

***IMPACT OF EMPLOYER ATTRACTIVENESS ON ORGANIZATIONAL COMMITMENT***

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Abstract

Employer attractiveness is the qualities possessed by the employer which are seen as beneficial by the employees for their growth and development. This attractiveness can be attributed as the positives envisioned by the employees whom they will experience if they work for a specific organization. Since IT industry in India is the major industry flourishing in the country, it is imperative to assess the impact of employer attractiveness on organization commitment in the IT sector in India. Herein bivariate correlation and linear regression has been used. The research found all the five factors of employer attractiveness to be positively correlated with organizational commitment. The present research further found that there is significant positive impact of Employer attractiveness on organizational commitment. Out of the considered five factors of employer attractiveness, application value was found to have maximum positive impact on the commitment of the employees towards the organizations.

Keywords: Employer attractiveness, IT sector, Organizational commitment, application value, social value

1. Introduction

Attractiveness can be understood as the extent to which certain features of an organization or a person appeals to others. From here, it can be further stated that employer attractiveness indicates certain attributes of an employer that creates an appeal to the employees (Dassler et al., 2022). Even though the literature on various dimensions of employer attractiveness started emerging a few decades back, the concept emerged as early as the early 20th century. Among the first definitions of employer attractiveness include that of Turban and Greening who emphasized the potential features of the employees to define the term. Equated employer attractiveness with employer brand and other concepts like internal marketing and employer branding (Dassler et al., 2022). In 2015, Van Hoyer and Turban proposed that employer attractiveness is a conglomerate of features of the employer and the employees which must be complementary with each other that are crucial for the employees as well as the organisation in which they work (Jin & Merkebu, 2015). As cited in a study by J. Moen & Woodhouse, (2021), employer attractiveness was defined as “The envisioned profits that a potential employee sees in an employer.

The relationship between employer attractiveness and the organization has been described from various perspectives. For instance, employer attractiveness has been described from the perspective of the employees. In this, employer attractiveness acts as a factor of branding that influences the employees to stay for a longer span in the organization and make productive contributions. In a scenario where the need for acquisition of suitable and skilled employees is rising, employer attractiveness serves as an important catalyst (Dassler et al., 2022). Employer attractiveness is also linked with job satisfaction. When employees find their organization attractive to them, it generates a positive sense among them that they are a part of an organization which they always desired. This enhances organizational belongingness and creates positive impact on the quality of performance of the employees (Mete et al., 2016).

Since IT industry in India is the major industry flourishing in the country; contributed 7.4% towards the GDP of the nation in the financial year 2022. It is also expected that it will contributor 10% to the GDP in the financial year of 2023. Not only it is one of the biggest economic contributors, it is one of the largest employers of the country as well employing 5 million employees in the year 2022 (IBEF, 2023). This makes it imperative to assess the impact of employer attractiveness on organization commitment in the IT sector in India.

2. Literature Review

Importance of Organizational Commitment- Work done in past 5 years

A study conducted by Purwanto *et al* in 2021 indicated that organizational commitment has a positively significant impact on organizational citizenship behavior. Thus, when employees show greater commitment towards their organization, they willingly give their best of performance to meet the organizational goals. Setyorini & Manafe, (2022) conducted a study on the significance of organizational commitment and found out that there is a direct and positive link between organizational commitment and employee performance. Moreover, the study also established a positive link between organizational culture and organizational commitment. When the employees find the organizational culture welcoming for them, their commitment towards it increases (Andrew, 2017; Daniel, F and Purwanti, 2015). They prefer to serve the organization long term and give good service too so that the organization also makes profits. A similar study was conducted on 2022 by Suárez-Albanchez *et al.*, (2022) demonstrate that organizational commitment is a manifestation of the employee's sense of organizational support. When the employees feel that they the organization supports them and looks after their interest, their belongingness to it increases. This in turn reduces their turnover intention. A further study conducted by Silva, Moreira and Mota, (2023) establishes that employee behaviour, employee attitude towards the organization and employee performance are variables that are integrally related to employee relationship with the organization. When the employees are positively committed to their organization they show greater organizational commitment (Guliyev et al., 2019). This creates positive impact on their attitude towards the organization, their organizational behaviour as well as their quality of performance.

