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How Human Capital affects the Competitive Work Environment of Employer of choice Organizations: The role of Person–Organization Fit

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Abstract

This study examines the competitive work environment– human capital interplay, and the role of person–organization fit in this relationship. The questionnaires were distributed among employees of the ten employers of the choice brands. The analysis of the proposed model is done based on responses collected from 735 respondents. The data analysis was done by employing structural equation modeling and the Hayes process method. The results exhibited that human capital and person–organization fit positively impact the competitive work environment. The results also demonstrated that person–organization fit plays a significant moderating role in strengthening the relationship between human capital and a competitive work environment. This study proposed new dimensions and a re–arrangement of indicators of the competitive work environment. The study’s uniqueness lies in combining human capital and person–organization fit for predicting the competitive work environment. Implications of the study are discussed, and some avenues for future research are presented.

Keywords: Competitive work environment; employer of choice; human capital; person–organization fit; recruitment retention.

1 Introduction

Most of the previous studies related to the employer of choice have focused on how work environments are supportive to employees (Leary–Joyce, 2004) in terms of remuneration, opportunities for self–development, recognition (Bellou et al., 2015), family support (Thomas and Ganster, 1995), health insurance, vacation time, and retirement savings (Robak, 2007), flexible work arrangements (May et al., 2017; Jarrett, 2019). However, there is an exclusion of work environments’ competitive nature, which can facilitate an organization’s unique status by offering distinct and attractive products (Liu and Atuahene–Gima, 2018). It is a well–known fact that organizations’ work environment varies to the extent to which they are competitive. The competitive work environment (CWE) has been typically operationalized as a psychological climate wherein employees perceive comparative analysis of performance between themselves and their co–workers as the basis for organizational rewards (Brownand et al.). A competitive work environment is the significant outcome of the employer of choice, which bestows uniqueness to the company offerings (Vaijayanthi and Shreenivasan, 2011). At present, employer branding and employer of choice are expanding through the effective use of social media (Tanwar and Kumar, 2019; Saini, 2020).

An essential component of the employer of the choice framework is human capital (Aboul Ela, 2016). It can enhance competitiveness in the workplace (Lin et al., 2017) and organizational performance (Majid et al., 2017). The challenges posed by the VUCA business environment (Kaivo-oja and Lauraeus, 2018) have emphasized the significance of detecting value creation activities (Uden and He, 2017). In this regard, intangible assets like human capital (Hilorme, 2016; Koval et al., 2018) are useful approaches employers employ.

The current measures are not sufficient to enhance a business's value (Lawler, 2007), which paves the way for investigating the role of other relevant variables related to the framework discussed above. The person-organization fit has been posed as a potential factor for influencing different aspects of the business. The person-organization fit enhances employees' commitment towards their employer (Jehanzeb and Mohanty, 2018) and, consequently, promotes competitiveness in the workplace for benefiting the organization as a whole. The present study involves person-organization fit as a potential influencer of the interplay between the human capital and a competitive work environment that has not been studied yet.

Besides, the interaction effect of person-organization fit and human capital on the competitive work environment has not yet been extensively investigated in a joint framework. To bridge this gap, this study explores the interplay between the human capital and competitive work environment in India and the role of person-organization fit in this relationship. The results of this study can provide significant leverage to the business organizations for attaining a competitive edge, especially the employer of choice status.

The rest paper scheme is as follows: Section 2 offers an extensive literature review on the subject under study. Section 3 provides a detailed description of the methodological approach of the study. Section 4 deals with data analysis and interpretation. Lastly, section 5 concludes the study's findings and implications and provides future avenues for better understanding the interplay of employer of choice and a competitive work environment.

Research objectives In view of the above discussion, this research study examines the impact of human capital on the competitive work environment and the moderating effect of person-organization fit in this tie-up. Further, this study investigates the person-organization fit and a competitive work environment relationship. A survey was conducted on 735 employees belonging to the top ten attractive employers (employers selected based on "The Randstad Employer Brand Research 2020") to achieve the underlying objectives.

Research Questions Precisely, the research questions that this study wants to answer are:

Research Question 1 Does human capital predict a competitive work environment?

Research Question 2 Does person-organization fit predict a competitive work environment?

Research Question 3 Does person-organization fit moderate the human capital and competitive work environment interplay?

