

**Title:** *Diversity and inclusion practices and organizational attractiveness during the recruitment process: Focusing on Employees Resource Groups*

Job searching has been transformed during the years as a result of the significant technological developments and the recent digitization, in conjunction with the new working environment that emerged after the Covid-19 pandemic. The majority of organizations and candidates use recruitment platforms, rendering traditional advertisements in press as obsolete. Nowadays, applicants have a lot of qualifications, and the job market has no geographical limits, resulting in an increase of the competition (Carpentier et al, 2019; Ramshankar et al., 2023)

These new conditions recommend a challenge for the human resource management practice, as it is essential to adapt effectively, adopting marketing tools during the recruitment process, publishing attractive information to activate the job seekers (Cable et al, 2001; Tsai et al., 2010; Carpentier et al, 2019). Organizational attractiveness seems to be important, as research has shown that candidates are attracted by organizations whose culture has similar characteristics with their personality (Burke et al. 1982, Schein et al, 1988). In addition, the promotion of the work climate and the organizational ethics, seem to be quite important, as recent studies show that new generations of applicants are in favor of organizations with diversity and inclusion policies (Ngoc et. Al, 2022; Schroth, 2019). Hogan (2009) focuses on the fact that the individual differentiations could predict the work result, independently the job requirements and the current conditions.

Filling in a job vacancy is challenging for organizations, as it requests not only monetary resources, but also workforce devotion until its successful completion. A wrong decision may be considered as an organization failure because of the waste of useful resources as every selection process is an investment for the organization (Barber et al, 1993).

On the other hand, candidates during the job seeking process (actively or passively) try to project the working conditions in an organization before they decide to apply or accept a possible job offer (Turban, 2001; Swider et al, 2015). Hence, they look for information about the organization on their official website and social media network, interpreting information as signals (Uggerslev, 2012; Carpentier et al, 2019).

All the above drive to the desirable intersection point for these two parties (employer and employee), and the need for the best person – organization fit (Bradley et al, 2023). As mentioned above, organizations invest and enhance their corporate image and attractiveness, as candidates tend to be attracted by organizations which have the characteristics that could contribute to the accomplishment of their individual goals, desires and needs (Barber, 1993).

According to Ployhart (2017), in recent years, organizations have been facing difficulties in recruiting personnel who understand their strategy. The aging population and the knowledge economy set obstacles to the organization in the selection of employees with specific skills and qualifications. In addition, the increased skills shortage in the labour market after the pandemic has set more obstacles in attracting talented employees (Brunello and Wruuck, 2021). So, employer attractiveness is a

critical factor for the recruitment of high-quality personnel (Tsai et al, 2010). Organizational attractiveness is defined as the strong desire of candidates to look for a job in a specific organization and accept the job offer (Van Hove, 2005).

There is a number of theories about the organizational characteristics and their effects on organizational attractiveness. However, for the purposes of the present research the focus is on the following ones; the social identity theory (Taifel, 1985) and the signaling theory (Breaugh, 1992), which are the two of the most popular ones. Individuals tend to become members of communities which are ruled by the same values with them and Social Identity Theory states that people attempt for an optimistic self-concept through an identity which arises from the participation in a group. People become members of teams with similar characteristics with them (Lopez, 2018; Merriman, 2010). Signaling theory characterized by the core principle that "signals" are the attempts of an informed part to notify specific data to another part, aiming of the receipt of a desired response (Connelly et al., 2011; Spence, 1973). Signals are constantly necessary when a disproportionateness is observed between the two interested parts. This theory is applied to explain how these actions are related to the employees' selection and affect the opinion of the candidates about the organization (Turban, 2001). The size of the organization, the multinationalism, the compensation and benefits and the diversity and inclusion policies could be considered as signals (Lievens, 2001). Signals in this theory are categorized in pointing and activating signals. The pointing signals declare the existence of a characteristic in an organization which may distinguish the sender from its competitors. Activating signals transmit the data regarding the adoption of this characteristic by the sender (Connelly et al., 2011).

Organizational policies (such as the diversity and inclusion policies), could be signals that affect positively the organization, in both the internal and the external environment, (Smith et al., 2004). This type of policies covering organizational needs, are directly affected by the current social and legal framework. For example, in 2020 the Supreme Court of USA stated clearly the protection of LGBT people from any kind of discrimination in the workplace because of their sexual orientation (Bostock, 2020). The European Union has released official strategy of diversity and inclusion against all the kinds of discrimination, which applies from the recruitment of applicants up to the specific training on diversity management for the managerial and senior employees of the Union (EU Diversity & Inclusion Strategy, 2021-2024).

As a method of protecting employees from discrimination, more than 40 years ago, Employee Resource Groups (ERGs) were created. Employee Resource Groups are volunteer groups of employees, in the same organization, which have scheduled regular meetings and actions relying on a common characteristic and their action is authorized by the organization (Rolf, 2016). Characteristics such as color, race, religion, marital status, age, sexual orientation, physical ability, etc (Diversity best practice, 2011). ERGs are observed mainly in multinational companies (such as The National Black Employee Caucus, claiming for justice and equality for black employees), where people with different characteristics and cultures interact, and should participate and cooperate effectively in working groups (Douglas, 2008; Welbourne et al, 2017).

