

# Evaluating the Moderating Role of Person-Organization Fit on the Relationship Between Employer Branding and Intention to Stay

Swapnali Pavanaskar  
PGDM HR Student  
IESMCRC  
Bandra, India

Amrut Dabir  
PGDM HR Student  
IESMCRC  
Bandra, India

**Abstract:-** A strong employer brand is essential in today's fiercely competitive job market. Without one, it becomes difficult and expensive to hire and keep the best people. The objective of the study is to investigate the moderating role of Person organisation fit on the relationship between Employer Branding and Intention to Stay. The sample size is of 60 respondents from across different industries. The collected data was analysed using MS Excel and SPSS Software. The results indicate that Person organisation fit strengthens the positive relationship between Employer Branding and Intention to Stay.

**Keywords:-** Person Organisation fit; Employer Branding; Intention To Stay.

## I. INTRODUCTION

The employees of a company are its most valuable asset. Investing in employer brand may help organisations to keep hold of top talent longer and cut cost per hire. Having a clear employer branding strategy could prove to be foundational to an organization's overall success (Windley, 2022). Compared to businesses with weak employer brands, those with strong employer branding had a 20% increase in revenue. A good employer brand correlates with lower hiring costs and lower employee turnover, increasing retention by 28% and reducing cost per hire by 50% (Muneer, 2022). According to a LinkedIn report (LinkedIn, 2022), organisations with strong employer brand can cut their cost per hiring by 50% and their turnover rate by 28%. According to (Kunsmann, 2022), 78% of job candidates, a company's value of its employees may be judged by the total candidate experience they receive. Even for a pay raise, 50% of applicants claim they wouldn't work for a company with a poor image. Quality employees are essential to the survival and growth of an organization, and having a strong employer brand makes it easier to recruit and keep them. But it's also crucial for how customers and potential customers perceive an organization's brand.

The performance and productivity of employees, as well as their personal wellbeing at work, can all be positively impacted by a strong person-organization fit. The likelihood that an employee will stay with a company over time is positively correlated with how well their culture fits with that of the corporation. When an employee has more job satisfaction, they will be more dedicated and thus, more likely

to continue with the organisation. On the other hand, undesirable results can result from a poor person-organization fit. Lower job satisfaction and mental health issues may result from hiring an employee who does not suit the organization's culture and values properly. This will consequently cause lower productivity levels and a higher turnover rate within the company (4 Point Consulting, 2018). The degree to which a person's work practices and professional principles match with the organization's overall culture and standards is known as organisational fit. A person is considerably more likely to be happy and successful at work if they work for an organisation that shares their basic values. Strong organisational fit fosters a sense of belonging among staff members, which deepens their commitment to their jobs and enhances the likelihood that they'll feel engaged and inspired to "go the additional mile." An important consideration during the hiring process is organisational fit (Employment Outlook, 2016).

## II. OBJECTIVES OF THE STUDY

- To understand the relationship between Employer Branding and Intention to Stay.
- To understand the relationship between Person Organisation Fit and Intention to Stay.
- To understand the moderating role of Person Organisation Fit on the relationship between Employer Branding and Intention to Stay.

## III. REVIEW OF LITERATURE

### A. Employer Branding (EB):

Managing and shaping an employer's reputation as an employer among potential candidates, employees, and important stakeholders is known as employer branding. It is what potential candidates for jobs and employees actually think about their company. They tell their family and friends this. An employer brand is a valuable asset that needs ongoing maintenance even though it may not be physically present (Sam Daley, 2022).

The firm communicates its identity to both potential and present employees through its employer brand, which is a crucial component of the employee value proposition. The mission, values, culture, and personality of a company are all included. A strong employer brand lets people know that the company is an excellent place to work and an excellent

employer. Employer brand influences market perception of the company as a whole, retention and engagement of current employees, and hiring of new personnel (SHRM, n.d.)

(Ambler & Barrow, 1996) defined 'Employer Brand' as "the package of functional, economic, and psychological benefits provided by employment, and identified with the employing company". The advantages an employer brand provides employees with are similar to those that a traditional (product) brand provides to customers: (1) learning opportunities and/or practical experiences (functional); (2) tangible or monetary rewards (economic); and (3) feelings of identification, direction, and purpose (psychological). The EB may be positioned much like a brand of goods because it has a personality as well.

