



**Szent Istvan University**

**Theses of PhD dissertation**

**THE IMPORTANCE OF EMPLOYER BRANDING  
IN THE DEVELOPMENT OF HUMAN RESOURCE  
MANAGEMENT**

**Brigitta Chovan**

**Gödöllő  
2019**

**Title of Doctoral**

**School:**           **Doctoral School of Management and Business Administration**

**Discipline:**    Business and Organizational Sciences

**Mentor:**       **Dr. habil. Zoltán Lakner DSc.**

University professor, doctor of the Hungarian Academy of  
Sciences  
Szent Istvan University  
Faculty of Food Science  
Department of Food Economics

**Supervisor:** **Dr. habil. József Poór DSc.**

University professor, doctor of the Hungarian Academy of  
Sciences  
Szent Istvan University  
Faculty of Economics and Social Sciences  
Institute of Social Sciences and Teacher Training

.....  
Approval of principal

.....  
Approval of supervisor

## **TABLE OF CONTENTS**

<b>1.</b>	<b>INTRODUCTION.....</b>	<b>4</b>
	1.1. Topicality and significance of the topic choice, structuring results.....	4
	1.2. Antecedent of this work and goals of research .....	7
<b>2.</b>	<b>MATERIALS AND METHODS .....</b>	<b>9</b>
	2.1. Presenting the method of data collection .....	9
	2.2. Description of the applied data analysis method.....	10
<b>3.</b>	<b>RESULTS .....</b>	<b>11</b>
	3.1. Significant competitiveness success factors identified to increase corporate efficiency.....	12
	3.2. Examination of hypotheses .....	15
	3.3. Examination of new scientific results .....	21
	3.4. New and innovative scientific results .....	24
<b>4.</b>	<b>CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>25</b>
<b>5.</b>	<b>MAIN PUBLICATIONS RELATED TO THE TOPIC OF THE DISSERTATION.....</b>	<b>31</b>

## **1. INTRODUCTION**

---

In the current economic climate globalization poses challenges for companies, and the number of professionals aiming to develop strategies and models - that will result in organizations gaining success in the turbulent economic competition - has increased. Of course, as a corporate leader this issue is of major concern to me and for this reason I have been researching the importance of Human Resource Management (HRM) and especially the Employer Brand (EB) to ensure competitiveness. The constant changes - that we experience in both our external and internal environments - have a significant impact on competitiveness through corporate culture, methods of employee-related engagements and applied styles of leadership.

### **1.1. Topicality and significance of the topic choice, structuring results**

In this rapidly changing business environment companies can become more competitive and efficient by developing their corporate strategy, including HRM strategy, to become sufficiently attractive to retain present employees and to attract new, talented workforce from the labor market. We need to keep up with these changes, the transformation of HRM is required so that we can contribute to the creation of corporate value with a new approach. In addition to my experience, my research also confirms that this is best supported in the context of employer branding (EB). The significant importance of EB is increasingly recognized by multinational companies as well as by small and medium-sized enterprises, and its role is gradually gaining ground in the proper management of critical labor market demands.

In my doctoral dissertation I have chosen the title “The Importance of Employer Branding in the Development of Human Resource Management” and during my research I examine the significance and possibilities of EB in ensuring competitiveness. This is also important in order to be able to formulate flexible,

constantly changing capabilities, strategic actions, new trends and systems in response to rapidly changing market demands, reactions to economic conditions, and the struggle to retain workforce, while at the same time focusing on reputation as an employer brand shown to market players to not be damaged. Beyond production processes, these new concepts and methods are gaining ground in other fields of science, opening new perspectives for management sciences, especially HRM. Competitive companies are expanding around the world where they have access to talented workers. In other words, not only Western markets, but the entire business world can be a market for them, globalization has opened new fields in all directions. An Employer Brand research organized by Randstad in 2017 also revealed that companies can recruit with more successful outcome if their employer brand is strong and is continuously being developed. As a result, fluctuation can be reduced by up to 28% and recruitment costs can be reduced by 46% (Cavusgil et al. 2008).

The previously over-prevalent supply predominance has reversed, with the lack of a "good workforce" of strategic importance in all industries, and an increasingly intense and fierce competition has appeared for suitably qualified staff. My scientific work contributes to the development of the theory, and to the education of HRM it introduces an innovative, practice-oriented, new approach to EB.

In my research, I am looking for the answer to which HRM trend is most supportive of opportunities to increase corporate efficiency, and what new, pragmatic contexts, paradigms, and approaches to HR literature and practice are needed to be successful and competitive.

I present my research work in connection with my doctoral dissertation in table 1.

**The importance of Employer Branding in the development of Human Resource Management**

*Table 1.: Purpose of the doctoral dissertation, systematization of its questions and hypotheses and its results*

<b>Aims</b>	<b>Questions and Hypotheses</b>	<b>Methods</b>	<b>Results</b>
A1: To determine significant competitiveness factors based on employment strengths in order to increase corporate efficiency.	Q1: Which HRM trend characteristics and results tend to contribute most to increasing corporate efficiency in context of employer branding	Analysis of literature, comparison of own and other researches.	To formulate a new trend in human resource management.
	H1: A) I assume that for an automotive supplier company, corporate efficiency can be best increased by having an HR strategy, objective leadership behavior and appropriate open communication.	Multivariate Analysis of Variance (MANOVA), paired sample t-test.	New scientific approach to Employer Branding
	H1: B) By small and medium enterprises - due to a more direct relationship - the humane treatment from managers side more appears and also it is easier for managers to measure employee performance by objective indicators, which can increase corporate competitiveness.	I tested my hypothesis with the Spearman rank correlation coefficient.	
A2: Following extensive literature research, I aim to conceptualize the concept, purpose and tasks of employer branding in order to retain and attract talent.	Q2: What are the key success factors that can be identified to conceptualize employer branding?	Application of multivariate factor analysis.	Success factors for increasing corporate efficiency.
	H2: Employee engagement, retention power changes with age, young, middle-aged and older people can be motivated differently by financials, team spirit, corporate branding and career.	Cross-table analysis with chi-square test, Gamma coefficient.	
	H3: There is a significant relationship between recommending an employer to friends and the external perception and employer brand of the company identified as a company strength.	Pearson's linear correlation coefficient.	Developing the concept and framework of EB.
A3: Development of Best Practice of EB.	Q3: Why is employer branding a key factor for a company?	Application of multivariate factor analysis, investigation of the value of factors.	EB Best Practices: 1) Types of work organization
	H4: I assume that there is a correlation between what employees think about the reasons of their colleagues leaving and what causes them to leave the company.	For testing I used the linear correlation coefficient.	2) Employment trends 3) Applying the NPS
	H5: I assume that there are differences between managerial opinion and subordinate opinions among the rankings of the 3 categories that most strengthen the employer brand.	Categories were measured with a binary variable, testing with a cross table and a chi-square test.	4) Global HR Trends 2020
	H6: I assume that in the different countries examined in the sample there are differences between the rankings of the categories that the employees ranked as important in the top 3 when selecting new potential jobs.	I tested the hypothesis with a non-parametric Kruskal-Wallis test.	Proven in 5 cases, partly in 2 cases.

