



## Applicant Attraction towards the Organization with the Moderation Effect of Gender: A Perception of Business Students

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**Abstract:** Talent attraction is contemporarily subject to extensive research due to prevalent gaps which hold significance in the field of human resource management. This article describes how students graduating from a business school in Karachi, Pakistan perceive various organizational factors in terms of their impact on the attractiveness of the firm as a place to work. The framework used in the study included exogenous constructs depicting compensation, both direct and indirect, along with Corporate social responsibility, both internal and external in organizations. The influences of both compensation and CSR on organizational attractiveness were examined in the study. The segregation of respondents in terms of gender was used as a moderator. The moderating influence of gender segregation on the relationship between exogenous and endogenous constructs was also examined in this paper. In the study 130 responses were received and 112 were found suitable for the analysis. The results were analyzed on SMART PLS software by using latest techniques. The findings of the study demonstrated that compensation is the significant factor attracting business school talent, while gender moderated the impact of both compensation and CSR activities on workplace attractiveness. Specifically, males prefer extrinsic direct and indirect compensation and no impact of CSR found to attract them. Extrinsic indirect compensation and internal CSR activities were positively related to workplace attractiveness for women than for men. Implementing these practices appropriately given the context is likely to benefit the firm by attracting talented employees. The study is limited to only business institutes of Karachi which can be extended to other cities and institutes in future for the better results and generalizability.

**Keywords:** Talent attraction, internal CSR, external CSR, extrinsic compensation.

### Introduction

Talent is one of the most important phenomenon's in today's fast pace world; employees endowed with outstanding competencies tend to prove them invaluable assets for firms if they work to the best of their capacities with sincerity and dedication. Firms invest efforts and capital for attracting employees who hold such qualities to ensure competitive advantage in the industry. The area of talent management is considered significant not only for HR practitioners but also for academicians. The recent focus of organizations is to attract dedicated employees who possess excellent knowledge related to their fields rather

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than gathering wasteful data of applicants. A parallel challenge faced by organizations in the contemporary setting is that, employees possessing viable skills and expertise are leaving their home countries with hopeful prospects abroad.

A research conducted in Malaysia highlighted that a lot of Malaysians are leaving their country and those who still reside in Malaysia are suffering from brain drain (World Bank, 2011). At least one third of educated people are suffering from brain drain that possess viable skills and abilities and are not contributing to the economic development of their home country or are not part of it in any way (National Economic Advisory Council, 2010). Similarly, upon completing their education, an alarming number of graduates are leaving Pakistan for jobs in foreign countries. According to Chaudhry (2017), a large number of people are leaving Pakistan to seek jobs abroad; statistics show that 0.8 million people left or planned on leaving in 2014, another 0.92 million people in 2015, and another 0.82 million in 2016. The report further showed that the number of employees from Pakistan who went abroad for employment exceeded the number of Bangladeshis and Indians during the same tenure. Therefore, it is important to study the factors which mostly influence the entire talent attraction phase.

Rynes (1989) defines two different perspectives of attraction with respect to the human resource management. One is the applicant's perspective and the other is the firm's perspective. Furthermore, the first definition of attraction given by Rynes (1989) suggests that the appeal an employee or potential employee holds regarding an organization may or may not be positive according to the type of reputation established by that organization or the capabilities possessed by that organization. This appeal ultimately compels an employee to work for that organization or ignore it. In addition, Berthon, Ewing, and Hah (2005) highlighted in their study that employer attraction due to any factor is the envisioned benefit that candidates see in working for a particular organization and it is a first thing that force the individuals to think about working for any organization.

Attraction is conceptualized as "an attitude or expressed general positive affect toward an organization, toward viewing the organization as a desirable entity with which to initiate a relationship" (Renaud, Morin, & Fray, 2016). In a nutshell, organizations are always interested to be attractive for the applicants so they can have best talent pool by offering multiple benefits and other desirable attributes, however employees also assess organizations through various ways to find out whether the subjective organizations are suitable for them or not. For the recruitment and selection in the higher Education Institutions at the level of lecturer in the new era, the higher educational institutions has change their policy by offering good and attractive offers and packages as compare to the current offering made by them to the lectures. Hence, it is very important for higher educational institutions to improvise their current compensation policy which will help them for the motivation of their workforce and their employees become more committed towards their Organization and this will help them in doing better performance and not only that this will improve the quality of research skills resultant in the better research output generated by the Institutions (Mabaso & Dlamini, 2021).

