Impact of Organizational Characteristics on Organizational Choice of the Potential Hires

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Abstract: Employability is defined as the capacity to capture and retain a job or to find a new opportunity in an organization. University graduates stand at the dawn of their careers, seeking meaningful employment in a labour market that is characterised by volatile change and globalisation. Fresh engineering graduates are an important source of recruitment for different establishments to fill entry level positions. This study aims to explore the association between the organizational features and organizational choice engineering graduates in Tamil Nadu, India. It also aims to explore the impact of some demographic variables on the career prospects. A self-administered questionnaire consisting of standardised instruments was distributed randomly to 250 final year engineering students of 15 colleges in Tamil Nadu. For achieving the objectives, 8 organizational attributes were determined based on the review of literature like compensation and benefits, organizational branding, working hours, transportation, job security, career growth, training and working conditions. The results indicate that compensation and benefits has the greatest influence on the organizational choice followed by working hours, transportation and job security.

Key words: Career prospects, attributes, talent pool, opportunities for growth, assets, job security

INTRODUCTION

Employees form the crux of every organisation. Employee aspirations have gradually evolved, thus inducing employers to devise new ways of managing their demands. A hefty pay packet is not sufficient to lure an employee. The change in expectations could be attributed to several reasons. The rise in expectations could be attributed to the increase in employment opportunities which in turn could be attributed to our growing economy. Employees consider a variety of criteria in workplace preferences. The most important of them is the wage. Wage which can be defined as the income of the employees in exchange for their labor is often the main cause of the work (Bingol, 2013) and has a significant impact on the preferability of the organization (Cable and Judge, 1994). However, the level or sufficiency of wages are at the forefront for the employees (Ataay and Aear, 2013). The person who takes an adequate charge will be pleased to the extent that he can meet the needs. In addition, wage as a tool for meeting the needs of employees has such importance in various aspects that it is the symbol for the feeling of achievement and also a criterion for how much progress have been made (Bingol, 2013). Some businesses also provide premium to the employees in addition to the wages. Premium is the result when reaching various criteria to direct the employee for a specific behavior or to produce a predetermined amount of production (Ataay and Aear, 2013) Premium system is highly suitable for employees who have strong desire to earn (Bingol, 2013). Premium system, providing the opportunity to earn extra revenue is one of the factors that employees take into account. Some businesses also provide social benefits to employees. Social benefits can be defined as the financial contribution to employees (Bingol, 2013). These contributions are usually stated as food, clothing, fuel and training aid. These returns are also the factors affecting workplace preferences especially for low-paid employees. Brand image is another criterion taken into account by the employees. Branding consists of the perceptions of the stakeholder’s ability to add value to the organization (Rindova et al., 2005). These perceptions are sum of the ratings of individuals within and outside the organization. From an external point of view, reputation improves profitability drawing customers to products and services and investors to invest in the business. From the perspective of the employees, the workers and their families inevitably contribute to the reputation of the business outside. In addition, identification with the business, their motivation and therefore, the performance of the employees is high in a company with good reputation (Men and Stacks, 2013). Employees are keen to work in a business that has a good image and can be integrated with their own values. Thus, employees can be proud of organizations in which they are employed. Being proud of the organization has
impact on the effectiveness of the organization. In the opposite case, i.e., when the employee is not proud of the organization, that is to say, the organization does not have a good reputation for the employee, there will be a lack of trust, belief and enthusiasm (Pruzan, 2001). In a study in 2010, Deloitte research company stated that 48% of 754 participants consider the lack of confidence factor as a reason pushing them to seek a new job (Anonymous, 2010). Working hours and shift work are very important because they directly affect the work-life balance of employees. If work-life balance, that can be defined as coping with the requirements of a person's family and business life effectively and the ability to harmonize these needs (Forster et al., 2013), deteriorates, employees are confronted with problems in family relations, stress, burn-out, low morale, poor performance and exhaustion. Long working hours, irregular shifts and working at the weekend are such situations related to working hours and they are the major causes of work-life balance deterioration (Brown et al., 2010). Therefore, employees are willing to work in a business that protects this balance. The opportunity of promotion in business is another factor taken into consideration. Promotion is the event of appointing an employee from a level within the organization to a higher one that requires more responsibility and better payment with a wide range authority. Many employees do not want to work for a business in which there is lack of promotion opportunities. Every employee as a matter of course, wants to get ahead in his career (Huffaker, 2013). Although, training opportunities existing in the business are considered as a criterion that white collar workers care about, there are significant benefits of training in terms of blue-collar workers. The first point is to ensure employee's job security with the acquisition of new knowledge and skills. However, an educated employee, when showing better performance, gets the opportunity for promotion. Once having met the basic needs, individuals want them to be guaranteed in the future and to ensure security in the work environment (Orucu et al., 2004). Location of the business and transportation facilities are also factors that employees consider. Especially in big cities, when the estimated time en route is added to moderate working hours, the work-life balance is disrupted. The transportation facility of the business reduces the time spent on the road and as it is free, employees get rid of an additional cost.

