

THE EFFECTS OF EMPLOYER KNOWLEDGE AND PRODUCT AWARENESS ON JOB SEEKERS' APPLICATION DECISIONS

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ABSTRACT

This present study attempts to discover the relational influence of product awareness and employer knowledge to give insight to job seekers' application decisions. Cable and Turban's (2001) employer knowledge framework was proposed as a conceptual model to formulate hypotheses about the effects of employer familiarity, employer reputation and job information on job seekers' decision to pursue or accept an employment offer. The results suggested that product awareness and the three dimensions of employer knowledge significantly contributed to applicants' job pursuit decisions. The findings of this study were derived from a sample of 280 final-year pursuants of hospitality and tourism courses at four tertiary schools located in the Klang Valley. As a further measure to verify the employer knowledge model, it was discovered that the relationship between job seekers' employment decisions and job information were particularly high. Findings gathered from this context indicated that the framework of employer knowledge warrants further investigation.

Key words: Application decisions, Employer knowledge, Employer familiarity, Employer reputation and Job information.

INTRODUCTION

With the plenitude of job opportunities, organisations need to be attractive in order to retain potential employees or else they may not experience an adequate line-up of qualified job seekers due to self-selection (Johnson & Roberts, 2006). Similar to organisations being fastidious about appointing the right individual for a job position, job applicants are equally awarded this privilege of having free reign to choose their preferred place of work. Job applicants' decisions on whether to pursue or decline a job offer bring about consequential effects to an organisation. Therefore, the goal of this article is to present a conceptual framework that would provide useful structure for organisations' endeavours in developing recruitment and brand strategies to seek out and attract quality job candidates.

Despite the pivotal consequences of applicants' conceptions of organisations as employers, the content or the basis of these conceptions has rarely been examined. Drawing on consumer-based brand equity researches, Cable and Turban (2001) developed three

dimensions of employer knowledge: employer familiarity, employer reputation and job information. They characterised employer knowledge as the generalised affective associations and beliefs job seekers hold about the recruiting organisation as a potential employer (Collins, 2007). It is posited that the three aspects of employer knowledge significantly affect job candidates' employment decisions. In effect, it is necessary to gain insight into the functional influence of the three dimensions of employer knowledge on application decisions which in effect validates or falsifies the conceptual paradigm of employer knowledge in the recruitment context. Supplementary to this, this study attempts to ascertain which variable in the employer knowledge model is the best predictor of job seekers' application decisions.

The first dimension of employer knowledge is employer familiarity, which is defined as the acknowledgement of or the ability to recognise an organisation as a potential employer (Collins & Stevens, 2002). Brooks & Highhouse (2006) discovered that employer familiarity influences application decisions as job seekers perceive familiar employers in a more positive light than unfamiliar ones. This finding is supported by Rynes, Gerhart and Bertz's (1991) research, which illustrated that prior acquaintance with the company strengthens the probability of a job candidate applying for employment in a particular company. Hence, it seems that heightened employer familiarity fortifies the chances that an organisation would be included in the job candidate's consideration. To examine this notion, it is hypothesised that familiarity with an organisation would consequently lead to an increase in the job candidates' consideration towards the particular organisation.

The second feature is employer reputation, described by Cable and Turban (2001) as the beliefs held by job seekers of the employer. These are the beliefs that are central, distinct and relatively enduring towards the company as an employer. In a survey carried out by Geneva-based World Economic Forum, they found more than seventy-seven percent of employees agreed that organisation reputation had become the foundation for their company's success (Johnsons & Roberts, 2006). This indicates that positive organisational images are crucial to guide job seekers' efforts in differentiating a firm from its competitors, and consequently these images help the people to generate positive affective attachment to a firm. Thus, this study proposes that employer reputation will be positively correlated with job candidates' application decisions.

