

## **The Effect of E-recruitment on Interest in Applying for Jobs with Company Reputation as a Mediation Variable**

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### **Abstract**

Companies compete for customers and gain a competitive advantage. In addition, they also compete to win candidates who are competent and capable in their fields. The current workforce is shifting to the millennial generation. According to a survey of internet usage by age by the Association of Indonesian Internet Service Providers (APJII), the millennial generation made the largest contribution at 64%. This shows that the millennial generation has a large internet consumption pattern, and internet user data information is increasing from year to year. However, utilization to find work is still low. This study aims to determine the effect of E-recruitment on the desire to apply for a job, the effect of company reputation on the desire to apply for a job and the effect of e-recruitment on asking to apply for a job mediated by company reputation. Data was collected by distributing questionnaires via google form with random sampling technique. Questionnaires were distributed to some students of the 2017 Faculty of Economics and Business with a total of 97 respondents. Analysis The data is processed using SmartPLS. The results show that E-Recruitment has no effect on interest in applying for work, E-recruitment affects company reputation, Company reputation affects interest in applying for work, Company reputation is able to mediate E-recruitment on interest in applying for work.

*Keywords: E-recruitment, Company Reputation, Interest in Applying for Jobs.*

### **1. Introduction**

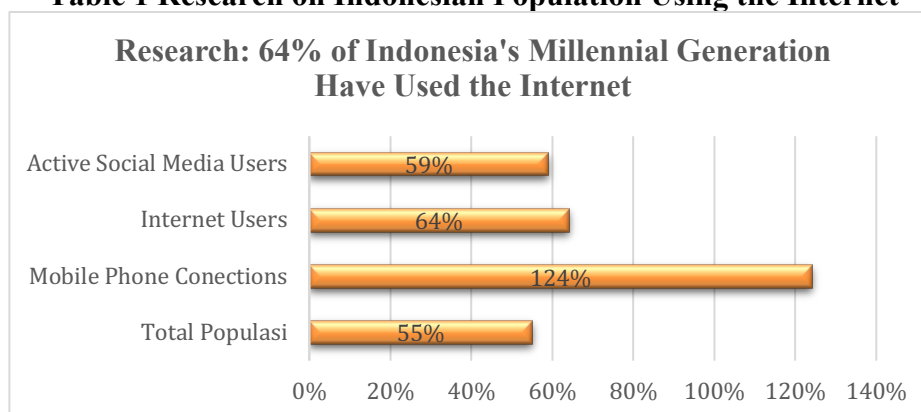
Banks are one of the lifeblood of a country's economy. Without a bank, you can imagine the difficulty of receiving and sending money. According to the Banking Law Number 10 of 1998, a bank is a business entity that collects funds from the public in the form of savings and distributes funds to the public in the form of credit and/or other forms to improve the standard of living of the people in general. Not only focusing on quantitative issues, such as interest provided by banks, but also developing in terms of quality, both in terms of products provided, services provided, company trust, and a good reputation. Competition to meet the needs of society through products and services will always occur in the banking sector. To obtain greater benefits and be able to survive in an increasingly competitive market, all organizations must work together to achieve excellence (Sivertzen et al., 2013). In addition to fighting over profits, the company also faces competition from competent employees in their respective fields. If a company can find and retain capable employees better than other companies, then they have their own advantages (Sivertzen et al., 2013). In order for employees' wishes to be fulfilled by the company, the company must also know what factors will influence the emergence of interest in applying for work in the company.

Interest in applying for work is the desire of prospective employees to work in the company, the goal is to get a decent job and pay attention to all aspects of the company being applied for. The motivation to look for job opportunities is based on the motivation to look for job vacancies based on the information obtained, so that prospective employees will immediately determine the company where they work. After the applicant makes his choice, applicants will be given offers for several positions that will meet the needs of prospective employees (Wheeler & Mahoney, 1981). There are several steps that prospective employees take when determining their job choices. First, consider and then select some desired job options. Second, seek information through company recruitment resources. Third, make your choice when accepting a company interview. Fourth, according to one's own will, decide to apply for a position that is suitable for the company's work (Choice et al., 1993).

