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## **Determinants of Potential Employer Selection Decision of Final Year Management Undergraduates in Sri Lankan State Universities**

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### **Abstract**

The purpose of this descriptive study is to examine the determinants of the selection of the first employment by final year management undergraduates in Sri Lankan state universities. Interest value, social value, economic value, development value and application value have been considered as the independent variables for the study. To investigate the potential employer selection decision of management undergraduates, 345 final year management undergraduate students from university of Sri Jaywardenepura, University of Colombo, University of Ruhuna and University of Sabaragamuwa were surveyed. The collected data is analyzed by using statistical package for social sciences (SPSS), whereby the demographic data are analyzed using descriptive statistics, while the hypotheses are tested by using correlation analysis and regression analysis. The research findings showed that four determinants, which are interest value, social value, development value and application value, have a significant positive relationship with potential employer selection decision, while the economic value has no positive significant relationship with the dependent variable. The results of this study are expected to aid corporate recruiters, so that more competent candidates can be attracted; university's management faculty and career advisors so that the recruiting schedules could be better tailored to appropriately match students' preferences; also, professional bodies in the formulation of strategies to achieve a desired number of managerial professionals.

**Keywords:** Application value, Development value, Economic value, Interest value, Management undergraduates, Potential employer selection decision, Social value

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### **1. Introduction**

The field of Management is a deliberately vital train to get by in the globalized business condition (Mingers, 2000). As a creating nation like Sri Lanka, there is a tremendous interest in administrative experts to offer help for financial development and adding to achievement of unstable business condition (Liyanage, 2013). To fulfill that demand, University student

intake for the management degree has also dramatically increased (University admission handbook, 2017-2018). In that sense, at the later part of university academic life, a significant number of undergraduates will take their potential employer selection decision. The major difficulty the corporate sector has is to attract the most suitable and competent applicants to their organizations (Demagalhaes, 2011). When considering talent as the competitive priority, an organization has to initiate attractive and strategically sound branding campaigns to attract candidates. When firms design their branding campaigns in a global market, awareness of how to attract the most suitable candidates before their competitors is crucial (George Bohlander & Scott Snell, 2013).

To fulfill the need for the managerial skill of organizations, undergraduates have to enter the corporate world (Chong, 2013). Before entering, they have to make their potential employer selection decision (Chong, 2013). The objective of this study is to explore the factors or determinants that affect an undergraduate's potential employer selection decision. More researchers have paid their attention to this question. The potential employer selection decision can be defined as the undergraduates' preference in accepting one company's employment offer over another (Charalambos, 2004). When analyzing the above definition, it is important to understand the reason for preference of one company over another. To explore the reasons, organizational recruiters have to examine priorities of undergraduates and then execute a proper comparison between their organization, and undergraduate requirements to identify whether there is a proper fit. If there is no proper fit, corporate recruiters have to better tailor the organization to increase the attractiveness for applicants (Charalambos, 2004).

Thus, the purpose of this study is to explore determinants of potential employer selection decision of final year Management undergraduates in Sri Lankan Context. In addition, the general question of this study is to identify, what are the determinants of potential employer selection decision of final year management undergraduates? In order to find out answer for the above research question, the general objective is to identify the determinants of potential employer selection decision in final year management undergraduates.

### **1.1. Research Problem**

Sri Lankan undergraduates' context is a vast area. In that context, there are approximately one hundred and ten different degree programs in state universities (University admission handbook, 2017-2018). Among them, management undergraduates are a significant percentage from total Sri Lankan undergraduates. It is nearly 15% from total yearly intake (University admission handbook, 2017-2018). Most of the management undergraduates would like to start working in the corporate setting. They hope to play a large role at their

future employment immediately (Borchert, 2002). Further, management undergraduates are more familiar with theories, and practices related to the organizational setting when compared to other undergraduates (David, 2013). Therefore, employers need to pay much attention to attract the right pool of candidates to achieve their organizational goal and objectives. To do that, the employer has to identify how they can attract the potential employees. Hieronimus (2005) emphasized the need for companies to determine which attributes are the most important to specific types of potential employees.