The rationale for using a sample from India This study uses a sample of employees working in India. The locale for conducting this study in India is perfect, not only for the fact that these relationships have received little attention of research previously but also for many reasons: First, India is one of the largest markets in the world for various things, including mobile phones (Garg and Adhana, 2019), pharmaceuticals (Dixit et al., 2019), and derivatives market (Vo et al., 2019), therefore, including a larger sample from diverse sectors/organizations may provide vibrant results. Second, India is a developing economy (Vimal et al., 2020), where the employer of choice status is essential for an organization to enhance its reach. Therefore, India is an excellent avenue for examining and understanding the association between the study variables. Third, India is one of the largest economies possessing the largest workforce and consumer market (Ahmed et al., 2019). Again, this provides an excellent opportunity for employing a more extensive and diverse sample to attain effervescent results. Fourth, the Indian market is highly competitive (Gupta, 2019; Jasti and Kodali, 2019; Tamatam et al., 2019; Vimal et al., 2020), which may serve the purpose of assessing the competitiveness of the work environments in India concerning other study variables.

The intensely competitive nature of the work environment in India has posed significant challenges for market players. Indian firms employ creativity and innovation as the core strategy to cope with these challenges (Cohen, 2019; Shalender and Yadav, 2019; Joshi and Dhar, 2020). Both creativity and innovation are ensured by efficient human capital (Dinesh and Sushil, 2019; Habib et al., 2019). Thus, studying human capital and a competitive work environment tie-up in India may provide some valuable inputs to Indian employers and marketing managers.

Moreover, why employer of choice? Employer of choice is preferred for the following reasons. First, this study focuses on the competitive work environment, given Rampl (2014) argued that work content and work culture are important antecedents of employer of choice- operationalized as employer attractiveness (Saini and Jawahar, 2019). Thus, it seems to be a better modus-operandi for assessing the attractiveness of employer's work environment. Second, work climate has been instrumental in positioning an organization as an employer of choice (Branham, 2005). Thus, examining the work environment of employer of choice organizations would unearth new insights into the stream of branding research. Third, although the work environment is an important antecedent of employer of choice (Rampl, 2014), the extant literature is unclear about the factors, such as work environment, endorsing organization as an employer of choice (Saini and Jawahar, 2019). Thus, this study focuses on the employer of choice being the great research avenue, given the above discussion.

2 Literature Review

Researchers have discussed a competitive work environment related to individual's attitudes, behaviors, stress, and performance (Fletcher and Nusbaum, 2009a), engagement (Jones et al., 2017), social preferences (Carpenter et al., 2005), social competence and success (Butterworth and Strauch, 1994), and workaholism (Keller et al., 2016). The existing literature is silent on the association between the employer of choice organizations' human capital and a competitive work environment. Thus, this study attempted to fill this gap. The competitiveness at the workplace can help an organization to differentiate itself from the competition by offering unique products in the marketplace. The uniqueness and competitive outlook have been regarded as the main pillars for the employer of choice organizations (Babčanová et al., 2010; Kissel and Büttgen, 2015). Investigating the human capital and person-organization fit as the prognosticators of an organization's competitive work environment adds to the essence of this study. The present study focuses on the competitive work environment construct as it has been considered the basic condition for attaining uniqueness in company's offerings (Popa and Pater, 2006). Competitive work environment refers to employees'/individuals' perceptions about the working environment as the result of organized competition from co-workers based on rewards, recognition, or status (Fletcher and Nusbaum, 2009b). The work environment's competitiveness results from how an organization assigns rewards, recognition, or status (Fletcher et al., 2008). Also, when employees perceive competition from factors like recognition, status, rewards, bonuses, and promotions, it gives rise to a competitive workplace/ work environment.

A competitive work environment is an essential tool to enhance work performance (Schrock et al., 2016). The fiercely competing markets have created the need for identifying factors influencing the competition. Academicians and practitioners have put forth a great effort to pinpoint these factors for enhancing the effectiveness, efficiency, productivity, and profitability of the organizations. Researchers highlighted that human capital (Prasetyo et al., 2020) and person-organization fit (Vandenabeele, 2008) are essential stimuli that differentiate an organization from the competition as the employer of choice. It highlights the potential role of human capital and person-organization fit in encouraging organizational competitiveness. However, an insignificant number of studies have explored the interplay between human capital and a competitive work environment (Stone, 2001; Lapierre and Giroux, 2003; Ivanova et al.).