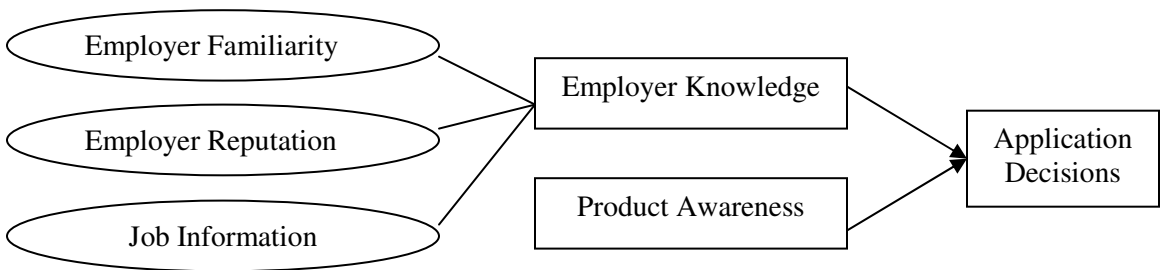
The third dimension in the employer knowledge model is job information. This dimension pertains to job seekers' belief regarding important attributes of a specific job (Collins & Stevens, 2002). Judge and Bretz (1992) found that pay and advancement potential were the most important determinants of job attractiveness, and consequently acts as a motivating factor in applicants' job pursuit decisions. This suggests that job applicants place considerable importance on job characteristics when deciding job pursuit intentions, which are concurrently connotative of organisational attractiveness of the company as a potential employer. Therefore, it is predicted that job information has significant influence in determining job seekers' application decisions.

Another factor to consider in influencing the job choice process is product awareness. Product awareness is distinguished as the extent to which job applicants are familiar with the products or services of an organisation (Collins, 2007). Collins and Han's (2004) study illustrates that product awareness may be symbolic of the quality and viability of the company as an employer and this, in turn, enhances job seekers' perception of the organisation. In other words, an organisation's well-known services or products may propel

the organisation into the commercial stratosphere and this in effect would complement and extend the applicant pool. Therein, this study attempts to investigate the positive correlation of product awareness on job seekers' application decisions.

In this context, product awareness and employer knowledge are predicted to significantly affect job applicants' decision to pursue an employment opportunity (see Figure 1).

Figure 1. Proposed measure of Employer Knowledge and Product Awareness on Application Decisions



METHOD

Participants

For the purpose of reducing misspecifications, research design should be fashioned after the intricacies and complications of the decision event as this reflects the actuality of the decision process. Therefore, to replicate the actual decision-making process, this study is designed to measure industry-specific application behaviours, in particular the hospitality and tourism field. It is posited that the sample in this study was most relevant as these students were frequently confronted with the job market where the demand for labour is largely contingent on the supply.

All student participants were considerably exposed to the employment field and thus the task of ascertaining their application decisions towards the organisations listed in the study was realistic and relevant for them. The students were introduced to the job market through internship or coursework, which was a part of their academic requisites. Students were asked to assume that they were offered employment positions in the three listed organisations and they were consequently required to indicate their decisions to accept or decline the job offer. In order to test the effects of the hypotheses, it was necessary to specify companies with varying organisational image. The three organisations identified in the study, in this instance, was felt appropriate because these establishments were well-recognised by students specialising in the field of hospitality and tourism management.

The distinguishing feature of the methodology in this research was the use of real companies instead of companies with fictitious descriptions. The use of actual organisations gave the student participants a glimpse of the actual employment market, and consequently prevented the occurrences of researcher bias in which the results of the study could have

been manipulated by specifically tailoring measures to elicit specific responses from participants. In addition, this study attempted to exemplify the larger picture of the labour market with the within-subjects design approach. This approach allowed participants to consider multiple organisations when deciding to pursue or decline an employment offer, and thus enhancing the range in predictor variance, which, in turn, augments the generalisability of the findings to the job applicant populous.

The sample consisted of 280 final-year students solicited from hospitality and tourism courses at four tertiary schools located in the Klang Valley. There were 185 (66.1%) students at diploma level and 95 (33.9%) undergraduates who were pursuing their academic degree. The average age of the student participants were 20.47 years, ranging from 16 to 35. There were 122 (43.6%) males and 156 (55.7%) females, while 2 students did not indicate their gender. No specific criteria were established for the purpose of this research. The study's sample included student participants from various ethnic and religious backgrounds, therefore, the findings of the study may pertain to the student job seeker populous in general. The participants in this study were ethnically diverse: 25 (8.9%) Malays, 190 (67.9%) Chinese, 30 (10.7%) Indians and 32 (11.7%) comprised other ethnicities, while 3 did not reveal their ethnic group. See Table 1.