*Source: Own research, 2019*

## **1.2. Antecedent of this work and goals of research**

With the significant presence of globalization, our labor market expansion in Europe has begun. In the few years following the financial crisis, many researchers have been looking for answers and existing solutions to the economic challenges. EB, as the subject of my research is an issue that is becoming more and more important today in order to ensure the competitiveness of companies by attracting, developing and retaining the right workforce and as a possibility, dismissal handled properly. For almost 20 years I have been working as an HR leader in multinational companies in various industries and I have been able to create value. For several years now, I have been researching the possibilities of increasing the efficiency and competitiveness of a company as these factors ensure the future of a company in the tough market conditions.

The results of my work in **2013** – Reorganization, Outplacement for Competitiveness (Chovan, 2013) – contributed to this thesis as the research antecedents in many aspects:

- ✓ I conceptualized the concept of a competitive company, defining its focus areas.
- ✓ I defined successful HR management competencies and created the best HR practices and the process model to support reorganization.

In **2015**, as one of the coordinators of the survey research titled "The Impact of the Crisis and Recovery on Employment and Employment Forms" I have produced several national and international publications in English (Chovan et al. 2017). 141 domestic companies participated in the investigation.

- ✓ I have created an attractive employer model that provides structure for an employer branding strategy.
- ✓ It has been proven that the NPS (Net Promoter System) measurements can be successfully used to measure employee satisfaction.

I explored the role of employer branding to reduce fluctuation in **2018**. The company employed more than 2500 people during the period of examination.

- ✓ My results confirmed the relevance of the marketing-based approach of HRM.

The presented research antecedents confirmed the need to conduct exploratory research by examining the results of the employee satisfaction and opinion questionnaire I have compiled on the basis of a defined research plan.

Figure 1 illustrates the central role of employer branding mentioned in connection with HRM and the enhancement of corporate efficiency through Best Practice.

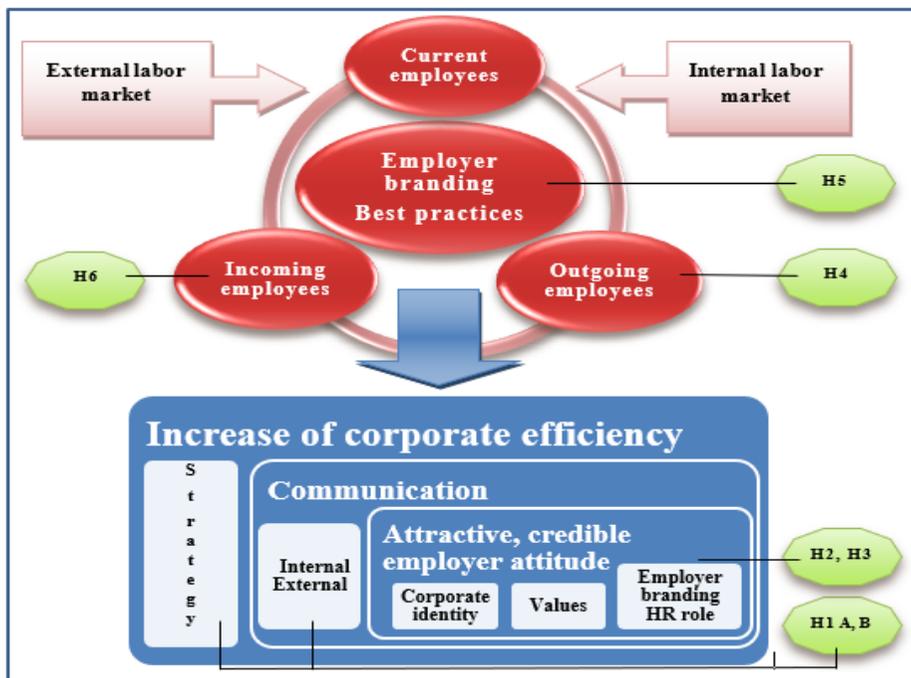


Figure 1: The importance of employer branding - a comprehensive research model

Source: Own research, 2019

In my model of research, I investigate the impact of the application of EB best practices to increase corporate efficiency and present the causal relationships in my hypotheses. The new approach of EB is considered a new scientific achievement, which focuses not only on potential and current employees, but also on the employees leaving the company for any reason, the importance of the redundant behavior and humane dismissal, as the outgoing colleagues are spreading their opinion on the company widely with the opportunities offered by our digitalized world.

## **2. MATERIALS AND METHODS**

---

According to Minchington (2010), one of the renowned researchers in the field, EB provides relevant base for conclusions about the current employees and potential candidates in the external market in terms of organizational identity, culture. HR managers play a key role in raising employee awareness in the context of strengthening and developing EB. Particularly because employees contribute to the success of the company through their actions, behaviors and attitudes, owners appreciate this contribution through rising salaries and other benefits, triggering employee motivation, retaining current outstanding employees, and attracting future talented employees. As an HR specialist, I seek answers to the questions of my PhD research on how corporate productivity and competitiveness can be enhanced through EB, as a recent discipline with a limited body of literature and empirical research results, and the best practices it brings together.

### **2.1. Presenting the method of data collection**

My research can be qualified as exploratory, since the scientific research of the topic - especially in Hungary - is in its infancy. Based on Babbie's guidelines (2003) for non-random sampling, I chose the snowball method. My research may not be representative, but its significance is demonstrated by the fact that an international comparison is possible by the fact that among the 535 valid answers, Hungarian (57%), German (22%), Slovakian (19%) and employees of other nationalities (2%) responded and formed an opinion. I created my employee satisfaction / opinion questionnaire to assess their job satisfaction, their experience in connection with their job title and the strengths of employment.