There is an intense competition in employers to attract talent towards them (Bundy & Norris, 1992). According to Bunddy and Norris (1992), this competition arises due to employers having a lack of understanding of the factors that management students consider when selecting their potential employer. Therefore, the lack of understanding regarding factors that influence undergraduates' potential employer selection decision, successful transition into the labor market is critical (David, 2013). The researcher interviewed some corporate recruiters, and according to their view turnover of fresh graduates' is significantly higher than other employees. According to their exit interview results, corporate recruiters believe this turnover is due to fresh graduates not being satisfied with what company offers them.

Moreover, when considering the knowledge gap, researcher found inconsistency in findings. According to time, culture and context findings are inconsistent determinants (Newton, 2001; Turban, 2001; Lievens, 2003; Robertson B. J., 2011; Arachichige & Robertson, 2013). When previous studies are considered, the majority of studies have been conducted in developed countries, and there exists a lack of studies in the context of developing countries. Therefore, the ability of generalization of the research findings in the context of developed countries is very low when compared to the context of developing countries, due to changes in technology, culture, work patterns, and economy.

## **2. Review of the relevant literature**

### **2.1. Potential employer selection decision**

Potential employer selection decision can be defined as undergraduates' preference of accepting one company's employment offer over another (Charalambos, 2004). Moreover, it is stated that the most attractive criteria will be the undergraduates' motivators for the selection of a particular job over another (Millar, 2009).

Potential employer selection decision can be seen as the students' preference in accepting one company's employment offer over another (Iacovou and Thompson, 2004). The most attractive criteria will be the students' motivators to select a particular job over another (Millar and Baloglu, 2009). Therefore, it is important for human resource personnel to

understand how to attract the ideal candidates and how to make their job offers accepted by qualified and the best job applicants (Michaels et al., 2001), since this will help lead to higher work performance (Evers et al., 2005), and reduce employee turnover (Novick et al., 2005), and in turn, save the recruiting costs for companies.

## **2.2. Interest Value**

Innovative, challenging and stimulating work practices ensure interest value (Berthon, 2005). In some studies, interest value is introduced as diversity value (Tobias, 2011). Prior studies labeled interesting job characteristics as the best predictor of overall job satisfaction, whilst “challenging tasks”, and a “broad variety of tasks” have also been found to be positively related to employer satisfaction and attractiveness (Sari, 2004). Moy and Lee (2002) define working environment as the conditions relating to the job environment of the workers. These may include working hours, paid holidays, safety, rest periods, free uniforms etc. The skills needed to find a job, and factors important in selecting a job after completing business courses were examined by Bathula and Karia (2011). They used a questionnaire to collect data from 92 International students. Both descriptive (means and standard deviations), and influential (one-sample t-test) statistics were used for data analysis. The survey findings showed that a friendly working environment was one of the most important factors when choosing a job. Yeung, and Yuan (2008) determined job characteristics that influence job seekers’ decisions in the Greater China region. 500, 300, 400 and 200 copies of the questionnaire were distributed among graduating students at universities in Xian, Shanghai, Taiwan and Hong Kong respectively. The survey findings, using conjoint analysis, showed that job seekers placed greater importance on working environment when selecting a job.

## **2.3. Social Value**

Social value implies the extent to which a potential employee is attracted to an employer, who provides a working environment that is fun, happy, provides good collegial relationships, and a team atmosphere (Berthon, 2005). According to established literature, social value is also directly linked with employee attitudes (Sari, 2004). Further, social environment has been cited to make a positive impact on employee commitment, and construct strongly related to employee identification with the company, which in turn leads to attraction and retention of employees (Avery, 2007).

Employer or organizational reputation, in general, is a perceptual representation accompanying past actions and future prospects that describes the firm’s overall appeal to various stakeholders and constituency groups (Fombrun, 1996). According to Clardy (2005), a reputation is a representation or an image of an organization held by either external people

or members of the organization or both. A research was undertaken to investigate whether organizational reputation, corporate social performance, and interviewer behavior have influence on college job applicants' intention to refuse the job offer (Liu, 2010). Apart from in-class data collection, data was also collected online, of all the undergraduate students of University of Missouri. The results of the independent sample t-test supported the hypothesis that good organizational reputation decreases college job applicants' intention to refuse job offers.

## **2.4. Economic Value**

When considering economic value, it is basically found that an individual takes the potential employer decision based on the benefit package he or she can obtain including both financial and non-financial benefits (Khabir, 2014). Most of the studies revealed that economic value is highly related to employee attitudes, and it is directly leads to job satisfaction (Beutell, 1999). Further, benefits are the most prominently stated factor in every study which is related to the potential employer selection decision (Weathington, 2008).