Cable et al. (2000) report that applicants evaluated a firm based on the physical attributes which is referred as ‘employer information’ like size of the company, its geographical location and job attributes like pay, benefits, advancement opportunities which constitutes ‘job information’ and the type of co-workers they would be working with which is referred to as ‘people information’. Turban et al. investigated which job attributes were preferred by student applicants in their early career stage searching for their first job and importance of preferred attributes in the job offer decision. They found that there were different reasons why accepted job offers like, the type of work, organization and opportunities for advancement, co-workers and security, respectively. Also, the most important reasons for rejecting job offer were the location, type of work, opportunities for advancement, co-workers and pay. According to Ng and Burke (2006) people differ in their attractiveness to different attributes of a firm and identified four factors (people, reputation, work and benefits) from 14 items of job and organizational attributes. Gokuladas (2010) in a study on the factors that influence the first job choice of engineering students in India identified good training opportunities available as the most important factor that influenced both male and female respondents while deciding their first job. According to Gokuladas (2010) the student’s most preferred factors in job selection are presence of power and authority, peaceful work environment, opportunity for career advance and pay. Past research has also established the importance of employer familiarity (i.e., awareness) and organizational reputation in a firm’s perceived attractiveness as a potential employer (Collins and Han, 2004). Popular perception about an organization is conveyed through its corporate reputation like prestige which applicants may find appealing and pursue employment with (Ng and Burke, 2006). Geographic location is also an important factor in job offer decisions as discussed by Rynes and Cable (2003). Literature also reported that socially responsible firms were perceived as more attractive as potential employers (Green and Srinivasan, 1978). Cable et al. (2000) report that applicants evaluated a firm based on the physical attributes which is referred as ‘employer information’ like size of the company, its geographical location and job attributes like pay, benefits, advancement opportunities which constitutes ‘job information’ and the type of co-workers they would be working with which is referred to as ‘people information’. Sutherland (2011) studied worker job attribute preferences in UK and found that among the 15 attributes listed “Work you like doing”", a “secure job”; “friendly people to work with”; and “opportunities to use your abilities” are the four highest ranked job attribute preference. Sutherland (2011) also noted that employee’s job attribute preferences varied with their characteristics including gender among others. Sutherland (2011) describes job attribute preferences as
"The extent to which individuals attach or desire a variety of specific qualities and outcomes from their paid work". Tolbert and Moen (1998) analyzed studies of over a period of 22 years focusing on the changes brought by age over time in men's and women's preferences for five key job attributes: job security, high income, short hours, chances for promotion and meaningful work. They reported stability of gender differences in preferences and noted widening gender gap in preferences among the younger workforce. Gender was found to be a significant predictor of three job attribute preferences having a sense of accomplishment, opportunities for promotion and job security. As compared to men, women place higher value to jobs that provided a sense of accomplishment than those that gave promotion opportunities or job security. Also, women ranked meaningful work as a first preference, on the other hand, men ranked promotion opportunities and security higher (Tolbert and Moen, 1998). The findings by Tolbert and Moen (1998) were found to be in alignment with the established studies that indicated women to value intrinsic rewards and orientation of men more towards extrinsic rewards. Konrad et al. (2000) in a meta-analysis of studies carried out in the US found small but significant differences in men's and women's job attribute preferences. Men assigned more importance to earnings, freedom, challenge, leadership, promotion and power than women. Women were found to value good interpersonal relationships, good hours, an easy commute and helping others more than men. Terjesen et al. in their study investigated the organizational attributes that attract generation Y men and women to apply to a management trainee position and the relationship of the perceived existence of these attributes to the likelihood to apply. They examined university students and found that the five most important organizational attributes were: "Care about their employees as individuals" "Clear opportunities for long-term career progression" "Invest heavily in the training and development of their employees" "Variety in daily work" and "Dynamic, forward-looking approach to their business". Terjesen et al. noted gender differences in perceived importance of organizational attributes among employees. Women rated "variety in your daily work", "really care about their employees as individuals", "employ people with whom you feel you will have things in common", "relatively stress-free working environment", "friendly, informal culture", "use your degree skills", "internationally diverse mix of colleagues", "require you to work standard working hours only" higher than men when describing their ideal employer whereas men rated the attribute "a very high starting salary" higher than women. Past studies have found gender differences in job attribute preferences to be quite small, even if statistically significant. And over the past 20 years men's and women's work preferences have been characterized by a high degree of similarity (Tolbert and Moen, 1998; Gokuladas, 2010). As gender difference was found to vary across the period, it is assumed that these results may not reflect the preferences of men and women of the current generation. Thus, it will be an important contribution if further research on how the gender preferences for certain job attributes gets translated into specific decisions to seek and accept a specific job (Tolbert and Moen, 1998). Amity Journal of Training and Development 7 Volume 1 Issue 1 2016 AJTD ADMAA According to Gokuladas (2010) there is no gender difference among the young generation in their preference for training and development opportunities in their potential employer. Gokuladas (2010) also reports that the female respondents rated career growth in company as a significant factor for them to accept a particular job than that of their male counterparts. This is in contradiction to the accepted stereotype of giving importance to a man's career, and this indicates that career success is equally important for the current women workforce. The current generation of employees is influenced by career and money when joining their first job. This is also different from the general belief that women assign more importance to maintaining close ties with friends and family, and would not prefer specific job locations. This is a clear indication of the changing attitude about work of the young generation and women workforce in India. Gilbert et al. examined the differences and similarities between male and female business professionals. They observed that as compared to low-power distance cultures greater prevalence of value differences between males and females were prevalent in high-power distance cultures. Further, Gilbert et al. argue that gender differences in work preferences of business professionals vary among different countries. Their study provided evidence that female subjects perceived job prestige, relationships on the job and opportunities to travel and interact on the job more important than their male counterparts (Blaau, 1978; Harold and Ployhart, 2008; Poortinga et al., 2003).