The pilot test of the questionnaire took place at the beginning of 2019 involving 6 people. The content of the questionnaire was not modified, only its scope. There were two months to complete it from 2nd July 2019 to 4th September 2019. The survey was anonymous and voluntary and took approximately 10 minutes. The electronically distributed questionnaire contained 25 subject-specific, direct and closed-ended questions of statistical data, job recommendations, preferences,

organizational satisfaction, opinion formation, using mainly nominal and metric (interval) scales (Sajtos – Mitev 2007). Most of my questionnaire consisted of "Likert scale type" questions. I created the scale type using the Score of the NPS Management Philosophy (Markey – Reichheld 2011) developed in 2003. Responses were made on a scale of 0 to 10, with 0 representing "not at all recommended" and 10 representing "highly recommendable".

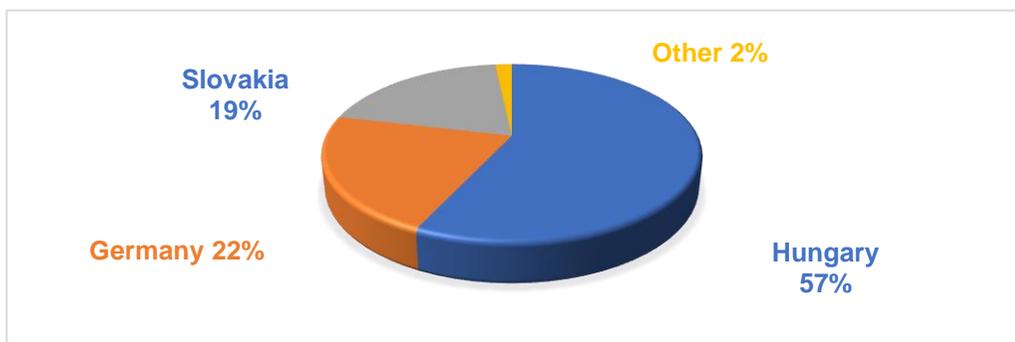
## **2.2. Description of the applied data analysis method**

During the analysis I used descriptive statistics to present the distributions, mean values and standard deviations. Before comparing the means and examining the relationships I tested the normality of the variables with the Kolmogorov-Smirnov test so that I can clearly decide whether to use a parametric or non-parametric test. The decision was always based on the magnitude of the significance value, if it reached 5% then I accepted the presence of normality by accepting the null hypothesis, while below 5% I rejected the null hypothesis and did not assume the presence of normality. The t-test is used to compare the expected values of independent subsets and compares the two means, taking into account their deviation. If more than two independent subsets were to be compared I used the analysis of variance (ANOVA). In my doctoral dissertation I used Varimax rotation because it is based on maximizing variances and produces perpendicular, that is uncorrelated factors. The consistency of the variables assigned to each factor was measured by the Cronbach-alpha index, which has an acceptable internal consistency above 0,7. The methods used to answer the individual questions and hypotheses are listed in Table 1.

The tests were performed with SPSS software version 25 (Sajtos – Mitev 2007).

### 3. RESULTS

The purpose of the survey on EB was to provide a more detailed insight into employee satisfaction with their workplace, the attributes that are considered the best qualities by employees, which can provide a basis for success criteria for increasing corporate efficiency, and for compiling good practices for EB. I have measured company satisfaction across many dimensions, such as the strengths of employment in the organization, the reasons for leaving the organization, the relationship with the employee's manager, the motivation factors for staying in the company, and the most important characteristics of choosing a potential job. As for the presentation of descriptive statistics among the 535 respondents, slightly more men (298) than women (237) participated. I have extended my research to an international level in order to base my goals set on global results. The distribution by place of residence is shown in Figure 2.



*Figure 2: The distribution by place of residence  
Source: Own research, 2019*

As one of the central topics of my dissertation is the examination of the characteristics of the automotive industry, I also analyzed the corporate sector employing the employee separately. The automotive industry has a 43% share (230 respondents), while the remaining 57% is shared by 19 other sectors. The number of respondents is well represented to support or refute the hypotheses of my PhD dissertation. The opinion of the respondents in the automotive sector also help to conduct effective investigations to increase efficiency.

### 3.1. Significant competitiveness success factors identified to increase corporate efficiency

According to Bakacsi and his co-authors (2006), in case employees are satisfied they also contribute to increasing the competitiveness of the company by making their presence more balanced in their work, i.e. reducing absenteeism, sickness and ultimately fluctuation, resulting in a reduction in direct labor costs.

In order to determine the success factors of competitiveness, using the knowledge of the literature research and question 14 of my research questionnaire, I listed the 37 titles / categories shown in Table 2, where I asked respondents to evaluate whether the name / category is representative of the company they work for on a scale of zero to 10. This question shows the role that each category plays in the reputation of the workplace in terms of competitiveness. Considering the large number of categories, I have grouped them for easier elaboration (Malhotra 2001) based on factor analysis and used these factors in order to create new scientific results in my research. The communalities of the variables, i.e. the extent to which they are explained by the factors, are detailed in Table 2. All variables can be easily supported, which also confirms the success of factor analysis.

Table 2: Communalities of variables involved in factor analysis

Category	Communality	Category	Communality
Stability of employment	0.590	Professional recognition	0.805
Communication of goals and clear vision	0.676	Clear workflow and responsibilities	0.592
Corporate culture	0.758	Learning from leaders	0.758
Corporate values	0.802	Training opportunities – Training center	0.832
External reputation of the company, EB	0.695	Training opportune.s at work	0.801
Senior management attitude, corporate policies	0.805	Information flow	0.762
Behavior of shift managers / middle managers	0.760	Opportunity for open and honest conversations	0.800
Behavior of group leaders / immediate manager	0.844	Humane treatment/behavior	0.751
Collaboration with immediate supervisor and/or shift and group leader	0.834	Way of communication	0.789

The importance of Employer Branding in the development of Human Resource Management

Collaboration with a supervisor (senior manager)	0.723	The ideas and opinions of employees are taken into consideration	0.710
Performance-enhancing leadership style	0.748	High quality product	0.574
Performance is measured by objective indicators	0.679	Competitive salary	0.682
Cooperation between departments is efficient	0.729	Motivating system	0.793
The direct manager gives regular opinions and feedback	0.717	Company events	0.700
Working conditions	0.638	Health program	0.736
Type of work	0.703	Company is able to keep its best employees	0.818
Opportunity for development	0.750	Security requirements	0.669
Opportunity for promotion	0.675	Work-life balance	0.578

*Source: Own research, 2019*

The factor analysis fit indicators of the statistics showed extremely good results with a KMO value of 0,969; Bartlett test chi-square value is 20112,97 (p <0,001). The KMO value is acceptable above 0,6, above 0,7 the model is already good, and above 0,9 an excellent fit is reported. As a result – in Table 3 - I have identified five success factors that provide a scientific basis for defining the concept of EB and for the success factors of increasing corporate efficiency.