Components of Employer Attractiveness

There are five dimensions that determine employer attractiveness among the employees who look for jobs. These dimensions are together known as EmpAt scale. The five dimensions are as follows: social value, development value, interest value, economic value, and application value (Sing et al., 2023). These dimensions have been explained below:

- i. Social value

Social value refers to the social factors of employer attractiveness. These include factors like the working condition, working relationship with the peers and the management, team atmosphere, to name a few. The foundation of this dimension lies in the social exchange theory which states that the social value dimension of employer attractiveness can be classified into tangible and intangible rewards. While tangible value refers to all the social value that the employer provides to the employees in the form of an impartial, pleasurable and supportive working environment, intangible value indicates towards the social value of engagement that the employees return to the employer. This social value of engagement is reflected as organizational commitment and decreased turnover intention among the employees (Ha et al., 2021). Thus, there is a positive link between the social value factors of employer attractiveness like pleasant work environment, a positive team atmosphere and sympathetic and caring relations with colleagues and superiors and organizational commitment among the employees (Lassleben & Hofmann, 2023).

ii. Development value

Development value of employer attractiveness refers to all the factors that give employees the scope to develop within an organization and garner acknowledgement, self-confidence and engagement in them. This variable of employer attractiveness states that the relationship with the employees with their employers are based on the material benefits and social benefits exchanged between them (Ha, Luan and Trung, 2021). The extent to which the employer gives recognition, self-worth, confidence and career-enhancing experience to the employees determines the extent to which it will generate organizational commitment among them (Carvalho, 2018). Thus, when the employer provides employees with development value in the form of career growth opportunities, professional expertise and experience, empowerment and confidence, the employees pay back to the employer in the form of greater organizational commitment (Ha et al., 2021).

iii. Application Value

Ha, Luan and Trung (2021) define application value as the variable that represents the employers who is attracted to an employer, business or organization because it provides to the employees the opportunity “to apply what they have been taught to co-workers in the humanistic and customer-oriented working environment. While explaining the application value through social identity theory, (Todd Donovan et al., 2004) said that individuals show willingness to be a part of a social group that matches with their interests because they find it

compatible with their social identity. This has an influence on their organizational commitment as well as their organizational behaviour (Todd Donovan, Brown and Mowen, (2004); De Vos and Meganck, (2009). Moreover, when the employees find that the application value of the employer is positive for them, they show willingness to share their professional knowledge, expertise and experience with their colleagues (Todd Donovan, Brown and Mowen, (2004).

iv. Interest Value

Interest value is the variable of employer attractiveness which determines how stimulating and interesting the working environment is. Low interest value of an organization operates as a turnoff for the employees. It influences them to leave the employer and switch over to a new employer (Reis et al., 2017). There are various factors that determine the interest value of the employer like innovation, quality of products and services, work practices, etc. These factors operate as signals that help employees in deciding which whether the employer is attractive for them or not (Jonatan Moen & Woodhouse, 2021). Therefore, a job that is challenging and inspiring, involves innovative working practices and features a work environment that encourages creativity and innovation generates greater organizational commitment (Barbaros, 2020).

v. Economic Value

Economic value indicates towards the economic attractiveness of the employer which influences the level of attractiveness of the employees towards it. If the employer offers economic benefits like wages, salary, other competitive benefits and bonus packages that are in compliance with the needs of the employees, it positively influences the retention rate of the employees (Nurlaila, 2022). This variable is dependent upon the value exchange theory which proposes that the value exchange between the employer and the employee becomes positive when each of the parties involved believes in this fair and reasonable exchange. The economic value of employer attractiveness also determines the nature of relationship between the employee and the employer, and is based on two important elements, namely, exchange content and exchange process. While on one hand the employees contribute their best to the employer to receive economic benefits, on the other hand, their effectiveness and capacity of performance determines organizational effectiveness (Ha et al., 2021).