The 21st century world of work can be described as a volatile, high-speed, ever-changing environment that places high levels of pressure on those functioning within this context. It is generally accepted that this era poses difficulties to both employer and employee that have not previously been present, or has intensified those pressures already experienced. The individual can no longer depend only on the relevance of degree when it comes to securing employment. It is with some dismay that graduate students now realize that in order to be seen
as employable, the bar has been raised, so, to speak. The question, however, remains as to what specifically these newly defined requirements and expectations are and how a student would ensure that he/she possesses such qualities (Anonymous, 2014).

MATERIALS AND METHODS

The research aims to analyse the influence of the Organizational characteristics on the organizational choice of the engineering graduates. According to Bergh and Theron, research design denotes a “Specific, purposeful and coherent strategic plan to execute a particular research project in order to render the research findings relevant and valid.” The study is descriptive in nature. The research design focused mainly on the aspect namely data collected from students while they are pursuing their engineering degree from the batches of 2016-2017 drawn from 15 engineering colleges in Tamil Nadu. The respondents were in the final year of their engineering course affiliated to one of the top universities in Tamil Nadu offering Engineering Programme. The colleges were selected based on the random number table, i.e., they were arranged alphabetically and every second college was selected. The 250 questionnaires were distributed, of which 210 participants responded. The demographic profile showed that out of the sample, 52% were males and 48% were females. The average age was 20-23 years. For the purpose of the study, the questionnaire consisted of three parts. The first section was composed of items relating to demographic characteristics such as gender, age, work experience and marital status. The second part measured the extent to which the organizational attributes were preferred by the respondents. Respondents were asked to respond to the items in the questionnaire by considering to what extent they perceived the organization they aspired to work for to have these organizational attributes. The items in the third part measured the extent to which respondents were attracted towards the company they intended to work for. The responses were collected on a 5 point Likert scale. The questionnaire was so designed as to grade the responses of the students based on the degree of their agreement. In designing the questionnaire, a 5-point Likert scale (strongly disagree to strongly agree) was used to reduce the statistical problems of extreme skewness. The reliability of the questionnaire was tested using the Cronbach’s alpha test. For a reliability coefficient to be desirable, it should fall between 0.80 and 0.90 as determined by Anastasi in 1967 (as cited in Coetzee in 2008). For the questionnaire, the Kaiser-Meyer-Olkin measure of sampling adequacy and the Bartlett test of sphericity were also used in order to confirm the reliability results as recommended by Coetzee as in Table 1. The results indicated that the averages for the KMO measure were between 0.79 and 0.92 and that the Cronbach alpha’s were between 0.71 and 0.88. The instrument was therefore considered a reliable measure.

