warsaw. The analysis of the empirical material led also to formulate hypothesis for the further research in the bigger group that meets the criteria of representativeness.

1. Literature review

A manager of a modern organization which functions in changeable and complex environment is aware of the fact that if it wants to survive in the marketplace and gain a constant advantage over competitors, it must look for new models of company management. Nowadays material factors are becoming less decisive in company competitiveness. On the other hand, the role of non-material factors has been increasing. Human resources are considered to be the most valuable factor of modern organizations, which enable them to create the values which are impossible to duplicate by their rivals. Organizations have become increasingly aware of the fact that their success and development depend on whether they are able to attract, employ and retain employees who will identify themselves with a company, work efficiently and thus multiply company revenues. Organizations take action to improve the company image as an employer hoping to retain the best employees. The organizations that consciously shape their image as a good workplace are perceived in a better way not only by their staff but also by their business partners and consumers.

According to Learly-Joyce (2007: 25), the most attractive employer should implement the following tasks:

- create a friendly working environment where people can develop;
- support staff, spur them to use their assets best;
- place high demands on staff and assess them;
- build relationships in a team of employees taking into consideration weak and strong sides of certain people;
- appreciate and celebrate success;
- build high level of trust inside an organization.

All the actions taken by organizations addressed to potential and present employees whose aim is to make the image of an organization as an employer more attractive are referred to as employer branding (Kozłowski 2012: 13-14). This concept belongs to the group of brand new issues in organization and management sciences. Barrow (1996: 184) is considered to be the precursor of the theory of employer branding. The literature of the subject states that employer branding is founded on the same theoretical principles as corporate branding and consumer branding. However, in contrast with them, potential and present employees are the most important target group for employer branding (Moroko, Uncles 2008: 161).

The definition of *employer branding* that appears in the literature, emphasizes, among other things, its communicative dimension, the ways of attracting talented staff, the importance of organizational culture as the element of shaping the image of an employer. According to Martin (2008: 19), the essence of *employer branding* is to attract talented candidates to a company and also to ensure that present and potential employees identify themselves with a company (its brand and mission) and also create desirable results. Jenner and Taylor (2008: 19) defined employer branding as company efforts to inform internal and external stakeholders what makes a company a desirable and distinguished employer. Hatch and Schultz (2007: 327) consider the identity of an organization a starting point for employer branding. According to their theory, the identity of an organization refers to what employees perceive, feel and think about their company. It is assumed that they share understanding of company characteristics and values. An organizational identity is also defined as a symbolic collective interpretation of employees which refers to what an organization is and what it intends to be. It requires identification with the company and internalization (acceptance and assimilation of organizational values). Koning (2008: 46-47) defines employer branding as a company image shaped in the consciousness of present and future employees and also other stakeholders, which is also a way of creating company's competitive edge.

Backhaus and Tikoo (2004: 502-503) describe employer branding as a three-level process of building a unique identity of employers. At the first stage, an organization has to create a company image which can be defined as employee value proposition (EVP) and which informs about what a company has to offer to its employees. The second stage involves introducing employee value proposition on a labour market, to all interested candidates and recruitment agencies. These actions, which are termed as external marketing of a brand, are intended to attract desirable candidates whose attitude and behaviour will be consistent with existing systems of values in an organization. As for the third stage, employers use internal marketing, whose aim is to develop human capital in a company in a way that makes employees share the same values and pursue the aims defined by a company. Backhaus and Tikoo claimed that employer branding is the effect of two tendencies: association with employer branding and loyalty to it. Association with employer branding is essential for potential employees and loyalty to employer branding is expected from employees.

A growing interest in employer branding results from unpredictable constant changes taking place in the business environment and inside companies. Due to the reciprocity of correlation between companies and their environment, it is not possible to conclude which determinants are primary.

One of the key trends which define the need for employer branding is the globalization process that changes the dimension of company competitiveness, leads to standardisation of business behaviour in international dimension and requires organizational changes (Figurska, Matuska 2013: 38).

The changes taking place on the labour market are the most important factors which influence building employer brand by employers (Aravamudan 2009: 2). Demographic, social and cultural factors have impact on the labour market, which also changes depending on the demand and supply. As a result, the situation on the labour market largely influences possibilities of organizational development (Wojtaszczyk 2012: 10). The following elements are particularly important from the point of view of organizations:

- changes in the structure of population age – the low birth rate in Europe, population ageing, shrinking labour force of working age, migration;
- competence restructuring of labour resources and the changes in attitude towards work – an increase in people's education level and employees' expectations of employers, flexibility of employees' behaviour (the tendency to change jobs and search for a more rewarding one), different perception of the role of work in human life in the eyes of young generations.

