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Exploring the Role of Employer Brand Equity in the Labour Market:
Differences between Existing Employee and Job Seeker Perceptions

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List of Acronyms

AVE	Average Extracted Variance
EBE	Employer Brand Equity
EFA	Exploratory Factor Analysis
EoC	Employer of Choice
CBBE	Customer-Based Brand Equity
CFA	Confirmatory Factor Analysis
CMV	Common Method Variance
CSR	Corporate Social Responsibility
EBBE	Employee-Based Brand Equity
EBE	Employer Brand Equity
GPA	Grade Point Average
HR	Human Resources
OB	Organisational Behaviour
SEM	Structural Equation Modelling
SET	Social Exchange Theory
SIT	Social Identity Theory
WoM	Word of Mouth

Abstract

In recent years, companies in developed markets have faced challenges in securing and retaining high-quality employees as a result of aging workforces and skills and labour shortages. To address this challenge, some organisations have developed employer branding programs aimed at building employer brand equity (EBE) in the labour market so the organisation will become an employer of choice (EoC). Traditionally, the branding concept has been used for building brand equity in order to acquire and retain customers. The adaptation of this marketing concept to the field of HR management has been widely accepted among scholars and practitioners; however, the effects of EBE in the labour market remain unclear because of a lack of empirical evidence. Employer branding has two audiences—externally it targets potential employees and internally it is directed towards employees. The majority of studies have focused on the external effects of employer branding, which raises the question of whether EBE has the same effect for job seekers and employees. The aim of this study is to provide an understanding of what drives EBE and to what extent it affects job seekers and employees.

The main assumption in employer branding is that employer brands play a similar role to brands in a traditional consumer context. Therefore, this study explored the theory of branding and brand equity in marketing and discussed previous adaptation attempts. As a result, a conceptual model of EBE was developed that incorporated four elements: familiarity with the employer brand, employer brand associations, experience with the employer and employer brand loyalty. Following that, an extensive literature review of employee attraction and retention revealed important factors that influence individuals' perceptions of an employer. Integrating these factors with EBE elements, this study followed a quantitative research approach. Prospective employees took part in a survey that asked them to evaluate a potential employer and report the level of that employer's attractiveness. Further, they were asked to evaluate their current employer and indicate their intention to stay. The data were analysed using structural equation modelling to examine and compare the factors that build EBE for each audience.

The findings provided support for the applicability of the brand equity concept to the employment context and confirmed the measurement of EBE elements on the two samples.

Most importantly, the role of the examined antecedents differed in building EBE between employees and job seekers. While job seekers are influenced by external factors such as corporate reputation and corporate social responsibility (CSR), EBE in an established employment relationship is primarily driven by job content and work context. The study also introduced a typology for managing internal and external EBE that helps HR managers to diagnose and direct employer branding efforts for effective branding in the labour market. In addition, the findings showed some evidence that segmentation of employer branding targets may only work for job seekers.

Statement of Declaration

I certify that this work contains no material which has been accepted for the award of any other degree or diploma in my name in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission in my name for any other degree or diploma in any university or other tertiary institution without the prior approval of the University of Adelaide and where applicable, any partner institution responsible for the joint award of this degree.

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