Moy and Lee (2002) state that the payment to an employee for his services, on hourly, daily, weekly basis, or by the piece, defines the economic value. It also includes bonuses and incentives. Benefits may include medical, dental, and/or disability insurance, vacation, paid sick leave, pension provided to the employees by the employer in addition to salary (Moy & Lee, 2002). Ghani et al. (2008) sought to identify respondents' preferred accounting career, their career exposure, to be the factors perceived to be important for, and acquisition qualities of an accountant. 802, out of 1500, questionnaires were gathered from lecturers in charge of first and final year university students. The t-test analysis showed that salary was one of the factors perceived to be important for an accountant. Hums and Judd (2006) have conducted a study to examine the factors influencing the willingness of sport management faculty to accept new positions, and the likelihood of leaving their current positions. 427 faculty members teaching in sport management programs in North America were surveyed using self-administered questionnaires. The results of multiple regression analysis revealed that salary was one of the most important factors that affected the likelihood of taking a new job.

## **2.5. Development Value**

Development value is used to assess the extent to which a potential employee is attracted to an employer that career enhancing opportunities and a springboard to future employment. This category refers to variables such as "good training opportunities", an "empowering environment", and a "good mentoring culture" (Schlager, 2011).

Career development is long-term career prospects relating to employee development. It deals with how the organizations provide opportunities for employee progress and promotion (Moy and Lee, 2002). A study was conducted to evaluate the job selection criteria of economics final year students in University Utara Malaysia (Lim & Soon, 2006). 307 survey questionnaires were collected from these students. This research, using Wald test and general specification test, found that long-term career prospect was the most important job selection criterion. Demagalhaes et al., (2011) have done a study to assess the relative importance of extrinsic, intrinsic, and other employment factors influencing students' employment choices. The students' views were compared with those of the practitioners. The survey questionnaires were distributed to the accounting students enrolled at the University of North Dakota and audit and tax professionals from Eide Bailly LLP, a regional accounting firm. The survey's results, analyzed using Chi-Square tests, revealed that both groups agreed that the opportunity for advancement with an employer is the most important factor.

## **2.6. Application value**

Application Value means the Appreciate learning culture, knowledge sharing, opportunity to apply expertise and humanitarian culture (Berthon, 2005).

# **3. Methods**

## **3.1. Research Method**

In order to examine the determinants of potential employer selection decision among undergraduates, a descriptive research design based on the quantitative approach has been used. This research is a cross-sectional, quantitative study investigating whether factors including application value, economic value, social value, development value and interest value, were related to potential employer selection decision. The research approach was deductive or quantitative, as testing an existing theory to confirm whether the theory was applicable in research context through data collection, analysis, and interpretation of results. To do this, information was gathered from final year undergraduates following the Management degree in Sri Lankan state universities. Data collected from the four state universities such as University of Sri Jayawardenepura, University of Colombo, University of Ruhuna and University of Sabaragamuwa. The quantitative survey method was chosen, since it allows the collection of a large amount of data from a large population in a cost-effective manner (Rizkallah et al., 2015). In order to do that, a self-administered questionnaire tool has been used with proper scale and scope. Then the responses were statistically analyzed using SPSS version 20.

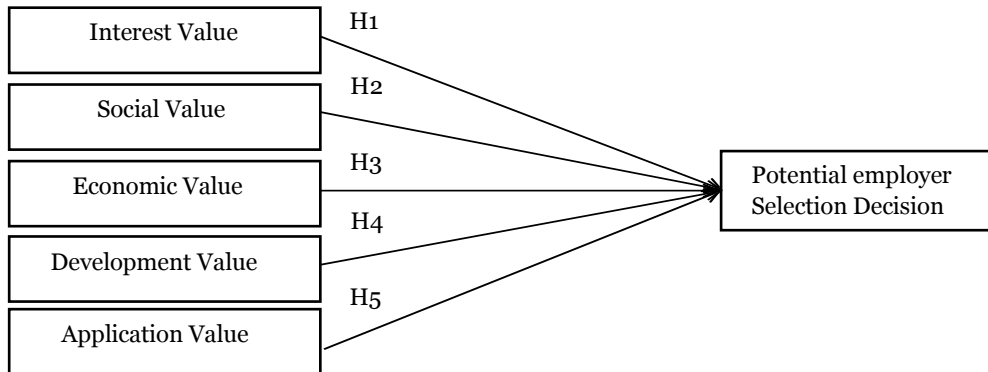


Figure 1: Conceptual Framework

After conducting an extensive literature review, above mentioned five hypotheses have been formulated to cover the scope of the study. They were formulated by considering previously done research studies.

