

Symbolic Benefits Defining Employer Attractiveness: Fuzzy-set Qualitative Comparative Analysis

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Abstract

For employees in a company, what combination of symbolic benefits is linked to the company's attractiveness? In this study, we analyzed the combinations of symbolic benefits that determine employer attractiveness using a fuzzy-set Qualitative Comparative Analysis (fsQCA). As a result, we identified multiple approaches that influence employer attractiveness and gained new insights into symbolic benefits.

Keywords: Employer attractiveness, Employer branding, fsQCA, HRM, Symbolic benefits

1. Introduction

What combination of symbolic benefits leads to the attractiveness of the company for employees living an organizational life in the company? The study revealed that there are multiple approaches to the combination conditions of symbolic benefits that affect employer attractiveness, providing insights for incorporating symbolic benefits into corporate HR policies. (1) Which symbolic benefits should companies focus on to enhance and maintain employer attractiveness? (2) In what combinations do symbolic benefits synergize to enhance employer attractiveness? By increasing employer attractiveness, it is expected to improve retention rates and reduce turnover intentions, thereby enhancing employee performance. Employees recognize symbolic benefits, which are subjective benefits arising from organizational impressions such as job satisfaction, colleague sincerity, and company reputation, thereby enhancing employer attractiveness. However, unlike salary or employment conditions, incorporating these benefits into HR policies has aspects that are challenging due to the ambiguity of their effectiveness and efficiency. This study aims to clarify the causal conditions, characteristics, and effects of symbolic benefits that influence employer attractiveness, contributing to corporate HR policies. We used qualitative comparative analysis (fsQCA) to examine the combination conditions of symbolic benefits that determine employer attractiveness. We also revealed that the presence of symbolic benefits may risk decreasing employer attractiveness depending on their combination. To enhance and maintain employer attractiveness, the order of priority for symbolic benefits that companies should focus on was obtained.

2. Background

2.1. Employer Branding

One of the challenges faced by HR policies in companies is the lack of attractiveness as an employer for employees. Employer branding has an impact on employer attractiveness. Employer brand is defined as "the package of functional, economic, and psychological benefits provided by employment" (Ambler & Barrow, 1996). From this concept, employer branding is described as the process that enables an employer to be distinguished from others and builds a unique identity as an employer (Backhaus & Tikoo, 2004). Through employer branding, companies reach out both internally (to employees) and externally (to job seekers) to be perceived as attractive places to work, distinct from other employers.

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2.2. Symbolic Benefits

Lievens (2007) divided employer branding into instrumental benefits and symbolic benefits (Lievens & Highhouse, 2003), analyzing the effects of each on employer attractiveness. Instrumental benefits refer to objective and factual benefits of the job and organization, such as job rewards, opportunities for skill development, and employment conditions. On the other hand, Symbolic benefits are subjective and abstract benefits that arise from individual perceptions and impressions of the organization, such as job satisfaction, employee integrity, and corporate reputation. He examined the impact on the attractiveness of the Belgian military among potential applicants, actual applicants, and employees. The results showed that instrumental benefits positively influenced the attractiveness perceived by actual applicants, whereas symbolic benefits positively influenced not only actual applicants but also potential applicants and employees. It was shown that not only job seekers, who cannot fully grasp internal corporate information, but also employees judge the attractiveness of the employer based on symbolic benefits.

2.3. Challenges of Symbolic Benefits

In the employment-related study by Lievens & Highhouse (2003), which applied the concept of symbolic benefits, hierarchical regression was used to examine how much symbolic benefits increased the attractiveness of the employer among bank employees compared to instrumental benefits. Whereas symbolic benefits as a whole had an effect, when looking at individual factors, only two out of the five variables—Sincerity, Innovativeness, Competence, Prestige, and Ruggedness—were significant: Innovativeness and Competence. In a subsequent study, one-way ANOVA and discriminant function analysis were used, and Innovativeness and Prestige were shown to be effective symbolic benefits used by employees to differentiate their organization from others in the same industry. In Lievens (2007), regression between samples, among the symbolic benefits, Sincerity, Excitement, and Competence were significant for employees' perceived attractiveness of the employer, whereas Cheerfulness, Prestige, and Ruggedness were not significant. Van Hoye (2008) examined whether symbolic benefits could explain hospital nurses' recommendation intentions toward their organization using multiple regression. Among the four factors—Sincerity, Innovativeness, Competence, and Prestige—only Competence and Prestige were significant. According to major studies, symbolic benefits as a whole are generally shown to have an influence on employer attractiveness and related outcomes. However, when focusing on individual benefits, not every symbolic benefit enhances employer attractiveness. Only about 40-50% of the factors demonstrate sufficient significance, and there is variability in which symbolic benefits elicit a response, resulting in inconsistencies.

