

# Reviewing Internal Employer Branding: A Sustainable Employee Retention Management Strategy

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## ABSTRACT

**Purpose** – This conceptual article examines the merits of employer branding strategy in the human resource management field more specifically for managing employee retention. If we go in details the concept of branding has its root in the popular marketing strategy i.e. product branding in order to manage the customer relationship.

**Methods**– In this study, a purposive investigation has been done with the help of works of literature review mainly incorporating employer branding, talent management, corporate branding, employee retention, and strategic human resource management. For conceptual insight, all these specific topics have been reexamined in terms of their implications for the proposed framework i.e. internal employer branding efforts will affect talent retention and organizational performance.

**Findings**– The analysis of literature review and report findings clearly indicates that the strategic move of employer branding from marketing strategy towards human resources field is comprehensive and is very much integrated with various components of organizational attributes making it as an employer of preference. The major impact of employer branding can be observed and understood as the intangible organization's culture and employee's perceived benefits valuation in comparison to others. The unique strength of the particular organization as perceived by the employees based on factors such as psychological, social, developmental, economical, identification, work-life balance, and functional benefits finally results into a positive and stable employment relationship. Thus, in conclusion, it can be easily concluded that internal employer branding has the ability to control employee work-related attitude such as retention.

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## 1. Introduction

In general expressions, the term employer branding in the field of management can be defined as the process of differentiating the organization's image in the sense of the product or an organization to work with by creating a favorable brand identity and workplace in the mind of prospective and potential stakeholders (Hollensen, 2007). The concept of employer branding in the field of human resources has been acquired and reframed from the product branding strategy a marketing concept. Product brands are often driven by short-term approaches guided by advertising campaigns developed by marketers, whereas, employer branding is what basically a move towards sustainability. The overall objective of internal employer branding is deeply rooted in the core values and beliefs in the employee-friendly work environment and strong culture that bond the entire organization. In today's highly competitive and dynamic work context, every organization in spite of their size, type and location are trying and always in the quest, to hire talent, who can be an asset for the organization. Everywhere the "War of talent" is going on, and therefore, attracting and retaining the core employees group is now becomes a key strategic priority for every kind of organizations to survive and grow. In other sense, if the valuation of this employee retention strategy can be calculated in the paraphrase of economic worth, it is notable, that employee turnover cost is much more damaging and high in comparison to others in the field (Blake, 2006).

If we consider the value of employer branding and how much potential it holds in the field of human resources, it is very easy to trace the worth and importance of it, from many of the previous practitioners works (Zivnuska, Ketchen, and Snow, 2001; Ambler and Barrow, 1996; Moroko and Uncles, 2008; Gilliver, 2009; Barrow and Mosley, 2011; Sengupta, Bamel, and Singh, 2015). Employer branding found to be extremely crucial and critical for the different categories of organizations in regards to organizational success (Backhous and Tikoo, 2004). In one of the previous empirical study findings, it has been highlighted that the majority of the employer i.e. 86 percent have the problem in attracting the potential employees and 58 percent had experienced the challenge in maintaining the membership of current employees (Hale, 1998).

In general employee turnover is considered as a continuous and common phenomenon for all the organizations. And therefore, the financial estimation of employee turnover and substitution of the vacancy is supposed to be the regular function of HR. However, apart from staffing management organizations top strategic management team found it very challenging and damaging factor in order to keep the regular pace of performance and the other associated drawbacks such as weakening employee relationship, team spirit, customer relationship, delayed project and so on (Gaan, 2011; Moore and Burke, 2002; Dess and Shaw, 2001).

Further, due to the growing competition, project-based working, dynamic market, and pressure for an innovative and creative approach to performing the management of a stable workforce and creating a strong organizations culture is the only option left with the human resource manager's to outperform and overcome the challenges derived from above reasons.

The different negative shades of increased turnover especially of talented employees have its impact which cannot be stabilized easily and therefore, it becomes very critical to think and manage this with a more strategic and tactful approach in order to keep the tempo of the organization productivity and its competitive ability. Since turnover has observed and hidden losses with it, thus it is very essential to tackle the issues emerged, timely and with innovative practices.

Supporting the above assumptions many previous studies claimed that losing the talent of the organization, have a direct and indirect negative impact on the employee creativity and on their innovative thinking. In continuation the organizations' reliability related with guest service performance become vulnerable, impediments in the customers delivery services also occurs, this may be an alert alarm for the organizations in this highly competitive market (Vaiman, 2008; Abbasi and Hollman, 2000; Dess and Shaw, 2001).