H1: There is a significant positive relationship between interest value and potential employer selection decision.

H2: There is a significant positive relationship between social value and potential employer selection decision.

H3: There is a significant positive relationship between economic value and potential employer selection decision.

H4: There is a significant positive relationship between development value and potential employer selection decision.

H5: There is a significant positive relationship between application value and potential employer selection decision.

### 3.2. Questionnaire design

Questionnaire was designed consisting of seven sections based on the hypotheses. Figure 1 shows the conceptual framework developed, in order to get clear idea about the relationship between those factors (Dorner, 2012; Chatchawan et al., 2017; Monteiro et al., 2016). Here, potential employer selection decision acts as the dependent variable, and all others are independent variables. In the questionnaire, respondent has to fill their gender, university, specialization area and source of monetary income. The remaining questions were provided with several options. Five-point Likert-scale was used to capture responses from the undergraduates, which allowed them to mark their level of agreement as strongly agree, agree, neutral, disagree, and strongly disagree. After the confirmation of the questionnaire, a pilot test was conducted by giving the questionnaire to 20 undergraduates. They were invited

to complete the survey, to comment on whether the questionnaire is legible, understandable, and any other comments to improve the design and content of the questionnaire. After that, some modifications were done according to the comments.

## 4. Data analysis and results

### 4.1. Demographic analysis

Demographic analysis was done while considering the frequencies of demographic variables. A dataset consisting of 345 valid responses was used to conduct the analysis. Out of 345 responses, 70.4% and 29.6% represented female and male respondents respectively. Most of the respondents were from University of Ruhuna, which was 27% of total responses. When considering the specialization area of undergraduates, majority specialized in Accountancy, which was 38 % of the total responses, 735% specialized in Finance, 17.1 % from the field of Marketing, 31.6% were from Human Resource Management specialization area, and 5.8 % were from the field of Entrepreneurship. When considering the monetary source of income, almost 33.5% of the respondents are granted Mahapola, and a small number of undergraduates stated to have other monetary sources.

### 4.2. Measurement model assessment

Before doing descriptive, correlation and regression analysis, it is important to assess the measurement model. For that, reliability of the questionnaire has been checked. Kaiser–Meyer–Olkin (KMO) coefficient and Bartlett’s test of sphericity (BTS), were used to assess the measurement model. Sampling adequacy is measured by using KMO value. BTS is a statistical test used to test overall significance of correlation. Criteria: 0.90s-marvellous, 0.80s-meritorious, 0.70s-middling, 0.60-medicore, 0.5s-miserable and below 0.5 is unacceptable (Kaiser, 1974). Table 1 depicts that KMO value is 0.796, which is a meritorious value and BTS also indicated a strong value.

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.796
Bartlett's	Test	of	Approx. Chi-Square
Sphericity			870.442
		Sig.	.000

Source: Survey data (2018)



The values of Cronbach's alpha is depicted in Table 2. As all the values were above 0.7, it was confirmed that reliability of the questionnaire was in an acceptable state.

Table 2: Reliability statistics of variables

Variable	Cronbach's alpha
Interest Value	0.747
Social Value	0.762
Economic Value	0.802
Development Value	0.722
Application Value	0.733
Potential Employer Selection Decision	0.834

Source: Survey data (2018)

### 4.3. Correlation analysis

To analyze the relationship between interest value, social value, economic value, application value and potential employer selection decision, Pearson Correlation matrix was used as shown in Table 3. Many indicators were used to determine the influence of factors over potential employer selection decision. From the data, it was found that all the independent variables have a positive correlation with potential employer selection decisions with control effect.

However, the values are not sufficiently significant to prove that gender, university, and specialization area have an effect on potential employer selection decision. Monetary source and range of monetary income have a significant impact on potential employer selection decision as a control variable.