External conditions result in increasing difficulties with gaining and retaining 'proper' employees. Thus, organizations are forced to take actions aiming to improve attractiveness of an organization in the eyes of potential and present employees and also to compete for better labour resources. The actions towards those already employed, i.e. internal employer branding, might take on different forms such as motivating employees, creating safe and flexible working conditions, team building, helping employees to combine work and private life, developing staff competencies, discovering talents and supporting their development. The actions mentioned above have to result in increased engagement and loyalty of employees, thereby greater work efficiency. Satisfied employees create a positive image of an organization in the environment and become trustworthy ambassadors of a brand (Daszkiewicz, Wrona 2014: 201-211).

External employer branding might take on a form of actions leading to promotion of an employer brand or recruitment actions. Brand promotion of an employer is aimed to increase brand consciousness on the market and inform about the benefits of working for this specific company. Recruitment actions are addressed to a certain target group, that is the people who are interested in being employed on a certain position in a company. Modern organizations take different actions within internal employer branding (for example, taking part in job fairs, cooperating with students, organizing

placements and internships for students, cooperating with the media, using social networks, organizing branch conferences) in the hope that they will result in shaping an attractive image of an employer that is consciously selected by good candidates for work.

2. Research methodology

The findings presented here are a part of a wider research programme. The participants of the research were 60 representatives of middle and senior management staff of enterprises and public organizations who are also students of the Executive MBA at the Institute of Economics of the Polish Academy of Sciences in Warsaw. Due to a relatively small size of the test sample, the results can be used to indicate certain trends and tendencies or to formulate hypotheses for the further research in the group that meets the criteria of representativeness.

The respondents are people with different levels of education, however, each of them has managerial experience (4 years on average). Men constituted 60% of the study group. The proportion of men and women reflects the actual distribution of representatives of each gender among individuals holding managerial positions; it needs to be emphasised, however, that women clearly predominate among managers at lower levels. It is, unfortunately, all-European tendency. In the countries of the European Union, only every tenth position on the boards of directors is taken by a woman. In the 50 largest listed companies of each EU country, women occupy about 11% of senior management positions and 4% of chairman positions and positions of chairmen of supervisory boards (Kupczyk 2009: 19).

Although the research was carried out in Warsaw, the respondents represented all regions of Poland. The questionnaire was a tool for the quantitative research. Questions about the organisation attractiveness as an employer were only open, in order not to limit respondents' freedom of expression and not to suggest answers. Each participant could write any number of issues, problems and opinions. The survey results of which are contained in this publication is based on the mechanism of introspection. The authors are aware that this method is regarded as one that does not allow for gaining knowledge, inter-subjectively verifiable, and does not give access to the actual causes of behaviours. Despite the criticisms raised by social science methodologists, introspective studies constitute, in essence, the basis for all survey research, and usage of their results in the diagnosis of psychological determinants of managers' work is based on the well-documented claim that an employee is the best source of information about the specificity of their job position or organizational role (cf. Woźniak 2006: 706-715). The presented research was supposed to solve the following research prob-

lem: What are the factors responsible for the fact that the organisation is an attractive workplace for the top senior staff?

3. Analysis of the research results

The respondents' answers are ranked according to the frequency of indication (cf. Table 1). The answers of managers employed in public organizations are separated from those of managers working in enterprises. The size of the test sample is too small to draw conclusions about the statistical significance of differences, but some tendencies are visible enough to be worth further study.

The managers employed in the business sector indicate a variety of factors which, in their opinion, make the company an attractive employer for representatives of their profession. These factors can be divided into several categories. The first one, indicated by the largest part of the respondents (86.7%), constitutes broadly understood developmental opportunities. The surveyed managers emphasize that for managerial staff training, internships and possibility to learn about various sections of the enterprise, also at an international level, are very important. A great importance (77.8% of responses) is attached to the possibility to take interesting, challenging tasks, which are not only an opportunity to meet personal ambitions, but indirectly have a developmental character. This shows that for managers (regardless of their age, gender or job seniority) an attractive employer is an organization which constitutes the developmental environment of personal and professional competencies.

