

ASHESI UNIVERSITY COLLEGE

**FACTORS INFLUENCING EMPLOYER
DESIRABILITY AMONGST PROSPECTIVE
AND CURRENT EMPLOYEES**

By

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DECLARATION

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

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I hereby declare that the preparation and presentation of the thesis were supervised in accordance with the guidelines on supervision of thesis laid down by Ashesi University College.

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Abstract

Globalization, pressure for speed and innovation, and growing competition for talented workers have given organizations added incentives to review their employee relations strategies in order to attract, motivate and retain the workforce that will help them to be successful (Joo & Mclean, 2006). This study investigated the factors that Ghanaian organizations need to employ in their human resource management practices in order to set themselves apart from their competitors and be recognized as employers of choice.

The theoretical framework that guided this study was the six criteria for rating corporate reputation which were identified as: pay and benefits, career and growth opportunities, job security, pride in company or work, fairness and company culture. Surveys based on these factors were used to collect information from respondents from Ashesi University, University of Ghana, Zenith Bank and Ghana Commercial Bank.

Three of the criteria for rating corporate reputation; pay and benefits, career and growth opportunities and job security were found to be the most relevant in the Ghanaian context for both current and prospective employees. Certain variations that were observed were accounted for by the demographic information of the respondents such as gender, age and level of education.

This study's findings will be useful when making strategic human resource management decisions aimed at attracting the best talent to an organization.

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Chapter One

INTRODUCTION TO STUDY

In order to function efficiently and effectively, organizations need employees who are competent in all aspects of the jobs they have been selected to do. Never before has the people dimension been so crucial to organizational success (Butteriss, 1988). If the challenges of the future are to be met, tomorrow's human resource departments must be much more sophisticated than their predecessors (Byars & Rue, 1991). In a news report posted on myjoyonline.com in April 2010, the Tema Regional Commander of the Ghana Police Service blamed the increasing numbers of police personnel involved in armed robbery activities in Ghana on poor recruitment exercises carried out by the service a few years earlier and on the fact that service personnel were dissatisfied with some of their conditions of service (Yeboah, 2010). This is an illustration of the repercussions poor recruitment exercises can have on an organization. One of these repercussions includes a poor image of the Ghanaian Police Service, which does not make it an attractive career choice for graduates or jobseekers.

Human resource management is a series of integrated decisions about the employment relationship that influences the effectiveness of employees and organizations (Milkovich & Boudreau, 1994). Human resource management has become a very essential part of any organization because employees are an organization's most important assets. Some human resource management activities include; recruitment, training and

development and compensation and benefits. Although plant, equipment, and financial assets are resources required by organizations, the people – human resources, are particularly very important. Human resources provide the creative spark in any organization (Milkovich & Boudreau, 1994).

“At a time when corporate success is depending more and more on a high quality workforce, firms are increasingly becoming aware of the need to attract the best workers to their companies” (Greening & Turban, 2000). Recruitment is one of the most essential human resource management practices because it is one of the first steps in an organization’s quest to get the best employees into its workforce. It involves having the best person doing a job at the right time. It is the backbone of any organization that views its employees as its most essential assets. However, recruitment can sometimes be a difficult task for organizations since it involves heavy investment and dedication of time. It can be a costly and complicated process that has a strong impact on organizational effectiveness (Scarpello & Ledvinka, 1988). Recognizing that the people dimension is important to organizational success, organizations must strive to make themselves stand out from their competitors in order to attract and retain the best talent to themselves during their recruitment exercises. Ghanaian organizations must find ways of positioning themselves in markets that are becoming increasingly competitive domestically as a result of the oil find and internationally due to globalization.

Organizations that have made the well-being of their employees an important aspect of their corporate culture have been and continue to be

very successful. For instance, SouthWest Airlines in the USA is one of the most successful airlines in the world today, earning profit year after year since it began operations. SouthWest Airlines is successful because it treats its employees well; its employees in turn treat their customers well (Luba, 2004). Among other things, employees are empowered at SouthWest to take important decisions and as a result of this, the airline has competitive advantage even though it operates a no-frills service. SouthWest Airlines' employees are happy to work there and this reflects in the number of job applications it receives yearly. In 2004, SouthWest Airlines received 225,895 applications and hired only 1,706 (Luba, 2004). SouthWest Airlines focuses on building up its employees and is recognized as an employer of choice. Google was among the top 10 companies in the February 2011 Fortune 500's list of 100 Best Companies to work for. Google is one of the most innovative companies in the world and continually ranks among the top employers many jobseekers will love to work for. Google attracts more than one million applicants a year, or nearly 130 applicants per employee – an unheard of volume for organizations of their size and age (Sullivan, 2007). Google has been identified, as an employer of choice because it has a unique culture, which encourages its managers to take decisions, make mistakes and learn from their mistakes. These companies have been identified in the corporate world as employers of choice. What these companies have in common is their unique company cultures, which set them apart from other companies; cultures that have employees at their center. Culture, how people are managed, and the effects of this on their behavior and skills is sometimes

seen as the “soft” side of business, and occasionally dismissed (Pfeffer, Toru, & Timo, 1995). For a firm’s culture to be a source of competitive advantage, not only must it be valuable and rare, it must also be imperfectly imitable (Barney, 1986).

“Employer of choice” is representative of a whole new design of corporate culture (Herman & Gioia, 2001). It means that people will choose to work for you. Employers of choice are those organizations that outperform their competition in attracting, developing, and retaining people with business-required talent. They achieve this reputation through innovative and compelling HR practices that benefit both employees and their organizations (Joo & Mclean, 2006). In the years ahead, workforce stability will be a company’s competitive edge. The benefits of becoming an Employer of Choice are numerous. Organizations that choose to become employers of choice will save a lot of money because they will not have to spend on advertising when it is time for them to recruit. This is because prospective employees will be queueing for an opportunity to work with them. The organization’s only expense will be evaluating the talent because rather than finding ways to get to people to apply, an organization’s focus will be on choosing the best out of the large pool of jobseekers attracted to it. When employees choose to work for an employer, it is very likely they will stay. Employee continuity is advantageous to an employer because there is reduced turnover which will have a positive effect on the company’s performance. Employee continuity is also important because of the savings to employers in terms of time and money as a result of training new

employees to take over the position of an employee who has left the company. Long-term employees may have greater loyalty and be more dedicated to their tasks and consequently work harder which will also have a positive impact on the performance of the organization. These benefits show that it has become necessary now more than ever for organizations to set themselves apart from their competitors as an employer of choice.

An organization can be said to have competitive advantage over its competitors when it performs a function more efficiently than its competitors. Organizations mostly focus on technological know-how as a source of advantage; however, machines can only do so much. Over the years, competitive advantage has been based not only on technology, but also on having economies of scale in production and other factors that competitors could not match up to. However, these measures of competitive advantage are beginning to take a backseat as employees are being recognized as critical factors to any organization's success. The most successful employers will be those who legitimately inspire highly talented workers to join them and stay with them (Gioia & Herman, 2000). High quality employees are increasingly becoming the key to an organization's competitive advantage. Teece (1998) states that some authors have identified quality employees as those with intelligence, motivation, experience, vision, creativity, commitment, analytic abilities and computer training (as cited in Greening & Turban, 2000, pg 254). "Having quality employees alone is not sufficient; the successful firm must be able to take advantage of such talent and develop it into skills that are valuable, rare, nonsubstitutable, and unable to

be easily imitated by competitors” (Greening & Turban, 2000). These benefits not to mention their positive impacts on an organization’s costs should warrant the need for Ghanaian organizations to strive to become employers of choice.

The Ghanaian labor market dynamics are changing such that low-skilled personnel must have secondary school certificates in order to obtain a job. Although a majority of the Ghanaian adult population approximately 66% (UNICEF, 2010) is literate, the changing labor dynamics will require that people must be better educated to get better jobs. However, the labor pool of better educated individuals to choose from is small and the more highly skilled people are, the higher their salary expectations. With more skills, these employees are spoiled for choice concerning where they want to work, how well they will work and when they will leave. In order to stay ahead of their competition, employers must find innovative ways of acquiring the best talent to work for their organizations – talent that will stay dedicated to an organization and its success in the midst of being enticed by competitors who may be able to offer them more than what their current employer is offering.

1.1. Problem Statement

The benefits of being an employer of choice are numerous and include: being viewed as the destination workplace and having a recognized brand as a result; having a stronger pull in the employment market place; being able to attract a higher quality of jobseekers; having higher levels of employee engagement; being able to develop talented people at all organizational levels and being recognized by employees and prospective employees as the

'place to work' (Robertson, 2005). These benefits do not even begin to outline the cost savings an organization makes on its recruiting and marketing expenditures and the financial benefits that having engaged and dedicated employees brings to an organization. The need therefore for organizations to put in place such policies as would create the kind of environment which would motivate employees to give of their best cannot be overemphasized (Abdulai, 2000). Employer of choice status comes about as a dedication to human resources management activities, which seek to optimize the full productivity of an employee through the creation of employment relationships.

Ammons (1992) asserts that the Ghanaian situation also exemplifies the generally held notion that the private sector possesses a more conducive environment for increased productivity than the public sector (as cited in Abdulai, 2000, pg 460). This can be attributed to the fact that private sector organizations are more likely to invest in human resource functions and other innovative ways of meeting and satisfying their employees' needs. Organizations that do not know the benefits of becoming an employer of choice will be unlikely to invest in human resources management practices that promote this status. The benefits of being an employer of choice cut across the private and public sector and result in higher productivity and higher quality of work which makes organizations in either sector very successful.

1.2. Research Question and Objectives

How can Ghanaian organizations position themselves as “Employers of Choice” and use their employees as a source of competitive advantage by?

The success of an organization’s recruitment exercise will determine the quality of employees an organization will select for the positions available. The quality of this recruitment exercise will depend on the job analysis that is done prior to the beginning of the recruitment process. This job analysis will help the organization match the many prospective employees it will attract as a result of becoming an Employer of Choice to the jobs available in the organization. The research sought to investigate how companies can capitalize on becoming Employers of Choice and by doing so attract the best employees who will contribute positively to the organization’s success and help it gain a competitive advantage against its competitors. This research also sought to investigate what attributes Ghanaian organizations will need to possess in order to position themselves as Employers of Choice in order to attract a large pool of prospective employees.