Identified Gap

It can be inferred from above discussion that though employer attractiveness is a new term, its existence is many decades old. It possesses importance both for the employees and employers. Looking at the importance it possesses, not much research has been conducted in this direction. Whatever sparse literature is available, the focus on Indian sub continent has been null. Thus, the present research will bridge this gap and will provide some enlightenment on the research topic while focusing on IT industry in India.

3. Research Methodology

The population of the research comprises of managerial level employees working in various IT companies in the Delhi NCR region. Snowball sampling has been used. Standard scales have been used for data collection. These are as follows-

Scale	Reference
Organizational Commitment	(Porter et al., 1974)
Employer attractiveness	(Berthon et al., 2005)

A total of 350 questionnaires were circulated out of which 269 usable responses were received. This makes the response rate for the research to be 85%. Hypothesis testing has been conducted in the research.

Herein, bivariate correlation and linear regression has been used for hypothesis testing..

4. Data Analysis and Discussion

Before assessing the impact, it is important to assess the relation between organizational commitment and employer attractiveness. For assessing the relation, bivariate correlation analysis has been conducted below:

Organizational Commitment						
	Organizational Commitment	Interest Value	Social Value	Economic Value	Development Value	Application Value

Pearson Correlation	1	.707**	.632**	.834**	.808**	.880**
Sig. (2-tailed)		.000	.000	.000	.000	.000
N	269	269	269	269	269	269
**. Correlation is significant at the 0.01 level (2-tailed).						

Table 1: Correlation Analysis between organizational commitment and employer attractiveness

It can be inferred from Table 1 that all the values of employer attractiveness hold statistically significant relationship with organizational commitment as the significance value of all values is 0.000 (<0.05). Further the strongest relationship can be observed to exist between Application value and Organizational commitment with highest Pearson correlation value of 0.880. When the employees are given opportunities to apply their knowledge, they get a feeling of acceptance from the organization. This increases their commitment towards the organization.

Similarly, when the employees are able to cascade their knowledge further to the new joiners, it gives the employees a feeling of being important for the organization and belongingness towards the organization.

In a research conducted by Curado & Vieira, (2019), it was found that when the employees are allowed to implement and share their knowledge, they develop a sense of belongings. This sense then leads to increased levels of organization commitment. This finding supports the finding of the present research.

Moving on to assessment of impact of employer attractiveness on organizational commitment, regression analysis has been conducted as below. Since all the factors of employer attractiveness were found to be significant in correlation analysis, all these variables will be included in regression analysis.

The null and alternate hypotheses are as follows:

H₀1: There is no significant positive impact of Employer attractiveness on organizational commitment.

H_A1: There is significant positive impact of Employer attractiveness on organizational commitment.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
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1	.921 ^a	.848	.845	.299
a. Predictors: (Constant), Application Value, Social Value, Interest Value, Development Value, Economic Value				
b. Dependent Variable: Organizational Commitment				

Table 2: Model Summary

It can be inferred from Table 2 that the value of R Square is 0.848 which means that 84.8% of the changes that happen in organizational commitment can be attributed to the values of Employer attractiveness.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	130.665	5	26.133	292.863	.000 ^b
	Residual	23.468	263	.089		
	Total	154.134	268			
a. Dependent Variable: Organizational Commitment						
b. Predictors: (Constant), Application Value, Social Value, Interest Value, Development Value, Economic Value						

Table 3: ANOVA Table

The small F value (292.863) of the regression model defined in Table 3, indicates towards the collected data to favour alternate hypothesis (H_{A1}). Further the significance value of 0.000 (<0.05) obtained states the rejection of null hypothesis (H_{01}). Thus, it can be stated that there is significant positive impact of Employer attractiveness on organizational commitment.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.110	.123		-.894	.372
	Interest Value	.164	.035	.154	4.634	.000
	Social Value	.104	.027	.122	3.845	.000

Economic Value	.222	.045	.231	4.903	.000
Development Value	.173	.041	.184	4.242	.000
Application Value	.356	.051	.364	6.961	.000
a. Dependent Variable: Organizational Commitment					

Table 4: Coefficient Table

It can be inferred from Table 4 that all the factors of Employer attractiveness considered in the present research are statistically significant in the model with significance value 0.000. Thus, all these factors (Interest, Social, Economic, Development and Application) have an impact on organizational commitment.