## Research Problem

Different research studies have been conducted to identify the impact of talent attraction in organizational contexts. Magbool, Amran, Nejati and Jayaraman (2016) conducted their research on corporate social responsibility and talent attraction. Furthermore, [Renaud et al. \(2016\)](#) conducted a research on the training and ethics regarding talent attraction and recruitment. Similarly, [Story, Castanheira, and Hartig \(2016\)](#) conducted a study on CSR and talent attraction. [Abbasi, Sohail, Syed, et al. \(2010\)](#) in their study identified the importance of talent management practices in the Pharmaceutical industries of Pakistan to gain competitive advantage and enhance the organizational performance although, they did not incorporate talent management process as a research dimension which is a vital element. However, [Bhatti, Waris, Zaheer, et al. \(2011\)](#) emphasized that talent retention strategies are important for utilizing the employee's capability in a positive way and to avoid talent drain from the organization.

A strong organizational brand is a combination of good reputation, having best execution of CSR practices, attractive compensation and learning opportunities for the candidates along with cultures of the firms etc. In prior studies, the focus of the researchers was on different dimensions but this study specifically covers the talent attraction concept among potential candidates. This study includes a different model which incorporates CSR (internal and external CSR) and extrinsic compensation (extrinsic direct compensation and extrinsic indirect compensation) as independent variables, talent attraction as the dependent variable and gender as the moderator. This research model has been used to gauge the prescribed relationships between constructs, contextualizing business schools of Karachi. These factors have not been used in the context of Pakistan. This research specifically examines the influence of gender in the research model with respect to students of final year. Thus, the findings of this study depict the originality and results are not only beneficial for the industrial aspects but also for the academic learners.

## Literature Review

The concept of organizational attractiveness is very important for standing apart in the industry to attract new talented employees. In the literature of organizational behavior and human resources, the term attraction is defined in multiple ways. As [Rynes \(1989\)](#) highlighted that applicants are motivated through attraction and perceive the place of work in an affirmative manner, where they would wish to work. Whereas, [Story et al. \(2016\)](#) stated "Organization attractiveness is about the worker's willingness to continue jobs and accept the job opportunity in an organization".

The statement "War for talent" is on the forefront, and gaining more importance in every industry around the globe. This competition requires the industries to attract employees who are talented. Talent management is to maintain organizational needs of human capital for enhancing and improving business value to attain its goals ([Devine & Powell, 2008](#)). Global trends exhibit that in the upcoming years, organizations will face a shortage of talent (Pwc, 2012).

[Suk Kim and Kotchegura \(2017\)](#) explained in their study concerning (China, Brazil,

and Russia) that these countries are aware of the issue of talent scarcity and they are now imposing various policies to address this important issue. In 2003, China arranged its first conference on Human resource development (HRD). The idea was to establish the Central group of coordination of talent personnel. Furthermore, the government announced major talent attraction programs and projects to enhance the proper implementation of talent management. Whereas, in Brazil, talent acquisition and retention is the major focus, for which more flexible and result-oriented management practices are introduced by their government. There are multiple important measures (i.e. mandatory entry exams, performance-based bonuses, merit-based recruitments, increase in wages, etc.) introduced, to utilize new perspectives of human resource management. On the contrary, the federation of Russia has made the most important amendments in their legislation, (i.e. increasing the tenure of the retirement for certain categories). The concept behind this point by the president of Russia Dimtry Medvedev (2008-2012) is; to create a new system that can prosper, attract, and utilize the personnel through, personnel reserves and the talent pool. So, the most competent, talented, and innovative personnel would be attracted.

Signaling theory is a useful framework in the literature for elaborating organizational factors and practices like incentives, learning and growth opportunities, CSR initiatives, etc. It can be worthwhile and effective to attract talent (Connelly, Certo, Ireland, & Reutzel, 2011; Rynes, 1989). This theory suggested that organizational attributes may be helpful to make decisions regarding the job and selecting the organization. People draw inferences about less visible organizational aspects based on their interpretation of the meaning indicated by directly visible organizational factors.

## **Corporate social responsibility (CSR)**

CSR activities are those activities that aim to work for the betterment of different stakeholders. Stakeholders are the people who have influence or are influenced by the firm's goals and strategies and stakeholders have been divided into two categories; internal and external stakeholders.