*Table 3: Success factors determined by employment strengths*

<b>1. factor</b>	<b>Strategic corporate operation</b>
<b>2. factor</b>	<b>Attractive atmosphere, corporate culture</b>
<b>3. factor</b>	<b>Relationship with management</b>
<b>4. factor</b>	<b>Allowances, quality</b>
<b>5. factor</b>	<b>Learning and development</b>

*Source: Own research, 2019*

In the factor analysis the principal component method (Principal Component Analysis) was used to reduce the number of factors, which consists in selecting those factors that explain most of the variances (Table 4).

*Table 4: Total explained variance in the initial and rotated factor structure*

Factor	Initial eigenvalue			Eigenvalues of rotated factors		
	Total	Variance %	Cumulative %	Total	Variance %	Cumulative %
1	20.677	57.437	57.437	8.829	24.525	24.525
2	1.766	4.904	62.341	7.299	20.275	44.800

The importance of Employer Branding in the development of Human Resource Management

3	1.678	4.661	67.002	4.153	11.536	56.336
4	1.150	3.194	70.196	4.111	11.420	67.756
5	1.002	2.783	72.980	1.880	5.224	72.980

Source: Own research, 2019

It can be stated that the variables included in the study are well suited for performing factor analysis. The total explained variance is 72,98%, which is more than the 60% generally accepted rule of thumb, therefore the resulting factors adequately explain the variance of the variables included in the analysis. The first factor includes categories that can influence the success of the company as employees meet them on a daily basis. This factor is supposed to measure the impacts a worker receives during his work. The second factor - attractive atmosphere and corporate culture - does not focus on practical, everyday impressions, but rather on general feelings. It seeks to capture the feelings of the employee in the workplace, even in the long run. The third factor is to measure managerial behavior and the employees' relationships with their managers. Leadership style is determined by the ability of the leader to "influence" the work to inspire and keep it under control. Factor 4 answers whether the employee feels that the benefits they receive are sufficient and motivating, and whether they consider the workplace high-quality. The last factor, learning and development, includes two variables, both related to training. One of them measures the trainings completed at the training center and the other during work. Obermayer (2019) emphasized in his treatise that the transfer and sharing of acquired knowledge is essential in order to ensure the profitability of innovative new ideas and business opportunities to provide further perspectives for companies. Development plays an important role in the future of the workforce and due to the spread of automation technologies and robots, it is necessary to acquire new competencies besides human skills in a data and information-driven society.

The questionnaire study provided many new and novel results. With the help of factor analysis made it possible to organize into groups and further analyze the categories that are characteristic of strengths for companies. Outside the automotive industry, the company's strategic operation and relationship with its leaders are

considered its strengths, while in the automotive industry, benefits, standards, learning and development are more important. So when can a company be considered competitive based on the strengths of employment?

A company can acquire and maintain a long-term competitive advantage through a set of 5 competitiveness factors if it responds proactively to both external and internal environmental challenges. It uses innovative strategies and methods to maintain the corporate operation, atmosphere and culture, and continuously develops its human resources by providing learning and development, focuses on maintaining balanced relationships with employees and executives, and provides high quality and benefits.

## **3.2. Examination of hypotheses**

In addition to the results of my qualitative research, I ensured my secondary data collection through literature research and analysis of company materials available during my work experience, from my point of view the combination of these methods provides a reliable picture to answer my hypotheses and to develop best practices in employer branding as a result of the research.

### **3.2.1. Which HRM trend characteristics and results tend to contribute most to increasing corporate efficiency in the context of employer branding?**

The most important factor influencing efficiency is the employee, through EB actions of the HR strategy pillar - with objective management behavior and excellent communication – it has to be achieved that employees create value.

Hypothesis  
1. A)

**•I assume that for an automotive supplier company, corporate efficiency can be best increased by having an HR strategy, objective leadership behaviour and appropriate open communication.**

In order to answer my hypothesis, I first examined whether there is a significant difference between the statements of the different groups with the help of multivariate analysis of variance (MANOVA). The method was chosen because the standard deviation of the pairwise differences of the variables included in the study is significantly different based on the Mauchly's test (Mauchly's  $W = 0.499$ ,  $\chi^2 =$

157.769,  $p < 0.001$ ). The four tests used in the study gave the same result: the average of the responses to all six statements is significantly different, as shown in Table 5.

*Table 5.: How the opinion of the employees of the automobile industry coincides with the statements*

Code	Statements	Sample	Average	Deviation
k_21_2	A strong and respected employer brand contributes to the company retaining talented and good employees.	230	7.15	2,500
k_21_1	An attractive corporate culture promotes employee retention.	230	7.60	2,233
k_21_5	Corporate performance can be raised through attractive, credible employer behavior and encouraging corporate values.	230	7.83	1,900
k_21_3	Attractive, credible employer behavior contributes to recruiting new employees.	230	7.93	1,853
k_21_4	Corporate efficiency can be improved by appropriate open communication.	230	8.15	1,794
k_21_6	Humane, objective leadership can achieve higher performance.	230	8.59	1,715

*Source: Own research, 2019*

It is clearly visible by respondents that humane, objective leadership can lead to higher performance and corporate efficiency can be increased through appropriate open communication. Employees create added value through appropriate allocation to achieve corporate goals, in which the role of senior management is significant, the objective leadership attitude and the appropriate open communication. The average agreement scores for the two statements highlighted (8.15 and 8.59) are higher than the average score for all other statements based on column 2 of Table 5.

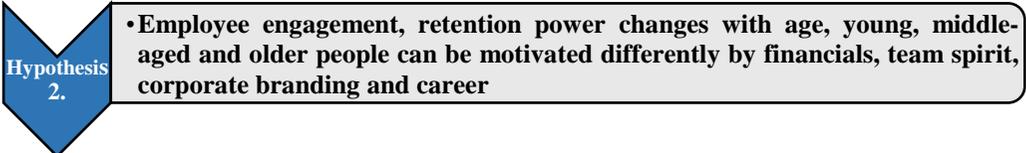
**The averages of the two factors formulated in my hypothesis are the highest and this is also a significant difference, therefore my hypothesis is proved to be true.**

In order to answer my research question, the literature, factor analysis and H1 A, B hypotheses confirmed that the characteristics of previous HRM trends are very important, but that companies can become more competitive in the 21st century challenges if they make the EB strategy even more pronounced, which necessitates

the formulation of a new trend for the HRM. The potential new trend is called Employer Branded HR Management, represented by Employer Branding HR Manager.