## 2. Literature review and theoretical foundation

The novelty of the employer branding concept resulted in a limited number of scholarly articles. Although Google Scholar showed 35,100 hits and Google showed 55, 80,000 hits for this search term, only a few articles actually defined or described employer branding. At very first in the early 1990s this term i.e. "employer branding" was used for representing an organizations brand value as an employer. Then further in the field of organizational behavior and human resources, it has been defined as a cluster of organizational benefits in terms of functional, economic, and psychological benefits which is perceived and provided with the employing organization (Ambler and Barrow, 1996). According to Brett Minchington worked under the umbrella of "The Employer Brand Institute, 2006" employer branding is the overall reputation of an organization as the 'great place to work' in the work environment covering the current employees and other key stakeholders in the external market. Lloyd, 2002 in his work defined employer branding as the organizations' total effort in order to communicate that it is the most 'desirable place to work' the target people here are mainly existing and prospective staff. Increasingly, in the human resource management domain 'employment brands' is all about creating, building and sustaining employment propositions that are persuasive and different.

As in the organizational world, companies have to compete more vigorously in the "war for talent", becoming a favorable employer is a central HR and business imperative (Pheffer, 1998) therefore, nowadays employer branding becoming a strategic characteristic of HRM for acquisition and retaining the talented and qualified workers. **Accordingly, there exists a level of** competition among employers and for

achieving this brand value in the market most of them participates in the "Best place to work" rankings. If considering the immediate benefits of this brand value it has been validated in previous empirical studies that organizations having a strong employer branding is strategically good to reduce the cost of staffing, employee relations, employee engagement efforts, and also for longer work tenure of the employees even offering lesser salaries to competitive employees for other attraction related with the organization (Ritson, 2002; Collins, 1995).

Since this term was coined by Ambler and Barrow it covers widely the three main dimensions of employer brand image: the functional, psychological and economic attributes of the organizations which finally contribute in the general attitudes towards the company and perceived job attributes. In spite of much debate and conceptualization of employer branding in the field of human resource management this concept still needs a deeper understanding and further exploration in term of several other aspects of organizational behavioral and human resources.

The present study aimed for the conceptualization of employer branding as a strategic human resource management approach, to overcome the issues related with getting best organization-person-fit in a cost-effective manner and finally turning it in a trusted and sustainable employment relationship for mutual benefits. By the application of organizational behavior knowledge and principles in integration with marketing strategy employer branding will be influential in managing employee attitudinal behavior is what the set agenda of this conceptual paper.

The study done by Kuijpers, et al., (2006) highlighted that the employees career success in terms of intrinsic evaluation is very subjective and is based on comparison done by the employee's self appreciation for his/her career actualization (achievement, future perspectives, recognition, and career satisfaction), on other hand employees extrinsic career success depends upon external appreciation (salary and occupational status). The underlying assumption of the present study is also centered on the interrelationship of internal employer branding and retention of the talented employees since employer branding principle is supposed to have the ability to fulfill the intrinsic career success as well extrinsic career success (Lemmink et al., 2003). Supporting evidence from the previous study indicates that a strong employer branding has an ability to foster feelings of loyalty and trust among the employees either they are part of the organizations or want to be part of the organization (Hays, 2010). Since it has been concluded that monetary compensation can effective only in case of short-term goals, but not in case of the visionary and long term goals because somehow money only cannot satisfy self-achievement (Agarwal and Ferratt, 2001).

The central idea of this study is to present and highlight the importance of a strong employer branding relying and based on deeper employee centered constructs and how this may in return be influential in the positive employee retention. More or less it has been found that employer branding is proving to be capable for differentiating one organization from others which in turn plays an important role in achieving

various organizational success, however, till date, not enough concrete pieces of evidence has been found in reference to the theoretical and practical implication of this concept.

Researchers like Ambler (2003) and Berthon et al., (2005) who worked in this area in thoroughness manner remarked that employer branding is a poorly developed side of the internal marketing concept. Some investigators (Martin and Hetrick, 2006) consider employer branding as an internal branding concept. Other scholars such as Backhaus and Tikoo, (2004) explain the emergence of employer branding as the evolution of psychological contract theory and the impact of the psychological contract on organizational relations.

The basic underlying phenomenon of this concept is that the efforts of internal employer branding is a strategic move in order to generate perception and identity among the employee section so that employee may willingly want to become the part, serve and shape their future in particular organization. It has been found that employee feels proud in working with a reputed organization, in society they get better acceptance as well as a better social identity. Working with these kinds of organization provides them a sense of acknowledgment that their job has more than the monetary worth. After associating with the branded organizations it is meaningful for the employees so that they may acquire many things such as economic advantage, fellowship, and social status (Russell, John, Alicia, Grandey and Paul, 1995).

The theoretical root of the present study is based on the practical application of social exchange theory; this theory provides wide spectrum understanding of the working relationship, work attitudes and behaviors (Jaewon and Riccard, 1997). Social exchange in an employment relationship got strength by an organization's fair treatment and employee betterment approach. The favorable working norms and culture represent a better prospect of the organization (or its agents) which further generates an obligated behavior by the employees to do the good deeds for the organization. Consequently, much research has supported the above assumption (Justin and Robert, 2003; Jaewon and Riccard, 1997).