Internal CSR consists of those activities that are for the betterment of employees, managers, and stakeholders or in other words working for the welfare of the internal stakeholders, ensure the provision of improved working conditions, career counseling, friendly policies, and fair regulations alongside having proper diversity management (Turker, 2009), while Internal CSR combines psychological comfort along with physical comfort in the working environment (Story et al., 2016). However, external CSR is about those practices that mainly focus on environment protection and sustainability, development of the society, welfare/charity (fundraising), etc. (Turker, 2009). These activities help to improve the underprivileged areas and aim to work for society and make the environment safe and protective.

In the study Le and Morschett (2021), it has been highlighted that CSR is one of the factor which is helpful in overcoming the different constrains (i.e. country-of-origin for recruiting, selecting and hiring of potential candidate in the developed host countries). Specifically these constrains are noted in the study conducted in Switzerland, Austria and Germany and it involves that emerging market multinational enterprises (EMNE's).

Furthermore, there are many hurdles faced by the Organizations because applicants are less willing for searching the information relating to CSR which cause serious challenges and problems for the Organization in order to get maximum benefits from the engagement in the field of CSR.

In another literature [Zainee and Puteh \(2020\)](#) reflects that ethical, legal, economic and philanthropic which are mainly the aspects of CSR and the employee retention of the Generation Y accountants have positive relationship. In another study recommended by [Holm, Banfalvi, and Berlin \(2020\)](#) there is a positive relationship between Employer attractiveness and CSR. As suggested by [Tanwar and Kumar \(2019\)](#) research studies has shown that Organizations has to put their focus in the field of CSR because this will create good reputation of their employer. The Organizations who are more involved in CSR practices and have continuously involve themselves in CSR activities, candidates prefer and apply in those Organizations and they have good reputation for these Organizations in their eyes as compare to those Organizations who are not involved in the CSR practices. Employers have started to realize that in contemporary time's employees become more active and concerned in choosing their future organization ([Story et al., 2016](#)).

There is no doubt that talent management is becoming a challenge for organizations. Today's organization requires people who are highly motivated, adaptable, and can work under pressure to meet future challenges. Skilled and well-educated employees select their organization for certain reasons, and one of the reasons is how the organization does well regarding their values and aspiration at work. Job finders want to choose a socially responsible organization ([Albinger & Freeman, 2000](#)). Results of different studies indicate that CSR somehow positively returns back to the organization, to influence the intrinsic motivation, without hurting the extrinsic motivation enhancing the employer branding, retain and recruit the best employees by creating a positive image of the organization, enhancement in the social standards ([Lis, 2012](#)). CSR practices are not only about working for the benefit of the society but also help in gaining in the new market, attract new talented/skilled workforce and motivate current employees.

*H1: External CSR activities enhance applicant attraction towards the organization*

*H2: Internal CSR activities enhance applicant attraction towards the organization*

## Compensation

Organizations faced difficulties in finding an appropriate and skillful candidates and sometimes they are not providing competitive compensation packages to their employees resultant they are not able to attract competitive work force. The first Organization included in this research study has faced problems in attracting experienced Saudi Arabian work force at lower compensation packages. The second Organization mentioned that they are not able to provide proper compensation in order to attract potential candidates so they are working to update and revise their compensation plans and benefits given to their employees and they are aliening their compensation plans with the top leading Organizations so they can be able to attract potential candidate and motivate and retain the quality employees and overcome the challenges faced by their Organization ([Saad & Mohammad,](#)

2021).

Compensation has been an important tool for the organizations as [Lievens and Highhouse \(2003\)](#) stated that there is a combination of features that helps to attract the new talented employees, and these features/attributes are of two types; one is instrumental and another is symbolic, an instrumental features are tangible (highly competitive compensation above market) while, symbolic are intangible (care and behavior of employers). One of the factors that attract talented individuals to the organization is compensation. [Milkovich and Newman \(2013\)](#) suggested that organizational compensation has two main types: extrinsic compensation (salary, benefits, bonuses, pension plan, etc.) and intrinsic compensation (recognition, acknowledgment, growth opportunities, etc.).

In the recent research study of [Mabaso and Dlamini \(2021\)](#) stated that there is a positive and direct effect of employee compensation on their job satisfaction. This has been shown by the research conducted in South Africa on the academic staff of higher educational institutions. Further, it has also been noticed that compensation is a tool which will attract the employees. The past studies have shown that companies improve talent recruitment, selection and retaining the qualified workforce by giving better compensation packages, this case helps other Organizations to get benefits from this strategy. The importance and value of money is also discussed in this case. The readers also get knowledge about the pay structure and how pay structure plays an important role as far as the success and target achievement of the Organization is concerned.