### **3.2.2. What are the key success factors that can be identified to conceptualize employer branding?**

Deloitte's (2019) research findings show a shift in pay and benefits, with 11% of respondents believing that current systems are in line with employee expectations.



**Hypothesis 2.**

- Employee engagement, retention power changes with age, young, middle-aged and older people can be motivated differently by financials, team spirit, corporate branding and career

To examine the hypothesis, I made a cross-table analysis for the four motivational factors and examined the relationship between the two criteria with the chi-square test and the Gamma coefficient and its significance. Only the chi-square test was significant, the gamma index not, which means that the relationship is not one-way, so employees are motivated in different age group differently by the external and internal perceptions of the company, their employer brand.

The external / internal perception of the company and its employer brand are the most motivating factors for the older age group, moreover, it appears as an above-average (17.76%) motivation factor in the 26-35 age group. Since there is no significant correlation with age in the first three of the four motivational factors, it can be stated that all age groups feel the same level of motivation in the given area. However, in the case of the fourth motivational factor (external / internal judgment of the company, motivated by EB), the relationship with age is significant and positive. So there is a correlation between the perception of the company and EB as strength of motivation factor with age, so the older one is, the more motivated they are by the perception of the company and its EB. Out of the four motivational factors included in my hypothesis, only the external / internal judgment of the company and its employer brand show a significant correlation with the age group, so my hypothesis is only partially justified.

Hypothesis  
3.

- There is a significant relationship between recommending an employer to friends and the external perception and employer brand of the company identified as a company strength.

The hypothesis was tested by Pearson's linear correlation coefficient. The strengths of the company and the likelihood of recommending the employer to friends and acquaintances showed a significant relationship, so my research is consistent with Deloitte's results, with 47% of respondents saying they would recommend their workplace to their friends and acquaintances, which means they are satisfied with the company. For my new scientific result an important conclusion can be reached if we look at the strengths shown the strongest relationship: *If senior management transmits appropriate policies to the employees that are based on values that are considered acceptable by employees, communicates it properly, in a sympathetic corporate culture, and successfully retains its best people, they can expect employees to take steps to attract their friends and acquaintances to the company.* It can be said that the hypothesis has been confirmed, both the individual categories and the factors have a positive significant correlation with the recommendation of the company to their friends, acquaintances or not.

Based on my research in the literature and the examination of my hypothesis, I defined the concept and purpose of EB, which is described in Section 3.3. The new scientific result of my statement is also confirmed by the fact that neither the literature nor the experts in the economic sphere have defined this approach so far.

### 3.2.3. Why is employer branding a key factor for a company?

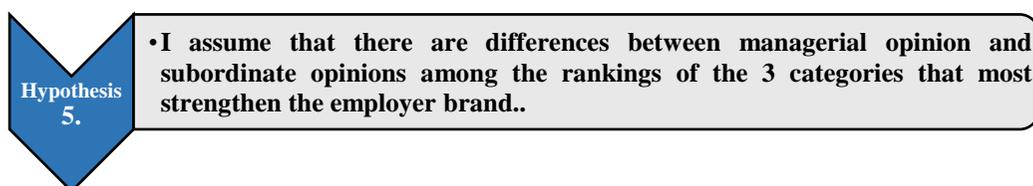
Getting information through friends and colleagues cannot be ignored in a company. It is part of the employer's brand, any information or message carries the promise of value, what the stakeholders think about the company.

Hypothesis  
4.

- I assume that there is a correlation between what employees think about the reasons of their colleagues leaving and what causes them to leave the company

The hypothesis was tested with a linear correlation coefficient, since variables measured on an 11-degree scale are already assumed to be linear. For all reasons, I found a significant positive relationship, with a moderate (0.572) to strong (0.780) relationship.

As all relationships are positive, we can say for all that there is a high degree of similarity between the employees' perceived and their own reasons for termination. Based on the results it can be stated that the hypothesis has been proved. This research result is emphatic because it corroborates the practice of reducing company fluctuation by managing the outgoing colleagues root causes for leaving given in exit interviews in an appropriate way.



**Hypothesis 5.**

- I assume that there are differences between managerial opinion and subordinate opinions among the rankings of the 3 categories that most strengthen the employer brand..

For the purpose of examining the hypothesis, based on respondents' opinion I first prepared the rankings of the factors that most strengthen the employer's brand in order to become an attractive company. It was found that the first place in the ranking was the competitive salary and benefits package, followed by ensuring a proper work-life balance, and the third place to ensure learning and development. I used the binary variable to measure the categories that most strengthen the employer's brand, so the answers to the statements were either "yes" or "no". The job variable may have been three values: subordinate, middle manager, and senior - the sample was divided into 326 subordinates, 127 middle managers, and 82 senior managers. Based on all these, I solved the testing with a cross-table and a chi-square test. The differences between the various categories of employment are shown in Figure 3.

Based on the answers in the sample, the first and second of the three factors that strengthen the employer's brand significantly differed in the opinion of the employees of different job categories, not in relation to learning and development, therefore the hypothesis was partially justified.

The importance of Employer Branding in the development of Human Resource Management

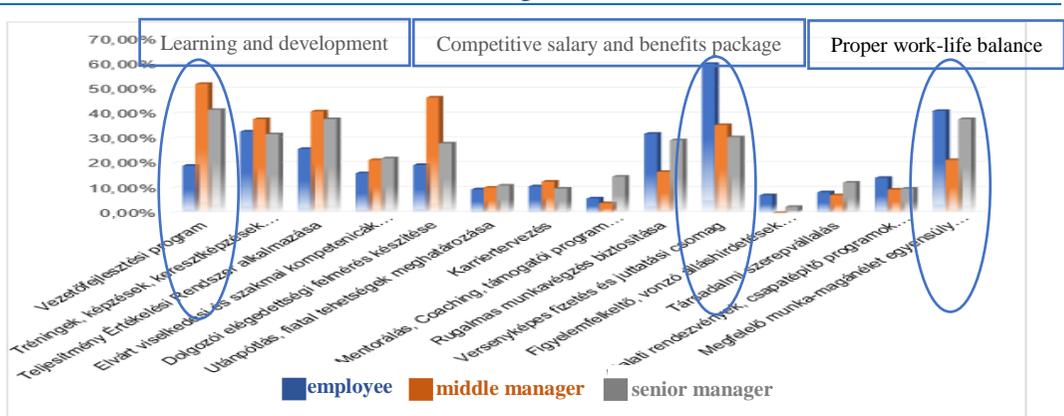


Figure 3: The categories that most strengthen the employer brand depending on the employment relationship

Source: Own research, 2019

**Hypothesis**  
**6.**

**•I assume that in the different countries examined in the sample there are differences between the rankings of the categories that the employees ranked as important in the top 3 when selecting new potential jobs.**

In my hypothesis there is a nominal and a scale measurement variable. The importance of the categories was measured on a scale from 0 to 10 on an 11 degree scale, so it can be considered as a scale type variable due to the length of the scale. 531 items were included in the sample, the distribution of respondents by country of residence was as follows: Hungary: 305 persons, Germany: 116 persons, Slovakia: 105 persons, Others: 5 persons.

