The Impact of Electronic Recruitment towards Employer Branding through Candidate Experience
(Survey on Recent Graduates of Business Administration, Faculty of Administrative Science, University of Brawijaya Batch 2013)

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Abstract

Electronic recruitment has emerged as a preeminent way for job seekers to apply for a job. The use of technology in the recruiting process has made the relationship between candidates and companies shifted as the inadequacy of personal interaction occurred, impacting the way candidates see their potential employer. This research identified the influence of Electronic Recruitment on Employer Branding, the influence of Electronic Recruitment on Candidate Experience, the influence of Candidate Experience on Employer Branding, and the influence of Electronic Recruitment on Employer Branding through Candidate Experience as a mediating variable. The research comprises explanatory research with a quantitative approach. The sample of this research was recent graduates of Business Administration, Faculty of Administrative Science, University of Brawijaya Batch 2013 that has gone through the electronic recruitment process. Purposive sampling was used as the sampling technique and the data collection method done by distributing an online questionnaire to 60 respondents according to the sampling criteria. The data then analyzed using descriptive statistical analysis and path analysis. The result showed that Candidate Experience proved to be the mediating variable of Electronic Recruitment and Employer Branding.

Keywords: Electronic Recruitment, Employer Branding, Candidate Experience

INTRODUCTION

Recruitment viewed as a pivotal stage for its importance to find and attract qualified applicant [1]. Organizational success, as well as its failures, depends on how well the recruitment process is conducted as it holds the key to assure the competitive advantage of an organization. Technological advancement allows companies to become more efficient in searching potential talent as they are having a potentially greater reach in such a short amount of time [2].

The utilization of the internet in the recruitment process is known as electronic recruitment (e-recruitment), online recruitment, cyber recruiting, and internet recruiting [3]. Electronic recruitment further defined as the use of technology to attract candidates and support the recruitment process [4]. It also refers to the vacancy that is posted on the career section on the companies’ website or might as well a third-party’s website that allowed applicants to send their resumes in an electronic format [3]. The process includes attracting, screening, and tracking applicants followed by selecting and offering jobs or rejecting candidates [5].

The use of electronic recruitment has remarkably impacted businesses and job seekers who utilize this method in the hiring and job search process [6]. Electronic recruitment has emerged as a preferred method for many job seekers [7]. NORAS studies indicate that one in four adults prefer to look out for jobs in an electronic formats such as using a web-based search engines as opposed to the conventional methods. Utilizing online recruiting is rather convenient for job seekers, it is inexpensive and speedy. It also exposes a vast array of job opportunities regardless of their location and provides invaluable information regarding their potential employers [8].

Although businesses gained a lot of benefits from an electronic recruitment, there are also challenges ahead, including a decreasing trend of personal attention. One notable complaints about recruiting online is that recruiters tend to focus more on finding potential candidates rather than developing relationships with them [9]. Personal interaction viewed as a substantial matter for
both employers and job seekers. Many job seekers consider posting their resume online rather inefficient due to the lack of personal attention [10]. It might occur as human resource professionals often found themselves viewing people as a mere numerical data on computer screens rather than human beings [11].

The initial process of recruitment often indicated as a first impression of an organization and its Human Resource (HR) policies to job seekers. These impressions might have an impact on applicant’s decisions and affect the fundamental of the psychological contract between the employer and its employee [12]. For that reason, businesses are encouraged to implement and develop their e-recruitment activities by choosing to take up the philosophy of positive candidate experiences and embedded it in their e-recruitment strategies [13].

A positive candidate experience possibly seen as a determinant factor of the companies' employer brand [14]. Lacked attention to the recruiting process can make the employer's core business negatively impacted as the negative candidate experience could reflect poorly on the brand [15]. Furthermore, global access to much more information on organizations from diverse and independent sources is only one-click away, making it easier for the candidates to access the information about the recruitment process of their potential employer. Positive candidate experience will likely to generate referrals, 82.3% of all applicants would share their positive experiences of an application process with close friends and 64.4% of all applicants would do so even in the case of negative experiences [14].