Moreover, the inclusion of person-organization fit adds uniqueness to this study. This variable has not been studied in a combined framework with the human capital and a competitive work environment interplay. Thus, the above discussion makes it imperative to study the association between human capital and a competitive work environment and examine the role of person-organization fit in this tie-up.

2.1 Human Capital

Human capital is an essential paradigm in a variety of areas ranging from psychology to economics. Human capital has been defined differently by different scholars over time. Ployhart and Hale Jr (2014) propounded one of the recent and essential definitions of human capital as an individual/unit level resource that generates economic value for an organization. Due to the plethora of human capital benefits to an organization, employers employ different tactics to attract the best industry talent. From a competitive advantage standpoint, employers use methods to attract individuals (Coff) who possess complex and tacit knowledge and skills (Coff et al., 2006). The existing literature poses that human capital is essential for ensuring competitiveness- at the employee or industry level.

Wallace et al. (2014) marked that most employers believe that the employer of choice status is essential for attracting the employees. For example, Drury (2016) states that employers of choice play a vital role in attaining employees from a shrinking talent pool. For achieving a competitive advantage, the attainment of talent should be complemented by employees' attachment towards their employers. The devotion towards an employer should surpass the employee's ability to demand swap value outside the organization (Campbell et al., 2012). The increase in employees of an organization means an increase in its human capital. An increase in knowledge, skills, and competencies embodied in employees (human capital) increases the creativity and innovative capability of an organization (Dinesh and Sushil, 2019; Habib et al., 2019), which eventually promotes the competitiveness of the workplace for enhancing organizational productivity (Faggian et al., 2017).

2.2 Person-Organization Fit

Organizations aspire to build an effective work environment for achieving the status of an attractive employer. Though organizations employ different modus-operandi to become great places to work, focus on person-organization fit attains top priority. Person-organization fit refers to the compatibility between an employee's competencies and the job position requirements (Wojtczuk-Turek and Turek, 2016). The person-environment theory posits that individuals quest for compatibility between work environments and their features and react positively to this congruity (Kristof-Brown and Guay, 2011). Person-organization fit is an essential factor for enhancing organizational performance. For example, Khaola and Sebotsa (2015) suggested that person-organization fit builds a positive attitude and behavior among employees to consider the success of an organization as their success. The employees give priority to the organizational goals when they perceive fit with their organization. It also helps an organization

promote competitiveness to outperform the competition (Ratzenböck, 2020). However, Chen et al. (2019) argued that human capital is the effective modus-operandi to enhance person-organization fit.

The existing literature exhibits that person-organization fit is linked to work-related outcomes. For example, Suwanti and Udin (2020) and Natalia and Sandroto (2020) suggested that person-organization fit leads to innovative work behavior. Another study exhibited a positive relationship between person-organization fit and talent management (Sun et al., 2019), person-organization fit, and performance (Hamstra et al., 2019). The study conducted by Verquer et al. (2003) highlighted that person-organization fit significantly influences job satisfaction, organizational commitment, and turnover intent. Person-organization fit is an essential stimulus identified by Madera et al. (2018) that enhances organizational attractiveness. The above discussion posits person-organization fit as an important construct for promoting the competitiveness and attractiveness of organizations. Thus, it is plausible that person-organization fit may play a role in the relationship between human capital and a competitive work environment.

From the above literature, we propose the following hypothesis:

Hypothesis 2.1. *Human capital will be positively associated with a competitive work environment.*

Hypothesis 2.2. *Person-organization fit will be positively associated with a competitive work environment.*

Hypothesis 2.3. *Person-organization fit will moderate the associations between the human capital and competitive work environment.*

3 Materials and Methods

3.1 Sample for the Study

The information for the study was collected from employees of the top ten attractive employers in India. The top ten attractive employers were selected based on “The Randstad Employer Brand Research 2020”. These employers of choice include Microsoft, Samsung India, Amazon, Infosys Technologies, Mercedes-Benz, Sony, IBM, Dell Technologies Ltd, ITC Group, Tata Consultancy Services. The study mainly focused on employees who had joined since 2019. The questionnaires were distributed among 797 employees, out of which 735 complete questionnaires were received back. Hence, the response rate was 92.22%. Among the respondents, 588, i.e., 80% had graduation as academic qualification, and 147, i.e., 20%, had post-graduation as academic qualification. Among the sample, 81 employees (i.e., 11%) belonged to Microsoft, 44 employees (i.e., 6%) belonged to Samsung India, 66 employees (i.e., 9%) belonged to Amazon, 96 employees (i.e., 13%) belonged to Infosys Technologies, 22 employees (i.e., 3%) belonged to Mercedes-Benz, 37 employees (i.e., 5%) belonged to Sony, 59 employees (i.e., 8%) belonged to IBM, 67 employees (i.e., 9%) belonged to Dell Technologies Ltd, 117 employees (i.e., 16%) belonged to ITC Group, and 146 employees (i.e., 20%) belonged to Tata Consultancy Services.

