



Assessment of the Mediating Impact of Development Value on the Relationship between Economic, Social, Application, and Interest Values and Employer Attractiveness: A Case Study of the Ethiopian Banking Industry

A Thesis submitted to School of Commerce in partial fulfillment of the requirements for the Degree of Master of Arts in Human Resource Management

By: Addisu Kebede Kasa (GSE 3902/14)

Advisor: Adane Atara (PhD)

Addis Ababa University, School of Commerce

June 2024

ADDIS ABABA, ETHIOPIA

**Assessment of the Mediating Impact of Development Value on the
Relationship between Economic, Social, Application, and Interest Values and
Employer Attractiveness: A Case Study of the Ethiopian Banking Industry**

By:

Addisu Kebede Kasa

Under the Guidance of

Advisor: **Dr. Adane Atara** (PhD)

**MA Thesis Submitted to Addis Ababa University School of Commerce on
Partial Fulfillment of the Award of Master of Arts in Human Resource
Management**

JUNE, 2024

ADDIS ABEBA, ETHIOPIA

Acknowledgement

I would like to express my sincere gratitude to my advisor, Dr. Adane Atara, for his invaluable guidance and support throughout the conduct of this research proposal. His expertise and insights have been instrumental in shaping the direction of this study.

I would also like to extend my heartfelt thanks to my wife, Meron Moges, and my children, Manna Addisu and Aldora Addisu, for their unwavering love and understanding during the demanding process of conducting this research.

Their encouragement and assistance have been crucial in making this research a reality. I am truly fortunate to have such a supportive network of individuals in my life.

List of Figures

Figure 1: Conceptual frame work of the study.....	22
Figure 2: Measurement of Model Result for Hypothesis Testing.....	41

List of Tables

Table 1:	Population of the study
Table 2:	Respondents of the study
Table 3:	Time schedule
Table 4:	Budget schedule
Table 5:	Age of respondents
Table 6:	Gender of respondents
Table 7:	Marital status of respondents
Table 8:	Educational background of respondents
Table 9:	Experience of respondents
Table 10:	Position of respondents
Table 11:	Salary of respondents
Table 12:	Dependents of respondents
Table 13:	Employer of respondents

Addis Ababa University

School of Commerce

Department of Business Administration and Information Systems

Graduate Program Unit

Assessment of the Mediating Impact of Development Value on the Relationship between Economic, Social, Application, and Interest Values and Employer Attractiveness: A Case Study of the Ethiopian Banking Industry

(Approval Sheet)

By: Addisu Kebede Kasa

Approval by Board of Examiners Committee

Research Advisor

Signature

External Examiner

Internal Examiner

Statement of Certification

This is to certify that Mr. Addisu Kebede Kasa has carried out his research work on the topic entitled **Assessment of the Mediating Impact of Development Value on the Relationship between Economic, Social, Application, and Interest Values and Employer Attractiveness: A Case Study of the Ethiopian Banking Industry** is his original work and is suitable for submission for the award of a Master of Arts Degree in Human Resource Management.

Adane Atara (Ph.D)

DECLARATION

I, Addisu Kebede Kasa, hereby declare that this thesis work entitled **Assessment of the Mediating Impact of Development Value on the Relationship between Economic, Social, Application, and Interest Values and Employer Attractiveness: A Case Study of the Ethiopian Banking Industry** is the outcome of my effort and that all sources of material used for the study have been fully acknowledged. Moreover, this study has not been submitted by anyone for any academic reward at this University or any other University.

I bear sole responsibility for any shortcomings.

Name

Signature

Date

Abstract

The study investigates the mediating role of development value in the relationship between economic, social, application and interest values and employer attractiveness. The analysis covers five prominent banks: Hibret Bank, Abyssinia Bank, Awash Bank, Zemen Bank, and Dashen Bank, representing a diverse cross-section of the sector. Key findings indicate that economic value, including compensation, job security, and promotion opportunities, significantly influence employee perceptions. Development value, encompassing career-enhancing experiences, recognition, and self-confidence gained through work, is critical. Application value, which includes opportunities to teach and apply skills learned, is highly valued. Social value, characterized by good relationships with colleagues and supervisors and a supportive work environment, is important, while interest value, involving innovation, creativity, and exciting work environments, attracts employees. The study employs a quantitative research design using Structural Equation Modeling (SEM) to explore relationships among these variables. Data were collected through a structured questionnaire distributed to employees across the five banks, ensuring robust empirical analysis. Confirmatory Factor Analysis (CFA) and other statistical methods validate the relationships between economic, social, application, and development values and employer attractiveness, with development values playing a mediating role. The research confirms Development Value emerged as a crucial mediating variable, significantly enhancing the impact of the other independent variables on Employer Attractiveness. This suggests that when employees perceive opportunities for professional growth and development, they are more likely to view the employer as attractive, regardless of other factors.

Key word: Employer branding, Economic value, Development value, Social value, Interest Value, Application value

Table of Contents

Acknowledgement	iii
List of Figures	iv
Abstract	ix
Table of Contents	x
CHAPTER ONE	1
INTRODUCTION	1
1.1. Background of the Study.....	1
1.2. Background of the Ethiopian Banking Industry	4
1.1. Statement of the Problem	4
1.2. Basic Research Questions	6
1.3. Research Hypotheses.....	6
1.4. Objectives of the Study	6
1.5. Significance of the Study.....	7
1.6. Scope and Limitations of the Study	7
1.7. Organization of the Research Report.....	8
CHAPTER TWO	10
REVIEW OF RELATED LITERATURE	10
2.1. Introduction	10
2.2. Conceptual Literature Review.....	10
2.2.2. Employer Branding, Employer Attractiveness and Reputation	15
2.3. Empirical Review	18
CHAPTER THREE	23
RESEARCH METHODOLOGY.....	23
3.1. Research Design.....	23
3.2. Research Approach	23
3.3. Sampling Design.....	23
3.3.1. Population of the Study	23
3.3.2. Sampling Technique	25
3.3.3. Sample Size	25
3.5. Data Collection Methods and Sources.....	28
3.6. Method of Data Analysis.....	28

3.7. Definition of Variables	29
3.8. Ethical Considerations.....	31
3.9. Reliability and Validity.....	32
CHAPTER FOUR.....	33
EMPERICAL RESULT AND DISCUSSION.....	33
4.1. Response Rate.....	33
4.2. Profile of Respondents.....	33
4.3. Summary Statistics for the Study Variable.....	37
CHAPTER FIVE	46
SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS	46
5.1. Summary	46
5.3. Conclusion.....	47
5.3. Recommendations	48
5.3.1. Future Research Direction	49
REFERENCES	51
APPENDICES	55
DATA COLLECTION INSTRUMENTS	55
Date and Time of Addis MA Thesis Data Analysis and Review	59
Execution time summary.....	59
1. Baseline Comparisons.....	59
Your model contains the following variables (Group number 1)	60
Regression Weights: (Group number 1 - Default model).....	60
Covariances: (Group number 1 - Default model)	60
Variances: (Group number 1 - Default model)	61
Squared Multiple Correlations: (Group number 1 - Default model).....	61
Total Effects (Group number 1 - Default model).....	61
Direct Effects (Group number 1 - Default model)	61
Indirect Effects (Group number 1 - Default model)	62
Parsimony-Adjusted Measures.....	62
NCP	62
FMIN.....	63
AIC	63

ECVI	63
HOELTER	63
Minimization History (Default model)	64

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Employer branding refers to the process of shaping and promoting an organization's reputation as an employer of choice; it encompasses various aspects such as company culture, employee benefits, career development opportunities, and work-life balance Alzaid et al., (2023).

The nature of work is changing and is confronting several challenges with regard to recruitment and retention of employees. The changing employment trends aren't only limited to globalization, but also to other aspects like, changing pace of work-life balance, social life demands, changing demographics and many other variables Ambara Purusottama, (2019); Aboul-Ela, (2016). Organizations are using employer branding to attract recruits and ensure that current employees are engaged in the culture and strategy of the organization Eger et al., (2019). According to Eger, developing a favorable employer brand requires managers and HR professionals to know which factors are important for attracting recruits to their organization.

The concept of employer branding has been extensively studied in developed countries, where organizations invest significant resources in building their employer brand to attract and retain top talent Anney Chacko, (2020). The new struggle and war among organizations is to adopt fully the talent management process in the strict sense as organizations are living in the era of Talent-war Aboul-Ela, (2016). The ability of companies to attract talent, hire them, and achieve good retention levels is the primary source of success within the so-called war of talent Sančanin, (2021).

In today's competitive job market, attracting and retaining top talent has become a significant challenge for organizations worldwide. As a result, the concept of employer branding has gained increasing attention as a strategic tool to position companies as desirable employers. Therefore, it is crucial to build an attractive brand, that is, to identify Employer Value Propositions (EVPs) to be associated with the corporate image and communicated to external stakeholders Junca Silva et al., (2022); Magdalena Kalińska-Kula, (2021); Stokic et al., (2023).

However, though it has been mentioned by Dassler et al., (2022) that the literature on how to position organizations as attractive employers has been intensively developed during the last few decades since Ambler and Barrow (1996) published a study focusing on employer branding, there is a rareness of research on this topic in developing countries like Ethiopia. As the Ethiopian economy continues to grow rapidly, there is an increasing need for organizations to understand what constitutes an employer of choice in this context.

In the competitive landscape of the Ethiopian banking industry, banks are increasingly focusing on human resource management (HRM) strategies to position themselves as employers of choice. This shift is driven by the recognition that attracting and retaining top talent is essential for sustaining competitive advantage and achieving long-term success. Consequently, Ethiopian banks are adopting various HRM practices designed to enhance their employer branding and appeal to potential and current employees.

One of the primary strategies being implemented is the development of comprehensive training and career development programs. Banks such as the Commercial Bank of Ethiopia (CBE) have established robust training centers to provide continuous learning opportunities for their employees, ensuring they remain competitive and skilled in their roles (Teferra, 2019). These initiatives are aimed at fostering professional growth and enhancing employee satisfaction, which are critical factors in being perceived as an employer of choice.

Furthermore, Ethiopian banks are prioritizing work-life balance and employee well-being as part of their HRM strategies. For instance, the Dashen Bank has introduced flexible working hours and wellness programs to support employees' personal and professional lives (Bekele, 2020). These measures not only improve employee morale and productivity but also contribute to a positive organizational culture that attracts high-caliber talent.

Additionally, banks are investing in creating a positive organizational culture that aligns with their values and mission. This involves fostering an inclusive work environment where diversity is celebrated, and employees feel valued and respected. Equity Bank Ethiopia, for example, has implemented policies that promote diversity and inclusion, recognizing that a diverse workforce can drive innovation and business success (Ayele, 2021).

Compensation and benefits are also key components of HRM strategies in the Ethiopian banking sector. Competitive salary packages, performance-based incentives, and comprehensive benefits packages are offered to attract and retain top talent. Banks like Awash Bank have revamped their compensation structures to ensure they remain competitive in the job market, addressing both the financial and non-financial needs of their employees (Mengistu, 2021).

Despite these efforts, the Ethiopian banking industry still faces challenges such as high employee turnover and a shortage of skilled professionals. Therefore, continuous improvement in HRM practices is necessary to maintain a competitive edge. Research and empirical studies, such as those by Aboul-Ela (2016) and Berthon et al. (2005), highlight the importance of understanding the specific factors that make an organization an employer of choice. Applying these insights to the Ethiopian context can help banks refine their strategies to better meet the expectations of their workforce.

Banks in the Ethiopian banking industry are actively working on enhancing their HRM practices to become employers of choice. By focusing on career development, work-life balance, positive organizational culture, and competitive compensation, these banks aim to attract and retain the best talent in a competitive market. Continued research and adaptation of global best practices to the local context will be essential in achieving these goals.

This research will delve into various dimensions that influence employee perceptions of an ideal work place in Ethiopia. It will examine factors such as competitive compensation packages, career growth opportunities, work-life balance initiatives, organizational culture, leadership style, employee recognition programs, and social responsibility practices. By conducting this research on employer branding in Ethiopia, I aim to provide valuable insights for organizations operating in the country's banking industry.

By exploring what constitutes an employer of choice in this context, the researcher aims to provide practical recommendations for organizations seeking to enhance their attractiveness as employers and ultimately contribute to the overall development of the Ethiopian banking industry workforce.

1.2. Background of the Ethiopian Banking Industry

The Ethiopian banking industry has experienced significant growth and development in recent years. With the liberalization of the financial sector in the early 2000s, the industry has seen an influx of new players and increased competition. As a result, banks have had to focus on improving their services, products, and overall customer experience to remain competitive in the market.

In addition to this, the Ethiopian government has also been implementing various reforms aimed at modernizing the financial sector and promoting financial inclusion. These reforms have led to increased investment in technology and infrastructure, as well as a greater emphasis on talent development and human resource management within banks.

As a result of these changes, the banking industry in Ethiopia is becoming increasingly dynamic and competitive. Banks are not only competing for customers but also for top talent in the market. This has led to a growing focus on employer branding and creating an attractive workplace culture to attract and retain skilled employees.