One of the human resource management activities is recruitment. Recruitment is a process of gathering many applicants with qualifications that match the needs of the company. Recruitment is a series of activities that aim to find and attract job seekers who have the motivation, abilities, skills and knowledge needed to cover the deficiencies contained in personnel planning. Selecting the right employees will strengthen the organization's ability to achieve its goals. Employees are a valuable asset of every company. Therefore, every company certainly hopes to have the best quality employees to carry out company activities. For a company, a very important first step in determining its success in business competition is the recruitment process (Breaugh, 2008). Through a well-planned recruitment process, this will definitely affect the company's overall performance (Kristanu, 2013). Here, the company needs to have a vision to determine the right recruitment strategy so that the company can attract many job seekers. With the increasing number of job applicants, of course, companies will get greater opportunities to select and then recruit the right potential employees for the company (Setiani, 2013).

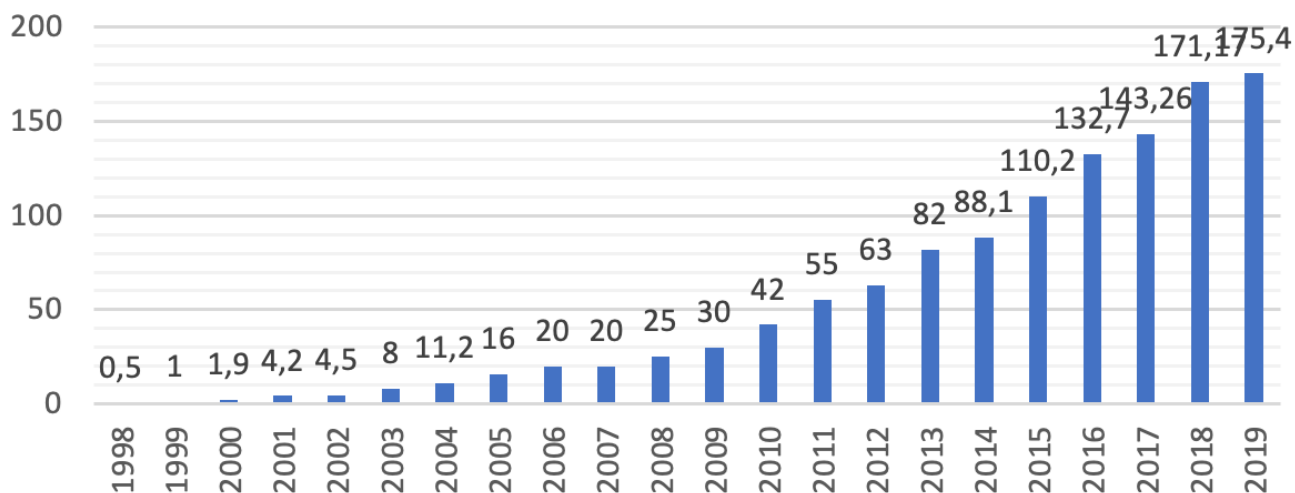
The behavior of work interests has also changed, and initially job vacancies were announced through written media and then in modern times they turned to the virtual world. The internet allows companies to find the potential employees they need more quickly. Today, in the digital age, social media and job search websites play a role in job search (Kajanová et al., 2017). This kind of recruitment phenomenon is called e-recruitment, where companies use the internet to attract employees with the potential skills and abilities needed by the company. Today, the labor market has shifted to the millennial workforce. The millennial generation is the first generation to enter the world of digital local works. The millennial generation in 2020 is between 19-34 years old and has entered the working age. According to a survey of internet usage by age by the Association of Indonesian Internet Service Providers (APJII), the millennial generation made the largest contribution at 64%. This shows that the millennial generation has a large internet consumption pattern, and internet user data information is increasing from year to year, which can be proven from the following table data.