The main objective of this study was:

- To investigate what factors makes jobseekers choose which company to work for and remain with.

The secondary objective of this study was:

- To investigate what characteristics Ghanaian organizations need to have in order to position themselves as employers of choice.

1.3. Theoretical Framework – The Criteria for Rating Corporate Reputation

In order to better understand why employees choose to work with certain organizations, organizations are rated on certain human resources criteria. The six criteria for rating corporate reputation are:

- Pay and benefits
- Career and growth Opportunities
- Job security
- Pride in work and/or company
- Openness/fairness
- Camaraderie/friendliness

A model was crafted by Joo & Mclean (2000) on the criteria with which Fortune Magazine identifies which organizations are employers of choice. This model postulates that organizations which take these factors into consideration, are organizations concerned about the employment relationship with their employees. Thompson (1967) defined the constituency approach to organizational performance as viewing the organization as existing to benefit numerous 'constituencies', both internal and external to the organization, with organizational performance assessment focused on fulfillment of constituent needs (as cited in Dess & Richard B. Robinson, 1984). Constituencies includes employees of the organization so it can be deduced that how employees perceive an

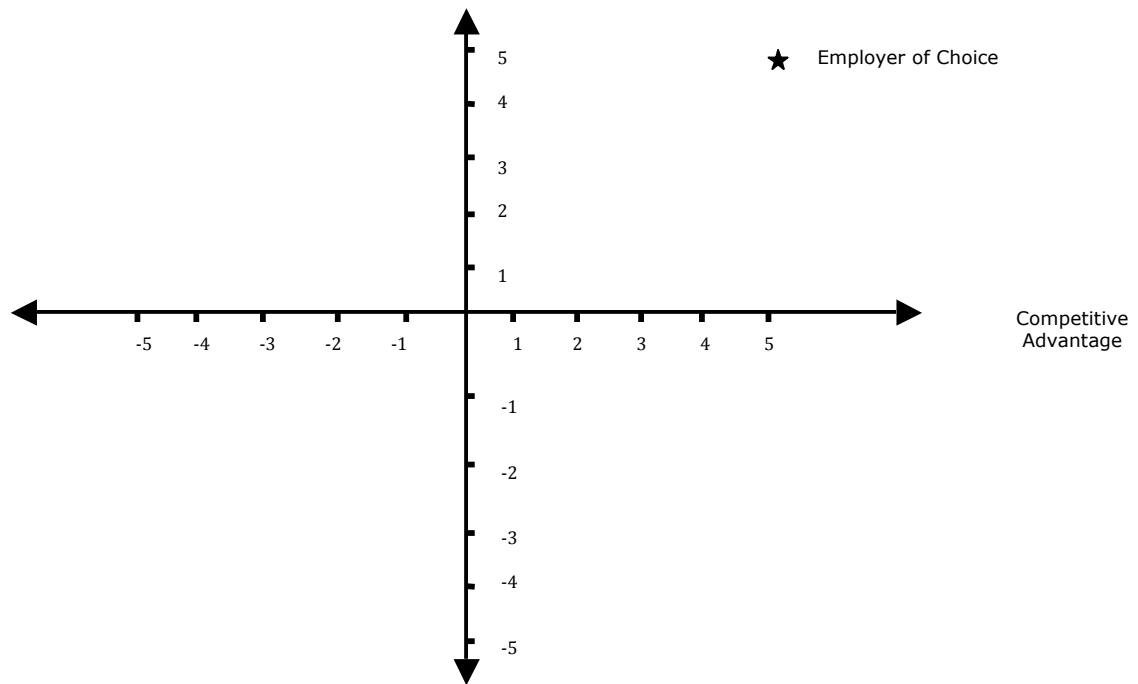
organization can be as a result of whether or not an organization fulfills the employees' needs. Organizations are entities that seek approval for their activities in socially constructive environments. Conformity to expectations of behavior is the means through which firms gain legitimacy and acceptance in the eyes of stakeholders (Huselid, Jackson, & Schuler, 1997). Prospective and current employees are stakeholders in any organization. An organization that conforms to and even exceeds the expectations of its employees and prospective employees will set itself apart as an employer that is concerned about its employees.

Further research done on this model suggests that four factors are most important to employees. These factors are: culture, leadership and management, pay and benefits and performance management, growth and development (Spitzmuller et al, 2002). These factors can be said to be the most important expectations employees have of their employers. Culture in organizations are very important because the valuable and rare aspects of an organization's culture often become part of the unspoken, unperceived common sense of the firm (Barney, 1986). Organizational culture makes employees feel as though they are a part of a community that cares about their input. An organization that makes its employees feel this way will encourage them to give off their best. Managers and supervisors who embody an organization's values and approach their work with zest inspire their subordinates and other employees to give off their best. Employees expect managers and supervisors who will ask them about their work and show interest in the work that employees do. Employees value an

organization where they have the opportunity for growth in terms of promotions and other career opportunities. Pay and compensation benefits are very important human resource management aspects that can serve as determinants to whether or not an employee will stay on in an organization. Employees do sometimes stay on in organizations even when they are paid below the market rate. However, employees who enjoy and love their jobs will consider pay and compensation secondary to other perks which the organization offers.

This study used the framework developed by Dutta & Punnose (2010), as a yardstick in investigating the attributes that employees and prospective employees expect when making the decision as to whether to stay on at an organization or which organization they should work for. The study also assumed that employers who display these factors can be said to be employers of choice.

Cognitive Map



6 Criteria for rating corporate reputation – pay and benefits, career and growth opportunities, job security, pride in company, fairness, and company culture.

FIGURE 1.1.

The cognitive map is based on the theoretical framework of this study and one of the main benefits of employer of choice status – competitive advantage. The cognitive map showed that this study assumed that current and prospective employees rate organizations that they presume to be employers of choice highly on the 6 criteria. This assumption is further explored by using a rating of the 6 criteria on the vertical axis on a scale of 5 to -5. Negative five = the criteria are not at all applicable in an organization, 5 = the criteria are very applicable in an organization. The horizontal axis numbered -5 to 5, connotes an organization's competitive advantage. This

study assumes that an organization that scores highly on the vertical axis enjoys the benefits of being an employer of choice because it meets certain human resources needs of its employees. These benefits include having competitive advantage against its competitors in terms of employees.

Significance of Study

The importance of employees to the success of an organization cannot be underestimated. Wriston's theory that, "if you have the right person in the right place, you don't have to do anything else. If you have the wrong person in the job, there's not a management system known to man that can save you", (as cited Foulkes and Livernash, 1982, pg 43), emphasizes this importance. Employees who are effective contribute productively to the organization and help it achieve its aims and objectives. However, the problem lies in attracting the right type of employees. Organizations can easily attract the type of employees they need by taking certain measures that will enable them stand out from other organizations. For many organizations, because skilled employees are hard to attract and difficult to retain, how to differentiate HR practices to attract and retain these people has become critical to business success (Joo & Mclean, 2006).

This study will be of significance to organizations – public and private, and human resources professionals who are interested in making human resources management a crucial part of the organization. This is because much research has been done on the impact of human resources management on firm performance, and the advantages of being an Employer

of Choice on firm performance. However, much research has not been done on how Ghanaian organizations can position themselves as Employers of Choice. This research will attempt to fill that gap and will also focus on how employers can capitalize upon the large pool of employees they may attract as a result of that status using their recruitment methods. Consequently, this study will serve as a guide to stakeholders concerned with how they can attract and retain talent in their organization. This study will also serve as a source of information to stakeholders in the human resource management field when taking strategic decisions concerning their employees that they hope will contribute to the success of their organization

1.4. Methodology

This research was an exploratory one that sought to investigate the characteristics that prospective employees look out for in organizations before making decisions as to which organization to work for: characteristics that will give an organization the status as an employer of choice. A status which when capitalized upon can be used as a source of competitive edge. This study achieved this by collecting information from final year students of Ashesi University College and University of Ghana, current employees of Zenith Bank and Ghana Commercial Bank. The data used for this analysis was collected using questionnaires, email surveys and interviews. The participants were chosen using purposive sampling. The data was analyzed using Statistical Package for Social Sciences (SPSS) and MS Excel.

1.5. Outline of dissertation

Chapter One will introduce the reader to the study and its purpose. It will give an overview of the direction of the research.

Chapter Two will raise the key issues contained in already existing literature concerning the main variables in the study: the dependent variable, competitive advantage and the independent variable, employer of choice status. This chapter will discuss already existing literature concerning the research under the following topics:

- Employer of Choice status
- Competitive Advantage
- Employer of choice and competitive advantage

Chapter Three will outline the research design, sampling procedure and data collection methods to be used in the study. It will also provide information to show the validity and consistency of the study.

Chapter Four will present the data obtained for the study in the form of graphs and tables.

Chapter Five will present a thorough analysis of the data obtained for the study. The chapter will discuss the findings of the research and explore how Ghanaian organizations can use their employees as a source of competitive advantage by becoming employers of choice as a result of meeting or in some cases exceeding their human resources management needs.

Chapter Two

LITERATURE REVIEW

2.1. Introduction

Human resources management in Ghana is fast becoming an important aspect in many organizations and should ideally exist within the tenets of the Ghanaian constitution. This is because laws and regulations are some of the important external factors that influence human resources. The prescriptions and issues raised have brought to the fore an important point that is sometimes ignored, or at best lackadaisically approached by Ghanaian managers, namely the need for a humane approach to managing people which, among other things, borders on recognition of employee rights and welfare (Abdulai, 2000).