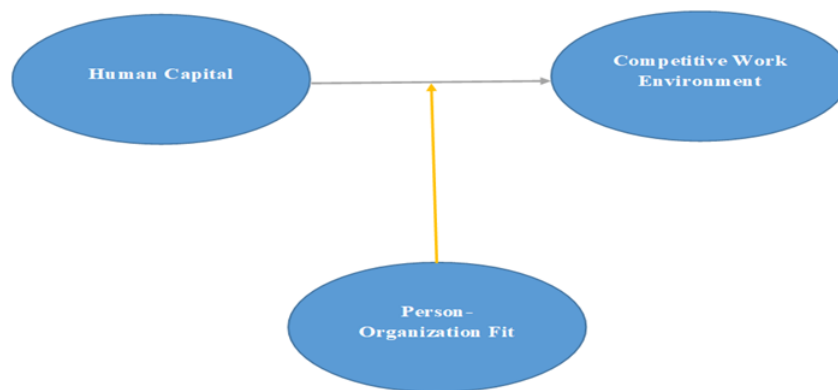


Figure 1. Research model

Moreover, 654, i.e., 89% were in the age group of 18–24 years, and 11% were in the age group of 24–30 years. All the respondents belonged to India.

3.2 Procedure

The questionnaire survey was employed to collect data for the study. The questionnaires were distributed through both the online and offline modes. The procedure for data collection involved a one-time filling of questionnaires.

The questionnaires were filled by 92.22% of the respondents.

3.3 Measures

The study employed different sources for instrument development. The instrument was devised in such a way that each aspect of the course is appropriately assessed. The reliability and validity of the instrument were ensured by conducting a pilot survey with 117 respondents. The questionnaire remained the same for the main study as no changes were deemed necessary in the original questionnaire based on factor analysis. The questionnaire investigated the relationship between human capital and the competitive work environment and the role of person-organization fit in the above relationship. The variables used in the study include human capital, competitive work environment, and the person-organization fit.

3.4 Competitive Work Environment

The study's dependent variable, i.e., the competitive work environment (CWE), was measured by using the scale of Fletcher and Nusbaum (2009a). The competitive work environment scale included twenty items relating to tangible rewards, non-tangible rewards, recognition, status, and co-worker. Responses were averaged to derive an overall level of the competitive work environment. This scale exhibited Cronbach's alpha, mean, and SD as 0.921, 4.118, and 0.779, respectively.

3.5 Human Capital

The scale for measuring the human capital construct was adapted from Youndt et al. (2004), Subramaniam and Youndt (2005). The scale for this variable consisted of five items. This study's scale exhibited Cronbach's alpha as 0.832, with a mean response of 3.785 (SD=0.727).

3.6 Person-Organization Fit

The person-organization fit was measured by employing the scale of Cable and Judge (1996) and Kristof (1996). The scale consisted of three items exhibiting Cronbach's alpha score as 0.818, with a mean response of 4.087 (SD=0.712). All the study variables were measured using the five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire was presented to the respondents in English.

4 Data Analysis

Descriptive analysis was conducted before assessing the study variables' convergent and discriminant validity and testing the study's hypotheses. The results of the descriptive analysis are presented in Table 2.

All the items of the study were evaluated, employing a continuum of 1 to 5 scales. The data was reliable, as all the constructs of the study exhibited Cronbach's values above 0.70 (See Table 2), thereby demonstrating reliability and consistency (Nunnally, 1978).

4.1 Exploratory Factor Analysis

The sampling adequacy was ensured by employing Kaiser-Meyer-Olkin (KMO). The KMO results are presented in Table 2. The Eigenvalues of all the variables were greater than the floor level. i.e., > 1. Moreover, the Bartlett's Test of Sphericity for all the study variables was significant.