According to (Backhaus, 2016) finding the "perfect" combination of employer brand attributes that will draw the ideal candidate has taken a lot of the time and effort of researchers and practitioners. There is no one "correct" brand, as decades of research on person-organization fit has demonstrated. The most qualified personnel will be drawn to the organisation when marketing messaging are honest and unambiguous. Hence, the focus must shift from finding the "greatest" marketing message to figuring out how to communicate the brand message that most properly describes what it's like to work for the organisation. In addition, according to (Miles & Mangold, 2004), the relationship between a company and its employees must be understood for employer branding to be effective. The notion of psychological contracts was used to characterise this relationship and to highlight its significance in the context of employer branding.

#### B. Person-Organization Fit (POF):

In general, person-organization (PO) fit is the compatibility between an individual and the organisation that employs them, which happens when the traits of the two entities are well matched. Higher levels of job satisfaction, retention, organisational citizenship behaviours, and job performance are all associated with it. Assessing PO fit can aid in anticipating outcomes for companies' homogeneity as well as affective, performance, and turnover consequences for individuals. Many approaches have been used to conceptualise, quantify, and calculate PO fit (Subramanian, Billsberry, & Barrett, 2022). Person-organization fit is a crucial performance factor. Employee job performance is a key determinant of an organization's performance (Farooqui & Nagendra, 2014).

Person-organization fit is the compatibility of individuals and organisations, which happens when at least one entity meets the other's needs, when they both share similar core traits, or when both occur (psychology.iresearchnet, n.d.). Qualified candidates are likely to give same amount of importance to selecting the best organisation to work for as they give to selecting the best position to fill (Rynes & Cable, 2003). According to (Kristof, 1996) person organisation fit is "compatibility between people and organizations that occurs when at least one entity provides what the other needs or they share similar fundamental characteristics, or both."

#### C. Intention to stay (ITS):

Recognizing the factors that contribute to employee retention can help a business reduce turnover. Understanding what the employees feel and think about the company and the working environment is crucial, regardless of the business. The relationship between a company and its employees is strengthened by a friendly and upbeat work environment that inspires drive and trust. Employees perform at a high level and stick at the company for a longer period of time when organisational leaders treat them with the respect they deserve as more than just labour resources. Employee retention intentions depend on corporate trust and employee motivation, both of which are critical. Employees who are highly driven perform at their best for their employers, which propels them to success, growth, and productivity. Thus, a productive and encouraging work environment has a direct impact on employee motivation and trust (Shahid, 2018).

The workers who have indicated that they want to stay with the company are conscious of their decision and have given it considerable thought. Another indication that current employers are interested in fulfilling their needs and wishes is an employee's devotion to them. The amount of time one employee has stayed with the company shows how successful it has been at creating a strong desire to stay among employees (Chen, Rasdi, Ismail, & Asmuni, 2017).

According to (Vandenberg & Nelson, 1999), employees' intention to leave is a person's likelihood that they will soon leave their employer permanently. According to (N & Jayanna, 2019) employees' intent to stay with an organisation is influenced by its growth possibilities, which include things like challenges, recognition, training opportunities, and reactions to employee needs and requests. The work environment in a company, which includes elements like pay, flexibility in working hours, and cooperation with superiors, Employee retention in an organisation is influenced by how much politics and bureaucracy there is. Employee turnover generally has a negative influence on an organization's effectiveness and profits. These detrimental effects include high financial expenses, workplace disturbance, increased work unit stress, decreased work quality, and a decreased capacity to adapt to uncertain settings.