The importance of human resources to an organisation cannot be overemphasized. Eddy (1981) asserts that without the meanings that are provided by the human mind, organizations are only piles of stone and metal and blobs of ink on pieces of paper (as cited in Abdulai, 2000, pg 450). Consequently, it is important that organizations create the kind of environment that is conducive enough for their employees to give off their best. Unfortunately, however, Ghanaian organizations, both public and private, do not give the necessary attention to human resource management issues (Abdulai, 2000). The importance of recruitment practices to effective human resources management has been stressed in a lot of literature concerning the subject. In order to inform and guide this study, this chapter will discuss already existing literature and previously published works that

relate to employer of choice status and competitive advantage in the context of human resources management.

2.2. Employer of Choice status

Joo & Mclean, 2006, define an employer of choice as "Organizations that outperform their competition in attracting, developing, and retaining people with business-required talent". This is achieved through innovative and compelling HR practices that benefit both the employees and their organizations. Globalization, pressure for speed and innovation, and growing competition for talented workers have given organizations added incentives to review their employee relations strategies in order to attract, motivate and retain the workforce that will help them to be successful (Joo & Mclean, 2006).

An organization's journey to becoming an employer of choice first begins with employees and prospective employees' belief in how just the human resources management system of an organization is. Human resource functions in organizations are now tasked with the responsibility of positioning themselves such that they attract and retain the best talent in the labor market. Organizations that are able to position themselves in this way serve as benchmarks to other organizations that seek to also position themselves to attract and retain the best talent in the market. These organizations include those listed on Fortune 500's 100 best companies to work for, organizations such as Google and SAS. Some commonly mentioned Ghanaian organizations viewed as employers of choice include Unique Trust and Databank. Fulmer et al (2003) assert that the wisdom of

benchmarking against organizations such as those on best employer lists depends on the validity of two assumptions: (a) that companies on the best employer list really have better HR practices than those not on such lists, and (b) that strong employee relations are beneficial to the organization (as cited in Joo & Mclean, 2006). This study will attempt to investigate these two assumptions in the Ghanaian context.

Levering and Moskowitz (2005) mention the criteria of selection as an employer of choice for Fortune 500's 100 best companies includes: pay and benefits, opportunities, job security, friendliness and fairness etc. (as cited in Joo & Mclean, 2006). These criteria will be adapted from that study and used as a yardstick to rate how prospective and current employees rate Ghanaian employers as employers of choice. Organizations strive to achieve or maintain employer of choice status in order to communicate to employees and prospective employees that organizations are different in what they offer to their employees. Zivnuska et al (2001) argue that as levels of competition for good people increase, firms have to rely on HR practices strategically to attract, motivate, develop, and retain their talented employees (as cited in Joo & Mclean, 2006). This is evidence of the fact that human resources management is starting to play a very crucial role in the success of organizations that view its employees as its best assets.

Organizations gain their reputations from their financial performance, their company culture etc. Companies in general like to maintain good reputations among their employees and prospective employees (Joo & Mclean, 2006). This is because a good reputation has many advantages for

an organization. Employees for instance will like to be associated with an organization that has a good reputation and this reduces turnover in the organization. A good reputation also attracts talented employees and employees who are proud of being associated with such an organization will tend to work harder in order to retain or build their organization's image. A great reputation serves as the bedrock for employer of choice status because a great reputation attracts employees to an organization and ultimately serves as an organization's source of competitive advantage. The greatest measure of a company's reputation lies in what the employees say about the organization.

When planning to become an employer of choice, organizations must take into consideration the fact that satisfying the needs of employees can be done not only through tangible means, but also through intangible means. Employee satisfaction will determine whether or not they will stay on and continue working with an organization. Figure 2.1, from Branham, 2005, illustrates the four strategic employer of choice options for employees. It postulates that meeting these short or long term goals will encourage an employee to stay on. However, the real determinants of employee retention and engagement will be as a result of the long term intangibles. This goes to say that for an organization to set itself apart as an employer of choice, it must be able to in the long term provide certain intangible benefits for its employees. Figure 2.1 also shows that in the long term, tangible factors such as compensation and benefits will not determine whether or not an employee will stay on with an organization.

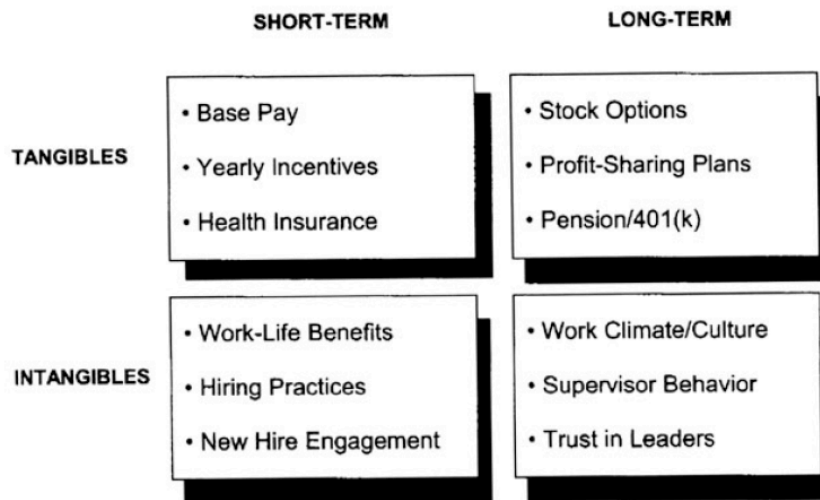


Figure 2.1. : (Branham, 2005 pg 58)

Peterson and Devline (1998) observed that “students in the 1950s pursued high salaries, job security and opportunities for promotion. In the 1960s, they sought a sense of social responsibility, resolution of social problems and meaning in life” (as cited in Dutta & Punnose, 2010). Their literature review further recognized that fast forward into the 1990s and students’ focuses once again changed to job characters which improved an individual’s status in a profession. These observations are very significant because it shows that what prospective employees expect from their prospective employees changes and is not stagnant. It is essential that organizations take this into account when drawing up their recruitment strategies to attract employees. Organizations that are able to capitalize on this will better meet the needs of their employees.

In order for an organization to track its employer of choice status, it must have a form of measurement that it uses to do this. Figure 3, also from Branham (2005), provides such a metric – the employer of choice

scorecard which research suggests companies should use. The lower the percentage rating for an organization, the better.

Table 2.1: Employer of Choice Scorecard

Employer of Choice Indicators	Percentage (%)
Voluntary turnover rate	
Employee referral rate	
Ratio of jobs filled internally	
New hire retention rate	
Quit rate	
Ratio of acceptances to offers	
Percentage of engaged employees	
Absenteeism rate	

Source: (Branham, 2005 pg 67)

The indicators can be likened to some of the advantages of being an employer of choice. These advantages as presented by Herman & Gioia (2001), include:

- ***Diminished marketing and recruiting expenses*** as a result of a company being widely known as a good place to work. A company will have people approaching it for an opportunity to work with it.
- ***Reduced turnover*** will be advantageous to an organization because will have a positive impact on a company's bottomline.
- ***The bar is raised*** for a higher calibre of employees. This is because more highly skilled workers will want to work in companies where they can be more productive and contribute effectively.
- ***Optimized performance*** as a result of high quality employees which is a reflection of the organization's productivity.
- ***Planning is facilitated*** for a company which chooses to become an employer of choice. This is because an employer of choice will have prospective employees continually lining up at its doorstep looking for job opportunities. Consequently, the employer of choice will always have a willing pool of people to

choose from for positions. The organization can forecast and plan ahead using this talent pool they have.

One of the major benefits of becoming an employer of choice is that, firms identified as being employers of choice are able to attract superior talent to itself. Employer of choice status can serve as a very important and inexpensive recruiting tool to any organization. Barber (1998) stated that more directly, over the past two decades, organizations have come to appreciate how the attainment of their strategic business objectives can be influenced by the way they recruit their employees (as cited in Johnson et al, 2008). These observations by Barber (1998) and Herman & Gioia (2001) are very relevant to the objective of this study because they affirm the assumption of the study that an organization can have a competitive advantage over its competitors through its employees by meeting or even exceeding their human resource needs.

2.3. Competitive Advantage

Frameworks for evaluating the determinants of differential performance include Porter's five forces, the resource-based view and transaction cost economics. Cockburn, Henderson, & Stern (2000) assert that these frameworks share two assumptions: (a) competitive advantage arises through earlier recognition of favorable access to resources, markets, or organizational opportunities, and (b) exploiting such opportunities reflects some degree of active interpretation of internal and external environmental signals by managers. Cockburn et al (2000) also discusses one of the core agendas of an organization's strategy as understanding which organizational

structures allow firms to identify and exploit opportunities offered by the environment and potentially overcome its organizational constraints. Earlier studies of an organization's competitive advantage focused on which decisions an organization's management will take. However, Cockburn et al (2000), in their paper, *Untangling The Origins of Competitive Advantage*, discuss how Michael Porter shifted this focus from what an organization's leader would do to the analysis of the microeconomic environment of the organization by introducing Porter's Five Forces. Porter's five forces for analysing a company's competitive environment are:

- Threat of new entrants
- Bargaining power of buyers
- Bargaining power of sellers
- Threat of substitute products
- Rivalry among existing firms in the industry

These forces clearly defined tools for understanding why some organizations would be able to compete well and be successful while others would be unable to do so. However, Cockburn et al (2000), argue that there is no compelling evidence to suggest that an organization whose top management understands and makes strategic decisions for their organization based on Porter's five forces outperforms an organization that does not. Cockburn et al (2000), believe that the resource based view is a much better measure of competitive advantage. The resource based view emphasized the idea that "these technological or market positions reflect internal organizational capabilities, such as the ability to develop new products, to understand customer needs profoundly or to take advantage of new technology cheaply" (Cockburn et al, 2000). The study further suggests

that investing in these internal activities might be of great importance in generating very high returns. This validates the need and the importance to invest in internal activities concerning employees in order to enable them optimize their performance and impact the bottom line of an organization. Dennis, Paranka & Nunamaker (1991), in their study, *Supporting the Search for Competitive Advantage*, give credit to the fact that an industry's competitive advantage is shaped by Porter's five forces. The study however, attributes these forces to the fact that for organizations to be successful, they have to constantly innovate to outperform their competition. "Identifying specific opportunities for innovation from within these generic sources of competitive advantage requires a rigorous examination of the firm itself" (Dennis et al, 1991). Firms can often gain competitive advantage when they promote innovation in their own ranks. Competitive advantage which can be sustained, is one that competitors find hard to copy. This study will attempt to fill the gap identified by these studies about the importance of the resource based factor with an emphasis on the contribution of the employee to competitive advantage.