Table 1. Constructs and Measures

Construct	KMO	Bartlett's Test of Sphericity			Eigen Value	Percentage of Variance Explained
		Approx. Chi-Square	Df	Sig.		
Human Capital	.810	1539.30	733	.000	8.380	29.009
Person-Organization Fit	.749	2492.20	733	.000	1.396	61.864
Competitive work environment	.894	2858.70	733	.000	4.465	88.177

Source: Author's analysis

We conducted EFA on account of the following reasons. First, CFA may neglect potential cross-loading of individual construct items (Thorgren et al., 2013); we consulted EFA for the study variables to ensure that no such problems were present. The results exhibited no cross-loading, supporting the adequacy of the measurements used to test the hypothesized relationships. Second, we used EFA and varimax rotation as a compliment (Thorgren et al., 2013)

for model fit assessment in the measurement model. The results evidenced no cross-loadings and that three clear factor structures were defined with only human capital, person-organization fit, and competitive work environment items.

The factor analysis was conducted after ensuring sampling adequacy. The EFA exhibited a three-factor structure of the data. The results of factor analysis and reliability are presented in the Table 2.

Table 2. Factor analysis, descriptive and reliability results of the constructs

Factor	Items	Mean	SD	Factor Loadings	Cronbach's alpha
Human Capital	HC1	3.785	0.727	0.767	0.832
	HC2			0.675	
	HC3			0.841	
	HC4			0.789	
	HC5			0.693	
Person-Organization Fit	POF1	4.087	0.712	0.814	0.818
	POF2			0.784	
	POF3			0.760	
Competitive work environment	CWE1	4.118	0.779	0.794	0.921
	CWE2			0.829	
	CWE3			0.659	
	CWE4			0.765	
	CWE5			0.825	
	CWE6			0.798	
	CWE7			0.890	
	CWE8			0.920	
	CWE9			0.578	
	CWE10			0.687	
	CWE11			0.734	
	CWE12			0.623	
	CWE13			0.789	
	CWE14			0.702	
	CWE15			0.873	
	CWE16			0.898	
	CWE17			0.761	
	CWE18			0.946	
	CWE19			0.927	
	CWE20			0.879	

Source: Author's analysis.

Notes: HC denotes human capital, POF denotes person-organization fit, CWE denotes competitive work environment.

EFA was conducted to verify the factor-item composition. To determine the study's constructs, EFA was done by employing the Principal component analysis-based extraction joined with rotation as varimax. The factor loadings for all the factors fall above the floor criteria of 0.50 (Guadagnoli and Velicer, 1988). Moreover, the study variables' cumulative variance explanation was 88.177%, which is above the minimum required level as per the variable-factor ratio (Costello and Osborne, 2005). The EFA results provided three constructs with 28 items. The twenty items loaded on the competitive work environment construct including five dimensions, five items on human capital (HC), and three items on the person-organization fit (POF) construct. The reliability of all the individual constructs was good as the value for Cronbach's alpha for these constructs falls in the range of 0.818-0.921, which is well above the threshold level of 0.70 (George and Mallery, 2003).

4.2 Confirmatory Factor Analysis

The data-model fit was exhibited by using absolute and incremental fit indices. The absolute fit indices of GFI (0.945) and RMSEA (0.032) and incremental fit indices of AGFI (0.865), TLI (0.967), and CFI (0.973) indicated a good fit. The factors explored during EFA were confirmed by employing confirmatory factor analysis. Confirmatory factor analysis (CFA) of the proposed model was done using structural equation modeling. The CFA confirmed all the factors explored through EFA. Specifically, the proposed model comprises three latent variables: human capital, person-organization fit, and competitive work environment.

4.3 Convergent and Discriminant Analysis

The convergent and discriminant analysis exhibited that the study constructs are separate and distinct from each other and that the items under each scale converge towards each other. Hence, conforming the convergent and

discriminant validity. Cronbach's value was above 0.7 for all the constructs of the study. The convergent validity of the study constructs was confirmed by the average variance explained (AVE) and construct reliability (Hair et al., 2006). The AVE was higher than 0.5 for all the constructs of the study. Moreover, the construct reliability for all the individual constructs was significantly greater than their respective AVE.