**Table 1 Research on Indonesian Population Using the Internet**



Source: *Kumparan.com* (2020)

**Table 2 Internet Users, 1998-2019**



*Source : Lokadata.britagar.id (2020)*

Following current technological developments, using technology to support the employee recruitment process, one of which is the employee recruitment process. Recent research results show that applicants' careers are predicted by job, organizational characteristics, recruiter behavior, perceived position fit, and hiring expectations, not by demographics or recruiter alternatives. The results of previous studies showed that recruitment sites had no effect on job search intentions (Chapman et al., 2005).

The reputation of financial institutions is also one of the considerations for job seekers to find work that will affect their intentions. Generally, job seekers will look for job vacancies with the best reputation based on their assessment. Company reputation can be used to estimate job applicants' interest in applying for jobs in financial institutions (Fombrun et al., 2000). Therefore, before a job seeker intends to apply for a job at a financial institution, one of the main things that must be considered is the reputation of the financial institution he is looking for. Because based on previous research, the results show that the recruitment process through e-recruitment is believed to have a positive impact on the desire to find work (Melanthiou et al., 2015). Likewise, the reputation of a company has a significant influence on interest in applying for work (Sharma & Prasad, 2018).

## **2. Literature Review**

### **Interested in Applying for A Job**

The behavior shown by each individual is very diverse, one of which is the desire to achieve something. Desire is considered as a motivating factor that influences individuals to behave. How strong the individual wants to try, how strong the effort made to achieve something is an indication of a desire. The greater the individual's desire to perform a behavior, the greater the behavior will appear (Icek, 1991). Interest in applying for a job is a process of interest in having a job that starts with a series of job vacancies seeking information, determining job choices, and making decisions from prospective employees to determine the desired company (Wheeler & Mahoney, 1981). There are several stages that prospective employees carry out in their interest in applying for a job, first choosing and considering the job they want, the next stage is seeking information from recruitment sources made

by the company, then making a choice to accept or not the job (Choice et al., 1993). . It can be concluded that interest in applying for a job is a process of someone's interest in having a job that begins with all efforts to find job vacancies information that can be obtained from internal and external sources of the company, determine choices and then make a decision on which company to apply for.

### **E-Recruitment**

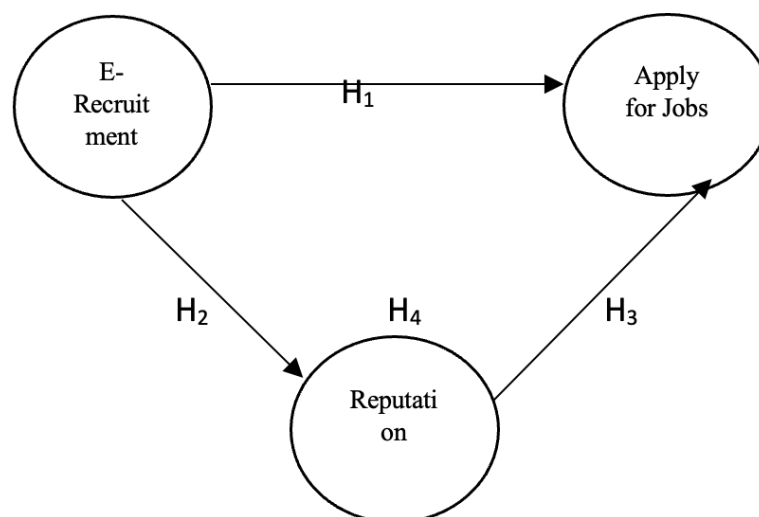
Recruitment is a process or action taken by an institution or company with the aim of getting prospective employees according to their needs and evaluation and selection (Mangkunegara & Prabu, 2009). Companies that implement a good recruitment system will have a competitive advantage because they are able to attract prospective employees who are in accordance with good needs. Along with the development of technology, developments in the process of recruiting prospective employees are also followed. Currently the recruitment process can be done online, which is called e-recruitment. E-recruitment is the process of attracting, screening and selecting qualified people for jobs. The use of E-recruitment is known as job vacancy sites. E-recruitment is rated as the most effective way for both job applicants. E-recruitment is an employee recruitment method where a number of employees collect their resumes online where the resumes will be selected by the company (Melanthiou et al., 2015).