Table 1. Descriptive Statistics of Job Seekers' Profile Characteristics

Variables	Job Seekers (<i>n</i> = 280)
Age [years (range)]	(16–35)
Mean age	20.47 (SD = 2.353)
Gender	
Male	122 (43.6%)
Female	156 (55.7%)
Missing system	2 (0.7%)
Race	
Malay/Bumiputera	25 (8.9%)
Chinese	190 (67.9%)
Indians	30 (10.7%)
Other	32 (11.7%)
Missing system	3 (1.1%)
Education	
Diploma	185 (66.1%)
Degree	95 (33.9%)

Procedure

Students were asked to assume that they were offered employment positions in listed three organisations and required to indicate their decisions to accept or decline the job offer. The questionnaires were administered and collected upon completion.

Measurement Instrument

The measurement apparatuses enlisted for this study were entirely derived from Collins' (2007) investigative study. The results of the study quantified through measures in this study included a Demographic Questionnaire and close-ended questions which were devised to measure job seekers' Application Decisions, Product Awareness, Employer Familiarity, Employer Reputation and Job Information. All assessment tools in the study showed good reliability.

Product Awareness

The three-item scale of product awareness was designed to measure the extent to which job seekers in general were familiar with a company's products or services. Respondents were instructed to rate each item on a scale from 1 (strongly disagree) to 5 (strongly agree). This instrument had excellent internal consistency and reliability, with a coefficient alpha of .91. Measure of product awareness collected from student participants was correlated at .77 with the measure of recruiters' perception of product brand visibility, providing some evidence of validity for the measure. Higher scores generated from this scale indicate higher proportions of importance placed on product awareness.

Employer Knowledge

This instrument examines the three dimensions of employer knowledge: employer familiarity, employer reputation and job information. General affective associations and knowledge held by job seekers were assessed with three subscales. Employer familiarity was the first with four-item measures designed to gauge the degree of job seekers' familiarity with the organisation. Employer reputation was measured with four items, which served to evaluate job applicants' favourable impression towards the company. Applicants' knowledge about job attributes of a particular organisation was assessed with eight items. All items in this instrument were retrieved from Collins (2007). Respondents rated items for each measure on a scale of 1 (strongly disagree) to 5 (strongly agree). Each of the subscales showed good reliability (employer familiarity, $\alpha = .92$; employer reputation, $\alpha = .89$; job information, $\alpha = .90$). Higher scores in all subscales indicated a heightened degree of familiarity with the company, enhanced positive image of the company and greater knowledge about the job's characteristics. Taken together, these measures examined the predictive factors of job applicants' employment decisions.

Application Decisions

This instrument measured job seekers' intention to apply. Student participants responded to the questions using a 5-point scale (1 = strongly disagree; 5 = strongly agree). The scale showed good reliability ($\alpha = .91$). The two questions in this measure were: "If I saw a job opening for this organisation, I would apply for it" and "If I were searching for a job, I would apply to this organisation".

RESULTS

Quantitative Analysis

Pearson correlations, standard linear regression and stepwise linear regression were performed to substantiate the hypotheses put forward in this study. The application decisions index functioned as a measure of job seekers' intention to pursue an employment offer at a particular organisation. Product awareness and employer knowledge were established as the principal independent variables in predicting application reactions. Supplementary to this, the three dimensions of employer knowledge served as the predictor variables to determine job seekers' employment decisions. Pearson correlation matrixes were carried out to ascertain the relationship between the proposed variables. Regression analyses were conducted to identify the predictive power of the independent variables. The stepwise regression was consequently performed to verify the predictive ability of employer knowledge variables on affecting job candidates' application decisions. A selection of variables is identified to strengthen the overall predictive ability of the model. These measures provide explanations on the contribution of each predictor variables towards the variance in the dependent variable.

Product Awareness and Application Decisions

To discover the interaction terms between the product awareness and application decisions, a bivariate correlation was conducted. Product awareness was positively correlated with application decisions [$r = .304, p < .01$]. This suggests that students are more likely to apply for a job position in a company when they are relatively familiar with the product or services of the company. See Table 2.

Table 2. Correlation Matrix Depicting Relationships between Product Awareness, Employer Knowledge and Application Decisions

	Application Decisions
Product Awareness	.304 (**)

Note.