In this study, the objective is to test the relationship of interest value, social value, economic value, development value, and application value with the potential employer selection decision. As mentioned above, there is an effect of control variables on potential employer selection decision. In order to examine the effect of the interest value, social value, economic value, development value, and application value on the potential employer selection decision, the effect of control variables must be controlled. Therefore, after controlling the control variables, especially the effect of the gender, university, area of specialization, monetary source and range of monetary income on the potential employer selection decision, the results can be depicted in the following table (4).

Table 3: Correlations with Control Effect

	PESD	IV	SV	EV	DV	AV	Gender	University	Specialization Area	Monitory source	Monitory income
PESD	1										
IV	0.142*	1									
SV	0.328**	0.434**	1								
EV	0.071	0.592**	0.368**	1							
DV	0.318**	0.495**	0.491**	0.512**	1						
AV	0.334**	0.66**	0.551**	0.513**	0.47**	1					
Gender	0.001	-	-	-	-	-	1				
University	0.078	0.297**	0.231**	0.501**	0.45**	0.314**	0.3**	1			
Specialization Area	0.057	0.386**	0.175**	0.408**	0.26**	0.265**	-0.05	0.01	1		
Monitory source	0.17**	-0.112	0.087**	0.042	0.12	-	0.184**	-0.1	0.13	1	
Monitory income	0.239**	0.133	0.081	0.301**	0.056	0.091	-0.20**	-0.1	0.13	0.06**	1

Source: Survey data (2018)

Note: IV- Interest value, SV- Social value, EV- Economic value, DV- Development value, AV- Application value, PESD- Potential Employer Selection Decision

#### 4.4. Correlation analyze without control effect

Table 4: Correlation Analyze Without Control Effect

	PESD	IV	SV	EV	DV	AV
PESD	1					
IV	0.147*	1				
SV	0.325**	0.376**	1			
EV	0.055	0.481**	0.271**	1		
DV	0.374**	0.418**	0.422**	0.363**	1	
AV	0.35**	0.578**	0.522**	0.409**	0.4*	1

Source: Survey data (2018)

Notes: N=345, PESD= Potential Employer Selection Decision, IV= Interest Value, SV=Social Value, EV= Economic Value, DV= Development Value, AV= Application Value,  $p^{**}<.01$ ,  $p^{*}<.05$

The correlation between the variables is important to find out the relationships between them. The correlations of the interest value, social value, economic value, development value, application value, and potential employer selection decision are given in Table 4. According to the above table, there is a significant positive relationship between the interest value, social value, development value, application value, and potential employer selection decision. When it comes to economic value, there is an insignificant positive relationship with the potential employer selection decision ( $0.055$ ,  $p>0.05$ ).

#### 4.5. Regression analysis of study variables

The regression model can be depicted by this equation ( $Y = \alpha - \beta^1 \times^1 + \beta^2 \times^2$ ). In that model  $\beta$  value or coefficients of partial regression is the percentage of the variance in potential employer selection decision (Dependent variable) that is explained by interest value, social value, economic value, development value, application value (Independent variables). Similarly, the standardized regression coefficients explain the variance in potential employer selection decision that is explained by interest value, social value, economic value, development value or application value.

Table 5: Regression Coefficient

	Unstandardized		Standardized	t	Sig.
	Coefficients				
	B	Std. Error	Beta		
(Constant)	2.417	0.27		8.951	0.000
IV	0.164	0.074	0.156	2.202	0.028
SV	0.168	0.064	0.16	2.622	0.009
EV	0.15	0.048	0.198	3.108	0.002
DV	0.273	0.064	0.265	4.27	0.000
AV	0.304	0.066	0.325	4.581	0.000

Source: Survey data (2018)

Note: N=345, PESD= Potential Employer Selection Decision, IV= Interest Value, SV=Social Value, EV= Economic Value, DV= Development Value, AV= Application Value

The partial regression coefficients ( $\beta$ ), standardized beta coefficients, and t value are given in table 5. According to that table, partial regression coefficient for interest value is 0.164, 0.168 for social value, 0.15 for economic value, 0.273 for development value, and 0.304 for application value. This means that variation in one unit of interest value will result in 0.164 variations in potential employer selection decision. In other words, if one unit of interest value increases, the potential employer selection decision will increase by 0.164. Similarly, one unit of variation in social value will result in 0.168 variations in potential employer selection decision. In other words, if one unit of social value increases the Potential employer selection decision will increase by 0.168. Further, one unit of variation in economic value will result in 0.15 variations in potential employer selection decision. In other words, if one unit of economic value increases the potential employer selection decision will increase by 0.15. When one unit of development value variation, it leads to 0.273 changes in potential employer selection decision. Finally, one unit of variation in application value leads to 0.304 changes in potential employer selection decision.