### **Extrinsic compensation**

Extrinsic compensation further has two type's direct compensation and indirect compensation: Direct payments are made to employees for the results they generate while indirect compensation which is the payment an employer makes on behalf of their employees. Normally these do not involve making payments to employees. Indirect extrinsic compensation has been further categorized into three types of incentives and benefits 1) protection programs (health and insurance plan), 2) time-related benefits (sick leaves, etc.) and 3) employee services (provision of vehicles) ([Renaud et al., 2016](#)). In another study it is also highlighted that compensation is of two types which are indirect and direct compensation. Direct compensation is monetary and indirect compensation is non-monetary rewards which are given to the employees. Employees are compensated on the basis profession, grade, their education, experience and their performance at their workplace. Compensation directly impacts the performance of the employees. The main aims and objectives of compensation is to recruit, select and retain the quality workforce so that this efficient and effective workforce achieve the targets and goals of their organization ([Jepchumba, 2021](#)).

'Employee services' are now modified since the past few years to address the current need and trends of new employers and emerging talent, innovative benefits/perks like a gym, fitness club, bar, etc. The purpose of innovative perks is to address the needs of employees' living outside the workplace, they are called innovative because they comprise the new benefits in the market and they address the real social and emerging needs of employees. These benefits are different from traditional concepts ([Renaud et al., 2016](#)). They can be included work-life balance programs, flexible working hours, wellness programs,

telecommuting, etc.

*H3: Extrinsic direct compensation enhances applicant attraction towards the organization*

*H4: Extrinsic indirect compensation enhances applicant attraction towards the organization*

## Gender as moderator

There are several types of researches and theorists who argue about the differences between men and women in their attitudes and behaviors. (Rosener, 1990). The differences in men and women in terms of job attributes are the responses of the people associated with them, who consciously and subconsciously want to influence the thoughts about themselves for others with their skills (Impression management) and internationalization. There are different norms and values of the people around the globe which trigger the sex differences in terms of the preferences in job attributes. Slight differences have been noticed between men and women regarding the importance they attach to the preferences in job attributes. It has also been noticed that men are more tilted towards earnings and take earning sources as a responsibility compared to women. The difference is also highlighted in terms of motivational strategies and rewards. When facing technicalities due to gender segregations, organizations tend to augment their approach towards policy development, transformation and maintenance (Colovic & Williams, 2020). Compensation and other relatable rewards from a societal perspective stand differently for males as compared to females (Chang & Milkman, 2020).

Both categories of gender associate themselves with environmental vagaries, especially in the face of contemporary irregularities which represent a shift from a consistent trend of complexities (Hennekam & Shymko, 2020).

It is important to understand the attributes which are preferred differently by men and women, in different jobs and organizations. So the organization will be able to meet the requirements, of different types of rewards and motivation tools for men and women to make their work more productive and efficient. Further, it was also highlighted that researchers have to exhibit the relationship between multiple job attributes preferences among the men and women and the opportunity available to them.

After reviewing the literature following hypotheses are made to test the theory in context of Pakistan.

*H5.1a: Extrinsic direct compensation enhances female applicant attraction towards the organization*

*H5.1b: Extrinsic indirect compensation enhances female applicant attraction towards the organization*

*H5.2a: Extrinsic direct compensation enhances male applicant attraction towards the organization*

*H5.2b: Extrinsic indirect compensation enhances male applicant attraction towards the organization*

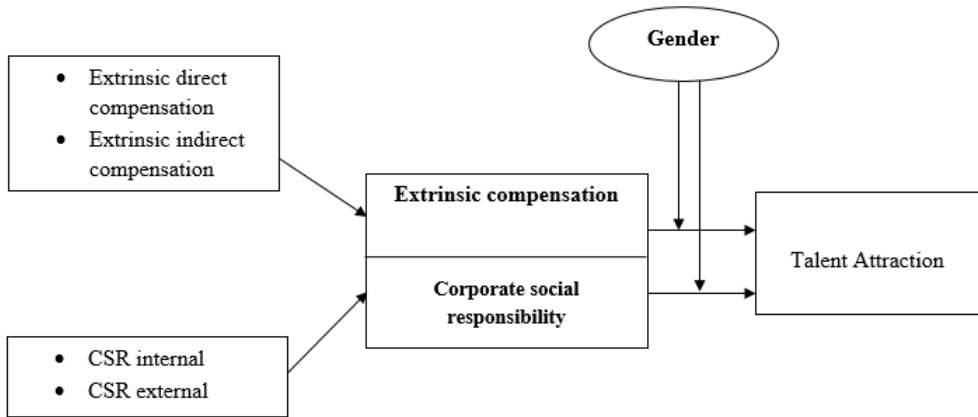
*H6.1a: External CSR activities enhances female applicant attraction towards the organization*