** $p < .01$

Employer Knowledge Model and Application Decisions

Bivariate correlation was administered between the employer knowledge model and application decisions. Employer knowledge had a positive impact on application behaviours [$r = .606, p < .01$]. This implies that job seekers are more likely to accept an employment offer if they have greater knowledge about the organisation.

The results of the analysis also showed that there was a significant relationship between the three employer knowledge variables and application decisions: employer

familiarity [$r = .441, p < .01$], employer reputation [$r = .495, p < .01$], and job information [$r = .647, p < .01$]. This illustrates that job candidates, who are aware of a company as a potential employer, have a positive image of the organisation and demonstrate favourable impressions towards the attributes of a particular job; are more likely to consider employment positions of a company. See Table 3.

Table 3. Correlation Matrix Depicting Relationships between the Dimensions of Employer Knowledge and Application Decisions

	Application Decisions
Employer Knowledge	.606 (**)
Employer Familiarity	.441 (**)
Employer Reputation	.495 (**)
Job Information	.647 (**)

Note.

** $p < .01$

Relative Contribution of Employer Knowledge Variables and Application Decisions

A standard multiple regression was conducted to identify the predictive ability of employer knowledge variables in determining students' application decisions. Forty-three percent of the variance in application decisions was accounted for by measures of employer familiarity, employer reputation and job information [$F(3, 276) = 71.504, p < .01$]. Of the three dimensions of employer knowledge, job information had the strongest unique contribution in explaining application decisions. This indicates that job seekers' perception towards the characteristics of a job has significant effects on application decisions.

To find out the unique contribution of the three measures of employer knowledge on application decisions, a stepwise regression was conducted. The analysis of data went through two stages. Firstly, the three variables were regressed on the measure of application decisions. In the second step, a stepwise regression was conducted to ascertain whether a single variable or several variables was a better predictor of application decisions. Two models were examined in the stepwise regression that predicted application decisions. The first model consisted of only job information, and the second model consisted of both job information and employer reputation. Both models were found to have significantly contributed towards predicting application decisions. However, the overall analysis indicated that two variables contributed more towards predicting application decisions as compared with one variable. And thus in the first model, forty-one percent of the variation in application decisions was accounted for by measures of job information [$F(1, 278) = 200.051, p < .01$]. In the second model, forty-three percent of the variation in application decisions was accounted for by measures of job information and employer reputation [$F(2, 277) = 105.723, p < .01$]. The difference in variation between the first model and second model was 1.5 percent [$F \text{ change}(1, 277) = 7.045, p < .01$]. See Table 4, 5 and 6.

Table 4. Summary of Ordinary Least Squares Multiple Regression Analysis for Employer Knowledge Predicting Application Decisions (N = 280)

	<u>B</u>	<u>SE B</u>	β
Employer Knowledge			
Job Information	.189	.021	.531**
Employer Reputation	.076	.043	.112
Employer Familiarity	.056	.038	.087

Note. $R^2 = 0.437$ [$F(3, 276) = 71.504, p < .01$]
 ** $p < .01$

Table 5. Model 1: Summary of Stepwise Multiple Regression Analysis for Employer Knowledge Predicting Application Decisions (N = 280)

	<u>B</u>	<u>SE B</u>	β
Employer Knowledge			
Job Information	.230	.016	.647**

Note. $R^2 = 0.418$ [$F(2, 277) = 105.723, p < .01$]
 ** $p < .01$

Table 6. Model 2: Summary of Stepwise Multiple Regression Analysis for Employer Knowledge Predicting Application Decisions (N = 280)

	<u>B</u>	<u>SE B</u>	β
Employer Knowledge			
Job Information	.196	.020	.552**
Employer Reputation	.104	.039	.153**

Note. $R^2 = 0.433$ [$F(2, 278) = 200.051, p < .01$]
 ** $p < .01$

DISCUSSION

The first objective of this study was to provide a comprehensive scientific examination of the relationships between product awareness and employer knowledge variables as predictors of job pursuit decisions. Meticulous examination in this exhaustive field of recruitment revealed that there were insufficient empirical studies which examined the effects of the employer knowledge construct as proposed by Cable and Turban (2001) (as cited in Collins, 2007). Therefore, the findings in this study assist in validating the employer knowledge model as a framework for examining the factors that influence applicants' decisions during the initial stage of the recruitment.