Given this context, it is important to understand what constitutes an employer of choice in Ethiopia's banking industry. This research proposal aims to investigate the factors that contribute to being perceived as an attractive employer within the Ethiopian banking sector. The study will explore various aspects such as compensation and benefits, career development opportunities, work-life balance, organizational culture, leadership style, and employee engagement initiatives.

By understanding what makes a bank an employer of choice in Ethiopia, this research will provide valuable insights for banks looking to improve their employer branding strategies. It will also contribute to the existing literature on human resource management within the Ethiopian banking industry and provide practical recommendations for banks looking to attract and retain top talent in this competitive market.

1.1. Statement of the Problem

Employer branding involves promoting a company as an attractive employer to potential and current employees, highlighting the organization's reputation, values, culture, and employee value proposition. In a highly competitive job market, companies invest significantly in

employer branding, recognizing that a talented workforce is crucial for gaining a competitive edge and ensuring sustainability. However, successful employer branding necessitates a clear understanding of the factors that make an organization an employer of choice.

Empirically, some studies attempted to explore the elements that define "an employer of choice" and make up employer branding as identified through the literature review T Schlager, P Maas, and M Bodderas, (2011). The goal of this study is to investigate which factors employers should focus on in their employer branding, and view employer branding as the process of building employer identity Valor, (2018).

Some empirical studies have identified numerous factors that impact Employer Branding on Employee Attraction and Retention Sokro, (2012) and attract potential employees to organizations. For instance, Caputo et al. identified 25 factors grouped into five values: developmental, application, interest, social, and economic. They concluded that companies aiming to be employers of choice should focus on these employee value propositions.

Despite the growing emphasis on employer branding for attracting and retaining top talent, there is limited empirical research on the specific factors that make an organization an attractive employer in the Ethiopian context, particularly within the banking industry. The importance of organizational culture, career development opportunities, and work-life balance in other regions, but these factors may not be directly applicable to Ethiopia due to cultural differences and industry-specific challenges were also highlighted. The Ethiopian banking industry faces stiff competition for skilled personnel, as evidenced by high turnover rates. This underscores the need for research to identify the factors that constitute an employer of choice in this sector. Understanding these factors is crucial for designing effective employee value propositions that attract and retain top talent.

Most previous studies have not identified the direct, indirect and total effects of major factors on perception of employees. Therefore, this research aims to fill the gap by identifying the key attributes and practices that contribute to an organization being perceived as an employer of choice and their direct, indirect and total effects in the Ethiopian banking industry. This knowledge is essential for enhancing employer branding efforts and improving the ability to attract and retain top talent in the Ethiopian labor market.

1.2. Basic Research Questions

1. How does Development Value mediate the relationship between Social Value and Employer Attractiveness in the Ethiopian Banking Industry?
2. How does Development Value impact Employer Attractiveness in the Ethiopian Banking Industry?
3. How does Development Value mediate the relationship between Economic Value and Employer Attractiveness in the Ethiopian Banking Industry?
4. How does Development Value mediate the relationship between Application Value and Employer Attractiveness in the Ethiopian Banking Industry?

1.3. Research Hypotheses

H₁: Development Value mediates the relationship between Social Value and Employer Attractiveness in the Ethiopian Banking Industry.

H₂: Development Value positively impacts Employer Attractiveness in the Ethiopian Banking Industry.

H₃: Development Value mediates the relationship between Economic Value and Employer Attractiveness in the Ethiopian Banking Industry.

H₄: Development Value mediates the relationship between Application Value and Employer Attractiveness in the Ethiopian Banking Industry.

1.4. Objectives of the Study

The general objective of the study was to assess the mediating impact of development values on the relationship between other values and employer attractiveness in the Ethiopian Banking Industry.

The specific objectives of the study include the following:

1. To identify the mediating role of Development Value in the relationship between Social Value and Employer Attractiveness in the Ethiopian Banking Industry.
2. To identify the impact of Development Value on Employer Attractiveness in the Ethiopian Banking Industry.

3. To identify the mediating role of Development Value in the relationship between Economic Value and Employer Attractiveness in the Ethiopian Banking Industry.

4. To identify the mediating role of Development Value in the relationship between Application Value and Employer Attractiveness in the Ethiopian Banking Industry.

1.5. Significance of the Study

The findings of the study helps organizations understand the key drivers that make them attractive employers and enable them to develop effective strategies for talent acquisition and retention as attraction and retention of talent by organizations became consequently more and more strategic and vital to organizational success and sustainability.

This research contributes to the existing body of knowledge on employer branding by providing insights from the Ethiopian banking industry. It sheds light on how different factors specific to Ethiopia influence employee perceptions of what constitutes an employer of choice.

This study provides valuable insights into what constitutes an employer of choice in the Ethiopian banking Industry, which can help banks improve their attractiveness as employers; and understanding employee perceptions and preferences regarding their ideal workplace will enable organizations to align their practices with employee expectations, leading to higher job satisfaction and retention rates.

The findings from this research can serve as a benchmark for organizations to evaluate their current employer branding strategies and identify areas for improvement. Finally, the research outcomes can also benefit policymakers and strategists by providing insights into how to create conducive environment for employers to become more attractive, thus promoting economic growth through increased investment and job creation.

1.6. Scope and Limitations of the Study

This study is geographically focused on the Ethiopian banking industry. Specifically, it examines a selected sample of banks within Ethiopia, including Hibret Bank, Abyssinia Bank, Awash Bank, Zemen Bank, and Dashen Bank. These banks were chosen because they represent a diverse yet comprehensive cross-section of the banking sector in Ethiopia, encompassing various sizes, market shares, and service scopes. By focusing on these institutions, the study aims to

provide insights that are representative of the broader Ethiopian banking industry, while also acknowledging that findings may not be entirely generalizable to banking sectors in other countries or regions.

Conceptually, this study investigates the factors that contribute to employer branding within the Ethiopian banking industry, specifically focusing on Social Value, Application Value, Interest Value, Economic Value, and Development Value. The study particularly emphasizes the mediating role of Development Value in the relationship between these factors and Employer Attractiveness. The conceptual framework developed in this research integrates these variables to explore their direct, indirect, and total effects on how employees perceive the attractiveness of their employers. This approach is aimed at filling the existing gap in the literature by providing a more comprehensive understanding of employer branding from a holistic perspective that accounts for mediating effects.

Methodologically, the study employs a quantitative research design, using Structural Equation Modeling (SEM) to analyze the relationships among the variables. The study also incorporates Confirmatory Factor Analysis (CFA) to validate the constructs of the conceptual framework. Data were collected through a structured questionnaire distributed to employees across the five selected banks, with a sample size determined based on statistical considerations for SEM analysis. The methodological approach is designed to rigorously test the hypothesized relationships and the mediating effect of Development Value, thereby ensuring the reliability and validity of the findings. This study's methodological scope is focused on the quantitative analysis of survey data, which limits its ability to capture more nuanced qualitative insights but provides strong empirical evidence for the proposed model.

1.7. Organization of the Research Report

The research report includes a title page that contains title of the research proposal, name of the researcher, affiliation of the researcher and date of submission, table of contents that will show all list of all the sections and subsections included in the research report, a brief overview of the research proposal, including the problem statement, objectives, methodology, and expected outcomes as executive summary, introduction on background information on the research topic, statement of the problem or research question, objectives and significance of the study; review of

relevant literature and previous studies related to the research topic, identification of gaps in existing knowledge and justification for conducting the proposed research; research methodology: description of the research design and approach, data collection methods and tools, sampling techniques and sample size determination, data analysis plan; presentation of preliminary findings or expected results based on the proposed methodology; discussion: interpretation and analysis of results in relation to the research objectives and implications for theory, practice, and policy; conclusion: summary of key findings and their implications for future research or practice; list of all sources cited in the research report using APA citation style; appendices: additional supporting materials such as survey instruments, interview guides, or raw data tables.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

In this chapter what other researchers said and found on the meaning of employer branding, the dimensions of employer attractiveness, theories on employer branding in their conceptual and empirical literatures are reviewed and presented in brief.

Employer branding has become an increasingly important aspect of human resource management, as organizations strive to attract and retain top talent in a competitive market. In the context of the Ethiopian banking industry, understanding what constitutes an employer of choice is crucial for organizations looking to differentiate themselves and create a positive employer brand. This literature review will explore both theoretical and conceptual literatures on employer branding, as well as empirical studies that have examined the factors that contribute to being perceived as an employer of choice in the banking industry. By synthesizing existing research, this review aims to provide insights into the key elements that organizations in Ethiopia's banking sector should focus on in order to enhance their employer brand and attract top talent.

2.2. Conceptual Literature Review

Employer branding refers to the process of promoting a company as an attractive employer in order to attract and retain top talent Charvát-Janechová et al., (2023). It involves creating a positive image and reputation for the organization as an employer of choice, and communicating this to both current and potential employees Bussin et al., (2019). Employer branding encompasses various aspects of the employee experience, including company culture, values, work environment, career development opportunities, and benefits Dudek, (2020).

According to Berthon et al. (2005), employer branding is about creating a unique identity and image for the organization as an employer; which sets it apart from its competitors in the labor market El-Menawy et al., (2023). This involves not only external marketing efforts to attract new talent, but also internal initiatives to engage and retain existing employees Charvát-Janechová & Bednárík, (2023). The concept of employer branding is based on the idea that a strong employer brand can lead to higher levels of employee satisfaction, loyalty, and productivity Backhaus, (2016).

In their study, Backhaus and Tikoo (2004) emphasize the importance of aligning the employer brand with the overall corporate brand in order to create a consistent and compelling message for both employees and external stakeholders. They argue that a strong employer brand can also have a positive impact on customer perceptions and loyalty.

Furthermore, Ambler and Barrow (1996) highlight the role of communication in building an effective employer brand. They suggest that organizations should use various channels such as social media, career websites, employee testimonials, and recruitment advertising to communicate their employer brand message to potential candidates.

Overall, the literature on employer branding emphasizes the strategic importance of creating a positive image as an employer in order to attract and retain top talent. It also highlights the need for alignment between the employer brand and corporate brand, as well as effective communication strategies to convey the employer brand message to both internal and external audiences Dassler et al., (2022); Fernandes et al., (2023); Kargas et al., (2020).

2.2.1. The Concept of Employer Branding

In the turbulent environment of modern business, attracting and retaining valuable human resources have become one of the main means of competitive edge; and satisfaction of current employees and talent retention are essential elements of organizational success Staniec et al., (2021).

According to the notion of strategic human capital management the human capital of an organization could be considered as the critical resource as it can be used as a source of competitive advantage. However, most companies are concerned with external customer satisfaction, without devoting much attention to the satisfaction of their employees Santos Vasco, (2022) but indisputably, employee satisfaction is fundamental and determines the success or failure of what the customer experiences as satisfied and engaged employees are more committed to serve customers with the utmost enthusiasm. For this good reason, in today's competitive labor market, companies are using the concept of employer branding strategies to engage their workforce for better performance and have started to fascinate both current employees and potential applicants in a very competitive labor market Huseynova et al., (2022).

The notion of employer branding rose quite recently in the sphere of human capital management Ong, (2011). Over the past 20 years, there has been a dramatic rise in employers' interest in brand building Staniec & Kalińska-Kula, (2021). In the 1990s, companies began to identify their employees as internal clients and recognized that creating a friendly workplace is in an employer's interest. Nowadays, all over the world, there is a fierce competition for best talent; and this necessitates a strategic investment to attract and retain suitably qualified and skilled employees through the concept of employer branding Staniec & Kalińska-Kula, (2021). Employer branding is a new concept in which the organization creates a unique, positive and recognizable position as an attractive workplace among its existing employees and potential applicants Seldorf, 2008 as cited in Maria, (2017). Ambler & Barrow (1996) defined it as certain psychological and economic benefits that the company offers to the employee as a reward for their work Santos Vasco, (2022) and it can be considered as a brand being marketed to a distinct segment of employees Staniec & Kalińska-Kula, (2021). The overarching goal of employer branding is to become an employer of choice, a place where people prefer to work Armstrong, 2006 as cited in Staniec & Kalińska-Kula, (2021).

The employer brand encompasses the firm's values, systems, policies, and behaviors toward the objectives of motivating and retaining employees (Dell et al., 2001), and the main benefits that employer branding offers are: functional (developmental and/or useful activities), economic (material or monetary rewards), and psychological (feelings such as belonging, direction, and purpose) Staniec & Kalińska-Kula, (2021)).

Employer branding, seen as the process of building employer identity, is based on two main assets - loyalty to the particular brand and association with the brand (Backhaus and Tikoo, 2004) (as cited in Staniec & Kalińska-Kula, (2021). According to Staniec & Kalińska-Kula, (2021) these factors influence both the culture of the organization and the external company's image as an employer.

According to Maria, (2017) employer branding is about the perception of current and prospective employees toward an organization as a great place to work that provides a good package of employer value propositions and could be taken as a story-telling process that could leverage the image of the employer and would enable the company attract more potential applicants in its talent acquisition efforts by making the company a captivating employer.