*H6.1b: Internal CSR activities enhances female applicant attraction towards the organization*

*H6.2a: External CSR activities enhances female applicant attraction towards the organization*

*H6.2b: Internal CSR activities enhances female applicant attraction towards the organization*

**Figure 1**  
Conceptual Framework



## Methodologies

This study used quantitative technique, cross-sectional design and survey method for data collection. Also, questionnaire has been deployed adapting items through multiple researches. The study follows, internal and external CSR adapted from [Story et al. \(2016\)](#); [Renaud et al. \(2016\)](#); [Milkovich and Newman \(2013\)](#) for talent attraction and [Milkovich and Newman \(2013\)](#) for Extrinsic direct and indirect compensation. This study has conceptualized university students as potential sample. In the interest of time business school students, in their final semester, were contacted to participate in this study. Likewise, only business schools in SINDH were selected conveniently through CIEC web-portal-announcing ranking 2017. According to Parker and Rea table, 375 sample size with 95% of margin of error is good enough. However, out of sample of 375 only 130 responses were received and 112 were found suitable for further statistical analysis using Smart PLS and among those responses majority responses were given by females. Researchers have adapted a model by integrating two separate independent variables.

Furthermore, to interpret the exogenous constructs of the model because of their abstract nature, higher order forms of exogenous constructs have been created to represent them. CSR is the higher order construct representing the effects of internal and external



CSR on talent attraction; whereas, compensation is the higher order construct representing extrinsic direct and indirect compensation on talent attraction. When exogenous effects become to random and abstract based on the excessive items representing them, categories of latent construct are created to associate the specific role of every item with respect to the endogenous construct. These specific latent constructs are called the lower order constructs which are predicted by a specific set of items from all the items creating the abstract problem. HOCs are very useful to differentiate the multiple narrow factors (lower order constructs; i.e. extrinsic direct compensation, extrinsic indirect compensations, external and internal CSR) with each other and for each narrow factor, broader-concept bearing constructs (higher order constructs; i.e. compensation and CSR) are important to differentiate the narrow factors with each other. Furthermore, the importance of HOC for overcoming the problem of bandwidth-fidelity (Narrow measures taken from broad perspectives to predict results more accurately). Similar measures have been taken in this research for in depth results, in which the most prominent measure was utilizing HOC repetitive indicators, approach. Secondly, the ability of all items to discriminate one another in a data set can be authenticated if all items are representing their respective constructs independently and not attached to multiple constructs simultaneously. This ability diminishes when higher order constructs are used where items are representing the lower order constructs and higher order constructs at the same time, violating the discriminant validity criteria. To address this problem higher order construct are not used as quality measurement components in the validity tests.

## **Model validity**

Model validation indicates data authenticity in research observations. It has been calculated using PLS algorithm, an analytical component comprising correlation based statistical techniques, found in Smart PLS 3.2.4. (Ringle, Sarstedt, & Zimmermann, 2011). As utilized in past studies, Hair et al., 2020 suggests the application of the PLS algorithm for structurally observing the measurement model.

## **Results and analysis**

### **Model measurement**

The relationships explored in the study must be composed of an authentic data structure. The validation of authenticity is measured using a collection of statistical techniques. Relationships between the endogenous and exogenous dimensions are measured, following validation using correlational statistical algorithms. Construct inter-relations hypothesized in the study indicate the probable relevancies identifiable through statistical analysis. The first measure qualifying the quality of data as authentic is factor loading. These loadings show the relevance of all the items with their respective constructs and distinguishing magnitude with the constructs not related to them. A near 70 percent connection of construct aligned items suggests that their association with the construct is appropriate. These item-construct correlations are shown in table 1.