The maximum impact was found to be contributed by Application value on organizational commitment which was also seen in the Correlation Analysis in the present research. This is because when Application value is changed by 1 unit, organizational commitment is changed by .356 units which is the maximum change experienced by organizational change in the present regression model. Further, beta value of 0.364 states a change of 1 unit of standard deviation in Application value leads to increase of 0.364 units of standard deviation in organizational commitment.

Bakker & Schaufeli, (2018) suggests that positive organizational behaviour that promotes employee participation, knowledge sharing and allows the employees to reinforce their on the job learning enhances the employees' commitment towards the organization. The feeling of acceptance, belongingness, ownership and motivation in the work environment are such positive traits that promote employees' loyalty towards its organization.

Fazel-e-Hasan et al., (2019) states that employees' commitment towards the organization is increased when employees have a positive deviance towards the problem they are facing within the organization. This happens when the employee is allowed to take the ownership of the solution they provide. In such environment employees are free to use their knowledge for problem solving. So, the researcher suggests building a strong employee-organization relationship.

In the same direction, Japor, (2021) suggests that organizational career growth is very important to have a good employee-employer relationship. This career growth should include on the job learning and applying the learning to gain practical experience. Such experience improves the performance of the employees, makes them more confident and increases their loyalty towards the organization. This in turn improves the employees' attractiveness towards organizational

commitment. This means that the employees should be able to use the knowledge they have gained into practical applications and should also be able to transfer their knowledge to others.

The second largest impact was found to be made by Economic value on organizational commitment. This is because when Economic value is changed by 1 unit, organizational commitment is changed by 0.222 units which is the second highest change experienced by organizational change in the present regression model. Further, beta value of 0.231 states a change of 1 unit standard deviation in Economic value leads to increase of 0.231 units of standard deviation in organizational commitment.

Adeoye & Fields, (2014) states that compensation management plays an important role in increasing employer attractiveness; leading to increased organizational commitment. Since, a good compensation gives the employees a feeling of satisfaction towards the individual's job commitments and performance.

The minimum impact was found to be contributed by Social value on organizational commitment. This is because when Social value is changed by 1 unit, organizational commitment is changed by 0.104 units which is the minimum change experienced by organizational change in the present regression model. Further, beta value of 0.122 states a change of 1 unit standard deviation in Social value leads to increase of 0.122 units of standard deviation in organizational commitment.

This means that the Application of knowledge has maximum positive impact on organizational commitment of the employees when compared with social value. Thus, it can be stated that in IT industry, personal learning is more important than establishing friendly environment in the organization. When compared to other growth related factors, in long term, such attitude can contribute to increase in stress and burnout. As reported by Bhattacharyya & Sarkar, (2021), in India 36% of the OT employees are suffering from declining mental health, 32% are lacking career motivation and 31% of the employees are feeling disconnected from their own lives

5. Conclusion

Employer attractiveness is the qualities possessed by the employer which are seen as beneficial by the employees for their growth and development. This attractiveness can be attributed as the positives envisioned by the employees whom they will experience if they work for a specific organization. In return, employer attractiveness facilitates in developing positive association with the employees. In this direction, the present research found that there is significant positive impact of Employer attractiveness on organizational commitment. The more is the attractiveness of the employer, the more the employees will be committed to the organization. Out of the considered five factors of employer attractiveness, application value was found to have

maximum positive impact on the commitment of the employees towards the organizations. When the employees are allowed to apply their learning on the job, their organizational commitment increases. On the other hand, social value was found to have minimum impact on the employee commitment in comparison to other factors like Application Value, Interest Value, Development Value, and Economic Value. This point towards the fact that associating with other colleagues or establishing a friendly work importance has lesser importance for the IT employees in India. When compared to other growth related factors, in long term, such attitude can contribute to increase in stress and burnout.

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