3. Configurational Theory

Symbolic benefits are associated with individuals' subjective perceptions of an organization and their social-identity consciousness (Lievens & Highhouse, 2003; Highhouse et al., 2007), exhibiting highly individualized characteristics. Whereas regression analysis and ANOVA have the advantage of clarifying the causal relationship between independent and dependent variables, they cannot determine how antecedents and outcomes differ between individuals. It may be challenging to comprehensively understand symbolic benefits without understanding how each variable functions conjointly within individuals with different characteristics (Gabriel et al., 2018). We adopted configurational theory (Fiss, 2011) in this research. Configurational theory does not focus on viewing overall trends based on the average of collected data; rather, it enables an understanding of what is causally relevant by analyzing how specific configurations contribute to the outcomes. Configurational theory has equifinality and causal asymmetry (Ragin, 2008; Fiss, 2011). Equifinality suggests that distinct configurations of symbolic benefits can be equally sufficient to either increase or decrease employer attractiveness. Causal asymmetry suggests that the causes leading to a particular outcome may differ significantly from those leading to its absence. The reasons for increasing and decreasing employer attractiveness may be quite different.

4. Methods

We applied configurational theory to this study and used fsQCA (Ragin, 2000; Fiss, 2011) as the research method. This approach has several distinctive features as an analytical method. Firstly, this research task is characterized by configurational aspects, such as identifying which configurations of symbolic benefits lead to employer attractiveness, and fsQCA is well-suited to address this issue. Secondly, fsQCA does not treat each variable as independent or assume a homogeneous data distribution. When outliers are handled or variables are omitted in data analysis, there is a risk of overlooking the qualitative characteristics inherent in each case. However, fsQCA allows for analysis without excluding such cases. Finally, whereas a large amount of data is required for statistical analysis of relationships between variables, even when the number of variables is small, fsQCA is suitable for small-scale data sampling and enables causal inference even with a limited number of cases (Ragin, 2008).

4.1 Data Collection

All data were collected from the employee review platform OpenWork, operated by OpenWork Inc. On this platform, contributors evaluate companies they have worked for, including their current employer. These evaluations are posted on the site as scores and reviews. A study by reference (Nishiie & Tsuda, 2014) demonstrated, using text mining and machine learning, that employee reviews posted on this platform correlate with a company's financial and stock performance, making it a useful data source for understanding the situation of both employees and the company.

The group of target companies selected as case studies for this research consists of 10 major companies in the restaurant industry. These companies primarily operate in the sector of food service, which is a labor-intensive industry where symbolic benefits are presumed to have a significant impact. Additionally, these companies are classified as major firms in terms of corporate scale. To avoid situations where practical benefits become the main factors influencing employer attractiveness or where significant differences in practical benefits among companies heavily influence the results, the companies were selected on the premise that they provide a minimum level of labor conditions and have work environments meeting the standards of publicly traded companies.

Employer attractiveness is set as the outcome in fsQCA, corresponding to the dependent variable in statistical analysis. Several studies have treated the ratings and scores of companies, as listed on employee review sites, as data reflecting employer attractiveness (Dabirian et al., 2017; Schmiedel et al., 2019; Moser et al., 2021). In this study, the "Overall Evaluation" of each company, as published on OpenWork, was collected.

Symbolic benefits are treated as the causal conditions in fsQCA, corresponding to the independent variables in statistical analysis. A total of 250 reviews were collected—25 reviews per company for all 10 companies. The validity of the number of reviews per company was referenced from previous qualitative research (Abitbol & Lee, 2017).

4.2 Dataset Construction

Based on the collected data, a dataset required for fsQCA was constructed. To extract the symbolic benefits associated with each company from the reviews, coding definitions and codes for symbolic benefits were created with reference to previous research (Moser et al., 2021), and coding was then performed. For example, if a review mentioned, "Well-known nationwide, has brand recognition," this portion was coded under the "Authority" code. The coded reviews were categorized into one of ten codes (e.g. Authority, Robustness). To ensure the reliability of the coding process, coding rules were established in advance, and 20% of the coded data were re-coded three weeks after the initial coding. The agreement rate between the two periods was 81.8%, and Cohen's kappa coefficient, which excludes chance agreement, was 0.82, exceeding the threshold of 0.75 (Banerjee et al., 1999).