A great part of e-recruitment is still needed to be further explored [16] considering it begins to be the important aspect of recruitment at large. However, research has yet to fully address how the candidate experience in e-recruitment process could affect employer branding. Previous researches on e-recruitment based on candidate’s perspective mainly focused on the attributes of the recruitment websites. Researches on said subject were conducted by Cober, Brown and Levy (2004), Goldberg and Allen (2008), Thompson et al. (2008), Braddy et al. (2009), Sylva and Mol (2009), Williamson et al. (2010), in addition to RoyChowdury and Srimannarayana (2013), among others. There was very limited research regarding the linkage of e-recruitment, candidate experience, and employer branding. Looking through the research gap, there was a need to conduct this research to further explore e-recruitment through candidate’s perspective on a different subject.

This research was conducted in Faculty of Administrative Science, University of Brawijaya. University of Brawijaya was chosen as it is one of the leading universities in Indonesia. According to the website of University of Brawijaya, University of Brawijaya’s position on 2018 is on 4th rank in Indonesia based on 4ICU World University Ranking, going upward from the previous year’s rank of 6th. Besides its rank, on 11 September 2014, University of Brawijaya also obtained a Grade “A” accreditation based on a Decree Number 367/SK/BAN-PT/Ak-SURV/PT/IX/2014 from National Accreditation Body for Universities. On Southeast Asia level, University of Brawijaya was on 17th rank. University of Brawijaya was also an associate member of AUN-QA Network under ASEAN University Network since 2014. Furthermore, the Business Administration Study Program in Faculty of Administrative Science was also accredited by Asian Association of Schools of Business International (AASBI) as a form of international acknowledgement.

University of Brawijaya, particularly Faculty of Administrative Science considered as an eligible location to conduct this research. As a notable university, University of Brawijaya generates qualified graduates to compete in the labor market. Young graduates are considered a fit for e-recruitment [3]. E-recruitment considered suited for those with higher education and those who are computer savvy [8]. Furthermore, most new college graduates now view internet as a major source of finding job opportunities.

Literature Review

Electronic Recruitment

Electronic recruitment, also known as online recruitment, cyber recruiting or internet recruiting [3] defined as the use of technology to attract candidates and support the recruitment process [4].

Advantages of Electronic Recruitment

In using the internet as a recruitment channel, employers, and applicants had certain advantages [17]. It identified as follows:
1. Cost reduction
2. Time saving
3. Wider accessibility
4. Reputation and brand

Disadvantages of Electronic Recruitment

Employers and applicants also face certain drawbacks in using the internet as a recruitment channel [17]. It identified as follows:
1. Alignment
2. Quality of applicants
3. Diversity
4. Personal touch

Electronic Recruitment Process
The degree of complexity and difficulty of a recruitment process can vary based on the recruitment objectives and the chosen recruitment sources [18]. There are three steps in an online hiring process [9], it broke down as follows:
1. Attracting
2. Sorting
3. Contacting candidates

Applicant’s Perception on Electronic Recruitment
Applicants’ attitudes towards the use of internet in recruiting and selection purposes might affect applicants’ perceptions and satisfaction of an online application system [12]. Applicants’ perception of the online selection system is a consequence of various aspects of the selection processes that eventually affect the attractiveness of the organization [19]. Applicants’ perception comprises how applicant views the organization, followed by their choice to work within the organization and their subsequent behaviors (e.g., recommendations and future product or service purchases) [19]. Factors that influenced the applicant’s perception on e-recruitment are as follows [20]:
1. Perceived efficiency
2. User-friendliness
3. Information provision
4. Fairness perception
5. Internet selection image of the company

Employer Branding
Employer branding defined as a strategy that are able to be of use to an organization to face the challenge to win the war of talent by raising the attractiveness of companies to get the attention of qualified applicants. Employer branding targets potential and current employees with a recognizable and distinctive identity that differentiates themselves from their competitors [21]. It also refers to an intentional efforts by organizations to create, change, and enhance their reputation as an employer of choice and has been considered as an important approach to acquiring qualified and talented employees [22].