Table 3. Reliability and validity for individual constructs

Constructs	Items	Factor loadings	(CR)	(AVE)	(MSV)	(ASV)	Discriminant Validity (HTMT)
Human Capital	HC1	.837	0.832	0.585	0.435	0.297	Ensured
	HC2	.756					
	HC3	.706					
	HC4	.745					
	HC5	.834					
Person-Organization Fit	POF1	.788	0.818	0.645	0.456	0.283	Ensured
	POF2	.859					
	POF3	.887					
Competitive Work Environment	CWE1	.694	0.897	0.682	0.548	0.253	Ensured
	CWE2	.893					
	CWE3	.829					
	CWE4	.904					
	CWE5	.819					
	CWE6	.784					
	CWE7	.720					
	CWE8	.722					
	CWE9	.910					
	CWE10	.886					
	CWE11	.889					
	CWE12	.833					
	CWE13	.892					
	CWE14	.892					
	CWE15	.655					
	CWE16	.877					
	CWE17	.925					
	CWE18	.915					
	CWE19	.872					
	CWE20	.861					

Note 1: AVE refers to Average variance estimate, MSV implies Maximum shared variance, ASV means Average shared variance and CR means composite reliability.

Note 2: POF denotes person-organization fit, HC denotes human capital, CWE denotes competitive work environment.

The entire construct's discriminant validity was ensured by maximum shared variance (MSV) and average shared variance (ASV). The MSV and ASV values for all the individual constructs were lower than their respective AVE, signifying discriminant validity.

Moreover, common method variance (CMV) may be present as the data was collected from the same source at one point of time. To tap the potential of CMV, we randomized the question order, "complex syntax" and "double-barreled" items were circumvented to ensure simplicity at the data collection time (Podsakoff et al., 2003; Craighead et al., 2011). Further, Harman's single-factor method was used to ensure the absence of CMV. The results exhibited that no single factor contributes more than 40 percent of the variance (see Table 1), confirming that the problem of CMV was not present (Podsakoff et al., 2003).

4.4 Structural Model

The structural model for the study offered the causal associations among the three variables. A maximum-likelihood procedure was used to estimate the structural equation model.

A satisfactory model fit was illustrated by all the indices for example, CMIN/Df= 2.56, GFI=0.973, AGFI= 0.967, CFI=0.986, TLI=0.979, RMSEA=0.035, RMR=0.04). The standardized path coefficients (β) for all the significant paths of the conceptual model are presented in Table 4.

The results of the study exhibit a significantly positive relationship between HC and CWE (β = 0.358, CR = 7.685, p-value <.001) and POF and CWE (β = 0.195, CR = 2.913, p-value <.001).

Table 4. Hypotheses Testing Status

Hypothesis	From	To	(β) value	CR	Results
H1	Human Capital	Competitive Work Environment	0.358	7.685***	Supported
H2	Person–Organization Fit	Competitive Work Environment	0.195	2.913***	Supported

Note 1: *** Signifies $P < .001$

4.5 Moderating Effect of Person–Organization Fit on the Association Between the Human Capital and Competitive Work Environment

Again, the Hayes approach (Hayes, 2017) was employed to investigate the moderating effect of person–organization on the relationship between human capital and a competitive work environment. Table 5, Table 6 and Figure 2 exhibits a significant moderating role of person–organization fit between the HC and CWE.

Table 5. Model 1 Summary

R	R-sq.	F	P
.5792	.3354	8.6213	.0000

Outcome Variable: Competitive work environment

Table 6. Model 1

	Coefficient (β)	T	p
Constant	5.0096	2.2543	.0218
HC.	.7832	3.6597	.0030
POF.	.4998	2.3035	.0105
Int_1	.0351	.7639	.0227

Note 1: Product terms key: Int₁ : HCxPOF. Note 2 : OutcomeVariable : Competitiveworkenvironment(CWE).

Note 3: $p < .05$

Table 6 presents a significantly positive moderating impact of POF on the association between the HC and CWE ($\beta = .0351$, $t = .7639$ and $p < .05$). Supporting the statistics, Figure 2 posits that the higher the person–organization fit, the higher is the strength of association between the HC and CWE. Hence, supporting Hypothesis 4.3. From the above statistics and pictorial data, it can be seen that person–organization fit significantly moderates the HC – CWE relationship in a positive direction.

5 Discussion

The study was conducted based on three–fold aims: first, to investigate the impact of human capital on the CWE, second to investigate the impact of person–organization fit on the competitive work environment, and third, to shed light on person–organization fit as a moderating variable between the human capital and competitive work environment.