The concept of employer branding, a combination of marketing and human resource management, emerged and gained ground during the 90s Ibrahim, (2017). Currently, the greatest difficulty facing organizations is the ability to retain and attract talent Santos et al., (2023), Alzaid & Dukhaykh, (2023) and Kargas & Tsokos, (2020); and also in the context of economic competitiveness and digitization, one of the major challenges for global corporations is represented by attracting and retaining top talent Mihalcea, (2017). ‘‘In order to overcome this difficulty, companies must invest in employer branding policies and be aware of what factors differentiate them from others, what attracts an employee to a company Santos Vasco, (2022)’’.

Current talent scarcity and a highly competitive labor market make employee retention essential for companies to achieve business success and growth; and in order to maintain a competitive and stable workforce, organizations have adopted employer branding as a strategic tool for employee retention Alzaid & Dukhaykh, (2023). This indicates that the purpose of employer branding is to present a positive and attractive image to current and potential employees Sekar Wulan Prasetyaningtyas1, (2022). Employer branding is one of the many reputational factors that add to competitive advantage Backhaus, (2016).

According to Maria, (2017) for any organization, its employees are its first market, as they are the ones who carry the image of the organization to the outside world through their positive word of mouth. Today many organizations face the problem of dissatisfaction leading to lowered productivity and high attrition rates. Like all brands, employer brands are essentially marketing concepts and constructs Stokic & Gardašević, (2023). It is at least as much about retention and engagement as they are about recruitment. Developing an employer brand proves that human resource can handle big, strategic projects and issues providing a competitive advantage to the employer. The talent in organizations are the people, the ones who get involved, think, interpret, evaluate, decide, act, lead the organization in this new era, where knowledge has become the most important resource, an intangible and invisible wealth, but fundamental to success Chiavenato, 2009 (as cited in Santos Vasco, (2022).

According to Huseynova et al., (2022) in today’s competitive labor market, firms use employer branding strategies to engage their workforce for better performance. However, the current understanding of the role of employer branding in firm-level performance in the context of developing countries is very limited Huseynova et al., (2022). Additionally, employer branding

not only attracts new employees but also supports retaining existing employees for better firm outcomes.

Thus, modern organizations, operating in a highly competitive and constantly evolving business environment, should attach great importance to building employee commitment, and by adequately satisfying their needs improving the ability to meet the external customers' needs Staniec & Kalińska-Kula, (2021).

Employer branding has become synonymous with employee engagement as employees are the most important brand ambassadors in the context of digitization, information about organizational culture, leadership, remuneration policy and career opportunities influences directly the desirable image of the company Mihalcea, (2017). According to him developing employer branding metrics, ROI on employer branding activities include cost per hire, time to fill, time to productivity, and candidate satisfaction rates, to measure its effectiveness against talent goals is very important in evaluating employer branding and the costs involved in the recruitment and selection process.

As organizations are opting much to become captivating companies that aspire to become employers of choice preferred by current and potential employees over their competitors, research is not that much systematic on how this phenomenon can be conceptualized and studied; and studies tend to make little conceptual differentiation regarding for whom employers should be attractive, and therefore, address the perspectives of potential as well as current employees, who work in organizations for long periods of time Dassler et al., (2022).

According to Maria, (2017) at the intersection of human resource management (HRM) and brand marketing, employer branding (i.e., an approach to recruitment and retention that “involves internally and externally promoting a clear view of what makes a firm different and desirable as an employer”; has been proposed as an effective organizational strategy to differentiate from competitors and gain a competitive advantage in the labor market.

Thus, employer branding is seen as a prime approach for responding to recruitment and retention challenges. Generally understanding, while Marketing is the communicating process of selling a product or service to customers and Human Resource Management plays the role of attraction, recruitment, selecting, training, development, assessment, rewarding and other activities related

to employment. Employer Branding is regarded as the connection between those two fields as it involves building an appealing image of the employer in the mind of potential employees. Thus, marketing concepts of branding, image, reputation, awareness, and HR concepts of organizational identity and employee satisfaction are converged in employer branding Maria, (2017).

The way the company communicates to the market/external, contributes to "its" image, this makes it possible to obtain good results. A company's corporate brand should be aligned with its intended target audience Santos Vasco, (2022). As a way of combining branding techniques with human resource practices, employer branding has massively extended both in research and in number of companies applying it Maria, (2017).

In the light of a long-term rising focus on human resources as the essential for a competitiveness of organizations, human resource management intersects with marketing to help firms attract and retain potential employees Babikova et al., (2019).

The existing literature, mainly referred to as employer branding, has been concerned primarily with the identification of relevant elements of the proposition of employer value, while several authors have pointed out the need to focus on relative elements Babikova & Bucek, (2019) Babikova & Bucek, (2019).

A sustained competitive advantage is the ultimate goal of every company, but views on how to achieve this have changed over time Babikova & Bucek, (2019). Internal Employer Branding is the internal activities directed at current employees Ibrahim, (2017).

According to Dassler et al., (2022) the outcomes of internally perceived employer attractiveness can be positive word-of-mouth, retention, positive work attitudes, compensation expectations, or performance, which are discussed in this section.

2.2.2. Employer Branding, Employer Attractiveness and Reputation

Many authors have tried to differentiate the distinction between these three concepts. Employer branding is a process of creating the perception that an organization is a desirable place to work in order to attract, retain and motivate employees and therefore differentiate from competitors Wilden et al., (2010) while attractiveness is the degree to which a job seeker would personally

apply for a firm rather than another Ong, (2011) and reputation is an overall judgment regarding a firm based on its past activities Anney Chacko, (2020).

Different authors defined employer attractiveness as the envisioned benefits that a potential employee sees in working for a specific organization and closely linked to the concept of brand equity which is a set of brand assets and liabilities linked to a brand that add to or subtract from the value provided by a product or service to a firm Caputo et al., (2023); Gracita, (2023).

Some authors define reputation as the overall experience of a stakeholder with an organization, a global and relatively stable evaluative judgment of a firm over time which is shared among job seekers, a very important intangible asset that can provide firms with sustainable competitive advantage in the marketplace Charvát-Janechová & Bednárík, (2023); Huseynova et al., (2022); Junca Silva & Dias, (2022).

According to Ambler and Barrow (1996) the concept of employer branding comprises three types of benefits: functional or development opportunities, economic or monetary rewards, and psychological or belonging and direction Caputo et al., (2023); and Berthon et al. (2005) developed a scale that could be used to measure an employer branding related concept known as employer attractiveness.

When applied to employer branding, brand equity refers to the effect that brand knowledge has on job seekers in making them want to apply for a job, such that employer brand equity is the desired outcome of employer branding activities Backhaus & Tikoo (as cited in Caputo et al., (2023); Junca Silva & Dias, (2022)). The more attractive the company is, the stronger its brand equity becomes Caputo et al., (2023).

Based upon the definition of Ambler and Barrow (1996), Berthon et al. (2005) developed the EmpAt scale, consisting of 25 items that detect five dimensions of employer branding, known as values; and it has been widely used by researchers of the field and it asks respondents how important the proposed features of an ideal employer are to them and aims to measure five values.

The interest value measures the attractiveness of a firm based on innovative working practices, develop creativity, foster an exciting working environment; the social value refers to the

opportunity of finding a positive working environment; the economic value considers the extent to which applicants are attracted by a satisfactory salary and a good remuneration and benefits package, as well as foster job security; the development value refers to employees opportunity to be recognized for their work, to benefit from opportunities for professional and individual growth, but also to consider the firm as a springboard for their future; and lastly, the application value refers to firm's ability to encourage the application of employees 'knowledge acquired in the past and its transmission to others Caputo et al., (2023).

In the same way that the concept of employer branding is linked to its external objective, that is, the employer attractiveness, reputation is also often linked to the concept of attractiveness and more generally to employer branding Sekar Wulan Prasetyaningtyas1, (2022).

2.2.3. Underpinning Theories of Employer Branding

Employer branding is a strategic approach to managing and promoting an organization's reputation as an employer in order to attract and retain top talent Ambara Purusottama, (2019). The underpinning theories of employer branding draw from various disciplines such as marketing, human resource management, and organizational behavior Backhaus, (2016).

One of the key theories that underpins employer branding is the social identity theory. This theory suggests that individuals derive their self-concept from their membership in social groups, such as organizations Dev, (2019). Therefore, a strong employer brand can help employees identify with the organization and feel a sense of belonging, which can lead to increased job satisfaction and commitment Stokic & Gardašević, (2023). This theory has been applied to the context of employer branding by scholars such as Cable and Turban (2003) in their study on the impact of employer brand image on application intentions.

Another important theory that informs employer branding is the psychological contract theory Voloboieva et al., (2021). This theory posits that there is an unwritten set of expectations between employees and employers regarding their mutual obligations. A strong employer brand can help shape these expectations by signaling what employees can expect from the organization in terms of career development opportunities, work-life balance, and organizational culture. This theory has been explored in the context of employer branding by scholars such as Backhaus and Tikoo (2004) in their research on the impact of employer brand image on application intentions.

Furthermore, the signaling theory also plays a role in understanding employer branding. This theory suggests that organizations use signals or cues to convey information about their attributes to potential employees. A strong employer brand serves as a signal to job seekers about the organization's values, culture, and overall attractiveness as an employer. This theory has been applied to the study of employer branding by scholars such as Pierre Berthon, (2005) in their research on how organizations use different types of signals to attract potential employees.

In conclusion, these underpinning theories provide a theoretical foundation for understanding how employer branding influences individuals' perceptions and behaviors related to employment decisions. By drawing from social identity theory, psychological contract theory, and signaling theory, organizations can develop effective strategies for managing their reputation as an employer.

2.3. Empirical Review

Here under I tried to show the actual experiences from various studies rather than the theories and beliefs. The empirical reviews are presented on the areas of measuring employer branding and also the empirical studies that show the interdependence and relationship between the various factors used as measurement scales for employer branding and attractiveness.

The empirical research findings of particularly three research articles done by Caputo et al., (2023), Aboul-Ela, (2016) and Pierre Berthon, (2005) will be used by this research as they tried to figure out and use properly developed measurement scales to find out the indicators of employer attractiveness and tried to statistically test the factors for their reliability and validity.

Berthon, Ewing, and Hah (2005) explore the concept of employer branding through the lens of advertising. Their research identifies five key dimensions of employer attractiveness: interest value, social value, economic value, development value, and application value. These dimensions are essential for creating a compelling employer brand that appeals to potential employees. The study argues that effective employer branding not only attracts top talent but also fosters employee retention and engagement by aligning organizational values with employee expectations.

In the article by Aboul-Ela (2016), employer branding is examined as a critical factor in becoming an employer of choice. The study highlights the components that contribute to a strong employer brand, which include organizational culture, career development opportunities, work-life balance, and the overall work environment. These elements collectively enhance the attractiveness of an organization to potential employees. Aboul-Ela emphasizes that organizations must consistently communicate their values and benefits to both current and potential employees to maintain a positive employer brand.

Caputo et al. (2023) investigate employer attractiveness by developing and validating two instruments to measure employer branding and reputation. The study focuses on the Employer Attractiveness scale (EmpAt) and a tool for evaluating employer reputation. Their research demonstrates that these tools can reliably assess an organization's attractiveness and reputation. The findings suggest that organizations with strong, positive employer branding can differentiate themselves in the competitive job market by highlighting their unique strengths and addressing areas for improvement.

The empirical literature reveals that becoming an employer of choice involves multiple facets of employer branding. Key components identified across the studies include:

1. **Organizational Culture:** A positive and inclusive culture that reflects the values and mission of the organization.
2. **Career Development:** Opportunities for professional growth and career advancement.
3. **Work-Life Balance:** Policies and practices that support employees' personal and professional lives.
4. **Work Environment:** A safe, supportive, and engaging workplace.
5. **Reputation and Attractiveness:** How the organization is perceived externally, including its attractiveness relative to competitors.
6. **Communication:** Consistent and clear communication of the organization's values, benefits, and opportunities to employees and potential hires.

These components collectively contribute to an organization's ability to attract, retain, and engage top talent, thereby establishing it as an employer of choice.

Understanding what constitutes an employer of choice is crucial for organizations aiming to attract and retain top talent. The studies by Aboul-Ela, Caputo et al., and Berthon et al. provide valuable insights into the key elements of employer branding. By focusing on these components, organizations can enhance their attractiveness and build a strong, positive reputation in the competitive job market.

2.4. Conceptual Framework

The aim of this research is to explore what constitutes an employer of choice using the 25-factor scale of employer attractiveness developed by Berthon et al. (2005). This conceptual framework will guide the research process by outlining the key constructs and their interrelationships, which are crucial for understanding employer branding.

Key Constructs

Employer Branding: The process by which a company markets itself to potential and current employees, showcasing its values, culture, and benefits.

Employer Attractiveness: The appeal an organization has as a place to work, which can influence job seekers' decisions.

Employer of Choice: A company that is highly sought after by job seekers and is able to attract and retain top talent.