Organizational characteristics which have an impact on the candidates choice of an organization were measured with 8 items drawn from various literature sources. The following characteristics were included as part of the study: compensation and benefits, organizational branding, working hours, transportation, job security, career growth, training and development and working conditions.

RESULTS AND DISCUSSION

Data analysis and interpretation: Mean and standard deviation are measures of central tendency and distribution, respectively. These statistics were used to describe the most central or prevalent factors in the organizational characteristics and organizational choice of the students. The mean indicates the profile while the standard deviation indicates how far scores lie from the mean. The results showed a high mean across all fields and a relatively low standard deviation, resulting in a coherent profile.

The purpose of determining frequency distribution was to organise categorical data such as the biographical information of the respondents and the organisational data, as the measuring instruments included categorical data. It was furthermore used to indicate existing perceptions and preferences of respondents.

Table 1 shows the distribution of the mean scores allocated when completing the questionnaires. Respondents were asked to respond on a five-point Likert
scale with five being the highest and one being the lowest score that could be selected. Choosing a rating of five meant that the specific statement is always true and applicable to the respondent with one meaning that it is never true. It is clear from Table 1 that there exists a prevailing perception among students that all organizational resources are important, and are being utilised. The mean rating was above 3.0 across the dimensions like compensation, working hours, career growth and job security. The career growth dimension (mean = 3.58, SD = 0.2) dimension was rated the highest among the organizational characteristics by the respondents.

Inferential statistics: In order to further investigate the relationship between the variables, inferential statistics was implemented. By means of the correlation statistics, t-test for gender and multiple regression analysis, the researcher was able to draw certain inferences from the data as is set out in the following section.

Correlation statistics: Correlation statistics measures the degree to which a relationship exists between variables. Pearson’s product-moment correlation was used to accept or reject the hypotheses that had been formulated for the study. The correlation identifies both the direction and the strength of the relationships between the variables with correlation always between +1.00 and -1.00. For the purpose of this study, a cut-off point of 0.30 (medium effect) was used to determine the practical significance of the correlation coefficients, as recommended by Cohen to ascertain the relevance of possible relationships with the regard to organizational characteristics and organizational choice of the students:

- H₀: there is no statistically significant relationship between organizational characteristics and organizational choice of the students. Rejected
- H₁: there are no significant differences between men and women regarding organizational characteristics and organizational choice of the students. Accepted

Sample t-test: The t-test was used to investigate any statistically significant differences between the mean scores for men and women in the sample. It is useful to compare this information with previous research and may provide a basis for future research regarding either construct. The hypotheses that relate to this section are:

- H₀: there is a statistically significant relationship between organizational characteristics and organizational choice of the students.
- H₁: there are significant differences between men and women regarding organizational characteristics and organizational choice of the students.

This analysis was aimed at determining whether the sample differed in mean scores with regards to the overall construct, variables and all subscales when taking gender into consideration. From Table 2, it is evident that there are no significant differences between men and women regarding the various organizational characteristics and the organizational choice.

The significance level is used for rejecting or accepting the null hypothesis. Traditionally a 95% confidence level (α = 0.05) or 99% confidence level (α = 0.01) is deemed acceptable. This significance analysis was used to determine the “correctness” of rejecting or accepting the null hypothesis and gave the researcher confidence in the findings.

Regression analysis: The “R²” statistic indicates that the independent variable in the regression model account for 75.7% of the total variation in the respondent’s choice of an organization. The “Adjusted R²” 75.7% indicates that, it is an adjustment of the R² that penalizes the addition of extraneous predictors to the model. The adjusted R² statistic is typically smaller than the R² statistic because it downward adjusts the R² statistic when additional variables of limited significance are added to a model.

The sig. for the model is 0.000 which is significant at 0.01 level is shown in Table 4. Accordingly, the model is good fit for the data. The un-standardized constant

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<th>Table 2: Mean scores for females and males</th>
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<td>Factors</td>
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<td>Compensation and benefits</td>
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The present study contributes valuable knowledge regarding the association between the organizational traits and the choice of respondents regarding an organization. The findings of this study are limited to the context of graduating students from 15 engineering colleges from Tamil Nadu. Given that the study was of descriptive nature with a survey design, the findings do not allow for explicit conclusions to be drawn and the findings cannot be generalized to the greater population. In order to do so, the study would need to be conducted on a more diverse sample from across different states in order to make it more representative. Selecting a larger, more diverse sample may also counter any potential bias that may result from a self-administered questionnaire.

**RECOMMENDATIONS**

Future studies may also seek to investigate perceptions of employers regarding those characteristics that can make the organization a better place to work. Lastly, alternative methodologies may be considered for conducting future research.

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