The variables of the categories do not follow the normal distribution in the sub-sample designated by each country, so I tested the hypothesis with the non-parametric Kruskal-Wallis test. Examining the average values, it can be seen that it is likely to have a significant difference, which was confirmed by testing, and this is also supported by the ranking by country.

The hypothesis was confirmed, since 16 of the 18 categories showed significant differences by countries. Thus, there are differences in the ranking of the categories of employees that are considered important in the top 3 (Healthy / Safe Working Conditions, Clear, Definite Job, Tasks, Attractive Salary) in the different countries studied in the sample when selecting a new potential job.

Based on the results of my research, my third research question can be answered, according to which Employer Branding is a key question for companies, since tasks, benefits and programs that strengthen Employer Brand are a major factor in attracting potential employees. On the other hand, the collusion between outgoing and remaining colleagues in determining the reasons for leaving confirms the key role of EB in fluctuation results that influence efficiency. So it is important to provide a workplace for the employees where they like to work, ensuring success and satisfaction for all concerned.

### **3.3. Examination of new scientific results**

Following the work of Torrington-Hall (1991) and Armstrong (2008), I have integrated the developmental trends of HRM and the role names of the representatives of the trend based on my literature research. Based on my quantitative research results, I have found that employer branding significantly influences the competitiveness of the entire company, encompassing all human resources activities.

#### **Formulation of the new HRM trend**

Armstrong and Taylor (2017) see providing value creation to a business in professionals becoming aware of and apply good practices and methods in HR to support stakeholders in the business through the practical application of efficiency projects, methods and systems. In addition to the answers above in response to my first research question, the importance of EB and its significant impact on competitiveness and corporate efficiency in addressing global challenges justify the formulation of a new HRM trend. The new trend is called the Employer Branding approach to HR Management, represented by Employer Branding HR Manager. I take cognizance of the new trend from 2010.

It is also clear from the systematization of HRM trends that HR activities have gone through continuous development to achieve business results. Globalization, digitalization and other economic challenges have required the acquirement of the EB approach complementary to the strategic role of the HR profession, thereby

ensuring the implementation of corporate strategy, efficient and effective HR management and an inspiring corporate culture. All of these can be used to create an attractive employer image of a company where extant colleagues like to work and potential candidates want to work.

### **New, scientific approach and definition of EB**

Employer branding is a combination of activities that provide an attractive employer image and support employees in making decisions about choosing, keeping, or leaving a workplace.

Based on the results of my literature and quantitative research I have defined the definition of EB as follows:

*EB fully embraces all HR activities, helping the company create value through the acquisition of talented employees, retaining and motivating outstanding employees and the humane termination of the workforce leaving the company which create an attractive workplace.*

Even in the case of workers leaving the company for any reason, as a new scientific result in my research model, the behavior of the person making the dismissal and the importance of the humane termination of the employment are particularly emphasized, as their opinions about the company are widely disseminated for which our digitalized world provides greater opportunities.

### **Developing the Framework of Employer Branding**

Based on the results of my secondary and primary research (Figure 6), I have created the framework of EB, which has the significant requirement of EB becoming one of the main pillars and an inevitable factor of HR strategy. As part of the corporate strategy, it needs to be consistent with its vision and mission for creating a successful HR strategy.

To ensure competitiveness the company needs to develop a strategy for EB, backed up by the illustrated framework I have defined as a new scientific result. Based on my HR management experience and research results, I believe that in order to increase the efficiency of the company the EB strategy needs to be divided into 3

main pillars – Attracting new talent, Retaining and motivating excellent employees, Humane treatment of dismissals – and to develop the action plans to achieve a positive image and opinion of the company.

### **Employer Branding Best Practices**

Because of its complexity, continuity, ability to influence and impression, EB is more important than any formal trend. In order to make the companies more successful and competitive, I have identified 4 best practices based on my research results.

- 1) Types of work organization to support becoming an attractive employer:  
Learning organizations (its characteristics are organizational learning and innovation), Flat Organizations (focus on quality, complex tasks) and Digitized organizations (digitized technologies, Big Data)
- 2) Innovation of employment trends, or which atypical work best supports the employer brand of a company: part-time work, home-office, remote work, Flexible working hours, sharing one's job title, supply services of personnel
- 3) Application of the Net Promoter Score for EB: in addition to the main question regarding recommendation, we can analyze additional areas by examining the level of satisfaction and impression with the company and determining the proportion of respondents who would support it.
- 4) Global HR Trends – With taking 2020 into account it is necessary to develop and improve the operations of future companies, focusing on the completion of the career goals of employees, especially the new generations, to ensure learning and development. The rise of digitalization and industry 4.0 must also be addressed by the HR area, taking advantage of its benefits during database design and analysis. In addition, HR professionals should focus on providing a good corporate atmosphere, culture and employee experience in 2020 to attract talented potential employees to the company, retain existing well-performing colleagues and terminate employees - leaving for any

reason - in a humane way who are thereby spreading the company's reputation.

### **3.4. New and innovative scientific results**

Based on extensive literature processing and my own primary research results, the new and innovative research results of my doctoral dissertation are presented below:

1. I created a possible new trend in human resource management, which I named "Employer Branded HR management".

I have found that employer branding significantly influences the competitiveness of the entire company, encompassing all human resource activities.

2. I have defined the concept of employer branding through a new scientific approach to employer branding.

I have worked out a model for the process of humane termination of the employment for employees leaving the company for any reason, as leaving colleagues opinion on the company are widely disseminated and our digitalized world is also increasingly open to this.

3. I have worked out the framework and the strategy of Employer Branding. I have identified the focus areas that influence the EB strategy.