### **Company Reputation**

Corporate reputation is a social characteristic of a company that is formed based on actions that have been taken and actions in the future (Sivertzen et al., 2013). The reputation of the company is a value given by individuals to the company regarding how well the organizational response has been implemented so far (Wartick, 2002). The company's reputation is defined as the assessment of the stakeholders of the company in terms of company performance (I. A. N. O. Williamson & Jr., 2010). Several previous studies on corporate reputation examined how and why company reputation affects job seekers in their interest in working in an organization (Cable & Turban, 2003). Before prospective applicants are interested in working for a company, the thing to consider is how good the reputation of the company is. Previous research is how the attributes of the company affect the company's reputation, companies that have a good reputation in recruitment information and the selection process will affect the attractiveness of the company (I. A. N. O. Williamson & Jr., 2010).

### **Research Design**

The design in this study is as shown in the following figure:



**Figure 1. Framework**

Hypothesis:

H1: E-Recruitment has a positive and significant effect on interest in applying for work

H2: E-Recruitment has a positive and significant effect on the company's reputation

H3: Reputation has a positive and significant effect on interest in applying for work

H4: E-Recruitment has a positive and significant effect on interest in applying for jobs mediated by company reputation

### **3. Methods**

The type of research used is quantitative research because this research method is used to examine a particular population and sample where the data collected uses research instruments that are carried out in a systematic and structured manner with the aim of testing predetermined hypotheses (Cooper & Schindler, 2003). The population used in this study were all students of Pelita Bangsa University with a total population of 3800 people. Sampling in this study uses a quantitative method approach, the sampling technique is done randomly, data collection is done by distributing questionnaires via google form by filling in online. The method used is a quantitative method with SEM SmartPLS software as an analytical tool to analyze the effect of e-recruitment on asking to apply for work, the influence of company reputation on interest in applying for work and the effect of e-recruitment on interest in applying for work mediated by company reputation. The sample in this study included male and female students at Pelita Bangsa University with a total of 97 respondents who were obtained from the slovin formula.

### **4. Results and Discussion**

#### **Test Value of R square**

**Table 3. R-square . value**

	<b>R Square</b>	<b>Adjusted R Square</b>
Variables of Interest in Applying for Jobs	0,618	0,610
Company Reputation Variable	0,552	0,547

*Source: Researcher (2021)*

Based on the table, it shows that the R-square generated for the variable of interest in applying for work with a value of 0.618 or 61.8% and the variable of company reputation with a value of 0.552 or 55.2% indicates that the contribution in this study is quite large.

### **Structural Model Test**

Structural Model Test is obtained by using SmartPLS 3.0 by testing Bootstrapping. The level of confidence used is 95% with an inaccuracy limit of ( $\alpha$ ) = 5% where the t-statistic value used is 1.96. The following are the results of the Structural Model Test research:

1. If the T-Statistic value > 1.96 then Ho is rejected Ha accepted
2. If the value of T-Statistic <1.96 then Ho is accepted Ha is rejected

**Table 4. Path Coefficient**

	<b>Sample Original (O)</b>	<b>Average Sample (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics (IO/STDEV I)</b>	<b>P Values</b>
<b>Recruitment -&gt; Interest in Applying for Jobs</b>	0.020	0.015	0.122	0.162	0.871
<b>Recruitment -&gt; Company Reputation</b>	0.743	0.740	0.066	11.292	0.000
<b>Company reputation -&gt; Interest in Job Application</b>	0.771	0.783	0.011	6.911	0.000

*Source: Researcher (2021)*

**Table 5. Specific Indirect Effect**

	<b>Sample Original (O)</b>	<b>Average Sample (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics (IO/STDEV I)</b>	<b>P Values</b>
<b>Recruitment -&gt; Company Reputation-&gt; Interest in Applying for Jobs</b>	0.573	0.580	0.103	5.540	0.000