Theoretical Background

The conceptual framework is grounded in the five dimensions of employer attractiveness as identified by Berthon et al. (2005):

Interest Value: The degree to which an organization provides an exciting work environment and engages in novel practices.

Social Value: The extent to which an organization provides a fun and happy work environment and fosters good collegial relationships.

Economic Value: The degree to which an organization provides above-average salary, compensation, and job security.

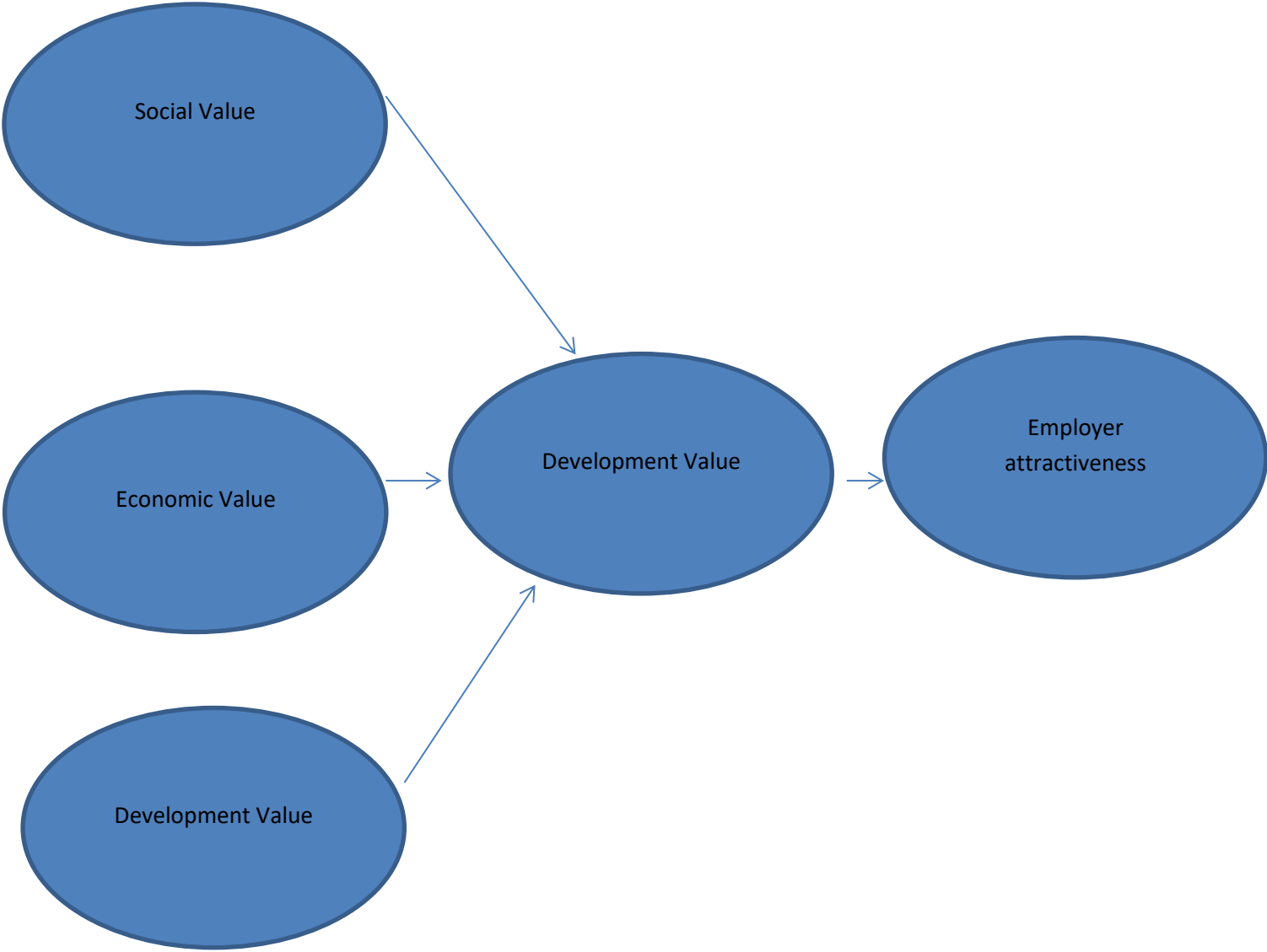
Development Value: The extent to which an organization provides recognition, self-worth, and career-enhancing experiences.

Application Value: The degree to which an organization provides opportunities to apply what was learned and to teach others.

2.5. Conceptual Framework Diagram

The diagram below illustrates the proposed conceptual framework, showing the relationship between employer branding, employer attractiveness, and becoming an employer of choice.

This conceptual framework provides a structured approach to understanding what makes an employer attractive and how organizations can position themselves as employers of choice. By examining the five dimensions of employer attractiveness, this research aims to offer insights that can help organizations enhance their employer branding strategies.



CHAPTER THREE

RESEARCH METHODOLOGY

The research design, research approach, sampling technique and size, source of data and method of collection, statistical tests for reliability and validity of data, description of the variables, and the data analysis technique are presented hereunder.

3.1. Research Design

This study aimed to confirm whether factors identified by other researchers in other areas are also factors within the Ethiopian banking industry. The use of confirmatory factor analysis provided a rigorous and systematic approach to analyzing these factors and their impact on employer branding within the industry.

Accordingly, to identify the factors that constitute an employer of choice in the Ethiopian banking industry descriptive type of research design with a confirmatory factor analysis and structural equation model were used.

3.2. Research Approach

This study adopted quantitative method as this approach allows for a comprehensive understanding of the research topic.

3.3. Sampling Design

3.3.1. Population of the Study

The population of the study consists of employees working in the Ethiopian banking industry, which currently has a total workforce of 189,640 individuals spread across 32 banks. The study aimed to gather insights and perspectives from a representative sample of employees within this population to understand their preferences related to factors that constitute an employer of choice within the industry.

Table 1: Population of the study

Staff Strength of Banks in Ethiopia				
SN	Bank	Male	Female	Total
1	AB	3,190	1,200	4,390
2	AdIB	757	408	1,165
3	AwB	14,892	5,388	20,280
4	BOA	7,654	4,258	11,912
5	BrB	3,977	2,132	6,109
6	BuB	2,613	1,512	4,125
7	CBE	34,980	14,926	49,906
8	CBO	6,485	1,553	8,038
9	DB	7,339	3,253	10,592
10	DBE	1,570	613	2,183
11	DGB	1,508	772	2,280
12	EB	906	700	1,606
13	HB	3,178	2,328	5,506
14	HjB	914	331	1,245
15	LIB	1,884	1,041	2,925
16	NIB	5,525	2,629	8,154
17	OB	4,607	1,721	6,328
18	WB	3,244	1,846	5,090
19	ZB	1,012	642	1,654
20	ZZB	994	428	1,422
21	GBB	161	84	245
22	SB	5,062	1,731	6,793
23	TsdB	7,870	5,179	13,049
24	ShB	460	181	641
25	AhB	482	293	775
26	TsB	539	218	757
27	AmB	3,644	1,205	4,849
28	RB	253	68	321
29	OmB	4,196	1,945	6,141
30	SdB	475	167	642
31	GB	395	122	517
32	SkB	-	-	-
	Grand Total	130,766	58,874	189,640

Source: Banking Supervision Directorate of National Bank of Ethiopia

3.3.2. Sampling Technique

There are currently 32 banks operating in the Ethiopian banking industry. For the purpose of this study, which investigates the mediating role of Development Value between Social, Application, Interest, Economic Value, and Employer Attractiveness, a subset of five banks was selected to collect the necessary data. The selected banks include Hibret Bank, Abyssinia Bank, Awash Bank, Zemen Bank, and Dashen Bank. These banks were chosen due to their relatively similar demographic characteristics, including employee distribution across various roles, diversity in organizational culture, and comparable market positioning within the industry.

The choice of these five banks was not arbitrary but rather informed by several key considerations:

1. **Diversity and Representation:** These banks represent a cross-section of the Ethiopian banking industry, including both large, well-established institutions (e.g., Dashen Bank and Awash Bank) and relatively smaller, more niche players (e.g., Zemen Bank). This diversity ensures that the study captures a broad spectrum of organizational practices and employee experiences.
2. **Demographic Similarity:** The selected banks share similar demographic characteristics, particularly in terms of workforce size, employee educational background, and the range of banking services offered. This similarity helps control for external variables that might otherwise confound the study results.
3. **Accessibility and Feasibility:** Logistical considerations also played a role in the selection process. The selected banks were accessible in terms of data availability and willingness to participate in the study, which was crucial for the feasibility of data collection.

Random sampling is a method used to select a sample from a larger population in such a way that each individual has an equal chance of being chosen. This method helps ensure that the sample is representative of the overall population, thereby increasing the validity and generalizability of the study findings.

In this study, after selecting the five banks, a simple random sampling technique was employed to select respondents from each bank. The steps involved were:

1. Population Identification: The total population consisted of all employees working in the selected banks. Lists of employees were obtained from each bank's HR department.
2. Assignment of Numbers: Each employee on these lists was assigned a unique identification number.
3. Random Selection: A random number generator was used to select participants, ensuring that every employee had an equal chance of being included in the sample. This approach minimizes selection bias and enhances the representativeness of the sample.

The sample size of 385 was determined using Cochran's formula, which is widely recognized in quantitative research for calculating sample sizes in large populations. The formula accounts for the desired confidence level (typically 95%), the margin of error (usually 5%), and the population variance. Given the total number of employees across the selected banks, a sample size of 385 was sufficient to achieve reliable and generalizable results.

The original mention of the entire banking industry's employee count (189,640) was intended to provide context for the scale of the industry. However, for practical and methodological reasons, the sampling frame was limited to the five selected banks. Thus, the sample of 385 respondents was drawn from the combined employee pool of these five banks, not from the entire industry. This approach aligns with the study's objectives and ensures a focused analysis of the mediating role of Development Value in the context of these specific institutions.

Target Population:

The target population was employees from the selected five banks, not the entire workforce of the Ethiopian banking industry. The focus was specifically on full-time employees, including those in different roles such as bankers, administrative staff, and support staff. This targeted approach ensures that the study captures the relevant perceptions and experiences related to employer attractiveness within these institutions.

From the 32 banks in the Ethiopian banking industry, subsets of banks are selected to participate in this study. The selection of banks was also done using random sampling to give equal chance for all banks. There are 32 banks in the Ethiopian banking industry currently; and among this for the purpose of collecting the necessary data for this study five banks were selected randomly as the demographic characteristics of the banks is relatively similar. These banks are Hibret Bank, Abyssinia Bank, Awash Bank, Zemen Bank, Nib Bank and Dashen Bank. Human resource management professionals, employees and managers as respondents from these banks were selected randomly. Respondent's size from these banks was determined proportionally based on their staff size.

From the total population of 189,640 employees in the Ethiopian banking industry, a sample size of 385 were selected using simple random sampling for the quantitative data through the questionnaire. The number of respondents from each selected bank was determined based on the proportion of employees in each bank to the total population. This was to ensure that each bank is adequately represented in the sample.

3.3.3. Sample Size

The sample size of 385 was chosen based on statistical principles to ensure that the results of the study would be both reliable and generalizable. In quantitative research, determining the appropriate sample size is crucial for achieving a balance between accuracy and practicality. The sample size of 385 was derived using Cochran's formula for sample size calculation, which is particularly useful when dealing with large populations. Given the total population size of 189,640 employees in the Ethiopian banking industry, a sample size of 385 ensures that the study has a sufficient level of confidence (typically 95%) and a margin of error of approximately 5%. This sample size is adequate to capture the diversity of employee experiences across different banks while allowing for meaningful statistical analysis.

The formula to determine the sample size for a descriptive research study is:

$$n = (Z^2 * p * (1-p)) / E^2$$

Where:

n = sample size

Z = Z-score corresponding to the desired confidence level

p = estimated population proportion

E = margin of error

Given:

Population size (N) = 189,640

Confidence level = 95% (Z-score of 1.96)

Margin of error (E) = 5%

Population proportion (p) = 50%

Plugging in the values to the formula:

$$n = (1.96^2 * 0.5 * (1-0.5)) / 0.05^2$$

$$n = (3.8416 * 0.25) / 0.0025$$

$$n = 0.9604 / 0.0025$$

$$n \approx 384.16$$

Since the calculated sample size is not a whole number, we rounded it up to the nearest whole number to ensure that our sample is large enough to be representative of the population. Therefore, the sample size for this descriptive research study on employer branding was approximately 385 individuals.

Table 2: Respondents of the study

SN	Bank	Total Number of Employees	Proportion	Number of Respondents
1	Awash	20280	0.35	134
2	Abyssinia	11912	0.21	79
3	Hibret	5506	0.09	36
4	Zemen	1654	0.03	11
5	Nib	8154	0.14	54
6	Dashen	10592	0.18	70
	Total	58098	1	385

3.5. Data Collection Methods and Sources

Data were collected using a simple random sampling method to ensure that every individual in the population had an equal chance of being selected. This approach helps to eliminate selection bias, thereby increasing the representativeness of the sample. The process began by obtaining a

complete list of employees from the five selected banks (Hibret Bank, Abyssinia Bank, Awash Bank, Zemen Bank, and Dashen Bank). Each employee on the list was assigned a unique number, and a random number generator was used to select 385 participants from this pool. This method ensures that the sample accurately reflects the population's characteristics, which is essential for making generalizable conclusions about the Ethiopian banking industry.