Each of the ten codes belongs to one of four symbolic benefits. The symbolic benefits used as the dataset for fsQCA were "Reputation," "Culture & Spirit," "Work attitude" and "Value system," as perceived by employees regarding their company (Moser et al., 2021). Reputation: Recognized for having an authoritative brand, reputation, and high visibility, the company is perceived as having a strong corporate structure capable of withstanding adversity. Culture & Spirit: Emphasizes the pursuit of employee well-being, unconventional originality, and visionary management with ideals and foresight. Work attitude: Employee guidance is shaped by innovation that drives change, competency in skills and expertise, and a high commitment to product quality. Value system: Prioritizes opportunities for employee expression, fosters positive recognition through praise and feedback, and emphasizes social responsibility and sustainability.

All measurement values in the fsQCA dataset were calibrated to fall between 0 and 1 (Ragin, 2006). The scores for each company's overall evaluation, which were set as the outcome (employer attractiveness), are presented on the data collection site on a 5-point scale. These scores were standardized to fall between 0 and 1 through calibration (Ragin, 2006; Fiss, 2011). In fsQCA, a value of 1 indicates that the measurement fully meets the criteria, whereas a value of 0 indicates it does not meet the criteria at all. By setting values between 0 and 1, qualitative differences in outcomes can be analyzed. The qualitative thresholds are determined by the analyst but follow the same procedure as previous studies that calibrated employee review sites (Ragin, 2008; Moser et al., 2021). Among the companies surveyed, the lowest score was set at 0%, and the highest at 100%, with qualitative thresholds set at 20%, 50%, and 80%. Companies below the 20% threshold were assigned a value of 0, and those above the 80% threshold were assigned a value of 1, standardizing the overall evaluation scores to 0, 0.33, 0.67, and 1.

The values for the causal symbolic benefits were either "0" or "1." If at least one corresponding code was present, the symbolic benefit was considered present and assigned a value of "1." If none were present, the symbolic benefit was considered absent, with a value of "0." For example, if either the "Authority" or "Robustness" code was present, the symbolic benefit of "Reputation" was considered present and assigned a value of "1."

The fsQCA analysis was conducted using this dataset and the software fsQCA 4.0 (Ragin & Davey, 2022).

5. Configurations Hypotheses

Based on existing research, we developed configurational hypotheses. People may hold contradictory images of well-known companies, simultaneously having both positive and negative impressions (Brooks et al., 2003). The final attractiveness of an employer may be determined by the simultaneous presence and absence of various symbolic benefits. "Bad is stronger than good" (Baumeister et al., 2001) means that negative events and information leave a much stronger impression than positive ones. If employees hold roughly equal amounts of positive and negative information about an organization, this balance may ultimately work to decrease its attractiveness. The more well-known a company is, the more the negative influence of unfavorable perceptions is amplified (Mishina et al., 2010; Brooks et al., 2003; Bundy et al., 2017). Regarding the symbolic benefit of reputation as perceived by employees, its very existence may actually become a factor that reduces employer attractiveness. Based on these considerations, we developed the following hypotheses, conducted tests, and obtained results.

Hypothesis 1. Some configurations can lower employer attractiveness even when symbolic benefits are present.

Hypothesis 2. There are more configurations that lower employer attractiveness than those that enhance it.

6. Results

6.1 Solutions for Enhancing Employer Attractiveness

Two configurations were obtained from fsQCA as solutions representing the combinations of symbolic benefits conditions that enhance employer attractiveness (Table 1). Configuration 1 is the coexistence of all symbolic benefits—reputation, culture & spirit, work attitude, and value system—constitutes a sufficient condition for enhancing employer attractiveness. Configuration 2 is the presence of a value system alone that can enhance employer attractiveness, regardless of the presence of other symbolic benefits.

The quality of configurations in fsQCA is represented by two indicators: consistency and coverage (Ragin, 2008). Consistency refers to the reliability of the configuration in relation to the outcome. A threshold of around 0.75 to 0.80 is generally used (Ragin, 2006; Fiss, 2011), and only cases that meet this level were adopted as solution configurations. Coverage indicates the proportion of observed cases of an outcome that a specific causal condition or combination of conditions covers. In other words, coverage measures how many cases a particular condition applies to or is related to. Just as it is possible in correlational analysis to have a significant but weak correlation, it is also possible to have a set relation that is highly consistent but low in coverage (Ragin, 2008). Therefore, in this study, all combinations that met the consistency criteria were included as solution configurations. Based on these thresholds, we determined that the solution configurations represent the causal conditions for enhancing employer attractiveness.

6.2 Solutions for Reducing Employer Attractiveness

The results of fsQCA are often asymmetric, meaning that the opposite conditions that lead to a particular outcome (increased employer attractiveness) do not necessarily result in the opposite outcome (decreased employer attractiveness). The explanation for why employer attractiveness increases and why it decreases may arise from different combinations of factors. Addressing factors that reduce employer attractiveness is significant as it extends the applicability of HR strategies by providing a preventive approach to mitigate the decline in employer attractiveness.