Structural equation modeling was used to investigate the impact of human capital and person–organization fit on the employer of choice organizations' competitive work environment. The results show that human capital and person–organization fit significantly and positively impact the competitive work environment of an employer of choice (see, e.g., Table 4). Thus, our findings are in sync with the literature (Stone, 2001; Lapierre and Giroux, 2003; Kristof–Brown and Guay, 2011; Faggian et al., 2017; Ivanova et al.; Ratzenböck, 2020).

Moreover, the Hayes process (Hayes, 2017) was employed to attain the last objective of the study related to the moderating role of the person–organization fit between human capital and competitive work environment. The study results depict the dependency of the human capital on the person–organization fit to enhance the competitiveness of the work environment. It means person–organization fit is necessary for strengthening the relationship between human capital and a competitive work environment. Therefore, Hypothesis 3 is supported, which signifies that person–organization fit moderates the association between the human capital and competitive work environment so that an increase in person–organization fit strengthens the association between the human capital and the competitive work environment and vice-versa. These results are in sync with the literature (see e.g., Chen et al. (2019); Ratzenböck (2020)).

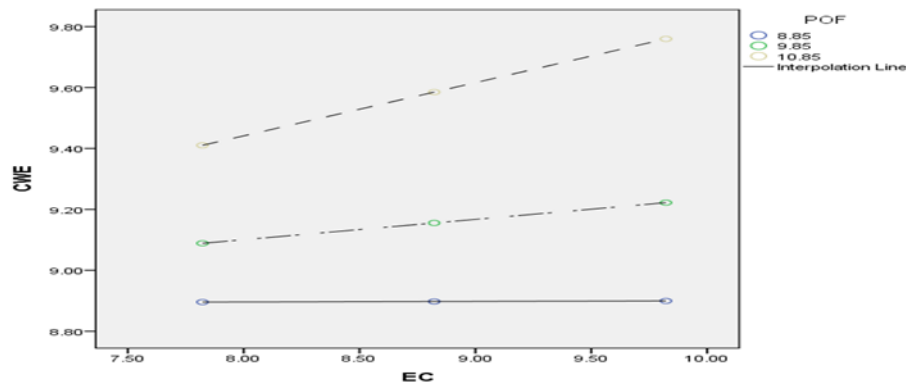


Figure 2. Moderating effect of person-organization fit (POF) on the Human capital (EC) – competitive work environment (CWE)

5.1 Implications of the Study

This study made some significant contributions to the existing literature. The theoretical and practical implications of the present study are discussed below.

5.1.1 Theoretical Implications

This study signifies the importance of studying an employer of choice, competitive work environment, human capital, and person-organization fit. This study is unique because it is the first attempt to study the competitive work environment, human capital, and person-organization fit in a combined framework. It provides a broad view of the prognosticators of the competitive work environment, which has implications for HRD and OB research and practice. This research study made some theoretical contributions. First, this study exhibited the human capital and person-organization fit as the significant prognosticators of a competitive work environment. Second, this study investigated the moderating role of person-organization fit in the human capital- competitive work environment relationship. The results of this study posit person-organization fit is essential for strengthening the association between human capital and the competitive work environment of an organization. The organizations focusing on maintaining better person-organization fit ensure the retention of the best talent. It helps an organization manage the human capital, the non-owned asset of an organization, which eventually ensures the greatest outcomes, such as innovation, creativity, and higher performance. When employees perceive a better fit with the organization, their effectiveness and efficiency enhance, leading to increased performance. Further, a congenial work environment enhances employees' learning and creativity capacity, ensuring an organization's better human capital and competitiveness.

5.1.2 Practical Implications

The study exhibits some important practical implications. First, the study results posit that human capital is a crucial predictor of the competitiveness of the employer of choice organizations. This accentuates the significance of human capital development for an organization to become the employer of choice by attracting and retaining the best industry talent. Besides, an organization needs to present itself as a unique employer in the marketplace and attain a wide range of benefits like attract quality talent, enhance demand for its offerings, and the like. Quality talent ensures better human capital within the organization. Besides, the organization's implementation of human capital development practices also ensures human capital development, which eventually facilitates competitiveness (Rastogi, 2000). Thus, organizations should focus on human capital development to enjoy a competitive advantage.

The results also highlight the significance of person-organization fit in ensuring the competitiveness of the work environment. It means that the fit between the employees and the organization is essential for an employer to develop and foster a competitive work environment. Besides, POF can, via employees' positive word of mouth, also help employers attract potential employees at a lower cost due to lower recruitment and selection costs (Ghielen et al., 2020; Muduli and Trivedi, 2020). Moreover, employees' positive word of mouth has been considered the potential influencer of organizations' employer of choice status.