A semi-structured questionnaire was used to balance the need for standardized data collection with the flexibility to capture additional insights that might not be fully covered by predefined questions. While quantitative research typically relies on structured questionnaires with closed-ended questions, the semi-structured format allows for a deeper exploration of specific themes by including a few open-ended questions. This approach was particularly useful for understanding the nuanced perceptions of employees regarding employer attractiveness.

The questionnaire was pilot tested on a small sample of employees to check for clarity and relevance, after which necessary adjustments were made. This semi-structured approach ensures that the quantitative data collected is robust while also providing qualitative insights that enrich the analysis.

3.6. Method of Data Analysis

As the scales that are used in this study were developed based on the study conducted by others and other than my area of research and the purpose is to confirm whether the factors in the scale are indicators of employer attractiveness in the Ethiopian banking industry, a quantitative data analysis involved confirmatory factor analysis for determining the constituting factors of being an employer of choice.

Confirmatory factor analysis (CFA) is used in this research on employer branding in Ethiopia to confirm the factors on employer attractiveness scale developed by other researchers in different areas. CFA is chosen for this purpose because it allows researchers to test a specific hypothesis about the structure of a set of observed variables, in this case, the factors that contribute to employer attractiveness.

CFA is particularly useful in this context because it allows researchers to determine whether the same factors that have been identified as important in other contexts are also relevant and applicable in Ethiopia. This is important for ensuring the validity and generalizability of the employer attractiveness scale across different cultural and organizational contexts.

In contrast, exploratory factor analysis (EFA) and principal component analysis (PCA) are not as suitable for this research objective. EFA is used to explore the underlying structure of a set of observed variables, rather than to test a specific hypothesis about that structure. PCA, on the other hand, is primarily used for data reduction and dimensionality reduction, rather than for testing specific hypotheses about factor structures.

AMOS (Analysis of Moment Structures) software was used for data analysis because it is particularly well-suited for Structural Equation Modeling (SEM), which was a key analytical technique employed in this study. SEM allows for the simultaneous analysis of multiple relationships between independent and dependent variables, which is crucial when examining complex constructs like employer attractiveness.

The specific purposes of using AMOS in this study were:

Confirmatory Factor Analysis (CFA): To validate the measurement model by confirming that the constructs (Interest Value, Social Value, Economic Value, Development Value, Application Value) are accurately represented by the observed data.

Path Analysis: To assess the direct, indirect, and total effects of the independent variables on the dependent variable (Employer Attractiveness).

Mediation Analysis: To test the hypothesized mediating role of Development Value in the relationships between other employer branding factors and Employer Attractiveness.

Using AMOS, the study was able to rigorously test the proposed theoretical model and provide empirical evidence for the relationships between the variables.

Overall, CFA was chosen for this research on employer branding in Ethiopia because it allows researchers to specifically test whether the factors identified by other researchers are indeed

relevant and applicable in this particular context. This helps to ensure the validity and cross-cultural applicability of the employer attractiveness scale.

3.7. Definition of Variables

The dependent variable is the employer attractiveness index, which is being measured to determine its development value, application value, social value, economic value, and interest value. The independent variables are the factors that make up the employer attractiveness index.

The dependent variable is employer attractiveness index which is a composite measure of various factors that contribute to an organization's appeal as an employer. This index is used to assess the development value, application value, social value, economic value, and interest value of an organization as perceived by potential employees.

The independent variables are the individual components or dimensions that make up the employer attractiveness index; the 25 factors grouped under the five values in the employer attractiveness scale.

3.8. Ethical Considerations

By adhering to the following ethical considerations, we conducted a responsible and respectful research study that upholds the rights and well-being of all participants involved.

- **Informed Consent:** All participants in the research study were fully informed about the purpose, procedures, and potential risks and benefits of the study. They were provided with a consent form and will have the opportunity to ask questions and withdraw from the study at any time without penalty.
- **Confidentiality:** The privacy and confidentiality of all participants were strictly maintained. All data collected was anonymized and stored securely to protect the identity of participants.
- **Respect for Participants:** The researcher ensured that all participants are treated with respect and dignity throughout the research process. This includes being mindful of cultural sensitivities and ensuring that participants are not exploited or harmed in any way.

- Compliance with Regulations: The researcher adhered to all relevant ethical guidelines and regulations set forth by institutional review boards, as well as local laws and regulations in Ethiopia.
- Transparency: The researcher was transparent about the methods, findings, and any conflicts of interest that may arise during the course of the study.
- Beneficence: The research aimed to contribute to a better understanding of what constitutes an employer of choice in the Ethiopian Banking Industry, which could ultimately lead to improvements in workplace conditions and employee satisfaction.

3.9. Reliability and Validity

A pilot test of the data collection instrument was done to ensure reliability and validity. Reliability refers to the consistency and stability of the research findings. In this study, reliability will be ensured through the use of standardized measures and data collection methods. The survey instrument was pre-tested to ensure that it produces consistent results over time and across different samples. Additionally, the researcher exerted his utmost effort to ensure that data collection procedures are consistently implemented. Cronbach's alpha was used to assess the internal consistency of the employer attractiveness scale.

Validity refers to the accuracy and truthfulness of the research findings. In this study, validity is ensured through the use of established measures and methodologies that have been validated in previous research. The survey instrument was designed based on existing literature on employer branding and organizational attractiveness, ensuring that it captures relevant constructs related to being an employer of choice in the Ethiopian banking industry. Furthermore, efforts were made to minimize biases in data collection and analysis, such as by using random sampling techniques and employing statistical controls for potential confounding variables.

CHAPTER FOUR

EMPERICAL RESULT AND DISCUSSION

This is the data presentation and analysis part of the research report. Here, I unveil the outcomes of the study, delving into the analysis of raw data sourced directly from participants via a comprehensive questionnaire. Within this chapter, I showcase the demographic profiles of study's participants, illuminate the statistical methodologies employed to address the research inquiries, and provide insightful interpretations of the findings.

4.1. Response Rate

As the researcher employed strategies such as personalized communication, multiple follow-ups, and clear instructions through the user-friendly survey tools, built rapport with participants and emphasized the importance of respondent's contribution, the response rate is 100%. Achieving a 100% response rate in research indicates that all participants provided feedback or completed the study requirements.

4.2. Profile of Respondents

Table 5: Age of Respondents

Category	Frequency	Percent
18 – 25	17	4.4
26 – 35	211	54.8
36 – 45	131	34.0
46 – 55	18	4.7
56 & above	8	2.1
Total	385	100.0

Source Primary Data (2024)

The age distribution of respondents varied, with the majority falling between the ages of 25 and 35 years, indicating a relatively young workforce within the Ethiopian banking industry.

Table 6: Gender of Respondents

Category	Frequency	Percent
Male	245	63.6
Female	140	36.4
Total	385	100.0

Source Primary Data (2024)

There was a near-equal representation of genders among the respondents, with a slight majority being male.

Table 7: Marital Status

Category	Frequency	Percent
Married	307	79.7
Single	78	20.3
Divorced	0	0
Widowed/wer	0	0
Total	385	100.0

Source Primary Data (2024)

Most respondents were married, reflecting the demographic trend in the Ethiopian working population.

Table 8: Educational Background of Respondents

Category	Frequency	Percent
High School	7	1.8
Diploma	17	4.4
Degree	201	52.2
Masters	157	40.8
PhD	382	99.2
Missing	3	0.8
Total	385	100.0

Source Primary Data (2024)

The respondents' educational background varied, with a significant number holding bachelor's degrees, followed by those with master's degrees.

Table 9: Experience of Respondents

Category	Frequency	Percent
Up to 5 years	120	31.2
6 – 10 years	111	28.8
11 – 15 years	91	23.6
16 – 15 years	11	2.9
More than 15 years	52	13.5
Total	385	100.0

Source Primary Data (2024)

Respondents had diverse years of experience in the banking industry, ranging from less than 5 years to over 20 years, with a concentration around 5 to 10 years.

Table 10: Position of Respondents

Category	Frequency	Percent
Clerical	217	56.4
Non Clerical	64	16.6
Managerial	101	26.2
Missing	3	0.8
Total	385	100.0

Source Primary Data (2024)

The positions held by respondents ranged from entry-level positions to senior management, with a majority in mid-level positions.

Table 11: Salary of Respondents

Category	Frequency	Percent
Up to 10000	18	4.7
10000 – 30000	129	33.5
30000 – 60000	179	46.5
>60000	59	15.3
Total	385	100.0

Source Primary Data (2024)

The salary range of respondents varied widely, reflecting the different positions and years of experience within the industry.

Table 12: Dependents of Respondents

Category	Frequency	Percent
1 – 2	105	27.3
3 – 4	122	31.7
5 and above	132	34.3
Missing	26	6.8
Total	385	100.0

The number of dependents among respondents also varied, with most having 1 to 3 dependents.

Table 13: Employer of Respondents

Category	Frequency	Percent
Hibret Bank	36	9.4
Awash Bank	134	34.8
Dashen Bank	70	18.2
Addis International Bank	79	20.5
Zemen Bank	12	3.1
Nib Bank	54	14.0
Total	385	100.0

Source Primary Data (2024)

Respondents were from Hibret Bank, Abyssinia Bank, Awash Bank, Zemen Bank, Nib Bank, and Dashen Bank.

4.3. Summary Statistics for the Study Variable

Table 14: Descriptive statistics of factors

	N	Mean		Std. Deviation	Kurtosis	
		Statistic	Std. Error		Statistic	Std. Error
EcCompensation	385	3.83	0.045	0.877	0.812	0.248
EcSalary	385	3.58	0.047	0.924	0.018	0.248
EcJobsecurity	385	3.99	0.037	0.722	0.761	0.248
EcPromotion	385	3.7	0.049	0.969	0.393	0.248
EcExperience	385	3.57	0.048	0.933	-0.077	0.248
SRelationCol	385	4.04	0.039	0.763	0.148	0.248
SRelationSup	385	3.84	0.044	0.869	0.947	0.248
SSupport	385	3.98	0.038	0.737	0.278	0.248
SFun	385	3.92	0.039	0.761	-0.151	0.248
SHappy	385	3.97	0.039	0.77	-0.026	0.248
Iinnovation	385	3.88	0.039	0.771	-0.002	0.248
IInnovativeEmpl	385	3.84	0.041	0.804	0.306	0.248
ICreativity	385	3.59	0.046	0.9	0.189	0.248
IQuality	385	3.62	0.046	0.906	0.341	0.248
IExcitingEnvirn	385	3.9	0.038	0.749	0.02	0.248
DSelfconfidence	385	3.68	0.046	0.895	0.347	0.248
DFeelinggood	385	3.99	0.034	0.663	0.898	0.248
DCareerenhancingexp	385	3.93	0.039	0.764	0.507	0.248
DFutureemploy	385	3.9	0.039	0.77	0.095	0.248
DRecognition	385	3.7	0.047	0.913	0.202	0.248
AOpportunityteach	385	3.65	0.045	0.882	0.525	0.248
AOpportunityapply	385	3.73	0.044	0.865	0.909	0.248
ACustomeroriented	385	3.67	0.047	0.922	0.204	0.248
AHumanitarianOrg	385	3.89	0.038	0.738	0.014	0.248
AAcceptanceBelonging	385	3.91	0.037	0.729	0.187	0.248
Valid N (listwise)	385					

Source Primary Data (2024)

As it can be seen from the table descriptive analyses of items of the employer attractiveness index a mean from a minimum of 3.62 and a maximum of 4.04 (SD from 0.663 to 0.96). The skewness value also shows a normal range as it is between 0 and 1. The study explored several factors contributing to employer attractiveness through descriptive statistics:

- i. Economic Factors: Variables such as compensation, salary, job security, promotion, and experience were assessed, with job security scoring the highest mean (3.99). This suggests that job security is a critical factor for employees.
- ii. Social Factors: Relationships with colleagues (mean = 4.04) and supervisors (mean = 3.84), as well as social support (mean = 3.98), were important, indicating the value of a supportive work environment.
- iii. Development Factors: Factors like career-enhancing experiences (mean = 3.93) and feeling good about oneself (mean = 3.99) were highly rated, showing the importance of personal and career development.
- iv. Interest Factors: Innovation (mean = 3.88) and creativity (mean = 3.59) scored well, highlighting the significance of a stimulating work environment.
- v. Application Factors: Opportunities to teach (mean = 3.65) and apply skills (mean = 3.73) were valued, suggesting that employees appreciate roles that utilize and enhance their abilities.