## IV. HYPOTHESES DEVELOPMENT

Among the efforts to build a company brand, the creation of a strong employer brand serves as a means of achieving competitive advantages in the labour market, expanding employment options, and retaining the best people. It also serves as a symbol of a socially responsible organisation (Natalia Samoliuk, Yuriy Bilan, Mishchuka, & Mishchuk, 2022). Intention to stay is directly and significantly positively impacted by person-organization fit. The greater the person's perception of person-organization fit, the greater the person's desire to remain with the organisation (Apriyanti & Pusparini, 2021). If a person's values do not match with that of organisation, then the person is most likely to leave regardless of the other good factor of that organisation (Gregura, Diefendorff, Carpenter, & Tröste, 2014). Employer branding is an effective and sustainable strategy to attract and retain talent

(NGUYEN & NGUYEN, 2021). Based on the aforementioned conceptual framework, hypotheses have been developed as follows:

H1: Employer Branding has significant positive impact on Intention to Stay.

H2: Person–Organisation Fit has significant positive impact on Intention to Stay.

H3: Person Organisation Fit moderates the relationship between Employer Branding and Intention to Stay.

**V. RESEARCH METHODOLOGY**

*A. Data Collection method*

The study is a descriptive one. The study report incorporates data from both primary and secondary sources. The information was gathered with the aid of books, research papers published in journals, and the questionnaire approach. The tone has been changed to keep the questions straightforward and understandable (Chyung, Barkin, & Shamsy, 2018). A structured survey questionnaire technique was applied for data collection. The collected data was analysed in MS Excel and SPSS Software. The duration of the data collection was between January 2023 to March 2023. The questionnaire was distributed among the professionals through various means. The questionnaire consists of two sections. The first section consists of classification questions, including gender, age, job experience and Industry. The second section consists of items regarding the measurement of Variables. Simple random sampling technique is used in the study. The 11 points Likert scale was used in the study. Likert variables with five or more categories can often be used as continuous variables (Creech, 1983) (Norman, 2010). Since this research is using 11 points Likert scale the data can be considered continuous

*B. Instruments*

➤ *Employer Branding:*

The Scale for Employer Branding is adopted from the work of (Nanjundeswaraswamy, Bharath, & Nagesh, 2022). Employer branding is measured with seven factors namely, Career development opportunities (CDO), Compensation and benefits (CB), Corporate social responsibility (CSR), Organizational culture (OC), Training and development (T&D), Work environment (WE), Work-life balance (WLB). The scale has 24 items in total.

➤ *Person–Organisation Fit:*

The Scale for Person–Organisation Fit is adopted from the work of (Cable & Judge, 1996). The scale has 6 items.

➤ *Intention to Stay:*

The scale is of 6 items which is based on the work of (Veloutsou & Panigyrakis, 2013) and . Items include, "I intend to remain in my current position for a very long time." "I intend to complete my career working for this company." "I am not considering switching companies." "I intend to advance within the same organisation." "I want to stay with this company because I think it will help me further my career." "I am ready to contribute to and advance my skills inside the existing organisation."

**VI. SCOPE AND LIMITATIONS**

This study is an attempt extend the understanding regarding relationship between all EB, POF and ITS in an Indian context. The research is limited to time and scope while analysing the data. All the respondents are from India so the results cannot be generalized for other countries. The information gathered can be skewed and reflect the study participants' opinions rather than those of the general public. The generalizability of these findings is constrained by the limited sample size used in this study.

**VII. DATA ANALYSIS**

*A. Respondent's Profile*

Respondent size is of 60 respondents.

Table I: Respondent's Profile

Variable	Category	Percentage
Gender	Male	28%
	Female	72%
Age (in Years)	Below 30	21%
	30–50	52%
	50 and above	27%
Industry	FMCG	32%
	Automobiles & Auto Components	12%
	Financial Services	18%
	Real Estate	2%
	Software & Services	36%
Total Work Experience (in Years)	Below 5	30%
	6–10	24%
	Nov-15	16%
	16 and above	30%

*B. Harman's Single-factor test for common method bias*

In research using self-reported measures, common methods bias is a well-researched phenomenon (Kamakura, 2010). There is no problem with common method bias in this data since the total variance extracted by one factor is 39.24% and it is less than the recommended threshold of 50%.

*C. Reliability Test*

Cronbach's alpha values should, in theory, give you a number between 0 and 1. A Cronbach's alpha of .70 and above is considered good, .80 and above is better, and .90 and above is considered best (Statistics Solutions, n.d.). The test has been carried out using SPSS.