The presence of working groups in an organization has benefits for both the employees and the organization. According to Cenkci' s (2019), participation of employees in ERGs, enhance work commitment, increasing the morale of the individual. Additionally, the personnel have smooth boarding in the organization and feel that their work is

respected and valued. The employees develop leadership skills and they have the opportunity to interact with employees from different management levels, participating in events (UMB Digital Archive). On the other hand, the employers improve their diversity and inclusion policies, as the ERGs consist of an active think tank for theme matters. Another advantage of ERGs for the employers is the amplifying of organizational brand, attracting top performers. The operation of ERGs is a proven adjustment of diversity and inclusion policies. Thus, ERGs can be used as a response to difficulties in recruiting and selection process. According to the Society of Human Resources Management study, more than 50% of job seekers declare that they take into consideration the existence of diversity and inclusion policies during their decision making process (Ramshankar et al., 2023).

However, ERGs do not come only with benefits, as concerns have been expressed about their operation in the organizations. In cases, ERGs are responsible for cultivating of silos in organizations, when the members of ERGs ignore the general diversity and inclusion practices and promote tactics and individuals familiar with their identity. For this reason, the management of the organizations should safeguard the corporate policies and strategy for diversity (Noland et al., 2019).

Contrary to the significance of ERGs, for the society, organizations and for the recruitment and selection process, and their existence of over 60 years, academic research on this topic is limited, with practitioners surveys being more available (Welbourne et al. 2013, Welbourne et al, 2017; Welbourne et al. 2017b). Navigating in the literature, variables such as turnover (Friedman et al, 2002), employee performance (Ward, 2012) and organizational identity (McPhee et al, 2017) have already analyzed, but there is a scarce of investigation in the possible relationship with employer attractiveness.

The present aims to investigate the possible relation between employer attractiveness and the diversity and inclusion policies, focusing on ERGs, during the recruitment process. The majority of research in literature is looking into the connection among ERGs and work performance and work satisfaction, but not into the impact of ERGs into the staffing process. According to McNab & Johnston (2002), there is limited research regarding diversity management, which can be considered as a signal for the possible candidates. ERGs could be considered as a tool of diversity management. In the employer branding framework, the organizations communicate proactive signals to their possible future employees and ERGs could be of one of the characteristic culture elements of an organization (Uggerslev, 2012). In the same time, the job candidates try to detect future employers with efficient and warm work conditions (Schreurs et al., 2005).

In this study, the signaling method is used, considering Employee Resource Groups as a signal for job candidates. The study uses a positivist approach and a quantitative research design, with a survey. The sample contains new entry job candidates, current job seekers and moved employees in the last year. A questionnaire is used as the survey tool. However, before the distribution of the questionnaire, an experiment will be conducted, simulating the publication of two versions of a job advertisement in a social network platform, for example "Linkedin". ERGs will be used as the control factor. In the one version, the existence of ERGs, as part of the diversity and inclusion policy of the organization, will be used, as a simple reference. In the other version, the ERGs will be presented more thoroughly, through their actions and events, using photos and a hyperlink which drives the applicant to the official website of the organization in the section of ERGs actions. In this section, the visitor will have the

opportunity to view the summary of the actions and events of ERGs and declarations of members of ERGs. The use of this hyperlink will help in measuring the interest of applicants regarding ERGs. On the top of the ERG webpage, there will be a check box where the participants will declare their tension to be part of the selection process of this organization. The results of the experiment will lead in the categorization of ERGs as a pointing signal or activating, in order to form effectively the questionnaire.

In the second phase, a questionnaire will be designed and distributed, so as to investigate the relationship between the existence of ERGs in an organization and the employer attractiveness. A 5-point Likert scale will be used for most of the items.

The first hypothesis examines if the practical application of diversity and inclusion practices through ERGs display to job candidates the values and the work conditions in the organization. The second hypothesis examines if the existence of ERGs is statically important for the participation of the candidate in the recruitment process.

The individual characteristics of the job seekers will be explored in relation to the core characteristics of the ERGs. It will also be explored if this relation could be statistically significant in order to set this organization as a target employer by job seekers. Demographics will be used to explore variances in job seekers behaviors during the recruitment and selection process, in relevance to ERGs.

In the next steps, until the conference day, the literature review will be concluded and the experiment will be designed, along with a draft of the questionnaire (which is to be reviewed after the experiment takes place).

This study aims to add to the body of literature on recruitment and selection process, and to provide organizations with an index of how to increase their organizational attractiveness and on how to alter their recruitment process, as well as how to design their job advertisements, so as to be more attractive to a diverse pool of applicants, and to the new generations of applicants, that pay significant attention to diversity and equality in the workplace.

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