4.4. Inferential Analysis of the Study

4.4.1. Pearson Correlation Analysis

To achieve precise outcomes and assess employee brand stability in the Ethiopian banking industry, we employed discriminant validity and a Correlational Matrix Approach. Tests such as the Variance Inflation Factor (VIF) and tolerance level (1/VIF) were used to check for multi-collinearity. A VIF of 10 or below indicates no multi-collinearity. Our analysis showed a VIF of 1.000 for each independent variable, confirming no collinearity among the data.

Before conducting regression analysis, we validated the data by checking for multi-collinearity between variables. The estimated correlation between dependent and independent variables was computed. The SPSS-27 (2024) results indicated that improving working indicators correlates with increased employee performance ($r = -0.001$, $p < 0.494$). This implies that higher economic value for employees positively impacts employer attractiveness, with specific relationships summarized as follows:

- Economic Values of Employees (ECOV) → Employee Perception ($r = 0.826, p < 0.001$)
- Application Value (APPV) → Employee Perception ($r = 0.000, p = 0.145$)
- Development Value (DEVV) → Employee Perception ($r = -0.724, p < 0.010$)

Table 15: Correlational Analysis between Dependent variable and Independent Variables
Correlations

		SOCV	ECOV	INV	APPV	DEV	PRE
SOCV	Pearson Correlation	1	.156**	.202**	.197**	.204**	.022
	Sig. (1-tailed)		.001	.000	.000	.000	.334
	N	385	385	385	385	385	385
ECOV	Pearson Correlation	.156**	1	.254**	-.818**	.837**	.826**
	Sig. (1-tailed)	.001		.000	.000	.000	.000
	N	385	385	385	385	385	385
INV	Pearson Correlation	.202**	.254**	1	-.052	.237**	.099*
	Sig. (1-tailed)	.000	.000		.155	.000	.026
	N	385	385	385	385	385	385
APPV	Pearson Correlation	.197**	-.818**	-.052	1	-.563**	-.724**
	Sig. (1-tailed)	.000	.000	.155		.000	.000
	N	385	385	385	385	385	385
DEV	Pearson Correlation	.204**	.837**	.237**	-.563**	1	.809**
	Sig. (1-tailed)	.000	.000	.000	.000		.000
	N	385	385	385	385	385	385
PRE	Pearson Correlation	.022	.826**	.099*	-.724**	.809**	1
	Sig. (1-tailed)	.334	.000	.026	.000	.000	
	N	385	385	385	385	385	385

** . Correlation is significant at the 0.01 level (1-tailed).

* . Correlation is significant at the 0.05 level (1-tailed).

Source: **Computed with SPSS 27 (2024)**

Furthermore, as noted by Gujarati, (2004), most widely used bi-variant correlation statistics is the Pearson product movement coefficient, commonly called the Pearson correlation which is

also used in this study. Correlation coefficient between two variables ranges from +1 (i.e. perfect positive relationship) to -1 (i.e. perfect negative relationship). If the correlation coefficient is 0, the movement of variables is said to have no correlation.

Table 16: Reliability and Validity

SN	Value	Cronbach Alpha	CR	AVE	ASV	MSV
1	Economic	0.86	0.79	0.60	0.83	0.98
2	Social	0.88	0.76	0.63	0.92	0.97
3	Development	0.87	0.82	0.59	0.91	0.96
4	Interest	0.89	0.81	0.62	0.91	0.98
5	Application	0.85	0.86	0.65	0.93	0.95

4.5. Structural Model for Testing Hypothesis of the study

To investigate the relationship between application value, economic value, social value and development value on the dependent variable (employer attractiveness), the researcher used structural equation modelling using AMOS Path Analysis with inputting the factor Score from CFA.

As part of hypothesis testing, the study has tested development value as mediator and interest values as moderator as one can see on the following graphical interaction of structural model followed by the results.

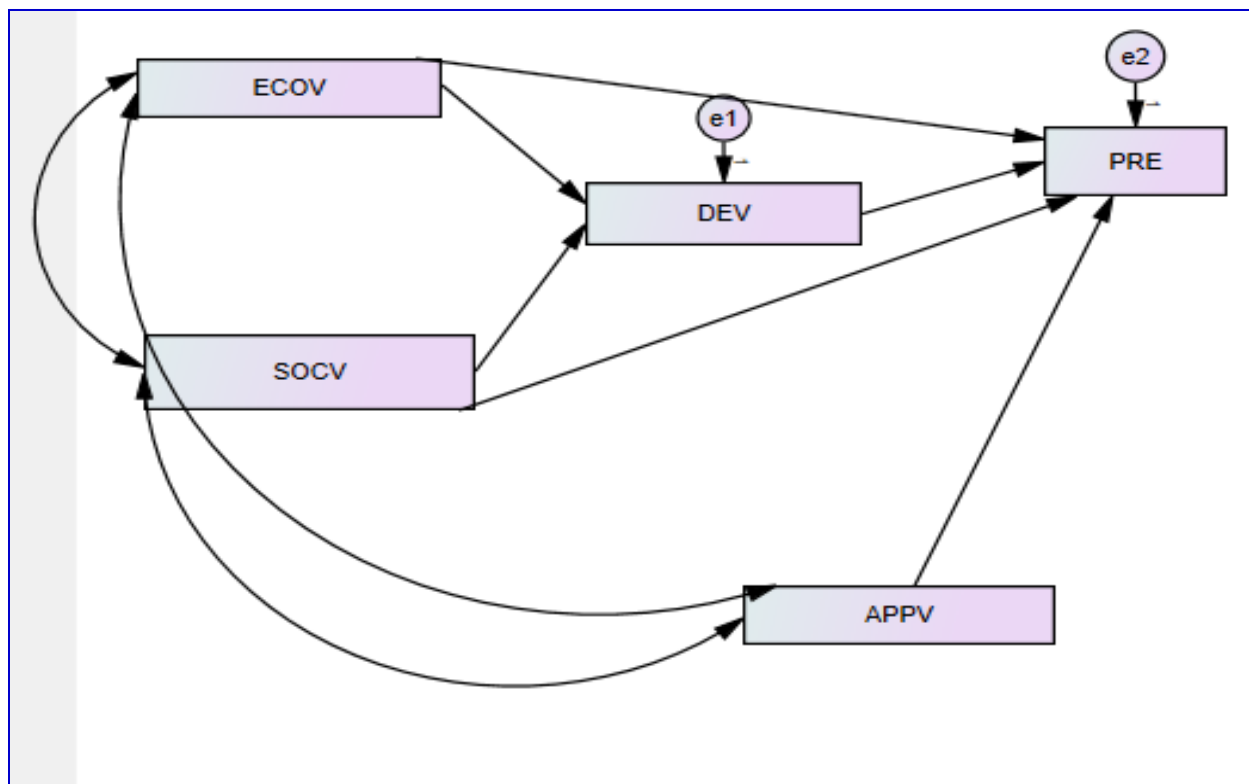


Figure 4: Measurement of Model Result for Hypothesis Testing

4.6. Study Coefficients of Regression Weights

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
DEV	<---	ECOV	.368	.012	29.454	***	
DEV	<---	SOCV	.028	.010	2.684	.007	
PRE	<---	DEV	2.035	.178	11.400	***	
PRE	<---	SOCV	-.077	.044	-1.760	.078	
PRE	<---	ECOV	.285	.112	2.544	.011	
PRE	<---	APPV	-.517	.096	-5.394	***	

Source: Computation with SPSS 27 (2024)

As regression weight for a given record corresponds to influence of the observation on the computed model parameters, this study evaluated the significant relationship between the

variables in the study models. In this regards, the major variables (DEV<---ECOV, PRE<---DEV, PRE<---APPV) in study were strongly significant with 0.99% of degree of significance which is found strong significant relationship between mediating dependent variable and major variable which is perception of employee's as it can be seen on the summary of regression weights.

The regression weights show significant relationships between the variables. Key relationships, such as DEV <--- ECOV, PRE <--- DEV, and PRE <--- APPV, indicate a strong significance at 99%.

4.6.1. Summary of Model Fitness with Confirmatory factor analysis Approach

As confirmatory factor analysis is the popular technique used to analyze the efficacy of measurement models where the number of factors and their direct relationship is specified. The study was also carried out using CFA for model fitness with Comparative Fit Index (CFI), the Tucker Lewis Index (TLI) and the Root Mean Square Error of Approximation (RMSEA) together with the 90% confidence interval for the RMSEA. Some useful rules of thumb are that a satisfactory fit is indicated by CFI > 0.9, TLI > 0.9, and RMSEA of about 0.05 to 0.08. A good fit is CFI > 0.95 (CFI = 0.964), the TLI Tucker Lewis Index which also ranges between 0 and 1 with values greater than 0.64 indicating moderate fitness and RMSEA and upper CI for RMSEA < 0.05 (0.000) indicated strong model fitness in specification.

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.395	.314	.482	.000
Independence model	.658	.631	.685	.000

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.041	.945	.170	.063
Saturated model	.000	1.000		
Independence model	.696	.406	.110	.271

Baseline Comparisons

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	.964	.636	.964	.640	.964
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

In this study, sample size is not too large, RMSEA is 0.000 with a 95% confidence interval which confirms a good fitness of the study model even with small sample size.

4.7. Interpreting the Regression Model with Hypothesis Testing

Model Summary: According to Baro and Kenny Approach

Path Analysis	Direct Effects	Indirect effects	Total Effects
APPV > DEV > PER	-.517**	.000	-.517***
SOCV > DEV > PER	-.077*	.056***	-.021*
ECOV > DEV > PER	.285***	.748**	1.033**
DEV > PER	2.035**	.000	2.035***

** . Correlation is significant at the 0.01 level (1-tailed).

* . Correlation is significant at the 0.05 level (1-tailed).

Source: Computation with SPSS 27 (2024)

4.8. Hypothesis Testing for each Study Coefficients

4.8.1. Examining Direct, Indirect and Total Effect

Direct Effects, Indirect Effects, and Total Effects

Based on the Baron and Kenny approach, the hypotheses were tested by examining the direct, indirect, and total effects of various factors on employer attractiveness. The results are summarized below:

Direct Effects:

- **Application Value (APPV) on Employer Attractiveness (PER):** There is a significant direct effect ($\beta = -0.517, p < 0.01$).
- **Social Value (SOCV) on Development Value (DEV):** There is a significant direct effect ($\beta = -0.077, p < 0.05$).
- **Economic Value (ECOV) on Development Value (DEV):** There is a significant direct effect ($\beta = 0.285, p < 0.01$).
- **Development Value (DEV) on Employer Attractiveness (PER):** There is a significant direct effect ($\beta = 2.035, p < 0.01$).

Indirect Effects:

- **Social Value (SOCV) on Employer Attractiveness (PER) through Development Value (DEV):** There is a significant indirect effect ($\beta = 0.056, p < 0.01$).
- **Economic Value (ECOV) on Employer Attractiveness (PER) through Development Value (DEV):** There is a significant indirect effect ($\beta = 0.748, p < 0.05$).

Total Effects:

- **Application Value (APPV) on Employer Attractiveness (PER) through Development Value (DEV):** The total effect is negative and significant ($\beta = -0.517, p < 0.01$).
- **Social Value (SOCV) on Employer Attractiveness (PER) through Development Value (DEV):** There is a significant total effect ($\beta = -0.021, p < 0.05$).
- **Economic Value (ECOV) on Employer Attractiveness (PER) through Development Value (DEV):** There is a significant total effect ($\beta = 1.033, p < 0.01$).
- **Development Value (DEV) on Employer Attractiveness (PER):** There is a significant total effect ($\beta = 2.035, p < 0.01$).

Interpretation of Hypotheses

1. **H1: Development value mediates the relationship between application value and employer attractiveness.**
 - Rejected. The direct effect of application value on employer attractiveness is significantly negative ($\beta = -0.517, p < 0.01$), with no significant indirect effect.
2. **H2: Development value mediates the relationship between social value and employer attractiveness.**

- Supported. The indirect effect through development value is significant ($\beta = 0.056$, $p < 0.01$), but the overall total effect remains weak and negative ($\beta = -0.021$, $p < 0.05$).
3. **H3: Development value mediates the relationship between economic value and employer attractiveness.**
- Supported. There are significant direct ($\beta = 0.285$, $p < 0.01$) and indirect effects ($\beta = 0.748$, $p < 0.05$), leading to a strong total effect ($\beta = 1.033$, $p < 0.01$).
4. **H4: Development value positively influences employer attractiveness.**
- Supported. The direct effect of development value on employer attractiveness is significantly positive ($\beta = 2.035$, $p < 0.01$).

In conclusion, the study confirmed significant relationships between economic value, social value, and development value on employer attractiveness, with development value playing a crucial mediating role. Application value, however, showed a negative impact on employer attractiveness.

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1. Summary

The research aimed to confirm that factors identified by other researchers as included in their employer attractiveness index are factors that constitute an employer of choice in the Ethiopian Banking Industry. The study confirmed that economic benefits, development opportunities, application values, social issues and interest values are key factors influencing employer attractiveness or constituting employer of choice in the Ethiopian Banking Industry. These factors collectively contribute to shaping a strong employer brand in the Ethiopian Banking Industry.