Table II: Cronbach's Alpha Values

Variable	Cronbach's Alpha	N of Items
EB	.939	24

ITS	.883	6
POF	.846	6

As we can see Cronbach's alpha coefficient of all variables is greater than the minimum threshold value of .70, hence the result is acceptable

**D. Data Computation**

The data is computed into its respective variable according to the scale using SPSS (LibGuides, n.d.).

1. EB was computed using its 24 question scale.
2. POF was computed using its 6 question scale.
3. ITS was computed using its 6 question scale.

**E. Bivariate Linear Regression**

Linear regression is used to predict the value of a variable based on the value of another variable. The variable we want to predict is called the dependent variable. The variable we are using to predict the other variable's value is called the independent variable. The R2 value indicates how much of the total variation in the dependent variable can be explained by the independent variable. The beta coefficient value represents the slope of the line between the independent variable and the dependent variable. The F-value is the Mean Square Regression divided by the Mean Square Residual (UCLA statistical methods and data analysis, n.d.).

Table III: Linear Regression Output

Hypothesis	Beta Coefficient	R2	F	p-value
H1: EB → ITS	0.83	0.532	66.027	.000*
H2: POF → ITS	0.838	0.636	101.168	.000*

As we can see from the table above both the H1 and H2 are accepted.

**F. Moderation Analysis**

A moderator variable is a third variable that is used to assess how strongly an independent and dependent variable are related. In other terms, a moderator refers to the amount of change in independent and dependent variables as measured by the product term's linear regression coefficient. Moderation analysis is carried out using SPSS (Cucos, 2022).

Table IV: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.874 <sup>a</sup>	.764	.752	1.07148

a. Predictors: (Constant), I\_EB\_POF, EB, POF

Table V: ANOVA<sup>b</sup>

Model	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	208.641	3	69.547	60.577	.000 <sup>a</sup>
	Residual	64.292	56	1.148		
	Total	272.933	59			

a. Predictors: (Constant), I\_EB\_POF, EB, POF

b. Dependent Variable: ITS

Table VI: Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.712	.478		-1.49	.142
	EB	.353	.112	.31	3.15	.003
	POF	.512	.105	.487	4.86	.000
	I_EB_POF	.208	.045	.31	4.64	.000

a. Dependent Variable: ITS

From the above table we can conclude that POF plays a moderating role as Sig. value is less than 0.05.

**G. Two-way interaction effects for unstandardized variables plot**

The independent variable is the one whose relationship with the DV is being moderated. The moderator is the other IV doing the moderating. The Interaction is the product variable.

The intercept/constant, is just the vertical position for the graph (Gaskin, 2016).

Table VII: Unstandardized Regression Coefficients

<b>Variable names:</b>	
Independent variable:	OS
Moderator:	KY
Dependent variable	EP
<b>Unstandardized Regression Coefficients:</b>	
Independent variable:	.353
Moderator:	.512
Interaction:	.208
Intercept / Constant:	3

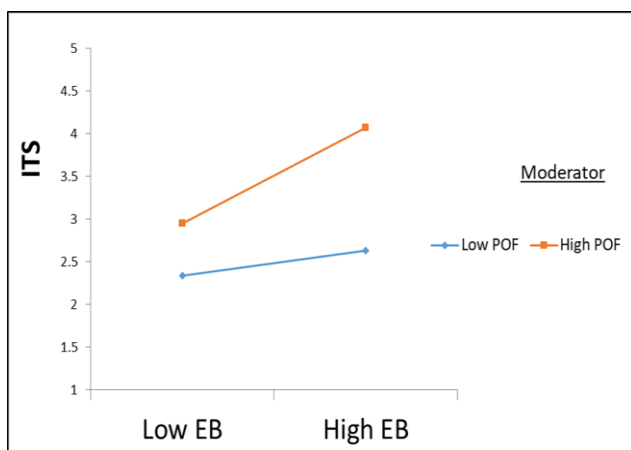


Fig 1: Moderation Plot

The moderating effect of POF on the relationship between EB and ITS is depicted in Figure.1. As can be seen from the figure POF strengthens the positive relationship between Employer Branding and Intention to stay, thus proving the third hypothesis of the study.