Types of Employer Branding
Employer Branding is divided into internal and external, depending on whom the initiatives are addressed.
1. Internal Employer Branding
   Addressed primarily to existing employees [23]. It contributes to employee retention by using the brand to reinforce the concept of quality employment [24].
2. External Employer Branding
   Intended to professionals, students, graduates, and other stakeholders [23]. It establishes the organization as a good place to work and thereby enables the organization to attract the best hire.

Employer Branding and Recruiting
Organizations strive to be attractive employers in order to hire qualified employees [25]. In addition to that, a positive perception of an organization will grow the talent pool [26]. Positive image of the employer is important in attracting more applicants. Employer branding did a favor in creating an organizational image and building an organizational identity. This helps not only in attracting employees and the right people for the right job but also in recruiting qualified talent by saving time and cost besides overcoming the shortage of talent [27].

Reputation
There are multidimensional solution regarding the impacts of employer brand dimensions, including reputation [21]. Attracting applicants by establishing a positive reputation and getting people to apply for jobs is the first element of recruitment. Reputation referred as a global and evaluative judgment about an organization that is shared by the general public or by a collective group such as job seekers [28]. As such, reputation differs from image as reputation represents more enduring evaluation, denoting how the general public feels about the organization, and required a predominantly affective component.

Candidate Experience
The candidate experience concept originates from the Customer Experience Management (CEM) concept in the field of marketing [29]. It aims to develop a genuine relationship based on the understanding of customers’ needs and experiences so that the company could gain a competitive advantage [30]. Nowadays, potential candidates required to be approached similarly as prospective customers. They need to be carefully identified and aimed at, once they are attracted to the company and its brand, the job then offered [9].

Candidate experience describes as the individual recruitment experience of a candidate with their potential employer [29]. It is the overall experiences made with the potential employer.
Candidate experience shapes the relationship and trust of the applicants to the employer. It is influenced by the applicant’s experience throughout the recruitment process, the way the employer interact during the process and the overall image on how the applicant feels after the process.

**Trust**

The relationship between candidates and their potential employer is the key to build a positive candidate experience. Candidate will gain trust in the company as a result of positive experiences in the application process. Candidate with a positive experience, despite being rejected, would likely to reapply in the same company as the rejection is not leading to loss of trust. In contrast, loss of trust that the candidate with negative experience has would reflect in the damage of the employer’s brand [29].

In order to increase the degree of trust, organizations have to achieve results, act with integrity and demonstrate concern. In the context of candidate experience, integrity is demonstrated by the sincerity in dealing with applicants that focused on transparency, traceability, and fairness. The dimension of concern is formed by the emotional connection between applicants and recruiting companies that are influenced by the interaction between the applicant and the company’s representative. The third dimension results in which the organization need to achieve in conducting the application process [29].

**Candidate Journey**

The candidate journey presents a comprehensive approach in accordance to manage the candidate experience [14]. It refers to the entire application process from the candidate’s perspective. The candidate journey also describes as the time frame in which the candidate experience is happening. Candidate journey consists of every touch point between the candidate and the employer. The journey reflects the candidates’ feel and does not refer to the steps of the application process defined by the company. There is no universal candidate journey as the application processes differ from one company to the others which cannot be generalized [14] [29].

The candidate journey can be divided into four phases [29]. The first phase is job searching and orientation. It is marked as the phase of job seeking that emphasized on the general interest of the candidate regarding their potential employer. The second phase is the submission of the application that highlights the way candidate applied for the job. The third phase is the participation in the selection procedure. The last one is the fourth phase that focused on the way company delivers information about the candidates’ application progress as well as the application result.