The research report presents the results of a study involving participants from the Ethiopian banking industry. The study used personalized communication, multiple follow-ups, and clear instructions to build rapport with participants, resulting in a 100% response rate. The respondents were mostly aged 25-35, with a majority being male. Most were married, had bachelors or master's degrees, varied experience in the industry, and held positions ranging from entry-level to senior management. The salary range varied, and the number of dependents varied. Respondents were from various banks.

The study analyzed the employer attractiveness index in the Ethiopian banking industry, focusing on factors such as economic factors like compensation, salary, job security, promotion, and experience, social factors like relationships with colleagues and supervisors, development factors like career-enhancing experiences, interest factors like innovation and creativity, and application factors like opportunities to teach and apply skills. The results showed that job security, supportive work environments, career-enhancing experiences, feeling good about oneself, innovation, creativity, and opportunities to teach and apply skills were all significant contributors to employee attractiveness.

The study validated data by checking multi-col-linearity and calculating the correlation between dependent and independent variables. Results showed that improving working indicators increased employee performance and working times. The relationship between economic values,

application value, and development value was examined using Pearson product movement coefficient. The study investigated the relationship between Application value, economic values, social values, and development values on employee perception using structural equation modeling using AMOS Path Analysis. Development values were tested as mediators and interest values as moderators, as part of hypothesis testing.

The study evaluated the significant relationship between variables in the model, finding a strong relationship between mediation dependent variables and employee perception. Confirmatory factor analysis was used to analyze the efficacy of measurement models, using the Comparative Fit Index (CFI), the Tucker Lewis Index (TLI), and the Root Mean Square Error of Approximation (RMSEA). A satisfactory fit is indicated by $CFI > 0.9$, $TLI > 0.64$, and RMSEA of 0.05 to 0.08.

5.3. Conclusion

The study examined the relationship between Application value, Economic value, Social value, and Development value on employees' perceptions. It used structural equation modeling and AMOS Path Analysis, with development values as mediators and interest values as moderators. Results show significant relationships.

To investigate the relationship between Application value, Economic values, Social values through Development values on the dependent variable (Perception of employees), and the researcher used structural equation modeling using the AMOS Path Analysis with inputting the factor score from CFA employing AMOS.

As part of Hypothesis testing, the study has been tested using development value as Mediator and Interest value as moderator as one can see on the following graphical interaction of structural model followed by the results. The Study Coefficients of Regression Weights indicated there is significant relationship between major factors and the dependent variable as the employee's choice the study evaluated the significant relationship between variables in the model, finding a strong relationship between mediation dependent variables and the perception of employee attractiveness. Confirmatory factor analysis was used to assess model fitness, using the Comparative Fit Index (CFI), the Tucker Lewis Index (TLI), and the Root Mean Square Error of

Approximation (RMSEA). The study found a good fit with a CFI > 0.95, TLI > 0.9, and RMSEA < 0.05. The study also examined the direct effects, indirect, and total effects of the study coefficients, finding a negative implication on the perception of employer attractiveness.

The study discovered that employer attractiveness was significantly impacted by application value. The association between social value and employee attractiveness was also mediated by development value, and there was a strong, steady correlation between social value and employee perception. The study's rejection of the null hypothesis showed that there was no meaningful, long-term correlation between employee perception and social values. Similarly, economic values and employee impression were found to be strongly positively correlated by the study, with development values serving as mediators. The fact that the null hypothesis was not accepted suggests that there is a meaningful connection between employee attractiveness and economic values. Alternative Hypothesis (H₁): economic value mediates the direct relations between economic value and employer attractiveness.

Ultimately, it was determined that both development values and the application values have a direct and significant impact on employees' perceptions. These results can be summed up as follows: ($\beta_1 = -0.517, p < 0.05$) and ($\beta_4 = 2.035, p < 0.05$) show the strongest direct relationship between the two values in terms of employer attractiveness.

5.3. Recommendations

To enhance employer branding and become an employer of choice in the Ethiopian banking industry, the following strategies are recommended:

- ❖ To improve employees capacity implement comprehensive career development programs and provide regular training opportunities to enhance employees' skills and career prospects.
- ❖ It is enhanced to Foster a Positive Organizational Culture through Promote a culture of inclusivity, diversity, and engagement. Organize regular team-building activities and recognize employee achievements.
- ❖ It is appropriate to manage Social value as the capacity of a product to elevate the societal standing of the user, either as a status symbol or as a tool for easier social interaction.

- ❖ It is appropriate to manage the capacity of a product to elevate the social status of its user serve as a status symbol or a means of fostering a relationship between clients and development values.
- ❖ It better to improve Employee development value as it improves retention, boosts productivity, and attracts top candidates for positions, among other advantages.
- ❖ It is better to ensure leadership transparency to encourage open communication between leadership and employees to build trust and transparency which continuously work on the financial of the organization to ensure job security and growth prospects for employees.
- ❖ It is enhance focusing on these areas, banks in Ethiopia can their employer branding and attract top talent, contributing to overall organizational success.

5.3.1. Future Research Direction

The study aimed to identify factors contributing to an employer being considered an employer of choice in the Ethiopian Banking Industry, focusing on employee perceptions and organizational strategies for enhancing employer branding. However, the research has several limitations:

- ❖ **Lack of Employer Perspectives:** The research primarily gathered data from employees, neglecting to include the viewpoints of employers. Understanding employer strategies, challenges, and insights is crucial for a comprehensive analysis of employer branding practices. The absence of this perspective may result in an incomplete understanding of the factors that contribute to an employer being seen as an employer of choice.
- ❖ **Exclusion of Job Seekers:** The study did not include job seekers as respondents. Job seekers' expectations and perceptions are essential for identifying what attracts potential employees to an organization. Their exclusion means the study misses out on critical insights into the initial factors that influence the decision to join an organization.
- ❖ **Policy and Strategy Analysis:** The research did not assess the specific policies and strategies implemented by employers. Analyzing these elements could provide a deeper understanding of the practical steps organizations take to enhance their employer branding and how these measures align with employee expectations.

- ❖ **Sectoral Scope:** Future studies should aim to include a multiple sectors within Ethiopia. This approach will help capture a wider range of employee perceptions and provide a more comprehensive understanding of the factors that constitute an employer of choice across different contexts.
- ❖ **Include Employer Perspectives:** Incorporating the views of employers is essential for a balanced analysis. Future research should involve interviews or surveys with employers to understand their strategies, challenges, and insights into employer branding. This inclusion will provide a more holistic view of what constitutes an employer of choice.
- ❖ **Incorporate Job Seekers' Insights:** Including job seekers in the research can provide valuable information on the factors that initially attract individuals to organizations. Understanding these factors can help organizations tailor their employer branding strategies to meet the expectations of potential employees more effectively.
- ❖ **Policy and Strategy Assessment:** Future research should evaluate the specific policies and strategies organizations employ to enhance their employer branding. Analyzing these elements can reveal best practices and innovative approaches that contribute to becoming an employer of choice. Additionally, assessing the alignment between these strategies and employee expectations can offer insights into areas for improvement.

REFERENCES

- Aboul-Ela, G. M. B. E. (2016). <Employer branding What constitutes “An Employer of choice.pdf>. *Journal of Business and Retail Management Research*, 11(1), 154 - 166.
- Alzaid, D., & Dukhaykh, S. (2023). Employer Branding and Employee Retention in the Banking Sector in Saudi Arabia: Mediating Effect of Relational Psychological Contracts. *Sustainability*, 15(7). <https://doi.org/10.3390/su15076115>
- Ambara Purusottama, A. A. (2019). THE DIMENSION OF EMPLOYER BRANDING: ATTRACTING TALENTED EMPLOYEES TO LEVERAGE ORGANIZATIONAL COMPETITIVENESS. *Journal of Applied Management (JAM)*, 17(1), 118 - 126. <https://doi.org/10.21776/ub.jam>
- Anney Chacko, S. Z. (2020). <IMPACT OF EMPLOYER BRANDING ON (2).pdf>. *International Journal of Creative Research Thoughts*, 8(7), 2320-2882.
- Babikova, K., & Bucek, J. (2019). A Model Replication with an Extension of Students' Perception of Prospective Employer Attractiveness. *Journal of Competitiveness*, 11(2), 5-21. <https://doi.org/10.7441/joc.2019.02.01>
- Backhaus, K. (2016). Employer Branding Revisited. *Organization Management Journal*, 13(4), 193-201. <https://doi.org/10.1080/15416518.2016.1245128>
- Bussin, M., & Mouton, H. (2019). Effectiveness of employer branding on staff retention and compensation expectations. *South African Journal of Economic and Management Sciences*, 22(1). <https://doi.org/10.4102/sajems.v22i1.2412>
- Caputo, A., Molino, M., Cerato, B., & Cortese, C. G. (2023). Employer Attractiveness: Two Instruments to Measure Employer Branding and Reputation. *SAGE Open*, 13(3). <https://doi.org/10.1177/21582440231192188>
- Charvát-Janechová, J., & Bednárik, J. (2023). The impact of corporate identity on reputation and employer's brand. *Serbian Journal of Management*, 18(1), 59-69. <https://doi.org/10.5937/sjm18-37903>
- Dassler, A., Khapova, S. N., Lysova, E. I., & Korotov, K. (2022). Employer Attractiveness From an Employee Perspective: A Systematic Literature Review. *Front Psychol*, 13, 858217. <https://doi.org/10.3389/fpsyg.2022.858217>

- Dev, P. P. (2019). <THE HISTORY AND IMPORTANCE OF EMPLOYER.pdf>. *International Journal of Management, Technology And Engineering*, 9(1), 2249-7455.
- Dudek, K. (2020). Employer Branding in the context of the new management paradigm. *Journal of Modern Science*, 43(4), 157-167. <https://doi.org/10.13166/jms/117973>
- Eger, L., Mičík, M., Gangur, M., & Řehoř, P. (2019). Employer Branding: Exploring Attractiveness Dimensions in a Multicultural Context. *Technological and Economic Development of Economy*, 25(3), 519-541. <https://doi.org/10.3846/tede.2019.9387>
- El-Menawy, S. M. A., & Saleh, P. S. (2023). How does the mediating role of the use of social media platforms foster the relationship between employer attractiveness and generation Z intentions to apply for a job? *Future Business Journal*, 9(1). <https://doi.org/10.1186/s43093-023-00233-0>
- Fernandes, R., Sousa, B. B., Fonseca, M., & Oliveira, J. (2023). Assessing the Impacts of Internal Communication: Employer Branding and Human Resources. *Administrative Sciences*, 13(6). <https://doi.org/10.3390/admsci13060155>
- Gracita, I. (2023). <THE IMPACT OF EMPLOYER BRANDING ON TURNOVER INTENTION IN PHARMACEUTICAL INDUSTRIES DOES GENERATION MATTER.pdf>. *Media Ekonomi dan Manajemen*, 38(2), 285-302.
- Ha, N. M., Luan, N. V., & Trung, N. M. (2021). Employer attractiveness: Measurement scale development and validation. *Economics and Business Administration*, 11(1), 3-18. <https://doi.org/10.46223/HCMCOUJS.econ.en.11.1.1367.2021>
- Huseynova, A., Matošková, J., & Gregar, A. (2022). Linking employer branding and firm-level performance: The case of Azerbaijani firms registered on Glassdoor. *Problems and Perspectives in Management*, 20(1), 128-142. [https://doi.org/10.21511/ppm.20\(1\).2022.12](https://doi.org/10.21511/ppm.20(1).2022.12)
- Ibrahim, N. B. S. (2017). Employer Branding: An Islamic Perspective. *The South East Asian Journal of Management*, 10(2). <https://doi.org/10.21002/seam.v10i2.7730>
- Junca Silva, A., & Dias, H. (2022). The relationship between employer branding, corporate reputation and intention to apply to a job offer. *International Journal of Organizational Analysis*, 31(8), 1-16. <https://doi.org/10.1108/ijoa-01-2022-3129>