2.4. Employer of Choice status and Competitive Advantage

Strategic management literature has begun to place increased emphasis on idiosyncratic firm resources as predictors of performance. Barney (1991) and Hitt and Ireland (1986) state that three kinds of resources, in particular, are often distinguished: physical resources, such as assets and technology; organizational resources, such as reporting structures and cultures; human resources, representing the know-how and skills of

individuals working in the organization (as cited in Koch & Gunther McGrath, 1996). The know-how and skills of individuals working in an organization, give the organization a competitive edge. This edge is as a result of the way a firm utilizes its human resources. It can be deduced from this that, firms which are given the same physical and human resources will perform differently. This difference will arise because organizations have different approaches of managing their human resources; approaches which can either be detrimental or favorable to it. The importance of human resources to the development of a firm's competitive advantage is consistent with the resource-based theory of a firm. Barney (1991), (Grant 1991) and (Meyer 1991) state that the resource-based theory views each organization as a collection of unique resources and capabilities that provides the basis for the organization's strategy and is the primary source of its profitability (as cited in Greening & Turban, 2000). Human resources in the form of highly skilled and talented workers are essential to any organization. These resources when rare and imperfectly imitable can serve as the basis of an organization's competitive advantage.

Research done by Pfeffer at al (1995), has identified 13 practices for managing people in order to increase their productivity and consequently the competitiveness of the organization. These 13 practices indicate that companies who manage their employees well are able to achieve competitive advantage over their competitors through:

- **Employee Security:** This involves organizations making their employees feel as though they are indispensable because this increases loyalty among employees.

- **Selectivity in recruiting:** Organizations who recognize that their employees are their source of competition must be very thorough when selecting which employees they want to work in their organization.
- **High wages:** Higher wages make employees feel they are valuable to the organization. Wages that are higher than the going market rate also encourage employees to work harder.
- **Incentive pay:** Employees who are involved in profit sharing are especially motivated to give off their best because they know that they will be rewarded for their efforts.
- **Employee ownership:** Employees who have a stake in an organization are likely to work harder in order to improve the financial standing of the company. This has an overall positive effect on the company.
- **Information sharing:** Employees must be given the necessary information needed in order for them to make decisions that can affect the success of the organization. Employees kept in the dark will be unaware of some of the organization's expectations of them and may take decisions that may negatively affect the organization.
- **Participation and empowerment:** Employees need to feel empowered enough to take decisions that will positively affect the organization without having to consult management. A decentralized organization makes employees feel their judgment and decision making abilities are valued by management such that they can make decisions.
- **Self-managed teams:** Employees when they work in teams in which they facilitate themselves will benefit from each other's experience and contribute more to an organization. This is because as people on the ground, in teams, they can make more informed decisions concerning what to do to improve productivity as compared to management making the decisions and asking them to follow.
- **Training and skill development:** Employee training and skill development is essential to organization and to the employees themselves. However, an organization can only benefit from the training and development of its employees if it changes the structure of the employees' work. If nothing is changed, neither the employee or the organization benefits from this training and skill development.

- **Cross utilization and cross training:** Employees who perform multiple jobs in an organization will find their work more interesting because they are not bored doing the same repetitive tasks. Employees who are cross trained are useful to themselves and to their organization because they are able to function effectively and efficiently in any job position they find themselves in.
- **Symbolic Egalitarianism:** Symbolic egalitarianism involves the removing the barriers that label employees and employers as subordinates and superiors. This promotes a feeling of equality and fairness in the workplace.
- **Wage Compression:** Compressed wages can lead to employees producing an overall higher performance, lead to cooperation and efficiency gains.
- **Promotion from within:** Internal promotion serves to promote feelings of fairness in the workplace. This is because employees with requisite skills for available positions in the workplace are likely to be promoted in the workplace. Such employees are likely to work harder because they feel valued in the workplace.

It can be seen that these 13 practices include the 7 factors of the employer brand model that contribute to making an employer, an employer of choice. Consequently, it can be assumed that an organization which takes into consideration these 13 practices, will inadvertently position itself as an employer of choice. These management functions, illustrate the contribution of human resources management practices to the achievement of an employer of choice status.

This study will in the next chapter, outline its methodology using some of the information reviewed from the literature in an attempt to investigate whether some of the literature's findings concerning employer of choice status are relevant in the Ghanaian context.

Chapter Three

METHODOLOGY

3.1. Research Proposition

This research was an exploratory one, which sought to explore the human resources management functions Ghanaian organizations need to possess in order to position themselves as Employers of Choice to attract the best talent and skill there is in the job market. This research was inductive in nature because the data collected was used to attempt to prescribe certain core factors that companies can use to measure whether or not they qualify as Employers of Choice. This chapter will outline the research design, instruments, data collection methods and the analysis techniques that will be used.

3.2. Research Sample and Data Source

The research sample and data sources used were final year students of Ashesi University College and University of Ghana and employees of Zenith Bank and Ghana Commercial Bank. Initially, the study also planned to interview the heads of human resources of both Zenith Bank and Ghana Commercial Bank. However, time constraints did not make these interviews possible. Ashesi University College is a private university which focuses on a liberal arts-based core curriculum. The University of Ghana, a public university, is Ghana's first university. Ashesi University College and the University of Ghana are tertiary institutions that have many graduates working in various institutions in the country. These universities were chosen because:

- They have graduating classes of students who will be entering the job market soon. Members of these graduating classes are best suited to give insight as to what they expect of companies they intend to or wish to work for.
- Since the universities are private and public, this study will assume that the expectations students from either university may have of a prospective employer may be different. This variation may also be because Ashesi University's education is liberal arts-based whereas University of Ghana's is not. Consequently, the researcher will be able to understand the expectations of students from 2 different perspectives in order to make the study a more robust one.

Zenith Bank is a privately owned bank, which offers a wide range of banking services to individuals and corporate bodies. In 2008, Zenith Bank was adjudged "Bank of the Year" at the Ghana Banking Awards. Ghana Commercial Bank is partly owned by the government of Ghana. Government ownership as at April 2011 stands at 21.36%, while institutional and individual holdings add up to 78.64% (GCB). Ghana Commercial Bank provides banking services to many corporate bodies and was adjudged "Bank of the Year" at the Global Bankers Awards in 2009. These organizations were chosen because:

- Conversations with some Ashesi University final year students revealed that they were interested in working in banks and other such financial institutions. Ashesi University College's career center's placement records of 2007, 2008 and 2009 which show that 27%, 21% and 26%

respectively of the members of the graduating classes for those years work in banks and other such financial institutions, attests to this fact.

- An analysis of GCB, which is partly government owned and Zenith Bank, which is privately owned, will give the researcher insights as to what employees of organizations in either the public or private sector expect from their employers. These expectations may be the same or they may vary.

3.3. Research design

The sample units were final year students of Ashesi University College and University of Ghana, employees of Zenith Bank (Spintex Road branch) and Ghana Commercial Bank (High Street branch). The study made use of both qualitative and quantitative methods. The target population was students of Ashesi University College and University of Ghana and employees of Zenith Bank and Ghana Commercial Bank. Questionnaires, email surveys and interviews were used as data collection instruments in this study because they are more cost-effective ways of collecting the data needed for this study.

Questionnaires were used for the collection of data from the students at the University of Ghana because the researcher was unable to have access to an email database of the target population. The questions were designed in a way that allows for the collection of both quantitative and qualitative data. It was necessary to lessen the amount of ambiguity in the questionnaire in order to make it easier for respondents to answer the

questionnaire in the absence of the researcher as a result of this, the questionnaire was divided into 3 sections based on:

- Employment decisions: This section collected information on the ideal organizations the respondents would like to work for and the human resources factors the respondents would like to see in that organization.
- Employer of Choice Status: This section provided the definition for employer of choice in order for respondents to understand the ensuing questions. Respondents were asked to rate on a scale of 1 to 5, fifteen job characteristics. These characteristics were adapted from a study of Indian Management graduates by Dutta & Punnose (2010). These factors were adapted because the job characteristics listed encapsulate almost all the human resources functions and also the six criteria for rating corporate reputation. Respondents also provided the names of 3 Ghanaian organizations they felt were employers of choice. The six criteria for rating corporate reputation were used to rate these organizations in order to ascertain whether those criteria were relevant for Ghanaian organizations.
- Demographic data: This section collected demographic data such as age and sex on the respondents.

Email surveys were used for the collection of information from the target population in Ashesi University College because this researcher had easier access in reaching them. Email surveys were also used because most of the

target population had access to email consequently it was faster and cheaper to reach them.

3.3.1. Sampling procedure

The non-probability sampling method, purposive sampling was used in the data collection for students of Ashesi University College and University of Ghana. This was because the researcher chose the sample population for specific reasons with a particular purpose for this research. Initially, 50 students from Ashesi University College were targeted and 120 students from the University of Ghana. Twenty-five final year students from Ashesi University, approximately 30% of the class and 90 final year students from University of Ghana, approximately 2% of the final year class participated in this study. The number of individuals chosen from either school varied because the sample size in University of Ghana is larger than of Ashesi University College and also because it was more convenient for this researcher to sample these numbers as a result of time and other such constraints.

3.3.2. Operationalization

- ***Organizations***

Organizations are entities that seek approval for their activities in socially constructive environments. Conformity to expectations of behavior is the means through which firms gain legitimacy and acceptance in the eyes of stakeholders (Huselid, Jackson, & Schuler, 1997).

- ***Competitive Advantage/Competitive Edge***

For the purposes of this study, an organization is said to have a competitive edge over its competitors when it is able to perform certain functions better than its competitors can.