**Talent Relation**

Talent relation sorted out into an applicant’s tendency to reapply and tendency to share their experience [29]. It occurs as the consequences of an applicant’s experience throughout the application process. It can further explained that positive candidate experience influenced the applicants to apply again in the same company regardless of being accepted or rejected by the company [29]. The experience gained in the application process also had an important role in maintaining the reputation of an employer. Aside from their friends and acquaintances, applicants also share their experience with a wider audience through social media. Multiplication of opinions on organizations now takes place to a higher degree as the applicants could easily communicate their application experience on social media network and rating platform such as Glassdoor, making the company’s employer brand at stake if it is not maintained well.

**Hypotheses**

\[ H_1 : \text{Electronic Recruitment (X) has a significant influence on Employer Branding (Y)} \]

\[ H_2 : \text{Electronic Recruitment (X) has a significant influence on Candidate Experience (Z)} \]

\[ H_3 : \text{Candidate Experience (Z) has a significant influence on Employer Branding (Y)} \]

\[ H_4 : \text{Electronic Recruitment (X) has a significant influence on Employer Branding (Y) through Candidate Experience (Z)} \]

**Figure 1 Hypotheses Model**

*Source: Theoretical & Empirical Review (2018)*
MATERIAL AND METHOD
The type of the research used in this study was explanatory research with quantitative approach. This research was conducted at Faculty of Administrative Science, University of Brawijaya which is located in Malang, Indonesia. The sample of this research was recent graduates of Business Administration, Faculty of Administrative Science, University of Brawijaya Batch 2013 that has gone through the e-recruitment process. The sampling technique used for this research was using purposive sampling. In terms of collecting data, primary data was used in this research. Data collection method was done by distributing a close-ended online questioner to 60 respondents that were chosen according to the sampling criteria. The scale of measurement used in this research was a five-point Likert scale ranging from very positive attitude (strongly agree) to very negative attitude (strongly disagree). The data then analyzed using descriptive statistical analysis and path analysis.

RESULT AND DISCUSSION
Table 1 Path Coefficient Test of H1

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>β</th>
<th>t-statistic</th>
<th>p-value</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>0.138</td>
<td>-0.932</td>
<td>0.355</td>
<td>Not Significant</td>
</tr>
</tbody>
</table>

*p value < 0.05 is significant
Source: Primary Data Processed (2018)

Table 2 Path Coefficient Test of H2

<table>
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<tr>
<th>Hypothesis</th>
<th>β</th>
<th>t-statistic</th>
<th>p-value</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2</td>
<td>0.551</td>
<td>5.022</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

*p value < 0.05 is significant
Source: Primary Data Processed (2018)

Table 3 Path Coefficient Test of H3

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>β</th>
<th>t-statistic</th>
<th>p-value</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>H3</td>
<td>0.414</td>
<td>2.795</td>
<td>0.007</td>
<td>Significant</td>
</tr>
</tbody>
</table>

*p value < 0.05 is significant
Source: Primary Data Processed (2018)

**Direct Effect (DE)**

\[ \text{DE} = \text{PYX} \]

\[ = 0.138 \]

**Indirect Effect (IE)**

\[ \text{IE} = \text{PZX x PYZ} \]

\[ = 0.551 \times 0.414 \]

\[ = 0.228 \]

**Total Effect (TE)**

\[ \text{TE} = \text{PYX} + (\text{PZX} \times \text{PYZ}) \]

\[ = -0.138 + 0.228 \]

\[ = 0.090 \]

**Path Analysis Result**
From the overall calculation that has been done, this research produces coefficient path between variables portrayed on the path diagram model as follows:

![Figure 2 Path Analysis Result](image)

Source: Primary Data Processed (2018)

**R² Model**

\[ R^{2} = 1 - (1-R21)(1-R22) \]

\[ = 1 - (1-0.303)(1-0.128) \]

\[ = 1 - (0.697)(0.872) \]

\[ = 0.392 \text{ or } 39.2\% \]

The result of calculation of model determination explains that the contribution of the model to explain the structural relationship of three variables studied equal to 39.2%, while the rest of 60.8% explained by other variables that are not included in this research model.