4. I have summarized the best practices of employer branding. Within this framework, I identified the types of work organization that supports to become attractive employer and the atypical forms of employment that are most supportive for EB. I have identified the applicability of NPS in the context of employee opinion analysis and the global HR trends for 2020 which supports EB.

## **4. CONCLUSIONS AND RECOMMENDATIONS**

---

Concerning the historical development of human resource management, I conclude that nations have achieved significant results regardless of their size, corporate and collaborative position, applied strategy, level of human resource management, or size of their investment in human capital, nevertheless they face complex and diverse global challenges.

My literature research on the development of HRM also confirms that the tasks to be done with employees have become more and more widespread over the years, but their similarity is clearly identifiable, the solution options are determined by the company's current objective and strategic orientation.

The decisions made in HRM strategies are characterized by flexibility, high quality, commitment to increase engagement, change management, organizational learning, the importance of team spirit, situation based leadership, customer focus, performance orientation and empowerment, and also the new HRM trend I formulated, which requires an employer branding approach to respond appropriately to the challenges of globalization, digitalization and innovation.

Joining the global economy, ensuring business success, and turbulent changes require HR leaders to continually review and develop successful innovative methods, to demand the ability to transform, and to establish learning organizations with a high level of autonomy to ensure organizational knowledge. The knowledge-based society is aimed at the development of knowledge-intensive industries, and the creation of added value can be ensured by the development of human expertise, in which the significance of HRM strategies is indisputable. Based on the literature

I have researched it can be stated, that companies are increasingly recognizing the value of their employees and their ability to create value, which has triggered a kind of "talent war" from the 1990s to keep them competitive in order to attract talent.

The results of my PhD research have proven that Human Resource Management has evolved into a complex, full-service business discipline that justifies the formulation of a new trend that complements previous activities with the acquiring and application of employer branding approach. This will ensure the achievement of an attractive employer position, employee engagement, and the creation of a workplace preferred by employees that can outperform their competitors. In terms of employee engagement, the positive impact of existing corporate culture can be seen in increasing employee satisfaction, increasing return on training costs, increasing employee sense of responsibility and motivation, and making it easier for employees to identify themselves with company goals.

Among others, this inspired the research objectives of my doctoral dissertation, one of the focuses of which is to identify significant competitiveness factors in order to increase corporate efficiency.

Based on my research results, the strategic operation of the company, the creation of an attractive atmosphere and culture can be defined as significant competitive factors of the 21st century in order to increase efficiency. Relationship with management, benefits and standards, and learning and development.

As exercising the employer's rights by a multinational automotive company with 2500 employees, it is also an important question for me whether attractive and credible employer behavior can increase these successes.

Particularly in view of the fact that economic experts are predicting another outbreak of recession and global crisis for the next period. As a result of the globalization and the economic crisis increasing terminations of employment still characterized the labor market in 2012, nowadays, as a result of the recession, thousands of workers lost their jobs again.

All of these also underline the importance of my research on which I can provide answers in this critical economic situation to optimize rising costs of challenging workforce management - currently significant labor market demand and upcoming

labor market oversupply - to ensure competitiveness of companies. The 4 strategic success factors of companies have the most impact on their competitiveness:

- ✓ Need for globalization (if necessary finding the right path to global expansion - from national to international, multinational and global)
- ✓ Complex strategy and logic for enterprise efficiency (as stakeholders, dimensions, regulation, information, procurement, development, satisfaction)
- ✓ employer branding (recognizing its importance, applying it properly, developing a strategy, implementing action plans to become an attractive employer)
- ✓ Leadership skills (requires employer brand-oriented, strategic, analytical and conceptual thinking competencies from influencers in the company)

Table 31 summarizes the decisions and theses concerning my hypotheses in my dissertation.

*Table 7.: Hypotheses decisions, theses*

Hypotheses	Decisions	Theses
H1: A) I assume that for an automotive supplier company, corporate efficiency can be best increased by having an HR strategy, objective leadership behaviour and appropriate open communication.	 Fully accepted	For an automotive supplier company, corporate efficiency can be best increased by having an HR strategy, objective leadership, and appropriate open communication.
H1: B) By SMEs - due to a more direct relationship - the humane treatment from managers side more appears and also it is easier for managers to measure employee performance by objective indicators, which can increase corporate competitiveness.	 Fully accepted	By SMEs, the humane treatment from managers side more appears, and also it is easier for managers to measure employee performance by objective indicators, which increases corporate competitiveness.
H2: Employee engagement, retention power changes with age, young, middle-aged and older people can be motivated differently by financials, team spirit, corporate branding and career.	 Partially accepted	Employee engagement, retention power does not change with age, young people, middle-aged and older are equally motivated by financials, team spirit, and career. On the other hand, the company's employer brand motivates young and older people differently.
H3: There is a significant relationship between recommending an employer to friends and the external perception and employer brand of the company identified as a company strength.	 Fully accepted	There is a significant relationship between recommending an employer to friends and the external perception and employer brand of the company identified as a company strength.
H4: I assume that there is a correlation between what employees think about the reasons of their colleagues leaving and what causes them to leave the company.	 Fully accepted	There is a correlation between what employees think about the reasons of their colleagues leaving and what causes them to leave the company.
H5: I assume that there are differences between managerial opinion and subordinate opinions among the rankings of the 3 categories that most strengthen the employer brand.	 Partially accepted	According to the opinion of the employees of different job categories, there are two significant differences between the three factors that strengthen the employer's brand in the case of competitive salary and work-life balance, and not in the category of learning and development.
H6: I assume that in the different countries examined in the sample there are differences between the rankings of the categories that the employees ranked as important in the top 3 when selecting new potential jobs.	 Fully accepted	In the countries examined in the sample, there are differences in the ranking of the top three categories that the employees consider important - Healthy and Safe Working Conditions, Clear Job, Tasks, Attractive Pay - when selecting a new potential job.

*Source: Own research, 2019*

One of the new scientific achievement of my doctoral dissertation was established by a thesis, which was indicated by the achieved consequence of my previous research activity, according to which I took a new dimension of employer branding in my PhD research. Accordingly, when designing an employer branding strategy, it is not enough to focus solely on the existing employees of the organization and on potential new entrants. Due to turbulent economic conditions, layoffs and redundancies as a possible solution to rationalization, HR professionals should consider employees leaving the organization as a cornerstone of the strategy,

providing a humane solution to the problem-solving process, as employees after their exit form a wide opinion on their former employer.