- ***Employer of Choice***

An Employer of Choice is an organization, which is admired such that it is able to attract and retain its employees to the extent that even when they are approached by other organizations, which may offer better packages, they will choose to stay with the Employer of Choice. "Employers of Choice are organizations that outperform their competition in attracting, developing, and retaining people with business-required talent" (Joo & Mclean, 2006).

3.4. Data collection procedures

The data was collected from students by handing the questionnaires out to final year students at the University of Ghana hostels and on campus. This was done because it was assumed that the students in the hostel are from different departments and would consequently serve as a relatively more representative sample of the target population. Email surveys for Ashesi University College final year students were sent through their email for them to answer. Questionnaires were given to the employees of either bank in the morning just before they started work. This was in order not to interfere with their work during working hours.

3.5. Data Analysis

The responses from the questionnaires were coded into quantitative information and analyzed. MS Excel was used in order to categorize the data and the Statistical Package for Social Sciences (SPSS) was used in order to find relationships between some of the variables in the study. The study made use of multivariate analysis and Cronbach's alpha in order to better analyze the data. The data after being processed are presented in the next chapter along with the initial findings.

Chapter Four

DATA ANALYSIS

4.1. Introduction

The data for this study was obtained from a sample of 115 students and 24 employees. Both sets of respondents answered questionnaires and a section of the student respondents, answered email surveys. The data obtained from the respondents was to answer the research question and objectives of this study which were to:

- Investigate how Ghanaian organizations can position themselves as employers of choice and use their employees as a source of competitive advantage.
- Investigate what factors make jobseekers choose which companies to work for and remain with.
- Investigate what characteristics Ghanaian organizations need to have in order to position themselves as employers of choice.

4.2. Demographic Data for Survey Participants

There were a total of 139 participants in this survey: 65% were final year students from the University of Ghana, 18% were final year students of Ashesi University, 11% are employees of Zenith Bank – Spintex Branch and 6% are employees of Ghana Commercial Bank – High Street Branch. A detailed representation for the participants is presented in the Tables 4.1 and 4.2.

Table 4.1. : Demographic data for Students

Attribute	Category	Number	Percentage
Age	18 – 21 years	11	9.57
	22 – 25 years	98	85.22
	26 and above	2	1.74
	No response	4	3.48
Sex	Male	61	53.04
	Female	54	46.96
Course of study	Business Administration	21	18.26
	Management Info Systems	4	3.48
	Sciences	25	21.74
	Humanities/Arts	39	33.91
	Engineering	24	20.87
	No response	2	1.74

Table 4.2. : Demographic Data for Employees

Attribute	Category	Number	Percentage
Age	18 – 25 years	2	8.33
	26 – 33 years	19	79.17
	34 – 41 years	1	4.17
	42 years and above	1	4.17
	No response	1	4.17
Sex	Male	9	37.5
	Female	15	62.5
Highest level of education	Bachelor's	16	64
	HND	4	16
	Masters	4	16
	Doctorate	-	-
Duration of employment	0 – 3 years	12	50
	4 – 7 years	9	37.5
	8 – 11 years	3	12.5
	12 and above years	-	-

4.3. Findings

The main objective of this study was:

- To investigate what factors makes jobseekers choose which company to work for and remain with

The top three reasons why employees of Zenith Bank chose to work in that organization were in order of preference: career and growth opportunities, pay and benefits and company culture. This was in contrast to the Ghana Commercial Bank employees whose top three reasons in order of preference were: pay and benefits, job security and career and growth opportunities. The three most important reasons why prospective employees would choose to work with organizations were: pay and benefits, career and growth opportunities and job security. Pictorial representations of these responses can be seen in Appendix F.

The secondary objective of this study was:

- To investigate what characteristics Ghanaian organizations need to have in order to position themselves as employers of choice

The factors the respondents rated as most important to them were based on the six criteria for rating corporate reputation. Appendix D shows the percentage rating of all the criteria. The criteria scoring the highest rating were pay and benefits, career and growth opportunities, job security and pride in company. Research done by Spitzmuller et al (2002), on the factors most important to employees and job seekers identified the following four factors as the most important to them:

- Culture
- Leadership and Management
- Pay and benefits
- Performance management, growth and development

Leadership and management was not one of the six criteria, however, respondents were given the option of telling the researcher any other factors they considered important but none of them mentioned leadership or management within their organizations or ideal organizations. Luba, 2004 and Sullivan, 2007, whose research on why SouthWest Airlines and Google respectively were successful and considered as employers of choice, identified company culture as the most important aspects of these organizations. However, from the survey, company culture was one of the least most important factors to employees and prospective employees.

From the responses to this survey, in order for Ghanaian organizations to position themselves as employers of choice, the human resources management functions they need to focus most on in order to attract and retain talent are: pay and benefits, career and growth opportunities and job security. The five Ghanaian organizations identified as Employers of Choice based on the 6 criteria for rating corporate reputation in order of preference: MTN, Nestle Ghana, Newmont, Unique Trust and Vodafone Ghana. A more detailed breakdown in percentages can be found in Appendix E. The top 3 factors for which these companies were chosen were: pay and benefits, career and growth opportunities and job security.

Other relevant findings

An analysis of the data collected from the Ghana Commercial Bank employees shows that if they were to work in their ideal organizations, the 3 most important factors they would like to see in order of preference are: career and growth opportunities, pay and benefits and job security. However, when asked why they currently worked at the organization, the factors in order of preference were pay and benefits and career and growth opportunities. The responses from Zenith Bank employees, were in contrast to that of Ghana Commercial Bank employees. This is because when asked why they chose to work with their current employer, the responses of the Zenith Bank employees in order of preference were: career and growth opportunities, pay and benefits and company culture.

A detailed discussion of all these findings in the context of the research question and literature review is done in Chapter Five.

Chapter Five

DISCUSSION, RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

The research question this study sought to answer was: "How can Ghanaian organizations position themselves as "Employers of Choice" and use their employees as a source of competitive advantage?" The main characteristics that were focused on in this study were based on the 6 criteria for rating corporate reputation. These criteria are: pay and benefits, career and growth opportunities, job security, pride in company, fairness and company culture. This study assumed that organizations that took these factors into consideration when making their human resources management decisions were ones that were concerned with the employment relationship they had with their employees. Consequently, their current and prospective employees and the other players in the industries in which they found themselves identified such organizations as employers of choice.

This study also juxtaposed the six factors for rating corporate reputation to a study done by Dutta & Punnose (2010). The study prescribed fifteen job characteristics which employees and prospective employees found relevant in organizations. Some of the six factors are contained in these fifteen job characteristics. In the discussion of the findings that will ensue in this chapter, the characteristics in the theoretical framework that are found in the study conducted by Dutta & Punnose (2010) will be discussed in relation to the literature review.

5.2. Discussion of Findings

The 6 criteria for rating corporate reputation and Dutta & Punnose's study on *Factors Affecting Choice of First Employer: A study of Indian Management graduates* (2010), guided the focus of this study as to what the researcher expected to find from conducting this research. Dutta & Punnose's study was relevant because it was used in trying to establish some of the job characteristics apart from the six criteria for rating corporate reputation that an employer should have in order to be more attractive to an employee. Their study identified certain job characteristics, 15 of which were chosen for the purposes of this study. All the job characteristics used in their study were not used because some of them were irrelevant to the purposes of this study.

This study made use of Factor Analysis and Cronbach's Alpha all components of SPSS in order to analyze and better validate the results of this study. Factor analysis was used because it tries to identify if there are any underlying relationships between the variables which are entered into it. Factor analysis was essential to the analysis of the data because it can be seen from the data set that some of the variables are similar in their intended meaning. Using a factor analysis reduces the probability of having variables that are too highly correlated with one another.

5.2.1. Employees

The factor analysis done on the data set showed that all the variables had communalities of greater than 0.5, which indicated that they were all relevant to the analysis. Upon a further analysis of the data, it was realized

that the data could be categorized into four matrixes showing employee needs. This is illustrated in the rotated component matrix as seen in Appendix G for employees. The factors in category 1 were labeled “Enabling Factors” because the responses from the employees showed that those factors in the absence of the 3 most important factors rated; career and growth opportunities, pay and benefits and job security, made working in an organization more manageable as opposed to if the enabling factors did not exist. The factors in category 2 were labeled “Minimum Requirement Factors” because those factors were most important in attracting employees to an organization regardless of the other job characteristics. Category 3 was named “External Factors” because these factors were those that could not be controlled by employees. Category 4 was named “Enhancing Factors” because they were the factors that would determine whether or not people enjoyed their jobs.

Table 5.1.: Factor Analysis categories for employees

Category 1 – Enabling Factors	Category 2 – Minimum Requirement Factors	Category 3 – External Factors	Category 4 – Enhancing Factors
Recognition of achievements	Career development	Responsibility at job	Working conditions
Training activities in the company	Nature of the job	Challenge in the job	Autonomy on the job
Company reputation	Salary and pay package	Making use of acquired skills	
Quality of interpersonal relationships	Job security		
Strength of alumni in the company	Flexible working hours		

The data collected shows that the factors the Minimum Requirements Factors are the most important ones that employers must focus on. Cronbach's Alpha was used to test for the reliability of the 15 factors in assessing employer choice. When tested together, the Cronbach Alpha was 0.464, which is less than 0.5 meaning that all 15 factors when clustered, did not give an accurate representation of the factors most important to employees concerning an organization becoming an employer of choice. However, when the variables were tested in their various categories, they all recorded Cronbach Alphas of greater than 0.5. This was very significant because it gave further validation for the reasons why these 15 variables should be categorized into four main factors and looked at separately. The job characteristics were put in the 4 categories as seen in Table 5.1. These categories were created by putting the job characteristics in the sections where they scored highly across rows.