Five configurations were obtained from fsQCA as solutions that represent the combination of symbolic benefits conditions that reduce employer attractiveness (Table 2). Configuration 3, which is the absence of all symbolic benefits—reputation, culture & spirit, work attitude, and value system—constitutes a sufficient condition for reducing employer attractiveness. In configuration 4, even when both reputation and work attitude are present, the absence of a value system can lead to a decrease in employer attractiveness. In configuration 5, the absence of a value system can result in reduced employer attractiveness, even when reputation is present. The absence of culture & spirit can potentially lead to a decrease in employer attractiveness in configuration 6. The absence of work attitude can potentially lead to a decrease in employer attractiveness in configuration 7.

The consistency level, which indicates the reliability of the solutions, was judged to meet the same criteria as the solutions for enhancing employer attractiveness.

The presence of symbolic benefits in lowering attractiveness supports Hypothesis 1. There are more configurations that lower attractiveness than those that enhance it, which supports Hypothesis 2. Each table also includes multiple configurations, demonstrating equifinality. The configurations differ significantly between those that enhance and those that lower attractiveness, indicating causal asymmetry. These results are consistent with configurational theory.

7. Discussion

7.1 Propositions

We found multiple configurations that led to the same outcome. Additionally, the configurations that increased employer attractiveness were entirely different from those that decreased it. These findings are consistent with configurational theory.

“Proposition 1. Different configurations of symbolic benefits can be sufficient to achieve the same outcome.”

“Proposition 2. The configurations of symbolic benefits that enhance employer attractiveness differ from those that lower it.”

There were configurations that decreased employer attractiveness even when symbolic benefits were present. Furthermore, we found more configurations that decreased employer attractiveness than those that increased it. These results suggest an asymmetry that is not typically observed in conventional statistical analyses.

“Proposition 3. Some configurations are sufficient to lower employer attractiveness even when symbolic benefits are present.”

“Proposition 4. There are more configurations sufficient for the presence of lowering employer attractiveness than the presence of enhancing it.”

7.2 Contributions

This study offers several contributions. First, it highlights that symbolic benefits exhibit complementary interactions, rather than just the individual effects shown in existing research, allowing us to focus on the synergies between symbolic benefits. Second, causal asymmetry suggests potential risks associated with symbolic benefits. In existing research, statistical analysis did not reveal the risk of reducing employer attractiveness through symbolic benefits. Depending on their combination, they could potentially lead to outcomes opposite to those expected. Finally, the study provides strategic priority guidelines for HR managers, enabling them to prioritize symbolic benefits in HR practices. It also facilitates the incorporation of symbolic benefits, which lack the straightforwardness of instrumental benefits, into HR strategies.

7.3 Limitations

This study attempts a new approach to symbolic benefits but has certain limitations. First, there is a limitation in generalizability due to sample dependency. Our samples consisted only of large Japanese companies and their employees, so to generalize the findings, it is necessary to also examine small and medium-sized businesses or companies in other countries. Second, there is uncertainty in causality due to the use of observational data. For example, individuals who initially have high employer attractiveness may respond differently to symbolic benefits. To confirm that the perception of symbolic benefits influences employer attractiveness over time, longitudinal research with the same sample may be necessary. Finally, we did not account for other factors, particularly instrumental benefits. Configurations with three symbolic benefits did not emerge as sufficient conditions for enhancing employer attractiveness. The absence of instrumental benefits, such as salary and working conditions, could be a contributing factor. The same consideration applies to sufficient conditions for reducing employer attractiveness. We can examine distinct sets of antecedents based on what is contextually relevant in a sample.

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Appendices

Table1. Configurations for Enhancing Attractiveness

Solution configurations	1	2
Reputation	●	
Culture & Spirit	●	
Work attitude	●	
Value system	●	●
Raw coverage	0.64	0.64
Unique coverage	0.64	0.64
Consistency	0.78	0.78
Solution coverage	0.64	
Solution consistency	0.78	
● (Filled circles) = the presence of a condition		
(Blank spaces) = irrelevant condition		

Table2. Configurations for Lowering Attractiveness

Solution configurations	3	4	5	6	7
Reputation	⊗	●	●		
Culture & Spirit	⊗			⊗	
Work attitude	⊗	●			⊗
Value system	⊗	⊗	⊗		
Raw coverage	0.16	0.63	0.63	0.53	0.16
Unique coverage	0.16	0.63	0.26	0.00	0.00
Consistency	1.00	0.80	0.80	0.83	1.00
Solution coverage	0.79				
Solution consistency	0.83				
● (Filled circles) = the presence of a condition					
⊗ (Crossed-out circles) = its absence					
(Blank spaces) = irrelevant condition					