- Kargas, A., & Tsokos, A. (2020). Employer Branding Implementation and Human Resource Management in Greek Telecommunication Industry. *Administrative Sciences*, 10(1). <https://doi.org/10.3390/admsci10010017>
- Magdalena Kalińska-Kula, I. S. (2021). <Employer Branding and Organizational Attractiveness_ Current Employees' Perspective.pdf>. *European Research Studies Journal*, 24(1), 583-603.
- Maria, T., Paul V and Dr. S Kanthimathi. (2017). <An conceptual study on employer branding in Indian.pdf>. *International Journal of Applied Research*, 3(1), 861-865.
- Mihalcea, A. D. (2017). Employer Branding and Talent Management in the Digital Age. *Management Dynamics in the Knowledge Economy*, 5(2), 289-306. <https://doi.org/10.25019/mdke/5.2.07>
- Ong, L. D. (2011). <Employer Branding and its Influence on Potential Job Applicants.pdf>. *Australian Journal of Basic and Applied Sciences*, 5(9), 1088-1092.
- Pierre Berthon, M. E. a. L. L. H. (2005). <Captivating Company.pdf>. *International Journal of Advertising*, 24(2), 151–172.
- Sančanin, B. (2021). The impact of branding on the efficiency of the process of attracting and retaining talented employees. *Trendovi u poslovanju*, 9(2), 107-115. <https://doi.org/10.5937/trendpos2102120S>
- Santos, S., Augusto, L., Ferreira, S., Espírito Santo, P., & Vasconcelos, M. (2023). Recommendations for Internal Communication to Strengthen the Employer Brand: A Systematic Literature Review. *Administrative Sciences*, 13(10). <https://doi.org/10.3390/admsci13100223>
- Santos Vasco, R. I., Sampaio Marta Correia, Martinho Filipa, Sousa Maria José and Rio Cardoso Jorge. (2022). <Employer Branding - from the traditional perspective to digital approach.pdf>. *International Journal of Entrepreneurship*, 26(4), 1939-4675.
- Sekar Wulan Prasetyaningtyas¹, M. S., Brian Hariman Triantoro³, Allen Allen⁴. (2022). <THE USE OF EMPLOYER BRANDING DIMENSIONS TO ATTRACT FRESH.pdf>. *Jurnal Bisnis dan Manajemen*, 23(1), 3-15.
- Staniec, I., & Kalińska-Kula, M. (2021). Internal employer branding as a way to improve employee engagement. *Problems and Perspectives in Management*, 19(3), 33-45. [https://doi.org/10.21511/ppm.19\(3\).2021.04](https://doi.org/10.21511/ppm.19(3).2021.04)
- Stokic, V., & Gardašević, Ž., Jovana. (2023). Strategies relevant for positioning the organization as the employer of a choice: A case study of PWC. *Pravo - teorija i praksa*, 40(2), 112-123. <https://doi.org/10.5937/ptp2302112S>
- Voloboieva, I. O., Kravchuk, O. I., & Varshava, D. V. (2021). The Value Dimension of the Employer Brand: Influencing the Staff Engagement. *Business Inform*, 4(519), 302-309. <https://doi.org/10.32983/2222-4459-2021-4-302-309>

Wilden, R., Gudergan, S., & Lings, I. (2010). Employer branding: strategic implications for staff recruitment. *Journal of Marketing Management*, 26(1-2), 56-73.
<https://doi.org/10.1080/02672570903577091>

APPENDICES
DATA COLLECTION INSTRUMENTS

QUESTIONNAIRE

Introduction:

Thank you for participating in our research on employer branding: what constitutes an employer of choice in the Ethiopian banking industry. The purpose of this study is to understand what factors contribute to an organization being considered (perceived) as an employer of choice within the industry. Your input is valuable in helping us gain insights into the perceptions and preferences of employees within the banking sector as to their employer of choice.

Besides, note that the information you provide will be used for academic purposes and it will be treated with confidentiality.

Therefore, please feel free and respond either by putting a tick mark (✓) for the close-ended items or by filling in an appropriate answers for the open-ended questions.

Part one: Demographic Information:

1. Age: 18 – 25 26 – 35 36 – 45 Above 46

2. Gender: Male Female

3. Marital status Married Single Divorced Widowed/widower

4. Educational background:

Certificate Diploma Degree Masters PhD

4. Years of experience in the banking industry:

Up to 5 years 6 - 10 years 11 - 15 years

16 - 20 years More than 20 years

5. Current position/title:

Clerical Non clerical Managerial

6. Bank you are currently employed with: _____

7. Have you previously worked for other banks/organizations within the industry?

Yes No

8. If yes, please list previous employers:

9. Do you think your current employer is your employer of choice?

Yes No

10. What is the reason that you do not take your current employer as an employer of choice?

Part two: Employer branding questions

The following are list of factors that employees usually consider when selecting their employer of choice. Indicate your level of agreement with the factors from strongly disagree to strongly agree:

2.1. Perception of Employer attractiveness

SN	Item	DA	A	N	D	SD
1	Positive word-of-mouth about the industry was attracted me to join					
2	A positive outlook while at work has increased my motivation, creativity, and productivity at workings					
3	Support companies and industries to attracted capable, and has retained as worker over the long term.					
4	An organization that are decisive for (potential) employees as to whether they would like to work for my company					
5	The Career prospects in banking industry has the most important contribution for my career development					

2.2. Interest value related questions:

SN	Item	DA	A	N	D	SD
1	The organization produces innovative products and services					
2	Innovative employer—novel work practices/forward-thinking					
3	The organization both values and makes use of your creativity					
4	The organization produces high-quality products and services					
5	Working in an exciting environment					

2.2. Social issues related questions

SN	Item	DA	A	N	D	SD
1	Having a good relationship with your colleagues					
2	Having a good relationship with your superiors					
3	Supportive and encouraging colleagues					
4	A fun working environment					
5	Happy work environment					

2.3. Economic issues related questions

SN	Item	DA	A	N	D	SD
1	An attractive overall compensation package					
2	An above average basic salary					
3	Job security within the organization					
4	Good promotion opportunities within the organization					
5	Hands-on inter-departmental experience					

2.5. Development related questions

SN	Item	DA	A	N	D	SD
1	Feeling more self-confident as a result of working for a particular organization					
2	Feeling good about yourself as a result of working for a particular organization					
3	Gaining career-enhancing experience					
4	A springboard for future employment					
5	Recognition/appreciation from management					

2.6. Application value related questions:

SN	Item	DA	A	N	D	SD
1	Opportunity to teach others what you have learned					
2	Opportunity to apply what was learned at a tertiary institution					
3	The organization is customer-orientated					
4	Humanitarian organization—gives back to society					
5	Acceptance and belonging					

Date and Time of Addis MA Thesis Data Analysis and Review

Date: Friday, June 7, 2024

Time: 3:16:35 PM

Execution time summary

Minimization:	.029
Miscellaneous:	.200
Bootstrap:	.000
Total:	.229

Summary of Model Fitness

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	14	60.812	1	.000	60.812
Saturated model	15	.000	0		
Independence model	5	1671.293	10	.000	167.129

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.041	.945	.170	.063
Saturated model	.000	1.000		
Independence model	.696	.406	.110	.271

1. Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.964	.636	.964	.640	.964
Saturated model	1.000		1.000		1.000

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Independence model	.000	.000	.000	.000	.000

Your model contains the following variables (Group number 1)

Observed, endogenous variables

DEV

PRE

Observed, exogenous variables

ECOV

SOCV

APPV

Unobserved, exogenous variables

e1

e2

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
DEV	<---	ECOV	.368	.012	29.454	***	
DEV	<---	SOCV	.028	.010	2.684	.007	
PRE	<---	DEV	2.035	.178	11.400	***	
PRE	<---	SOCV	-.077	.044	-1.760	.078	
PRE	<---	ECOV	.285	.112	2.544	.011	
PRE	<---	APPV	-.517	.096	-5.394	***	

Covariances: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
SOCV	<-->	APPV	.282	.074	3.789	***	
ECOV	<-->	APPV	-.962	.077	-12.411	***	
ECOV	<-->	SOCV	.234	.077	3.028	.002	

Variances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
ECOV	1.231	.089	13.856	***	
SOCV	1.826	.132	13.856	***	
APPV	1.122	.081	13.856	***	
e1	.072	.005	13.856	***	
e2	.879	.063	13.856	***	

Squared Multiple Correlations: (Group number 1 - Default model)

	Estimate
DEV	.706
PRE	.770

Total Effects (Group number 1 - Default model)

	APPV	SOCV	ECOV	DEV
DEV	.000	.028	.368	.000
PRE	-.517	-.021	1.033	2.035

Direct Effects (Group number 1 - Default model)

	APPV	SOCV	ECOV	DEV
DEV	.000	.028	.368	.000

	APPV	SOCV	ECOV	DEV
PRE	-0.517	-0.077	0.285	2.035

Indirect Effects (Group number 1 - Default model)

	APPV	SOCV	ECOV	DEV
DEV	.000	.000	.000	.000
PRE	.000	.056	.748	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.100	.096	.096
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	59.812	37.863	89.171
Saturated model	.000	.000	.000
Independence model	1661.293	1530.639	1799.302

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	.158	.156	.099	.232
Saturated model	.000	.000	.000	.000
Independence model	4.352	4.326	3.986	4.686

AIC

Model	AIC	BCC	BIC	CAIC
Default model	88.812	89.256	144.157	158.157
Saturated model	30.000	30.476	89.299	104.299
Independence model	1681.293	1681.451	1701.059	1706.059

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	.231	.174	.308	.232
Saturated model	.078	.078	.078	.079
Independence model	4.378	4.038	4.738	4.379

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	25	42
Independence model	5	6

Minimization History (Default model)

Iteration	Negative eigenvalues	Condition #	Smallest eigenvalue	Diameter	F	NTries	Ratio
0	e	3	-.561	9999.000	1544.014	0	9999.000
1	e*	3	-2.195	.754	725.243	17	1.032
2	e	2	-.309	.173	513.106	6	.968
3	e	2	-.304	.114	446.663	5	.658
4	e	0	545.614	.498	160.028	7	.944
5	e	0	456.615	.324	98.693	4	.000
6	e	0	261.124	.339	67.029	1	.904
7	e	0	307.185	.102	61.005	1	1.103
8	e	0	310.763	.014	60.812	1	1.029
9	e	0	313.414	.000	60.812	1	1.002

GET

FILE='C:\Users\bilisummaa\OneDrive\Desktop\ADDIS MA THESIS\ADDIS SPSS 27 (DATA FOR AMOS) - Copy.sav'.

DATASET NAME DataSet1 WINDOW=FRONT.

DATASET ACTIVATE DataSet1.

SAVE OUTFILE='C:\Users\bilisummaa\OneDrive\Desktop\ADDIS MA THESIS\ADDIS SPSS 27 (DATA FOR AMOS) '+

'- Copy.sav'

/COMPRESSED.

GET

FILE='C:\Users\bilisummaa\OneDrive\Desktop\ADDIS MA THESIS\ADDIS SPSS 27 (DATA FOR

/VARIABLES=SOCV ECOV INV APPV DEV PRE

/PRINT=TWOTAIL NOSIG FULL

/MISSING=PAIRWISE.

Correlations

		Correlations					
		SOCV	ECOV	INV	APPV	DEV	PRE
SOCV	Pearson Correlation	1	.156**	.202**	.197**	.204**	.022
	Sig. (2-tailed)		.002	.000	.000	.000	.667
	N	385	385	385	385	385	385
ECOV	Pearson Correlation	.156**	1	.254**	-.818**	.837**	.826**
	Sig. (2-tailed)	.002		.000	.000	.000	.000
	N	385	385	385	385	385	385
INV	Pearson Correlation	.202**	.254**	1	-.052	.237**	.099
	Sig. (2-tailed)	.000	.000		.311	.000	.052
	N	385	385	385	385	385	385
APPV	Pearson Correlation	.197**	-.818**	-.052	1	-.563**	-.724**
	Sig. (2-tailed)	.000	.000	.311		.000	.000
	N	385	385	385	385	385	385
DEV	Pearson Correlation	.204**	.837**	.237**	-.563**	1	.809**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	385	385	385	385	385	385
PRE	Pearson Correlation	.022	.826**	.099	-.724**	.809**	1
	Sig. (2-tailed)	.667	.000	.052	.000	.000	
	N	385	385	385	385	385	385

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations

		SOCV	ECOV	INV	APPV	DEV	PRE
SOCV	Pearson Correlation	1	.156**	.202**	.197**	.204**	.022
	Sig. (1-tailed)		.001	.000	.000	.000	.334
	N	385	385	385	385	385	385
ECOV	Pearson Correlation	.156**	1	.254**	-.818**	.837**	.826**
	Sig. (1-tailed)	.001		.000	.000	.000	.000
	N	385	385	385	385	385	385
INV	Pearson Correlation	.202**	.254**	1	-.052	.237**	.099*
	Sig. (1-tailed)	.000	.000		.155	.000	.026
	N	385	385	385	385	385	385
APPV	Pearson Correlation	.197**	-.818**	-.052	1	-.563**	-.724**
	Sig. (1-tailed)	.000	.000	.155		.000	.000
	N	385	385	385	385	385	385
DEV	Pearson Correlation	.204**	.837**	.237**	-.563**	1	.809**
	Sig. (1-tailed)	.000	.000	.000	.000		.000
	N	385	385	385	385	385	385
PRE	Pearson Correlation	.022	.826**	.099*	-.724**	.809**	1
	Sig. (1-tailed)	.334	.000	.026	.000	.000	
	N	385	385	385	385	385	385

** . Correlation is significant at the 0.01 level (1-tailed).

* . Correlation is significant at the 0.05 level (1-tailed).

Total Effects (Group number 1 - Default model)

	APPV	SOCV	ECOV	DEV
DEV	.000	.028	.368	.000
PRE	-.517	-.021	1.033	2.035

Direct Effects (Group number 1 - Default model)

	APPV	SOCV	ECOV	DEV
DEV	.000	.028	.368	.000
PRE	-.517	-.077	.285	2.035

Indirect Effects (Group number 1 - Default model)

	APPV	SOCV	ECOV	DEV
DEV	.000	.000	.000	.000
PRE	.000	.056	.748	.000