Ghana Commercial Bank Employees

On the whole, employees of GCB rated the organizations they considered employers of choice based on the six criteria for corporate reputation rating as those which focused on in order of preference: career and growth opportunities, pay and benefits and job security. However, the most important factor to them in making a decision concerning working with their current employer was job security. This factor was regardless of whether or not the respondent was male or female. This observation was very significant and can be attributed to the fact that because the bank is

partially government owned, employees are better assured of job security. This is because so long as the government remains at the helm of affairs of the country, its businesses are more likely to always run. The female respondents from GCB chose pay and benefits and career and growth opportunities as the factors which were of equal importance to them in organizations they considered as employers of choice. The male respondents however, chose career and growth opportunities as the most important factor to them. Company culture which is at the heart of organizations that are rated as employers of choice such as Google, was the least most important factor to the Ghana Commercial Bank employees who responded to this survey. These responses show that for Ghana Commercial Bank employees, Ghanaian organizations that exhibit "Minimum Requirement Factors" are those they consider employers of choice.

Zenith Bank Employees

All the employees of Zenith Bank who were used in this study also rated the organizations they considered as employers of choice based on the 6 criteria for rating corporate reputation. Organizations they considered as employers of choice were those that offered the following factors in order of preference to them: career and growth opportunities, pay and benefits and job security. However, unlike the employers of Ghana Commercial Bank, the most important factor to them when making the decision to work with their current employer was career and growth opportunities. The second most important factor to them was pay and benefits with job security being the

third most important factor. While the female respondents from Ghana Commercial Bank chose pay and benefits as the most important factor to them, the female respondents from Zenith Bank chose career and growth opportunities as the most important factors to them in organizations they consider as employers of choice. This can be attributed to the educational levels of the female respondents from both banks. Whereas all the female respondents from Ghana Commercial Bank's highest educational levels were Bachelor's Degree levels, 3 of the female respondents from Zenith Bank's highest educational levels were Master's degrees. Interestingly, career and growth opportunities was among the 3 most important factors chosen by all the Master's degree holders concerning the organizations they considered as employers of choice.

Although Dutta & Punnose's job characteristics are useful in ascertaining the important job characteristics that will attract workers to an organization, the data analysis shows that all these characteristics are not important to an employee when presented at the same time. The literature and this study's findings postulate that the factors most important to employees are pay and benefits, career and growth opportunities and job security. The study's findings also show that employees with different educational levels have different expectations of the organizations they consider as employers of choice. Also, employees in different sectors, do not expect the same factors from their employers. This study shows that while employees in the public sector rate organizations which offer job security as

employers of choice, those in the private sector rate employers who offer career and growth opportunities as employers of choice. Dutta and Punnose's study addresses a point that employees are more attracted to "employers who are capable of providing growth opportunities on both a career and a personal front" (Dutta & Punnose, 2010). This observation was interesting because 79% of employee respondents all aged between 26 – 33 years chose career and growth opportunities as one of the top three most important factors that their pick of employer of choice should had. Consequently, it can be deduced that if organizations want to position themselves as employers of choice and have competitive advantage through their employees, they must first differentiate themselves from their competitors using the career and growth opportunities they offer to their employees.

5.2.2. Students

A factor analysis of the data gotten from the students' responses showed that in the communalities stage, some of the variables had communalities of less than 0.5, which showed that they were insignificant. These factors included responsibility at job, salary and pay, autonomy on the job and corporate reputation. These findings were very significant because salary and pay package was one of the most important characteristics students wanted to see in organizations they would ideally want to work with. The anomaly can be explained by the fact that even though students said salary and pay package was important, when asked whether they would work with an organization if it were not in their career path, a majority of the

respondents answered, “Yes”. Some of the reasons given for answering “Yes” included: “I want to explore other career options”, “I want to learn other skills apart from my course of study”, “Jobs are hard to come by so if I get one whether or not it’s in line with my career path I will do it” and “To have something to do”. It can be deduced from these reasons that although ideally students would want to work in an organization where they would be well paid, other underlying factors such as the need for skills acquisition and the fact that there is a high unemployment rate which makes getting a job harder, will convince them to forgo a high salary and pay package for other options of more importance to them.

Dutta & Punnose’s study (2010) on final year management graduates identified 7 factors after conducting a factor analysis. This study focused on final year students regardless of their courses of study. Like this study, after conducting a factor analysis on the responses given by students regarding salary and pay package, the communality for salary and pay package in Dutta and Punnose’s study (2010), was found to be insignificant. In this study, regardless of the students’ course of study, the 3 most important factors were pay and benefits, career and growth opportunities and job security.

Further analysis done of the data showed that variables for job characteristics could be classified into 2 categories as presented in Table 5.2:

Table 5.2. : Factor analysis categories for students

Category 1 – Escalation Factors	Category 2 – Enabling Factor
Challenge in job	Career development
Nature of the job	

Recognition of achievements	
Making use of acquired skills	
Working conditions	
Training activities in the company	
Quality of interpersonal relationships	
Job security	
Flexible working hours	
Strength of alumni in the company	

The first category was named “Escalation Factors” because from the responses given concerning how organizations were rated as employers of choice on the 6 criteria for rating corporate reputation, these factors were those that made an organization most attractive as an employer of choice and were the factors that triggered an interest in the organization. Category 2 was named “Enabling Factor” because career development was most important factor for students who would work with an organization regardless of whether or not it was in their career path because they wanted to explore other career options.

Ashesi University College and University of Ghana students

Interestingly, the most important of the six factors that students of either institution regardless of gender chose in organizations they considered employers of choice were pay and benefits and career and growth opportunities. This observation was interesting because the Cronbach Alpha for pay and benefits was insignificant to students of either school. However, 33% of the respondents from Ashesi University as compared to 10% of respondents from University of Ghana found company culture important in

the organizations they considered as employers of choice. The employers of choice the 33% chose were Unique Trust and General Electric. One of the reasons they considered these companies as employers of choice was their company culture. This can be attributed to the fact that because Ashesi University is a small community, the rate of interpersonal relationships between all the members in the community is higher than in University of Ghana where the community is much larger and does not allow for high interpersonal relationships between all the members in that community. MTN was the highest rated organization as employer of choice for University of Ghana students as compared to General Electric which was the highest rated employer of choice for Ashesi students. The top 3 factors which were most important to respondents who chose MTN were: pay and benefits, job security and pride in company. The top 3 factors most important to respondents who chose General Electric were: pay and benefits, career and growth opportunities and company culture. These findings show that the expectations of students from Ashesi University and University of Ghana regarding organizations they consider as employers of choice differ. Consequently, organizations that want to make themselves more attractive to prospective employees from these institutions must tailor their human resources functions to meet the expectations of students from either institution. Ashesi University final year students require both enabling and escalation factors when making a decision as to which organization to work for. University of Ghana students however require organizations to have to a

large extent, escalation factors in order to make the organizations attractive to them.

5.3. Significance

This study has been very significant because it was able to establish that the six criteria for rating corporate reputation are very relevant factors that current and prospective employees look out for in organizations they consider employers of choice. Although these criteria are use for choosing the 100 best companies to work for in the United States, they can also be transferred to the Ghanaian context. However, this study also established that even though these criteria were relevant, not all 6 were relevant to prospective and current employees in the Ghanaian context. In order to better position itself as an employer of choice, an organization must not consider the 6 criteria in isolation. The criteria must be considered in relation to the four categories of job characteristics that this study identified. This study also showed that the expectations current and prospective employees have of organizations in the private and public sector differ. Consequently, organizations in either sector must differentiate their human resource management practices to meet these expectations if they want to attract high quality workers.

On the face value, although pay and benefits were important to both students and employees, a deeper analysis showed that at certain times other human resources functions were more important to either group. This observation is in sync with Figure 2.1 which shows that short-term intangible factors such as work-life benefits are relevant to current and prospective

employees. Employers of choice studies have been done in many countries in Europe, Asia and the Americas however it was relevant to conduct this study in the Ghanaian context. Existing literature and the other studies conducted show that the most important factors that organizations must have in order to attract employees are: culture, leadership and management, pay and benefits and performance management, growth and development. However this study shows that the importance of these factors do not hold true for all contexts especially the Ghanaian one. These results clearly show that company culture which is at the heart of organizations recognized as employers of choice is of little relevance to current and prospective employees in the Ghanaian context.

5.4. Limitations

The major limitations of the study were:

- The researcher's inability to interview the human resources managers of the banks used in the study. Time constraint was a barrier because appointments had to be booked ahead of time in order to speak to the human resources managers of both banks.
- The input from current employees in this study was not adequate because 24 employees were used in this study as compared to 115 student responses. Consequently, the results from these respondents cannot be generalized to be the opinion of the larger population of employees.
- Ghana's demographic statistics indicate that the unemployment rate in the country is 11.2% (Ghana Statistical Service, 2009).

Consequently, many job seekers in the country because of this unemployment rate are price takers and do not have the option of choosing which employers to work for or remain with. The findings of this study cannot as a result of this be generalized to the majority of the Ghanaian working population.

- The number of respondents from Ashesi University was 25 as compared to 90 responses from the University of Ghana consequently the results from the study are slightly skewed towards the opinions of University of Ghana students.

5.5. Recommendations

- Further research done on the factors that influence employer desirability should incorporate other factors such as job satisfaction into the criteria for measuring the factors that employees would like to see in the organizations they would ideally like to work for as job satisfaction and fulfillment were some of the most mentioned factors for respondents who answered "Other" when asked to choose from the 6 criteria their top 3 factors.
- Further research done on the factors that influence employer desirability amongst current and prospective employees should also include a larger number of employees from other industries apart from banking in order to have an overall view of the reasons why employees work for and remain with certain organizations as compared to others.
- In order to better estimate the needs of prospective employees, research should be conducted on students depending on their various

courses of study in order to better understand what students who study different courses in school expect from their prospective employers.

- The diagram from a study done by Branham, 2005 (Figure 2.1 in this study), should be taken into consideration by organizations' management in order to better understand the best ways of attracting and retaining employees in the short and long term. This is because organizations who incorporate the needs of their employees into their human resources management strategies, will be able to enjoy the cost savings that come from being an employer of choice.
- The categories of job characteristics identified by this study in respect to employees and students should be taken into account when organizations' management are making strategic decisions as to which human resources management practices need to be prioritized first when dealing with their current and prospective employees.