The results of my secondary and primary research confirmed my view that the importance of employer branding is indisputable in order to ensure competitiveness, I believe that I have contributed to the development of an interdisciplinary approach by defining the concept, purpose and mission of EB.

The new, scientific approach of EB is a key achievement, especially in the field of social sciences and humanities, by developing its framework and defining its strategic guidelines, I have provided management science with knowledge that creates value for researchers and practitioners.

My current research has confirmed its relevance for defining Employer Brand oriented HR management as a new trend in human resource management, and it has provided a strong basis for conceptualizing employer branding as a new discipline. In order to reduce the limitations of research, future dissemination of international-level research is one of the future objectives, and it would be particularly beneficial to spread it to England and America, where the pragmatic spread of management doctrine has always been more advanced. In addition, by increasing the sample size, researching in several regions, and extending structured interviews with HR professionals and executives, supplementary knowledge could be gained.

Based on both economic and social empirical research it can be stated, that the value and skills of the employees of the organizations represent an essential level, and in the 1990s the innovative companies initiated the struggle to acquire and to attract talent. The key players of the knowledge-based management supporting organizational efficiency and competitiveness are the talented employees, therefore the focus must be on their continuous improvement (Armstrong-Taylor 2017; Kotler-Caslione 2011). In the implementation of all these in the complex business environment HRM strategies - such as resource ensuring and motivation systems, organizational development, cultural change and knowledge management, evolving high level of commitment, and employer branding, which nowadays becomes

increasingly important - have become key factors in organizational competitiveness and performance (Fehér 2011; Karoliny-Poór 2010: 134; Losey et al. 2006).

In my point of view, employer branding strategy is a competitive factor, a complex discipline that encompasses all the HR activities and can provide solution to the challenges of the 21st century, so to broaden my secondary and primary research findings it would be important and niche preparing a curriculum in Hungarian - following my book on employer branding in English - before the recession unfolds, a book that may be of great interest. As employer branding is a recent trend with few literature, it promises exciting research that provides valuable information for management researchers.

In my opinion, with my research, I have realized the enrichment of the theoretical literature of employer branding, both by conceptualizing the notion and by creating a suppletory model in best practices based on my research results. In addition, I have been able to contribute to the ever-expanding knowledge base of HR practices examined on the base of human resource management development and to the expand and recognition support of the value creation tendency, by analyzing my primary research findings at European level using sophisticated multivariate statistical methods.

Applying best practices of employer branding that I have created will help researchers and stakeholders in the discipline to acquire new knowledge, professionals to increase corporate efficiency, and thus ensure competitiveness.

## **5. MAIN PUBLICATIONS RELATED TO THE TOPIC OF THE DISSERTATION**

---

### **Foreign language publication**

Brigitta Chovan, Tímea Juhász - Raising Organizational Potential via Employer Branding, Saarbrücken, Germany, LAP LAMBERT Academic Publishing, OmniScriptum GmbH, (2017) 61 p. ISBN: 978-3-330-06629-8

### **Conference publications in English**

Brigitta Chovan - The Era of Science Diplomacy: Implications for Economics, Business, Management and Related Disciplines: Why Employer Branding is Important, In: Conference Proceedings, International Scientific Conference for Doctoral Students and Post-Doctoral Scholars, University of Bratislava, (2015) pp. 342-349. ISBN: 978-80-225-4200-5

József Poór, Brigitta Chovan, Tímea Juhász, Györgyi Lakatosné Szuhai - Educating for Democratic Governance and Global Citizenship: The Effect of the Crisis and Recovery on Employment and the Forms of Employment, In: Saba Senses-Ozyurt, Sándor Klein, Zsolt Nemeskéri (ed.) Educating for Democratic Governance and Global Citizenship. 523 p. San Diego (CA): World Council for Curriculum and Instruction, (2016) pp. 468-478. ISBN: 978-0-692-69768-9

Brigitta Chovan, Tímea Juhász - Boosting Competitiveness of Central Europe Through Digital Economy: The means of Recovery from the Crisis in case of companies of Hungarian and Foreign Ownership with Headquarters in Budapest (on the Basis of An Empirical Examination), 3rd AIB-CEE Chapter Conference, 9. International HRM and Cross-Cultural Management, Prague, (2016) p. 27

### **Conference publications in Hungarian**

Brigitta Chovan - Reorganization, outplacement for competitiveness. In: Badics, Bernadette; Drimál, István; Poór, József (ed.) Innovation - Renewal - Growth: VI. National Consulting Conference, Budapest, Hungary, March 21, 2013. Budapest:

Budapest Chamber of Commerce and Industry, (2013) pp. 1-9., 9 pp., ISBN: 978-963-89734-0-5

Brigitta Chovan; Károly Szili: Advantages and Disadvantages of the Employment of Women of Reproductive Age, Raising Sick or Disabled Children from the perspective of the HR Manager, In: Németh, Gábor; Bagdi, Gyula Árpád; Bitó, Tamás; Panther, László; Vanya, Melinda (eds.) III. Civil and criminal liability in the medical practice: IX. Scientific Conference on Promoting Prevention: Scientific Programme and Abstract Book, Szeged, Hungary: Szeged Academic Committee of the Hungarian Academy of Sciences, (2017) p. 42.

### **Foreign language journal articles**

Brigitta Chovan; Joseph Poor; Tímea Juhász - The System of Means for Overcoming the Crisis - Based on an Empirical Examination of Companies in Budapest and Békés County, Hungary JOURNAL OF INTERCULTURAL MANAGEMENT 9: 1 pp. 5-30., 26 p. (2017)

### **Articles published in Hungarian**

Brigitta Chovan - Success Criteria for Company Reorganization, GRADUS: Business and Economics: Vol 3, No 2. 255-260. (2016) ISSN: 2064-8014

Tímea Juhász, Brigitta Chovan, Arnold Tóth - Men's Career Planning, OPUS ET EDUCATIO: WORK AND EDUCATION 4: 3 pp. 305-315., 16 p. (2017) ISSN: 2064-9908

Brigitta Chovan, József Poór - Reorganization, outplacement for competitiveness, STUDIA MUNDI - ECONOMICA 4: 1 pp. 3-14., 12 p.m. (2017) ISSN: 2415-9395

Brigitta Chovan - A Market Based Approach to the Labor Market, Central European Bulletins (CEB), Volume X, Issue 3. No38, p. 152-163, 12 p. (2017) ISSN: 1789-6339

Brigitta Chovan - The Role of Employer Branding in Reducing Fluctuation, Central European Communications (CEC) 12. 115-127, 13 p. (2019) ISSN: 1789-6339