Effects of Circular Business Transformation on the Employer Attractiveness of Manufacturing Companies

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Effects of Circular Business Transformation on the Employer Attractiveness of Manufacturing Companies

Abstract

In this study we develop a model of how the *level of circular transformation* (LCT) in firms influences *employer attractiveness*. The model was tested on a sample of managers from 205 American manufacturing firms. We find that LCT has a strong and positive effect on employer effectiveness, and this effect is mediated through both organizational-level and employee-level variables. At the organizational level, *the extent to which sustainability is integrated in the brand positioning* mediates the effect of LCT on employer attractiveness. We find that this mediating effect is stronger for small firms than for large firms. At the employee level, LCT increases *employee commitment*, which in turn leads to higher levels of employer attractiveness. This positive effect of employee commitment on employer attractiveness is partly mediated by *staff word of mouth*. These findings represent novel insights into the mechanisms by which circular transformation affects employer attractiveness.

Keywords: Employer attractiveness, circular economy, circular transformation

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