Since the standardized beta coefficients is a good measure of the regression, there was 0.156 for the interest value, 0.16 for the social value, 0.198 for economic value, 0.265 for development value, and 0.325 application value. This means that, one unit of variations in interest value, social value, economic value, development value and application value will result to 0.156, 0.16, 0.198, 0.265 and 0.325 variations in potential employer selection decision. This reveals further that all the independent variables have a positive relationship with potential employer selection decision. In addition, all the relationships between the variables are significant ( $p < 0.005$ ), when it comes to significance. It can be said that at a 95% confidential level.

#### 4.6. Model Fit

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Change	Square F Change	Sig. F Change
1	.457a	0.209	0.197	0.40007	0.209	17.917	0.000

Source: Survey data (2018)

a Predictors: (Constant), IV, SV, EV, DV, AV

Since the model gives an assurance for the potential employer selection decision, it also important to find the overall predictive fit of the model. The predictive fit capacity is derived from the  $R^2$  it is 0.209 for the model.  $R^2$  is obtained from R, which is the correlation coefficient. The correlation coefficient R for this model is 0.457<sup>a</sup>. This value reflects the degree of the association between the potential employer selection decision and the five independent variables of interest value, social value, economic value, development value and application value. Further, Zikmund (2003) defines  $R^2$  as “the percentage of variance in the dependent variable that is explained by the variation in the independent variables”. According to table 5 and based on the definition of Zikmund (2003), there was 20.9% variation in potential employer selection decision from the five independent variables of interest value, social value, economic value, development value and application value.

Further, the adjusted  $R^2$  is taken in to consideration in order to reduce the inflation of  $R^2$  when adding more independent variables to the model. Since there are five independent variables, it is better to take the adjusted  $R^2$  for interpretation. Therefore, 19.7% of the is explained by the five independent variables used for this study. For this calculation, statistical assurance can be given from the F value. The F value is 17.947 and it is highly significant ( $p=0.000$ ). This means that the regression model is statistically significant; it can be said that at a 99% confident level that the potential employer selection decision is influenced by interest value, social value, economic value, development value and application value.

#### 4.7. ANOVA

Table 7: ANOVA

Model	Sum of Squares	Mean Square	F	Sig.
Regression	14.338	2.868	17.917	.000 <sup>b</sup>
Residual	54.259	.160		
Total	68.597			

Source: Survey data (2018)

In ANOVA table, researcher considered the significance level of F value. It was less than 0.05 ( $P=0.000$ ). It ensured that the model was statistically significant. In this case, since adjusted R square was a small value, research model is statistically significant.

## 4.8. Hypotheses Testing

There are four hypotheses in this study. It is evident that there is sufficient evidence to test the hypothesis from the data analysis results. The hypothesis testing information is summarized in the following Table (8).

Table 8: Hypotheses Testing

Hypothesis	Expected	Actual (observed)	Whether Supported/ Not	Values
H1: There is a significant positive relationship between interest value and potential employer selection decision.	Positive Relationship	Positive Relationship	Supported	r= 0.147*, Beta= 0.156*, t= 2.202
H2: There is a significant positive relationship between social value and potential employer selection decision.	Positive Relationship	Positive Relationship	Supported	r=0.325** Beta= 0.16*, t=2.622
H3: There is a significant positive relationship between economic value and potential employer selection decision	Positive Relationship	Positive Relationship	Not Supported	r=0.055 Beta= 0.198*, t=3.108
H4: There is a significant positive relationship between development value and potential employer selection decision.	Positive Relationship	Positive Relationship	Supported	r= 0.374** Beta= 0.265** t=4.27
H5: There is a significant positive relationship between application value and potential employer selection decision	Positive Relationship	Positive Relationship	Supported	r=0.35** Beta=0.325**, t= 4.581

Source: Survey Data (2018)

## **5. Discussion**

### **5.1. Relationship between interest value and potential employer selection decision**

According to findings of this study, there is a significant positive relationship between interest value and potential employer selection decision. This research finding complies with the prior research findings of studies such as Liu (2010), Chan and Ho (2000), and Montgomery and Ramus (2003). Literature supported that interest value was one of the most critical factors not only to attract, but also to develop and retain the talent pool with the company. If the job applicants find the reputation of a particular organization favorable, they would connect themselves to the organization in order to support their self-esteem.