**VIII. CONCLUSIONS**

It is clear that Employer Branding has a positive impact on Intention to stay. Person Organisation Fit also has a positive impact on Intention to stay. Person Organisation Fit strengthens the positive relationship between Employer Branding and Intention to stay. The employee’s intention to stay will get strengthened more when employee’s professional skills, physical abilities, personal beliefs will match with what the organisation is offering. If employee’s values are not in sync with the organisation, employer branding will not be much effective. That is why it is crucial that the employee feel in sync with organisation on all levels only then the employee will be able receive what the organisation has to offer.

**REFERENCES**

[1]. 4 Point Consulting. (2018). *Hiring a New Employee: Person-Organizational Fit and Why It’s Important*. Retrieved from 4 Point Consulting: <https://www.4pointconsulting.com/resources/2018/6/11/hiring-a-new-employee-person-organizational-fit-and-why-its-important>

[2]. Ambler, T., & Barrow, S. (1996, December 4). The Employer Brand. *Journal of Brand Management*.

[3]. Apriyanti, S., & Pusparini, E. (2021). The effect of person–organization fit and workplace fun on intention to stay with work engagement as a mediating variable. In *Contemporary Research on Business and Management T*.

[4]. Backhaus, K. (2016, December). Employer Branding Revisited. *Organization Management Journal*.

[5]. Cable, D. M., & Judge, T. (1996). Person–Organization Fit, Job Choice Decisions and Organizational Entry. *ORGANIZATIONAL BEHAVIOR AND HUMAN DECISION PROCESSES*, 67(3).

[6]. Chen, Y. S., Rasdi, R. M., Ismail, M., & Asmuni, A. (2017). Predictors of Intention to Stay and Moderating Role of Gender among Executives in the Malaysian Manufacturing Organizations. *International Journal of Academic Research in Business and Social Sciences*, 7, 135-146.

[7]. Chyung, S. Y., Barkin, J. R., & Shamsy, J. A. (2018). Evidence-Based Survey Design: The Use of Negatively Worded Items in Surveys. *Performance Improvement*, 16-25. doi: <https://doi.org/10.1002/pfi.21749>

[8]. Creech, D. R. (1983). Ordinal Measures in Multiple Indicator Models: A Simulation Study of Categorization Error. *American Sociological Review*, 48(3). Retrieved from <https://www.jstor.org/stable/2095231>

[9]. Cucos, L. (2022, January 22). *How To Perform Moderation Analysis in SPSS [2 Methods]*. Retrieved from UEDUFY.

[10]. Employment Outlook. (2016). *Employers Rank Organizational Fit Most Important in Evaluating Potential New Hires*. Retrieved from GMAC: <https://www.gmac.com/market-intelligence-and-research/research-insights/employment-outlook/employers-rank-organizational-fit-most-important-evaluating-new-hires>

[11]. Farooqui, M. S., & Nagendra, A. (2014). The Impact of Person Organization Fit on Job Satisfaction and Performance of the Employees. *Procedia Economics and Finance*, 11, 122-129.

[12]. Gaskin, J. (2016). *Stats Tools Package*. Retrieved from <http://statwiki.gaskination.com>

[13]. Gregura, G. J., Diefendorff, J. M., Carpenter, J., & Tröste, C. (2014). Person-Environment Fit and Self-Determination Theory. In M. Gagné, *The Oxford Handbook of Work Engagement, Motivation, and Self-Determination Theory*. Oxford University Press.