### 3. Highlights of the importance of retaining talent

In modern organizational world despite increasing market opportunities and various benefits of globalization one of the most long-established and continuous organizational challenges is talent attrition and retention. The major threat of talent turnover is related to its impact on the organizational pace of performance and competitiveness. Understanding this issue specifically underlies in the argument that losing talent is not confined with the staffing challenge only, as it includes many other related issues such as cost of recruitment and training, employee engagement issues, team synergy issues, productivity, and many more organizational performance issues. Keeping these in mind it is, therefore, becomes very important to tackle this ongoing problem with newer strategies.

Due to the synchronized world market and other globalization effects organizations are facing modern kinds of problems such as high-performance work system, increased

and forced demands of speed and innovation, and warlike situation for the talent management. Thus it is essential for organizations to review and revise its employee-related strategies in order to attract, motivate and retain the talent (Zivnuska, Ketchen, and Snow 2001), literature (Axelrod et al, 2001) suggests that there will be a shortage of skills in the next decade.

### 4. Integrating employer branding, talent retention, and organizational competitiveness

As every organization now realizes the worth of employees and their critical role in organizational success and performance irrespective of other resources available, the role of human resource management becomes a key differentiating and intangible to make any organization to lead in organizational competitiveness and productivity. Further in order to maintain the fuller and positive participation of these employees management needs serious attention. It is very difficult for any organization to survive if the employees are not serious with their role and organizational objectives. The stability of organizational members and its work culture much depends upon the employee retention and the related policies for it. The concept of internal employer branding is focused to align talent and their expectation like social, economic and functional with organizational competitive potential and objectives. By framing people-centric human resources policies and then implementing all of these strategically for mutual benefits, organizations may easily obtain a stable workforce and work culture. Internal employer branding principles and perspectives treat employees as the first market for organizational communication in order to demonstrate the company's values, benefits of association, and differentiating factors for mutual growth and development. The rationale being that employees are internal customers and jobs are internal products (Gronroos C., 2000). This approach of rewarding and matching the maximum needs and wants of internal workforce along with the fulfillment of organizational objectives (Rafiq M. and Ahmed P.K., 2000) will definitely offer a long run success and competitiveness. Research in previous shows that rate of turnover and absenteeism are negatively related and get reduced when the employees of the organization perceive that job they are doing is meeting their important values (McMurtrey, Grover, Teng, and Lightner, 2002).

In their remarkable work in the field Ambler and Barrow (2004) represents that the prime concern of the employer branding is "to provide a stable structure for management to simplify and focus priorities", further attention of employer branding is to increase productivity, improving recruitment, retention, and commitment" (Barrow and Mosley, 2006). Impact of employer branding on work-behavior and attitude is nowadays concern of research, a previous study by Pathardikar, Sahu, and Maurya (2013) indicates that employee engagement has a positive impact on brand image of the organization for communicating that organization is a good place to work. Consequently, employer branding and employee engagement have vice-versa impact on each other. On the other side, employee engagement is found to be very influential in managing talent retention (Glen and Clayton, 2006).

As we know that human resources management starts from recruitment to best-fit and finally optimum, effective and efficient utilization of the human capital. This process is based on an organization's vision, strategy and human resource planning activities here it comes the role of employer branding i.e. marketing of the organizations vision, mission, culture and work environment to the potential candidate to attract and then after practicing and implementing the people-oriented work-practices and providing strength to internal sources such as leadership quality, career/growth opportunity, organizational support, quality of work life and so many others to provide experiential learning and positive feeling among the existing workers that the organization is a suitable place to work, study shows that employer branding creates an emotional connection of brand loyalty with its employees (Pathardikar, Sahu and Maurya, 2013).

Based on assumption that "employees who can feel proud of where they work are more likely to remain with that employer" and put their valuable contribution to the mutual benefits the concept of internal employer branding is taking wider place in human resources management strategy. An employment brand can easily help in to build that pride and make it easier to communicate among the working class that the company is a desirable place to work and to build a career.

Attributes of employer branding such as, its ability to differentiate particular organization from its competitors, then is creating a sense of loyalty among the working class towards the organization, further the satisfying ability to meet emotional attachment and social identity perspective of the employees and finally the most important characteristics of employer branding is its intangible nature which completes this concept a unique and very influential for organizational competitiveness and sustainability. Previous research in this area highlights that strong and favorable corporate branding is a very powerful "navigational tool" to stakeholders (Balmer and Gray (2003). The scope of corporate branding now becoming wider and incorporating internal stakeholders as well, here comes the role of HR to balance the effective corporate brand management which means external orientation with an internal orientation, which could give an opportunity for a company to operate successfully under the globally competitive conditions.