**The Effect of Electronic Recruitment on Employer Branding**
The result of path analysis showed that Electronic Recruitment (X) did not have a significant effect on Employer Branding (Y). The statement is based on the value of tstatistic of -0.932 and p-value of 0.355 which greater than α = 0.05 (0.355 > 0.05). The probability value on this analysis result is greater than α = 0.05, meaning that H0 is accepted and H1 is rejected. The coefficient of determination (R²) value showed the result of 12.8%, meaning that the contribution of Electronic Recruitment variable to influence Employer Branding variable is a mere 12.8%. Therefore, it can be concluded that electronic recruitment did not have a significant influence on employer branding.

The result differs from previous research that stated electronic recruitment expected to represent a requisite aspect to reinforce a positive employer image of an organization [32]. It may occurred as the majority of the respondents (58.3%) that applied through the e-recruitment, has already applied for more than ten times. However, 20% of the respondents were still unemployed, implying that they might be rejected by companies that they applied to. Rejection might bring about a profusion of negative
emotions including sadness, anger, as well as feelings of anxiety, loneliness, depressed mood, and general unpleasantness [33]. Recent research conducted by SEEK indicated that when candidates were asked about how they felt about a company after they were not successfully accepted for a role, a significant proportion admitted it had damaged their perception of the brand [34].

Another possible reason for the insignificant result might be caused by the multidimensional features of employer branding. Employer branding consists of various dimensions such as work-life balance, reputation, diversity, organizational culture, training and development, in addition to ethics and corporate social responsibility [35].

The Effect of Electronic Recruitment on Candidate Experience

The result of path analysis showed that Electronic Recruitment (X) has a significant effect on Candidate Experience (Z). The statement is based on the value of t\text{statistic} of 5.022 and \( p_{\text{value}} \) of 0.000 which smaller than \( \alpha = 0.05 \) (0.000 < 0.05). The probability value on this analysis result is smaller than \( \alpha = 0.05 \), meaning that \( H_0 \) is rejected and \( H_1 \) is accepted. Therefore, the second hypothesis that stated electronic recruitment has a significant influence on candidate experience is accepted. The influence of Electronic Recruitment variable on Candidate Experience variable amounted to 0.303 or 30.3\% that derived from the coefficient of determination (R\(^2\)) value.

According to the result of this research, electronic recruitment statistically proved to have a significant influence on candidate experience. It supports the result of previous research that stated electronic recruitment is used by organizations to improve the experience of their applicants [36]. The statement can be further explained by the findings of this research. Electronic recruitment can improve the experience of the applicants as it is easier than the conventional method. As seen from item X.1.1 with a mean score of 4.47, electronic recruitment process perceived to be user-friendly, meaning that it is easy to use and understood in completing the application process. Moreover, with a mean score of 4.57 respondents agreed that online recruitment procedures are more convenient than the conventional one as it is gives flexibility in terms of time and location (X.1.4). As a further matter, with mean score of 4.03, respondents agreed that there is no ambiguity about the steps to follow on online application process as it has guidelines and meticulous instructions (X.1.3), the information about the job was sufficient and understandable for the respondents (X.1.1) with mean score of 4.15, the important information about the application process such as contact person, list of current vacancies, requirements, assessment, overview of the recruitment process, tips on how to apply online, data protection and handling of the application documents, duration, FAQs, link to further career offers of the company, upcoming career events where the company will be present, is available (Z.2.4) with mean score of 4.18, and the specific information regarding the job vacancy posted by the company is typically available for the applicants (Z.2.5) with a mean score of 4.18. Thus, it can be concluded that the use of electronic recruitment in an organization positively influenced the end result of the candidate experience.