**Table 1**  
Factor Analysis

Constructs	Items	External CSR	Extrinsic Direct Compensation	Extrinsic Indirect Compensation	Internal CSR	Talent Attraction
ECSR	ECSR1	0.854	0.178	0.162	0.268	0.22
	ECSR2	0.891	0.356	0.393	0.293	0.39
	ECSR3	0.883	0.299	0.253	0.451	0.248
EDC	EDC1	0.213	0.748	0.353	0.201	0.357
	EDC2	0.33	0.752	0.467	0.211	0.416
	EDC3	0.202	0.77	0.484	0.381	0.251
	EDC4	0.211	0.727	0.506	0.23	0.382
EIC	EIC1	0.254	0.622	0.884	0.26	0.452
	EIC2	0.205	0.462	0.846	0.218	0.573
	EIC3	0.333	0.451	0.817	0.218	0.431
ICSR	ICSR1	0.416	0.342	0.241	0.848	0.198
	ICSR2	0.27	0.222	0.213	0.828	0.14
	ICSR3	0.307	0.311	0.249	0.891	0.154
TA	TA1	0.265	0.352	0.431	0.276	0.81
	TA2	0.284	0.354	0.439	0.156	0.834
	TA3	0.22	0.338	0.462	-0.008	0.793
	TA4	0.282	0.458	0.504	0.189	0.803

Table 2 shows the level of relative significance each item has with its respective construct, with P values well below 0.05. The second and third quality validating criteria are values of AVEs and composite reliability respectively. Values of AVE should be above 0.5 for validating appropriate levels of convergence (Fornell & Larcker, 1981). The values of composite reliability for all constructs should be above 0.7 in order to verify that the internal consistency of data is established (Fornell & Larcker, 1981).

As shown in table 3 the required benchmarks for establishing convergent validity have been met by the data (Fornell & Larcker, 1981). According to previous studies, grouping variables are not subject to reliability analysis (Chambel, Castanheira, & Sobral, 2016). In this study the grouping variable is ‘Gender’.

**Table 2**  
Factor Loadings Significant

Constructs	Items	Loadings	Standard Error	T Values	P Values
ECSR	ECSR1	0.854	0.029	29.763	0.000
	ECSR2	0.891	0.022	40.076	0.000
	ECSR3	0.883	0.021	41.311	0.000
EDC	EDC1	0.748	0.071	10.476	0.000
	EDC2	0.752	0.039	19.393	0.000
	EDC3	0.77	0.036	21.297	0.000
	EDC4	0.727	0.04	18.007	0.000
EIC	EIC1	0.884	0.019	47.706	0.000
	EIC2	0.846	0.031	27.033	0.000
	EIC3	0.817	0.038	21.704	0.000
ICSR	ICSR1	0.848	0.026	32.68	0.000
	ICSR2	0.828	0.06	13.913	0.000
	ICSR3	0.891	0.025	35.467	0.000
TA	TA1	0.81	0.038	21.159	0.000
	TA2	0.834	0.029	28.668	0.000
	TA3	0.793	0.04	19.658	0.000
	TA4	0.803	0.032	24.864	0.000

**Table 3**  
Convergent Validity

Constructs	Items	Loadings	CR	AVE
ECSR	ECSR1	0.854	0.908	0.767
	ECSR2	0.891		
	ECSR3	0.883		
EDC	EDC1	0.748	0.837	0.562
	EDC2	0.752		
	EDC3	0.77		
	EDC4	0.727		
EIC	EIC1	0.884	0.886	0.721
	EIC2	0.846		
	EIC3	0.817		
ICSR	ICSR1	0.848	0.892	0.734
	ICSR2	0.828		
	ICSR3	0.891		
TA	TA1	0.81	0.884	0.657
	TA2	0.834		
	TA3	0.793		
	TA4	0.803		

## Discriminant Validity

Items serving as representatives of latent constructs should show validity of construct dedicative attributes. This attributive representation is evident if cross loading values for each item are near or above 0.7 for their respective constructs and the difference between loadings for their respective and non-relevant constructs are well above 0.1, this can be seen in table 1. The second criterion for showing evidence of discriminant validity is that the diagonal values in the discriminant validity matrix (Table 4) should be greater than the off-diagonal values. These values are the square roots of AVEs. Values in the hetrotrait-monotrait ratios should be less than 0.9 and ideally below 0.85, this along with the criterion of square root of AVEs represents discriminant validity (Henseler, Ringle, & Sarstedt, 2016). Tables 4 and 5 are representing these validities.