5.6. Conclusion

This study has been able to show successfully that the six criteria for rating corporate reputation are important characteristics that any Ghanaian organization that wants to set itself apart as an employer of choice should have in order to attract the best talent in the market. However, to better set themselves apart, Ghanaian organizations must categorize all job characteristics into the categories most relevant to their recruitment targets. Minimum Requirement Factors are the most important for employees regardless of whether or not the organizations they choose as employers of

choice are in the public or private sector. Escalation Factors were the most important factors to all the student respondents in this study regardless of their institution. The literature concerning this study suggests that companies that differentiate themselves as employers of choice are able to attract the best employees to their organizations. As a result of this, there is optimized performance, which leads to increased productivity. The analysis of the data also shows that although pay and benefits are important to prospective and current employees, in the long term, the ability of the company to offer intangible factors such as career and growth opportunities will be the most important determinant in making current and prospective employees chose to work with or remain with an organization. This study has been able to show that in order to be more successful, Ghanaian organizations must understand the importance of human resources functions such as pay and benefits, career and growth opportunities and job security to their current and prospective employees.

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Appendices

Appendix A – Sample questionnaire for Employees of Ghana Commercial Bank and Zenith Bank



Ashesi University College

Questionnaire No.....

This questionnaire is to aid in obtaining information for a study on Employers of Choice. Any information given here is confidential and will be used for academic purposes only. Thank you for your participation.

Section A – Employment Decisions

1. How long have you worked in this organization for?

0 – 3 years ☐

4 – 7 years ☐

8 – 11 years ☐

12 years and above ☐

2. What do you do in this organization?

.....

3. If you were to work in your ideal organization, what are the 3 most important characteristics you would like to see?

Pay and Benefits	
Career and growth opportunities	
Job security	
Pride in work/company	
Fairness	
Company culture	
Other	

Please state

other.....

4. Would you work for an organization even if it were not in line with your career aspirations?

Yes ☐ No ☐

If you answered yes to question 4, what 3 factors will attract you to work for an organization regardless of whether or not it is in your career path?

.....

.....

If you answered no to question 4, why not?

.....

.....

Section B – Employer of Choice

Employer of Choice definition

"Employer of Choice" means that people will choose to work for an employer. Employers of choice are those organizations that outperform their competition in attracting, developing, and retaining people with business-required talent.

5. Please rate the following job characteristics on a scale of 1 -5: 1being least important, and 5 being most important to you by ticking like this ✓

Nature of the work itself	1 – least important	2 – somewhat important	3 – important	4 – very important	5 – most important
1. Career development					
2. Responsibility at job					
3. Challenge in the job					
4. Nature of the job					
5. Recognition of achievements					
6. Salary and pay package					
7. Making use of acquired skills					
8. Working conditions					
9. Autonomy on the job					
10. Training activities in the company					
11. Company reputation					
12. Quality of interpersonal relationships					
13. Job security					
14. Flexible working hours					
15. Strength of alumni in the company					

6. Which 3 Ghanaian companies will you consider as Employers of Choice?

- a.
b.
c.

7. Which 3 factors are most important in making you consider the companies mentioned in question 6 as Employers of Choice?

	Company A	Company B	Company C
Pay and Benefits			
Career and growth opportunities			
Job security			
Pride in work/company			
Fairness			
Company culture			
Other			

Please state other

8. Have you worked anywhere previously?

Yes ☐ No ☐

If you answered yes to question 8, did you leave because of any of the following?

Please tick the 3 most relevant.

Pay and Benefits	
Career and growth opportunities	
Job security	
Pride in work/company	
Fairness	
Company culture	
Other	

Please state other.....

9. How long did you work there for?

0 – 3 years ☐ 4 – 7 years ☐

8 – 11 years ☐ 12 years and above ☐

Section C – General Information

10. Why did you choose to work in this organization? Please choose the 3 most relevant to you.

Pay and Benefits	
Career and growth opportunities	
Job security	
Pride in work/company	
Fairness	
Company culture	
Other	

11. Age: 18 – 25 ☐ 26 – 33 ☐
34 – 41 ☐ 42 and above ☐

12. Sex: Male ☐ Female ☐

13. Marital Status: Single ☐ Married ☐ Other ☐

14. Please indicate your highest level of education: Bachelor's ☐ HND ☐
Master's ☐ Doctorate ☐

Thank you for your time

Appendix B – Sample questionnaire for University of Ghana and Ashesi University final year students



Ashesi University College

Questionnaire No.....

This questionnaire is to aid in obtaining information for a study on Employers of Choice. Any information given here is confidential and will be used for academic purposes only. Thank you for your participation.

-
1. Please state your course of study.

.....

2. Ideally, which organization would you want to work for?

.....

3. If you were to work in your ideal organization, what are the 3 most important characteristics you would like to see?

Pay and Benefits	
Career and growth opportunities	
Job security	
Pride in work/company	
Fairness	
Company culture	
Other	

Please state other

4. Would you work for an organization even if it were not in line with your career aspirations?

Yes ☐ No ☐

If you answered yes to question 4, what 3 factors will attract you to work for an organization regardless of whether or not it is in your career path?

.....
.....

If you answered no to question 4, why not?

.....
.....

Section B – Employer of Choice

Employer of Choice definition

"Employer of Choice" means that people will choose to work for an employer. Employers of choice are those organizations that outperform their competition in attracting, developing, and retaining people with business-required talent.

5. Does it matter to you whether or not your ideal employer is an employer of choice?

Yes ☐ No ☐

6. Please rate the following job characteristics on a scale of 1 -5: 1being least important, and 5 being most important to you by ticking like this ✓

Nature of the work itself	1 – least important	2 – somewhat important	3 – important	4 – very important	5 – most important
1. Career development					
2. Responsibility at job					
3. Challenge in the job					
4. Nature of the job					
5. Recognition of achievements					
6. Salary and pay package					
7. Making use of acquired skills					
8. Working conditions					
9. Autonomy on the job					
10. Training activities in the company					
11. Company reputation					
12. Quality of interpersonal relationships					
13. Job security					
14. Flexible working hours					
15. Strength of alumni in the company					

7. Which 3 Ghanaian companies will you consider as Employers of Choice?

d.

e.

f.

8. Which 3 factors are most important in making you consider the companies mentioned in question 7 as Employers of Choice?

	Company A	Company B	Company C
Pay and Benefits			
Career and growth opportunities			
Job security			
Pride in work/company			
Fairness			

Company culture			
Other			

Please state other

Section C – General Information

9. Age: 18 – 21 ☐ 22 – 25 ☐ 26 and above ☐

10. Sex: Male ☐ Female ☐

11. Marital Status: Single ☐ Married ☐

Thank you for your time

Appendix C – Interview guide with human resources managers of Zenith Bank and Ghana Commercial Bank



Interview Guidelines for HR managers of Zenith Bank and Ghana Commercial Bank

General Information

1. Introduction of myself to the HR manager.
2. What is your name and what do you do in this organization?
3. How long have you been working in this organization for?
4. Can you please give a brief background of your company?

Employer of Choice

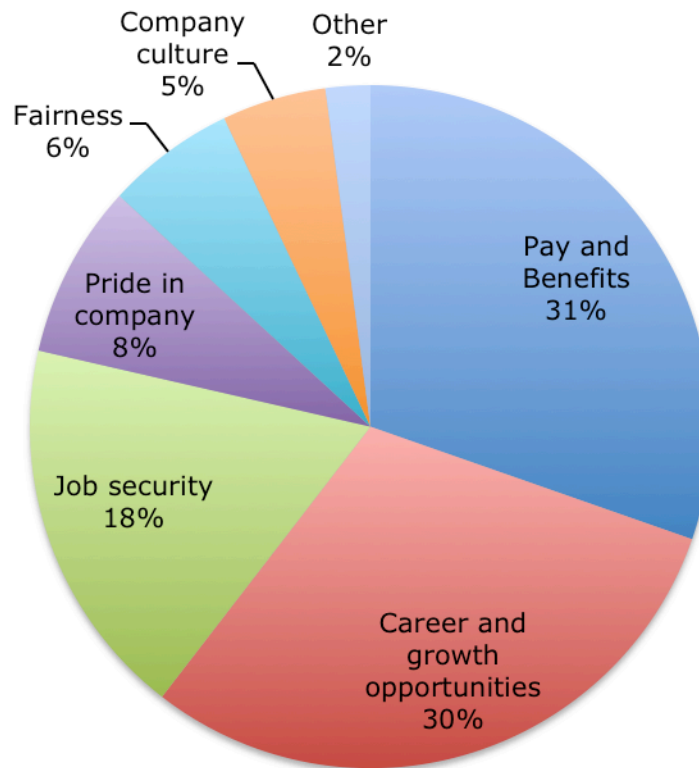
5. What does your organization do differently from other banks?
6. How do you attract talent to your organization?
7. What measures do you put into place to retain talent?
8. How often do people leave your organization?
9. On the average, how long do employees work in this organization for?
10. What comes to mind when you think about the term "Employer of Choice"?
11. Give "Employer of Choice" definition

"Employer of Choice" means that people will choose to work for an employer. Employers of choice are those organizations that outperform their competition in attracting, developing, and retaining people with business-required talent.

12. Which organizations in or outside your industry do you consider as "Employers of Choice"?
13. What in your opinion are some of the benefits of being an "Employer of Choice"?
14. Would you consider being an "Employer of Choice"?
15. How does your organization strive to be an "Employer of Choice"?
16. What role do human resources functions especially recruitment, play in the competitive strategy of your organization?