The Effect of Candidate Experience on Employer Branding

The result of path analysis showed that Candidate Experience (Z) has a significant effect on Employer Branding (Y). The statement is based on the value of t\text{statistic} of 2.795 and \( p_{\text{value}} \) of 0.007 which smaller than \( \alpha = 0.05 \) (0.007 < 0.05). The probability value on this analysis result is smaller than \( \alpha = 0.05 \), meaning that \( H_0 \) is rejected and \( H_1 \) is accepted. Therefore, the third hypothesis that stated candidate experience has a significant influence on employer branding is accepted. The influence of Candidate Experience variable on Employer Branding variable amounted to 0.128 or 12.8\% that derived from the coefficient of determination (R\(^2\)) value.

According to the result of path analysis, candidate experience has a significant influence on employer branding. It supports the result of previous research that stated a positive candidate experience can be seen as a determinant factor of employer brand [14]. The experience gained in the application process had an important role in maintaining the reputation of an employer as the way applicants’ perceived their potential employer’s brand encouraged by various factors, amongst its factor is word of mouth. As seen on item Z.3.2 with a mean score of 4.20, respondents agreed that they would share their candidate experience of the company that they applied for with their friends and acquaintances. The result is also in line with a statement saying that positive candidate experience will likely to generate referrals [14]. Nonetheless, the respondents’
tendency to share their candidate experience on social media is slightly lower with a mean score of 3.80.

**The Effect of Electronic Recruitment on Employer Branding through Candidate Experience**

The result of calculation showed that the indirect effect of Electronic Recruitment (X) on Employer Branding (Y) through Candidate Experience (Z) as a third variable mediating the relationship of two variables is 0.228. Based on the result of the indirect effect, the total effect then calculated. The result shows that the total effect is 0.090, meaning that the effect of Electronic Recruitment (X) on Employer Branding (Y) through Candidate Experience (Z) is much greater than the direct influence of Electronic Recruitment (X) on Employer Branding (Y) (-0.138). It concludes that Candidate Experience (Z) is proved to be an intermediary or mediating variable of Electronic Recruitment (X) and Employer Branding (Y).

According to the calculation result, the effect of electronic recruitment on employer branding through candidate experience is much greater than the direct effect of electronic recruitment on employer branding. The result is in accordance with previous research that stated electronic recruitment is used by organizations to improve the experience of their applicants [36]. Better experience for the applicant means that the employer brand of an organization could also strengthened as the experience gained in the application process had an important role in keeping the reputation of an employer stays in its place, which also in line with the statement saying that positive candidate experience can be seen as a determinant factor of employer brand [14].

**CONCLUSION**

Based on the results of path analysis that has been done, it can be concluded that:

1. Electronic Recruitment does not have a significant effect on Employer Branding.
2. Electronic Recruitment does have a significant effect on Candidate Experience.
3. Candidate Experience does have a significant effect on Employer Branding.
4. Candidate Experience proved to be an intermediary or mediating variable of Electronic Recruitment and Employer Branding.

**Implications**

1. The results of this research indicated that although Electronic Recruitment does not have a significant effect on Employer Branding, Candidate Experience has proven statistically to be an intermediary or mediating variable of Electronic Recruitment and Employer Branding.
2. Candidates with positive experience will likely to apply at the same company that they had applied before albeit being accepted or rejected. Thus, it is important for organizations to make sure that they conveyed a positive candidate experience throughout the application process to secure their talent pool.
3. The experience gained in the application process had an important role in maintaining the reputation of an employer. It affects the tendency of applicants to share their experience with their friends and acquaintances.

**Research Limitations**

In conducting this research, there were several limitations that should be acknowledged. Considering the specific and limited size of the research location and the sample of this research, the findings and implications of this research might not be widely applicable to a greater extent. In addition to that, a disparity in indicator and items used to measure the variables of this research might affect the outcome of the statistical analysis and thus, affecting the result of this research.

**REFERENCES**