**Table 4**  
Correlations of Discriminant Validity

Constructs	External CSR	Extrinsic Direct Compensation	Extrinsic Indirect Compensation	Internal CSR	Talent Attraction
External CSR	0.876				
Extrinsic Direct Compensation	0.32	0.749			
Extrinsic Indirect Compensation	0.309	0.608	0.849		
Internal CSR	0.391	0.344	0.274	0.856	
Talent Attraction	0.326	0.469	0.569	0.193	

**Table 5**  
Hetrotrait-Monotrait Ratio

	External CSR	Extrinsic Direct Compensation	Extrinsic Indirect Compensation	Internal CSR	Talent Attraction
External CSR					
Extrinsic Direct Compensation	0.399				
Extrinsic Indirect Compensation	0.374	0.775			
Internal CSR	0.457	0.434	0.335		
Talent Attraction	0.388	0.593	0.696	0.253	

## Path Coefficients

Table 6 represents the associations of both the dimensions underlying CSR and compensation. Both dimensions of CSR, Internal and external are showing insignificant relationships with talent attraction with P-Values well above 0.05 (T-Stats below 1.96). Both dimensions of compensations have been identified as significant predictors of Talent attraction. External indirect compensation has a slightly greater influence on talent attraction with a regression weight of 0.307 as compared to External direct compensation (Beta coefficient of 0.301). The p-Values of both constructs are well below 0.05 and the T-Stat values are greater than 1.96, indicating significant relationships.

**Table 6**  
Hypothesis Results (Bootstrapping)

Hypothesis	Paths	Path Coefficients	Standard Error	T Value	P Values
H1	External CSR ->Talent Attraction	0.059	0.052	1.145	0.253
H2	Extrinsic Direct Compensation ->Talent Attraction	0.301	0.042	7.15	0.000
H3	Extrinsic Indirect Compensation ->Talent Attraction	0.307	0.04	7.755	0.000
H4	Internal CSR ->Talent Attraction	0.05	0.04	1.255	0.21

## Multi-Group Analysis

Hernández-Perlines (2016) signifies using multi-group analysis for examining the differences between groups in terms of effect size variations, significance levels and directional association. The path analysis results for both groups are represented in tables 7.1 and 7.2. Table 7.1 is a representation of the female group of respondents and shows the effect sizes of relationships between the exogenous constructs, i.e. “external CSR, internal CSR, extrinsic direct composition, extrinsic indirect compensation”, and the endogenous construct “talent attraction”. Extrinsic indirect compensation has the greatest effect on talent attraction. The weakest predictor of talent attraction is internal CSR with a path coefficient of 0.187 and a P-Value of 0.014. Both External CSR and Extrinsic direct compensation are insignificant exogenous constructs for talent attraction and therefore bearing no predictive value in the female group.

**Table 7.1**  
Path Analysis (Female)

Hypothesis	Paths	Path Coefficients	Standard Error	T-Statistics	P-values
H5.1a	Extrinsic Direct Compensation ->Talent Attraction	0.05	0.141	0.355	0.723
H5.1b	Extrinsic Indirect Compensation ->Talent Attraction	0.462	0.102	4.534	0.000
H6.1a	External CSR ->Talent Attraction	0.085	0.081	1.048	0.295
H6.1b	Internal CSR ->Talent Attraction	0.187	0.075	2.478	0.014

Table 7.2 represents the same type of behavior between the constructs for the male group. Extrinsic direct compensation and extrinsic indirect compensation are the two exogenous constructs bearing significant relationships with talent attraction with extrinsic direct compensation showing the greater effect among both. Both types of CSR are showing insignificant relevance with talent attraction according to data analysis.

**Table 7.2**  
Path Analysis (Male)

Hypothesis	Paths	Path Coefficients	Standard Error	T-Statistics	P-values
H5.2a	Extrinsic Direct Compensation ->Talent Attraction	0.405	0.099	4.106	0.000
H5.2b	Extrinsic Indirect Compensation ->Talent Attraction	0.346	0.107	3.239	0.001
H6.2a	External CSR ->Talent Attraction	-0.176	0.183	0.959	0.338
H6.2b	Internal CSR ->Talent Attraction	0.006	0.114	0.055	0.956

Critical comparison indicates that only one exogenous construct holds true in terms of showing positive and significant relationship with talent attraction which is extrinsic indirect compensation. Extrinsic indirect compensation has a higher association with talent attraction in the female group with an effect size of 0.462 as compared to the male group with an effect size of 0.346.

## Discussion

Talent attraction will remain a significant topic in competitive economies, where organizations are continuously in search of talent. Based on literature, there are two concepts of attraction in the talent management field; one is organizational attractiveness and the other is applicant attraction (Berthon et al., 2005). Generally, applicants may have multiple reasons to apply for jobs in organizations i.e. job incentives, salary packages, organizational image, job security, training and development. As Hlanganipai and Musara (2016) explained in their study that training and development programs along with career progression approaches affect not only career management but also ensure effective talent management practices.