This study accentuates the importance of employing the employer of choice status by an employer to promote competitiveness in the workplace since competition is the backbone of modern businesses to attain uniqueness. The competitiveness at the workplace leads to an increase in the performance, productivity, and profitability of an organization. Moreover, this study emphasizes the importance of tailoring person-organization fit with the human capital towards promoting competitiveness in the workplace. The employees' competitive and innovative work behavior and other positive work outcomes are enhanced when employees feel a good fit with their employer

of choice (Afsar, 2016; Wahyudi et al., 2019). It will also lead to the spread of positive word of mouth or electronic word of mouth among potential employees. The positive word of mouth will attract the potential talent towards the employer and thus endow a plethora of benefits. For example, when employees are willing to apply for and join an employer, the quality of the applicant pool is enhanced, time consumption is less, and recruitment and selection costs are low (Chandani and Bashir, 2018; Ghielen et al., 2020; Muduli and Trivedi, 2020; Tumasjan et al., 2020). This is appropriate for all the organizations, irrespective of their nature – large scale or small scale; urban or rural; manufacturing or service. Specifically, this is pertinent to newly established organizations or employers who need to promote their brand and attract and retain quality talent. These findings have great relevance to the present times as the world is loomed by the pandemic. The businesses have suffered great losses in terms of low employee presence at the workplace, keeping in view social distancing, low production, and low demand for the products, which has decreased businesses' revenue. The bounce-back of these businesses highly depends on human capital, which in turn needs cost in terms of human capital development (HCD) practices and recruitment of quality talent. These costs can be reduced significantly if the existing employees have compatibility with the organization and potential employees are willing to join (Chandani and Bashir, 2018; Muduli and Trivedi, 2020; Tumasjan et al., 2020). Further, the better fit between the employees' and the organization is the significant predictor of organizational performance (Soltis, 2015).

When designing organizational policies and interventions, it is fully possible to account for these implications. Besides, looking only at external goals, it may be equally important to consider how competitiveness/ uniqueness is attained when considering POF and other interventions for human capital development. This would exhibit organization's care for employees, which in turn will promote the status of an organization as an employer of choice. Another possible action would be to ensure advanced training to facilitate unique human capital and take a closer look at employees' job requirements to detect whether they can be fulfilled, ensuring a better POF. For an organization to detect the fit between P-O, employee surveys may provide fruitful results.

There are numerous touchpoints that an organization's representatives, such as line managers, should take cognizance of while employing different tactics for enhancing POF and eventually 'employer of choice' status. This study indicates that POF is the strongest predictor of employee engagement. The pride factor of being associated with an employer of choice that prioritizes POF and the inspiration that an employee draws from it can drive him/her to provide extra effort to ensure work culture via the production of unique products and services.

The results of this study may also be read in concurrence with research that posits that better POF leads to improved human capital (Wei 2015) and has a strong correlation with employee innovativeness (Wojtczuk-Turek and Turek, 2016), a significant contributor towards the competitiveness of an organization. Though the challenges of practical implementation, it would be great to design and implement different interventions to ensure and enhance employee passion, which will enable employees to contribute towards the organization's uniqueness, such as via innovative ideas about company offerings. Furthermore, it is also proven that P-O fit accounts for a greater variance in competitive advantage (Obloj). Therefore, providing P-O fit can support improved organizational competitiveness.

In line with this study's results, employees' reciprocate the positive interventions of the organization via offering extra efforts to attain organizational goals (Settoon et al., 1996). That provides a unique employee inclination towards the organization (Tanwar, 2017), thereby enhancing employees' perception of P-O fit, strengthening the association between human capital and other organizational outcomes (Wei, 2015).

5.2 Limitations and Directions for Future Research

Though this study made commendable contributions to the existing literature, yet it was associated with some limitations. First, the present study employed a cross-sectional design that restricts the ability to draw causative conclusions. Future studies can, therefore, use longitudinal data to come up with more vibrant results. We employed cross-sectional data as the longitudinal data are rarely employed to test moderation due to time and resource constraints.

Second, though significant contributions were made by exploring the moderator variable in the present study, more variables such as ergonomics, gender, and the psychological contract can be tested for the mediation or moderation between the study variables. It will enhance the vibrancy of the study results.

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