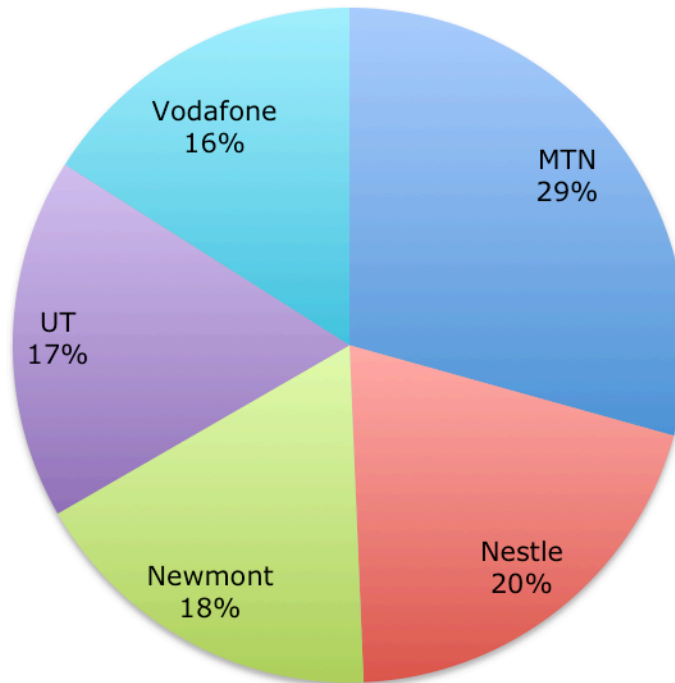
Appendix D

Pie Chart showing how all respondents rated the six criteria for rating corporate reputation



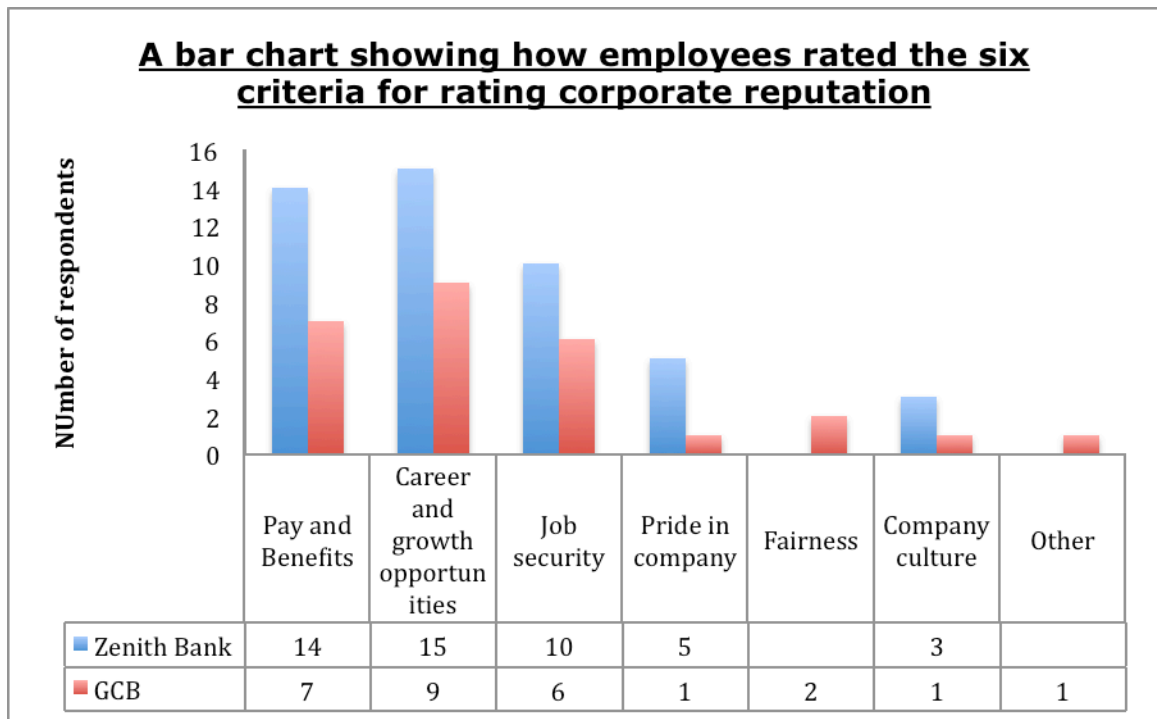
Appendix E

**Pie Chart showing the top 5 companies rated as
Employers of Choice by all respondents**

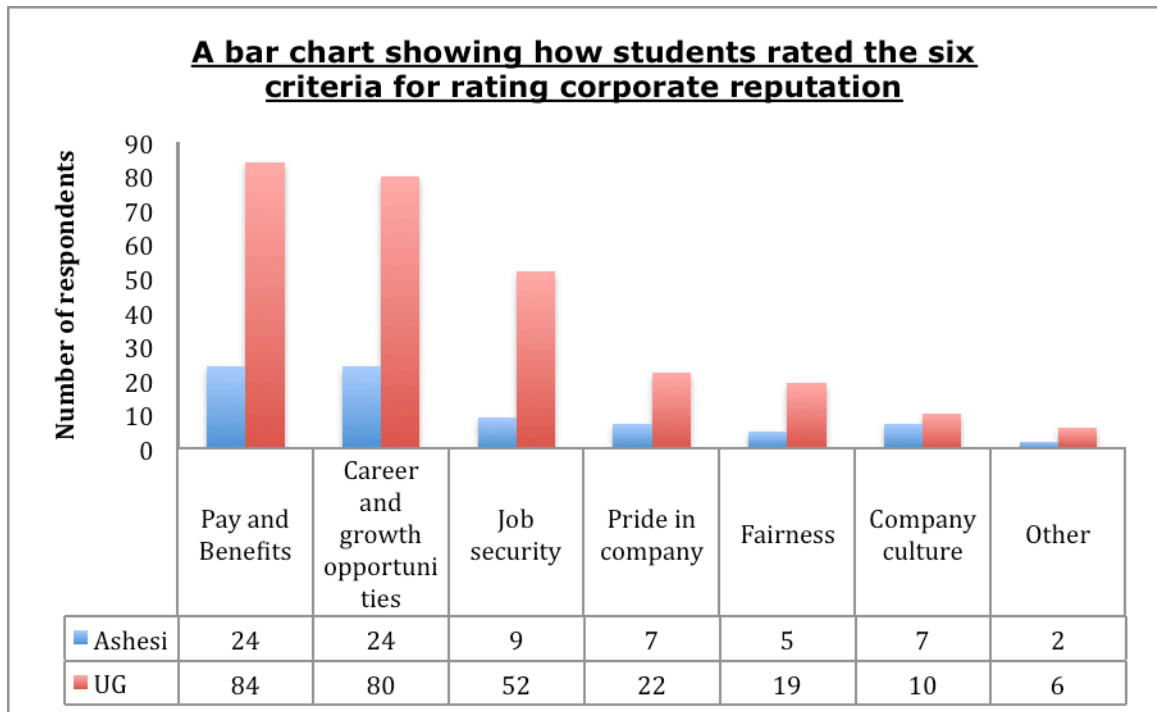


Appendix F

Employees



Students



Appendix G **Employees**

Communalities		
	Initial	Extraction
Career development	1.000	.832
Responsibility at job	1.000	.689
Challenge in the job	1.000	.704
Nature of the job	1.000	.679
Recognition of achievements	1.000	.847
Salary and pay package	1.000	.695
Making use of acquired skills	1.000	.521
Working conditions	1.000	.873
Autonomy on the job	1.000	.756
Training activities in the company	1.000	.687
Company reputation	1.000	.675
Quality of interpersonal relationship	1.000	.677
Job security	1.000	.681
Flexible working hours	1.000	.642
Strength of alumni in the company	1.000	.624

Extraction Method: Principal Component Analysis.

Rotated Component Matrix^a

	Component			
	1	2	3	4
Career development	-.306	.621	.574	-.151
Responsibility at job	.377	.113	.688	.247
Challenge in the job	.030	-.097	.819	-.148
Nature of the job	.443	.660	.070	-.207
Recognition of achievements	.901	.124	-.095	.104
Salary and pay package	.108	.809	-.088	-.144
Making use of acquired skills	.004	.184	.610	.340
Working conditions	.103	-.189	.027	.909
Autonomy on the job	.181	.071	.112	.840
Training activities in the company	.567	.032	.424	-.430
Company reputation	.760	.270	.032	.153
Quality of interpersonal relationship	.722	.291	.066	.260
Job security	.213	.715	.130	.328
Flexible working hours	.254	.563	.507	.061
Strength of alumni in the company	.751	-.029	.241	.020

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

Factor Analysis results for Employees

Job characteristics	Factors			
	1	2	3	4
Recognition of achievements	.901			
Training activities in the company	.567			
Company reputation	.760			
Quality of interpersonal relationships	.722			
Strength of alumni in the company	.751			
Career development		.621		
Nature of job		.660		
Salary and pay package		.809		
Job security		.715		
Flexible working hours		.563		
Responsibility at job			.688	
Challenge in the job			.819	
Making use of acquired skills			.610	
Working conditions				.909
Autonomy on the job				.840

Students

Reliability Statistics

Communalities		
	Initial	Extraction
career development	1.000	.644
responsibility at job	1.000	.430
challenge in the job	1.000	.968
nature of the job	1.000	.970
recognition of achievements	1.000	.539
salary and pay package	1.000	.376
making use of acquired skills	1.000	.540
working conditions	1.000	.545
autonomy on the job	1.000	.305
training activities in the company	1.000	.966
company reputation	1.000	.368
quality of interpersonal relationships	1.000	.973
job security	1.000	.968
flexible working hours	1.000	.547
strength of alumni in the company	1.000	.539

Extraction Method: Principal Component Analysis.

Rotated Component Matrix^a

	Component	
	1	2
career development	.011	.802
responsibility at job	-.019	.656
challenge in the job	.983	-.017
nature of the job	.984	-.029
recognition of achievements	.731	-.069
salary and pay package	.607	.086
making use of acquired skills	.734	-.044
working conditions	.738	.024
autonomy on the job	.526	.169
training activities in the company	.983	-.016
company reputation	.606	-.033
quality of interpersonal relationships	.986	-.022
job security	.984	-.020
flexible working hours	.739	.029
strength of alumni in the company	.732	-.060

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Factor Analysis results for Students

Job characteristics	Factors	
	1	2
Challenge in the job	.983	
Nature of the job	.984	
Recognition of achievements	.731	
Making use of acquired skills	.734	
Working conditions	.738	
Training activities in the company	.983	
Quality of interpersonal relationships	.986	
Job security	.984	
Flexible working hours	.739	
Strength of alumni in the company	.732	
Career development		.802