Table 1. Attractiveness of the organization as an employer in the assessment of managers working in enterprises

No.	Factors of attractiveness of the organization as an employer Business sector	Number of answers* (N = 45)	%
1.	Possibility of broadly understood development: training, studies, internships (including international internships), learning about various functional divisions of the organization	39	86,7
2.	High salary and other benefits	37	82,2
3.	Possibility of accomplishment of ambitious, interesting, innovative tasks	35	77,8
4.	Real decision-making in the controlled area, great freedom of action and feeling of agency	33	73,3
5.	Known and understood mission, vision and strategy of the organization	33	66,7
6.	Transparent organizational structure and clear scope of responsibilities	30	66,7
7.	Good atmosphere in the team based on open communication, respect and trust	30	66,7
8.	Organizational culture based on expressing appreciation for achievements of managerial staff	27	60,0
9.	Elitism of the company, its reputation in the market	26	57,8

10.	Flexible working hours	20	44,4
11.	Clear system of promotion (also in the international structure)	12	26,7
12.	Stability of employment	12	26,7
13.	Lack of nepotism and discrimination based on age and sex	7	15,6
14.	Lack of unhealthy internal competition	7	15,6
15.	Work-life balance	3	6,7
16.	Appreciation of ethical aspects of work by the employer	3	6,7
17.	Possibility to participate in programs of talent management	2	4,4

* an examined person could give any number of answers

Source: self-elaboration based on the results of the survey.

The second category of determinants of employer attractiveness is the level of salary and value of other tangible benefits offered to managerial staff within the motivation system. It is estimated as an important factor by over 82% of the respondents. Nearly 60% of them also appreciate the value of company's image. Differences in the opinions of the surveyed women and men have not been reported. Job seniority in a managerial position also turned out to be an unimportant variable here.

The third group of factors of employer attractiveness includes the attributes of the organizational culture. The surveyed managers expect it to be a culture based on open communication, full exchange of important information and a clear division of responsibilities and decision-making powers. According to the respondents, it is clear that managers must have full knowledge of employer's strategic objectives, mission, vision of the managed company, and its organizational structure. The condition for recognizing the company as an attractive place of work is also considerable freedom of action given to managerial staff and feeling of being appreciated by superiors.

It seems to be interesting that while describing the determinants of employer attractiveness, the respondents also mentioned the factors that preclude this attractiveness. These are nepotism, unhealthy internal competition and employee discrimination based on age and sex.

Table 2. Attractiveness of the organization as an employer in the assessment of managers working in public organizations

No.	Factors of attractiveness of the organization as an employer Public sector	Number of answers* (N = 15)
1.	Stability of employment	11
2.	Possibility of broadly understood development: training, studies, internships	10
3.	Stability of salary	9
4.	Stability of working hours	8
5.	Possibility of accomplishment of ambitious, interesting, tasks	8

6.	Real decision-making in the controlled area, great freedom of action and feeling of agency	8
7.	Good atmosphere in the team based on open communication, respect and trust	7
8.	Elitism of the organization	3

* Because of the small number of people participating in research the percentage was not calculated

Source: self-elaboration based on the results of the survey.

The public managers participating in the study constitute a too small research sample to formulate far-reaching conclusions based on their statements. It is possible, however, to indicate certain trends and regularities. In the opinions of the public managers (Table 2), the main factor of attractiveness of an organization as an employer seems to be widely understood stability: employment stability, salary stability and fixed working hours. These factors have not been exposed by managerial staff working in enterprises. For example, the employment stability, which was at the first place as the most frequently mentioned by the public managers, in the ranking of the managers from the business sector takes quite a distant twelfth place. Fixed working hours treated as a value by the managers from public organizations did not appear at all in the statements of the managers from the business sector. They, in turn, pointed to the opposite – flexible working hours as a determinant of employer attractiveness (more than 44% of the respondents).

It is possible to indicate a group of factors that are important for all managers, regardless of their place of work. These are:

- real decision-making in the controlled area, great freedom of action and feeling of agency;
- possibility to fulfil one's ambitions and take on interesting and innovative tasks;
- good atmosphere in the team based on open communication, respect and trust.

Conclusions

The presented research results indicate that about attractiveness of an organization as an employer for managerial staff decides a variety of factors, among which the most important is the possibility of broadly understood competence development. This element is indicated as the most important, regardless of age, sex or job seniority in a managerial position of the respondents. Its importance is indicated both by the public sector managers and business representatives. An organization wishing to gain the opinion of an attractive employer must also provide managerial staff great freedom of action, possibility to accomplish ambitious, interesting, tasks and good atmosphere in the team.

The attention is paid to significant differences in the statements of the managerial staff from the public sector compared to answers given by the representatives of the business sector. It is possible to formulate a hypothesis that for people choosing a managerial career in the public sector the greatest value has the stability (high job security, certainty of receiving salary, fixed working hours). In contrast, the representatives of managerial staff employed in the economic entities pay more attention to the level of salary and transparency of company's strategy, mission, vision, objectives and organizational structure. To a greater extent they also expect that the company in which they work is an elite company, reputable and well-known in the market.

It appears to be interesting and difficult to interpret that a relatively small number of respondents (only approximately 7%) expect from the "ideal" employer such work organization in which they could preserve the work-life balance. This problem requires further, more in-depth research.

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