For example, more often in Sri Lankan context, accounting students desire to join the 'Big Three' audit firms (Ernst & Young, PricewaterhouseCoopers and KPMG) for their internship company and/or their future employers. This culture that has developed among the accounting students not because of the high pay, but merely, due to their reputation in the financial industry. Working in reputed and innovative organizations may portray someone's abilities and standard to be above that of those who work in small and less reputed and less innovative companies.

### **5.2. Relationship between interest value and potential employer selection decision**

According to the findings of this study, there is a significant positive relationship between social value and potential employer selection decision. This outcome is consistent with prior research studies on this phenomenon, such as Bathula and Karia (2011); Ramasamy et al., (2008), Aycan and Fikret-Pasa (2003). However, according to Iacovou et al., (2004), the results revealed that job characteristics, including work culture, social networks and work flexibility, were affected by the experience of the respondents (undergraduate and graduate students). Company recognition was found to be more significant to undergraduate students; whereas to the graduate students perceived work culture and flexibility is more significant. These are supported the findings of the present study.

### **5.3. There is a significant positive relationship between economic value and potential employer selection decision**

The independent variable, economic value, was found to be not significantly related to potential employer selection decision. The relationship between economic value and potential

employer selection decision is recorded as a positive relationship. However, it is an insignificant value. This finding is contradictory to the past studies detailed in literature. Ghani et al., 2008, Mahony et al., 2006, and Aycan & Fikret-Pasa, 2003 found the economic value to have a significant relationship with job selection preferences. Most of these studies, however, were either targeted at Management students and/or not conducted in Sri Lankan context. Thus, the inconsistency of present study's results with those of the above studies might seem to be reasonable.

Besides, Dutta and Punnose (2010) state that the management graduates would prefer growth opportunities to short-term salary and benefits when making their choice of the first job, however, this result was not in agreement with past studies. Economic value was not the main concern of the undergraduate Management students since they might have realized that the average market rate for fresh graduates' pay is rather fixed. It is a market trend that the initial salary for them is low. What concerns them the most is the chance to gain more relevant practical experience, in order to obtain a membership of professional bodies such as MIA, ACCA, and CIMA.

#### **5.4. There is a significant positive relationship between development value and potential employer selection decision**

The findings of this study demonstrate that a significant positive relationship appears to exist between development value and potential employer selection decision. This result is consistent with that of the past studies including Lim and Soon (2006), Demagalhaes et al., (2011) and Iacobou et al., (2004), in which it was stated that development was a top criterion to consider for potential employer selection decision.

In this era of globalization most of the organizations are seeking to develop their business internationally, because of that management positions are gaining more fame worldwide. This is specially so in most of the countries that have already converged or are in the procedure of converging to the managerial concepts, making similar accounting standards and practices to be practiced throughout the countries. This has provided vast opportunities to management undergraduates to obtain a job overseas. As such, most of the respondents directed their concern towards the ability of the potential employer to provide them with training and development opportunities. Therefore, they can constantly upgrade and improve themselves with the most updated expertise, in order to compete in the global labour market. Thus, in the future, whether they will continue to be with the same employer, or change their employment, it is normally identified that 'employability security' is more vital than 'employment security' (Dany, 2003; Pang, Chua, & Chu, 2008).



### **5.5. There is a significant positive relationship between development value and potential employer selection decision**

According to the findings of this study, there is a significant positive relationship between application value and potential employer selection decision. Therefore, it is consistent with prior research study findings (Berthon, 2005). According to findings of the present study, management undergraduates appreciate learning culture, knowledge sharing, opportunity to apply expertise and humanitarian culture (Berthon, 2005).

## **6. Conclusion**

This study examined the factors affecting the potential employer selection of management undergraduates of Sri Lankan state universities. The study was conducted among 345 respondents by using a self-administered questionnaire. The findings of the present study reveals that only four factors, which are interest value, social value, development value and application value, are positively and significantly related to the dependent variable, potential employer selection decision. In contrast, the other variable, economic value is found to have no significant positive relationship with potential employer selection decision.

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