Whatever any organization design or formulate for the employee retention strategy is meaningful only when the talented employees within the organization work for mutual benefits for a longer tenure. After in-depth analysis and investigation based on literature review, It has been found that a new work trend that the employer branding concept has an emphasis on employees' attitudes and behaviors in respect of choosing the organization or to continue with the same with positivity.

The traditional view of talent management is now changed a lot now irrespective of continuous talent acquisition human resource management team is focusing on talent development and talent retention practices, which in turn plays a crucial role in the value proposition of internal branding concept. However less empirical evidence has been noted which have attempted

to align talent management, employer branding and talent retention.

The present study, therefore, tries to explore and represents the worth and value of the concept of internal branding and how it is interrelated with organizational competitiveness efforts and outcomes. The intangible potential of internal employer branding supports strategically in talent acquisition, retention and organizational attractiveness among the stakeholders.

The analysis and review of kinds of literature in the field of variables of the present study reveals that there exists a crucial integration between internal employer branding efforts with the different aspects of human resource management and talent management.

By sources, it has been observed that due to the changing trends, companies are showing interest for deciding separate budget to what has been termed the employee or employer brand, i.e. the set of distinctive associations made by employees (actual or potential) with the employer they work for. As a result, this is becoming a better strategy to attract better applicants (Collins and Stevens, 2002; Slaughter et al., 2004) and shapes their expectations about their employment (Lievens and Highhouse, 2003). When critically evaluated, it has been observed that to maintain and increase competitiveness, organizations facing the challenge of retaining their best employees but the recent findings of Pathardikar, Sahu, and Maurya (2013) which shows that employer branding is associated with attachment and identification and the end result of identification include support for the organizations, which could be translated as increased commitment to remain within the organization (Mael and Ashforth, 1995) providing an opportunity to organizations for analysis for the internal component of the organizational resources to lead the competition.

## 5. Conclusion and implications

The extensive review of the literature explores and highlights about role and importance of employer branding and internal branding in this highly competitive and uncertain work domain. In-depth analysis of literature review and reported findings clearly indicates that the strategic move of employer branding from marketing strategy to human resources field is comprehensive and integrated with various components of organizational attributes as an employer of choice. The major impact of employer branding can be observed and understood as the intangible organization's culture and employee's perceived benefits valuation in comparison to others. The unique strength of the particular organization as perceived by the employees based on factors such as psychological, social, developmental, economical, identification, work-life balance, and functional benefits finally results into a positive and stable employment relationship. Thus, in conclusion, it can be stated that employer branding does have a clear influence on employee retention.

Based on above review and arguments employer branding further can be redefined as "the organizations' reputation on the basis of knowledge and experience, benefits in the

association of the organization which in turn produce the willingness of the stakeholders to continue the industrial relationship with the organization as a 'good place to work with'. In term of Human resources, it can be defined as the ability of the organization to develop the desire in existing and prospective staff that organization is a better place to work for mutual benefit'.







In terms of future research, more work is needed for integrating the concepts of employer branding. Internal employer branding is a serious effort of the top management for the alignment of organizations workforce with organizations vision, mission, and goals to the level of individual's aspiration to work. Therefore human resource managers and top management need to understand the long term effect of these relationships and work on such strategies to overcome the serious problem of attrition and talent management. By framing more people-oriented policies, practices, culture, leadership and supportive attitude for employee development

organizations achieved remarkable differences in productivity, loyalty, responsibility and finally a healthy workforce in continuation.

The present study tried to link the several internal factors in formulating strategies to overcome the problem of attrition but the limiting to these only may not be helpful since external factors and individual's perception always seems to dominate. This study presented a research agenda based on conceptual linkage, there is also a need for more robust empirical research that assesses how employer branding affects employee turnover intention and their attraction towards organizations. Along with the definition, this study also facilitates a comprehensive understanding of the implications of the concepts for branding and internal brand management.

Below model is in the support of alignment of employer branding HR practices and employee retention.

Figure.1 Seven employer branding value proposition

SEVEN EMPLOYER BRANDING VALUE PROPOSITIONS						
SOCIAL VALUE	INTEREST VALUE	APPLICATION VALUE	DEVELOPMENT VALUE	ECONOMIC VALUE	MANAGEMENT VALUE	WORK/LIFE BALANCE
						
Is this a fun place to work with talented people and a great organizational culture?	Is this an interesting place to work, with challenging but achievable goals?	Is the work meaningful and does it invite the application of knowledge and skills?	Are there opportunities for employees to grow and advance professionally?	Is work rewarded appropriately through salaries, benefits and perks?	Are managers good, honest leaders who inspire, trust, protect, enable and respect employees?	Are work arrangements flexible enough to achieve success on and off the job?

Source: Dabirian, Kietzmann and Diba, (2017)

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