As mentioned above in the literature, Albinger and Freeman (2000) suggested that candidates prefer to be part of those organizations that are socially responsible and active. According to the findings of this study, there is no impact of CSR activities on applicants overall but gender moderates this relationship and females prefer to have effective internal CSR practices. Renaud et al. (2016) stated in their study that organizations should work on both instrumental and symbolic features to attract new talents. One study mentioned in its findings that compensation has a large impact on job attractiveness (Schlechter, Hung,

& Bussin, 2014). Our findings suggested that extrinsic direct and indirect compensation both have significant impacts on talent attraction.

CSR is the obligation of executives on behalf of organizations to make an endeavor for the society and its development as cited by Story et al. (2016). The overall results indicate that CSR activities have an insignificant impact on attracting new talent or potential applicants, this finding itself is very unique because it is among the few studies in Pakistan which identified the effectiveness of CSR with respect to internal and external activities. Many studies have analyzed the effect of CSR on making organizations more attractive for the potential applicants/prospective employees. The effectiveness of internal and external CSR activities as factors of attracting new talent was found significant in literature and among all activities; people prefer to have ethical behavior in employers (Swales, 2013; Le & Morschett, 2021). However, the findings of this study indicate that the direct relationship of CSR with talent attraction and indirect relationships with the lower order variables (internal and external CSR) have no significance in terms of effectiveness with respect to attraction of potential applicants although, there is a moderation effect of gender on same relationship (CSR to talent attraction). Females feel more attracted towards those organizations where internal CSR is genuinely practiced and which gives support to its employees.

The direct relationship of compensation with attraction is significant because this mind set is prevalent among job seekers in the Pakistani market. Potential applicants; specifically talented students going through their last year in business schools of Karachi (based on certain criteria mentioned in methodologies) were the sample in this study. The talent pools were approached through the faculty members of their respective universities. The results are consistent with Greening and Turban (2000); Mabaso and Dlamini (2021) study suggests that there is a significant relationship between compensation and talent attraction.

Empirically, it was researched many times with different variables and most of the time compensation proved significantly important for employees and job seekers in Pakistan. Multiple studies have reported the results that direct compensation and employee benefits (health insurance and pension plan) are positively associated with attraction of applicants (Jepchumba, 2021; Story et al., 2016) however, another research finding suggested that direct compensation was appreciated a lot in comparison to job security when job choices are made by individuals who are actually job seekers. Renaud et al. (2016) suggested that innovative perks or extrinsic indirect compensation is appealing for the applicants if it is coupled with ethical practices of organizations.

Although, the results of this study supported extrinsic direct compensation and extrinsic indirect compensation as predictors of talent attraction while not supporting internal and external CSR activities as sources of attraction for potential applicants, the intensity of the effectiveness varies as can be seen in the analysis section. Therefore, on the basis of overall results subject to the condition of the Pakistani job market, extrinsic compensation both direct and indirect prove to be effective elements for talent attraction while CSR activities are not really impactful but still ethical behavior of employers can be attractive. This may be demonstrated in future as developing societies are gaining awareness regarding the concepts of CSR.

## **Conclusion & Future Avenues of the Research**

Based on the findings of the study, provision of competitive extrinsic compensation packages in either a direct or an indirect way is the best strategy to attract talented potential applicants for the organization. Students going through their final years in business schools of Karachi perceive extrinsic compensation as a more appealing factor regardless of any gender differences. However, CSR activities are not making differences to the process of attracting potential male applicants on the other hand potential female applicants prefer to have internal CSR practices in organizations. The preference of extrinsic compensation truly reflects the mind set of Pakistani employees. In the current situation extrinsic compensation will give an edge to the companies i.e. salary, bonus, healthcare, pension plan, perks etc. if provided timely and on a fair basis. Moreover, companies should also invest on employee's wellbeing, productive work environment, training for better performance; ensure work-life balance and so on. In short, they should implement internal CSR practices to attract talented female candidates. In a scenario when there is a shortage of talented employees in market, extrinsic compensation and CSR factors will be instrumental for the employers to gain competitive advantage over other companies in the market.

Despite of the scope and strength, there are some limitations of this study which can be addressed in future. The research can be extended by adding some other variables like intrinsic compensation and its sub variables, career growth opportunities, training, employer brandings and others. Also, increasing the sample size can be helpful to gain better results however in future; researchers can also go for different institutes to gauge the perceptions of students in other diverse disciplines.

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