*Source: Researcher (2021)*

## **Discussion**

### **E-recruitment for Interest in Applying for Jobs**

In hypothesis testing 1, it shows that the relationship between the E-recruitment variable and the interest in applying for work has a p-value of 0.872 and a t-statistic value of 0.162. From these results it can be concluded that hypothesis 1 is not proven, meaning that the e-recruitment variable has no significant effect on interest in applying for jobs. This study supports the results of the study (Melanthiou et al., 2015). The shift in behavior in looking for work, which began with job information that can only be accessed through written media, has now changed following technological developments. Through the internet, information about job vacancies can be communicated through job vacancies sites and social media. But not all technological developments can be accepted by all circles. Based on the results of the study showed that the ease and benefits of using e-recruitment to influence students to apply for work were considered less significant. Online recruitment is not an effective recruitment method. Online recruitment services in the digital era are now considered a common recruitment process. Every day prospective employees access various job vacancies sites both from company sites and job vacancy service providers. The number of users accessing at the same time causes failure to gain access (Bui et al., 2012). The main problem with this phenomenon is the number of people who access the search. Most users search hundreds and even thousands of job vacancies databases with certain requests while the server bandwidth provided is not able to accommodate the number of requests so that the site becomes burdened.

### **Company Reputation has a significant effect on Interest in Applying for Jobs**

Company reputation is defined as an evaluation of a company that can be described socially, both in terms of characteristics, practices, or behavior based on a certain period of time (Smaiziene & Jucevicius, 2009). Company reputation has a significant influence on the desire to apply for work (Sivertzen et al., 2013). In hypothesis testing 2, it was found that the relationship between the company's reputation variable and interest in applying for work has a p-value of 0.000 and a t-statistic value of 6.854. From these results it can be concluded that hypothesis 2 is proven, meaning that the company's reputation has an influence on interest in applying for work. Based on these results, it can be concluded that prospective employees feel attracted to companies that are able to produce products or services that are in accordance with their identity and have usability. Where a good company reputation will increase profits because it relates to consumer attention to the products produced, investors to securities and prospective employees to available job vacancies.

### **E-recruitment has a significant effect on Company Reputation**

In hypothesis testing 3, it shows that the relationship between the E-recruitment variable and the company's reputation has a p-value of 0.000 and a t-statistic value of 11.531. From these results it can be concluded that hypothesis 3 is accepted, which means that e-recruitment is proven to have a significant effect on interest in applying for work. The results of this study support previous research, namely the results of the study show that companies that have a good reputation tend to use good and clear recruitment website content, thus affecting the attractiveness of applicants to the company, it can be concluded that website recruitment affects the company's reputation (IANO Williamson & Jr. , 2010).

## **Company Reputation Mediates the Effect of E-Recruitment on Interest in Applying for Jobs**

In hypothesis testing 4, it was found that the Company's Reputation variable in mediating the E-recruitment variable on Interest in Applying for Work. The  $p$ -values are 0.000 and the  $t$ -statistic value is 5.431. Thus, it is proven that the company's reputation mediates e-recruitment on interest in applying for work. The results of this study support previous research, the results of the study state that company reputation mediates the effect of attractiveness and company E-recruitment on interest in applying for work (Muafi, 2017)

### **5. Conclusion**

Based on the results of the analysis and discussion, it can be concluded that the company's reputation can increase interest in applying for jobs. The reputation of the company is proven to mediate the effect of e-recruitment on the desire to apply for jobs. However, e-recruitment has no effect on interest in applying for jobs. In particular, this study can be concluded that there is no significant effect of E-recruitment on interest in applying for work. There is a positive influence of company reputation on interest in applying for work, so that with a high reputation the company will increase interest in applying for work in related companies. Company reputation mediates E-recruitment on interest in applying for jobs. Based on this study, it was found that the company's reputation had an influence on the desire to apply for a job to someone. Thus the company can use the company's reputation as a reference to attract the attention of the millennial generation as the newest workforce. In this study, the reputation of the company with indicators of the value of products and services has a high influence on interest in applying for work. On the value of the products and services produced, companies can inform that they are producers with quality products. This right can be done by communicating the products that have been accepted by the community. The high level of public acceptance of the product certainly indicates that the product is indeed liked by the community and creates a perception that the company does produce quality goods or services.

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