At odds with previous researches, the findings in this study falsifies the employer knowledge theoretical framework by proposing that a two-variable model that comprises employer reputation and job information would be a better predictor of application behaviours. Forty-three percent of the variation in application decisions was accounted for by measures of job information and employer reputation.

Even though the results of the study indicate that employer familiarity is significantly associated with job pursuit decisions, the meta-analysis shows that employer familiarity may not provide pronounced accountability as a predictor variable in the theoretical construct of employer knowledge. The result illustrates that employer familiarity has a considerably weaker predictive ability in determining applicants' employment decisions in the absence of employer reputation as a predictor variable. This implies that the unique contribution of employer familiarity to application decisions is augmented when it is consolidated with employer reputation as a collective predictor variable. Further research is needed to explore the validity of the employer knowledge model in measuring job seekers' decisions to pursue employment opportunities.

To give light to this important finding, multicollinearity may sufficiently explain this deviating evidence in the examination of the employer knowledge framework. Multicollinearity refers to the event where the predictor variables of employer knowledge are highly correlated with one another (Collins, & Han, 2004). The results from this research suggest that the relationships between recruitment predictors and job choice are neither direct nor fully determined by the integrative model of employer knowledge model in which a given predictor relates to organisational attractiveness, which in turn leads to application decisions. Consequently, future research on application behaviours should include careful simultaneous inspection of the ramifications of multiple actions in the endeavour to understand the actual effects of any one organisational factor.

The findings of the study depict significant relationships between the three dimensions of employer knowledge and application decisions: Employer Familiarity, Employer Reputation, and Job Information. The results of this study suggest that greater familiarity with the recruiting organisation, favourable evaluations of the organisation and increased knowledge about the job's characteristics contribute to the upwards spiral in job candidates' decision to assume an employment offer.

Beyond testing the validity of Cable and Turban's (2001) employer knowledge model (as cited in Collins, 2007), this study also aimed to ascertain which variable in the employer knowledge construct has the most significant effect on organisation or job choice. The meta-analysis of the study clearly indicates that the best predictor variable in determining job seekers' application decisions is job information. As suggested by theory, this is likely because job applicants generally base their employment choices on their evaluation of job attributes or the vacancy factors of the job offer. The result corroborates with the Turban, Eyring, and Champion's (1993) study in which they found that job applicants accept or reject employment positions for a variety of reasons and their employment decisions were contingent upon a non-compensatory decision process in which jobs that do not meet the minimal benchmark for selected attributes are rejected.

Finally, the research examined the effects of product awareness in determining job seekers' application behaviours. The results of the study reveal a significant relationship between product awareness and application decisions. The meta-analysis underscores that

job applicants' familiarity with the products or services of the company will lead to the increase in likelihood that they would pursue an employment offer in the company.

CONCLUSION

Applied to the hospitality and tourism context, it seems that product awareness, employer familiarity, employer reputation and job information should be brought to a focal point in the organisation's image management process. With regards to marketing strategies, the results of this study suggest that organisations should accentuate job and organisational characteristics to potential applicants in order to persuade them to enter the selection process. In essence, the organisational factors presented in this study have shown significant influence on applicants' employment decisions and thus it would be advantageous to consider these elements when developing and constructing the appropriate marketing strategies to attract qualified job seekers.

Recruitment efforts are not always based on a prescribed image audit of what organisational determinants make an organisation appealing to job seekers. Accordingly, it is often an intricate and complex process to sort out the entanglements of organisation characteristics and to precisely pinpoint which determinants an organisation should promote to increase the quality and quantity of the applicant pool. In this respect, the study has key practical implications as the employer knowledge model has provided an insightful perspective into the recruitment practices and job seekers' predisposition in entering the applicant pool.

Assessing application behaviours at the beginning of the recruitment process is undoubtedly important as it allows researchers to examine the rate at which the student develops and matures, which is to some extent determined by job choice. The students' work experiences would serve as the ground for their values and attitudes towards work. Their attitudes and beliefs towards work may transcend the periphery of work itself. Therefore, organisations are able to refine their recruitment strategies by pre-socialising the newcomers in the labour market by examining the organisational factors which may adversely affect job pursuit decisions and in that respect, resolve to curb the detrimental effects of these factors.

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