[14]. Kamakura, W. A. (2010). Common Methods Bias. doi:10.1002/9781444316568.wiem02033

- [15]. Kristof, A. L. (1996). Person-organization fit: an integrative review of its conceptualizations, measurement, and implications. *Personnel Psychology*, 49, 1-49.
- [16]. Kunsman, T. (2022). *29 Employer Branding Statistics Your Company Must Know*. Retrieved from everyone social : <https://everyonesocial.com/blog/employer-branding-statistics/>
- [17]. LibGuides. (n.d.). *SPSS TUTORIALS: COMPUTING VARIABLES*. Retrieved from University Libraries: <https://libguides.library.kent.edu/SPSS>
- [18]. LinkedIn. (2022). *The Ultimate List of Employer Brand Statistics For Hiring Managers, HR Professionals, and Recruiters*. Retrieved from LinkedIn: [https://business.linkedin.com/content/dam/business/talent-solutions/global/en\\_us/c/pdfs/ultimate-list-of-employer-brand-stats.pdf](https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/ultimate-list-of-employer-brand-stats.pdf)
- [19]. Miles, S. J., & Mangold, G. (2004, October). A Conceptualization of the Employee Branding Process. *Journal of Relationship Marketing*.
- [20]. Muneer, M. (2022). *Strong employer branding helps reduce attrition rates*. Retrieved from The Times Of India: <https://timesofindia.indiatimes.com/business/india-business/strong-employer-branding-helps-reduce-attrition-rates/articleshow/94036813.cms>
- [21]. N, P. D., & Jayanna, D. S. (2019, May). Factors influencing Employee's Intention to Stay- A study of some select firms in IT sector. *Journal of Emerging Technologies and Innovative Research*, 6(5).
- [22]. Nanjundeswaraswamy, T., Bharath, S., & Nagesh, P. (2022). Employer branding: design and development of a scale. *Journal of Economic and Administrative Sciences*.
- [23]. Natalia Samoliuk, Yuriy Bilan, Mishchuka, H., & Mishchuk, V. (2022). Employer brand: key values influencing the intention to join a company. *Management & Marketing*, 17(1).
- [24]. NGUYEN, H. M., & NGUYEN, L. V. (2021). Employer Branding, Scale Development and Validation: From the Context of Vietnam. *The Journal of Asian Finance, Economics and Business*, 8(5), 987-1000.
- [25]. Norman, G. (2010). Likert scales, levels of measurement and the "laws" of statistics. *Advances in Health Sciences Education*, 15, 625-632. doi:<https://doi.org/10.1007/s10459-010-9222-y>
- [26]. psychology.iresearchnet. (n.d.). <https://psychology.iresearchnet.com/>. Retrieved from psychology.iresearchnet.com.
- [27]. Rynes, S. L., & Cable, D. M. (2003). "Recruiting research in the 21st century: moving to a higher level". *Handbook of Psychology*, 12, 55-77.
- [28]. Sam Daley. (2022, July 29). *builtin.com*. Retrieved from builtin.com.
- [29]. Shahid, A. (2018). Employee Intention to Stay: An Environment Based on Trust and Motivation. *Journal of Management Research*, 10(4).
- [30]. SHRM. (n.d.). *SHRM.com*. Retrieved from SHRM.com.
- [31]. Statistics Solutions. (n.d.). *Cronbach's Alpha*. Retrieved from Statistics Solutions: <https://www.statisticssolutions.com/cronbachs-alpha/>
- [32]. Subramanian, S., Billsberry, J., & Barrett, M. (2022). A bibliometric analysis of person-organization fit research: significant features and contemporary trends. *Management Review Quarterly*.
- [33]. UCLA statistical methods and data analysis. (n.d.). *REGRESSION ANALYSIS | SPSS ANNOTATED OUTPUT*. Retrieved November 2022, from UCLA statistical methods and data analysis: <https://stats.oarc.ucla.edu/spss/output/regression-analysis/#:~:text=F%20and%20Sig.,predict%20the%20dependent%20variable%3F%E2%80%9D>
- [34]. Vandenberg, R. J., & Nelson, J. B. (1999, October). Disaggregating the Motives Underlying Turnover Intentions: When Do Intentions Predict Turnover Behavior? *Springer*.
- [35]. Veloutsou, C. A., & Panigyrakis, G. G. (2013). Consumer Brand Managers' Job Stress, Job Satisfaction, Perceived Performance and Intention to Leave. *Journal of Marketing Management*, 20, 105-131.
- [36]. Windley, D. (2022). *The Value Of Employer Branding*. Retrieved from Forbes: <https://www.forbes.com/sites/forbeshumanresourcescouncil/2022/06/24/the-value-of-employer-branding/?sh=72652d8e15de>