



## **Impact of Employer Branding On Employee Loyalty – An Agenda for Enquiry**

**Rekha Vedagiri**

Chief People Officer

Pharma Crop Pty Ltd., Queensland, Australia

Email: rekha@abrecogroup.com

**Prof. George Latridis**

Professor

Griffith College, Dublin, Ireland

Email: George.latridis@griffith.ie

---

### **ABSTRACT**

The growing competitiveness between businesses in the industry is being fuelled by the shortage of talent and the increased need for highly qualified workers. Attracting and retaining skilled workers has become top-most priority of the organizations across the industry as skilled workers often help organizations achieve sustainable competitive advantage. Employer branding is often referred to the process of establishing and upholding a favourable perception of a business as a desirable place to work with the aim of attracting and retaining top talent. Employee loyalty refers to the level of commitment and attachment an employee has to their organization. The outcomes of employee loyalty are numerous and can positively impact both the individual employee and the organization. The present research study aims at building and presenting a conceptual model elucidating the impact of employer branding on employee loyalty.

**Keywords:** Employer branding, employee loyalty, competition, skilled workers.

---

### **INTRODUCTION**

Due to the dynamic environment among leading and competitive firms, the acquisition and retention of the best and most talented personnel have become vital for the organization's survival and for establishing a competitive advantage over other organizations. Employment and retention of premium human resources has become the primary objective of businesses and employers in a labor market that is increasingly competitive (Collins, 2001). It is a momentous setback for a company when its employees begin to prefer working for other companies. The loss of competent and experienced individuals to a rival has serious repercussions, ranging from demoralization of the current workforce to a decline in productivity. This has sparked a fight among organizations for talent acquisition.

In light of the ever-increasing global talent gap, firms seek comprehensive methods to recruit and retain potential and present personnel. Employer branding can be utilized externally towards prospective employees or internally among current employees in order to promote

their loyalty and commitment. The objective of employer branding is not just to attract prospective employees, but also to engage, motivate, and retain current employees of the organization. Due to the growing competition for recruiting and selecting new exceptional employees, in addition to battling for new customers and a larger market share, businesses devote a substantial amount of resources and time to earn the 'Best Employer' designation.

Building a reputation as the most preferred employer and a great place to work is a vital aspect for small to mid-sized enterprises in today's competitive market for top talent. If your brand is strong, suitable prospects are more likely to join your team rather than accept an offer from a rival. The impact of an employer brand is real - a strong talent brand directly influences the company's overall success that comes with building an all-star team. Employer branding offers a wide range of opportunities for both employers and employees. Due of this, employer branding becomes a practice that is widely used by employers, making it a very well-known HRM practice in the present era. As per the Employer Brand International's Global Research study (2013)<sup>1</sup>, 39% of companies have plan to increase their investment in employer branding initiatives.

Employer branding is often focused on a firm's individuality and uniqueness. Employer branding is a current, evolving strategy that helps maintain a company's distinct image for attracting and keeping personnel (Ahmad and Daud 2016). Backhaus and Tikoo (2004) stated that employer branding has significant positive influence on organizational identity and organizational culture which further affects employee brand loyalty. The existing research on employer branding and employee brand loyalty focuses mostly on prospective employees as opposed to current employees (Raml and Kenning, 2014). According to Tanwar and Prasad (2016) there is scant literature on employer branding activities aimed at the context of existing or current employees.

The proposed research study has two-fold objective: to explore the determinants of employer branding; and to examine the impact of the various determinants of employer branding on employee loyalty.

## **PRELIMINARY LITERATURE REVIEW**

The employment environment, nowadays, is becoming increasingly competitive than ever before. In such competitive setting, employer branding is fast emerging as a long-term human resource (HR) strategy to attract and retain talented workforce.

Ambler and Barrow (1996) defined the employer brand in terms of benefits, calling it "the package of functional, economic and psychological benefits provided by employment, and identified with the employing company". In similar line of thought, Conference Board (2001)

---

<sup>1</sup><https://www.employerbrandinternational.com/post/2013/05/12/in-employer-branding-it-s-what-you-measure-that-counts>

noted that “the employer brand establishes the identity of the firm as an employer. It encompasses the firm’s value system, policies and behaviors toward the objectives of attracting, motivating, and retaining the firm’s current and potential employees”.

Management of the employer-employee relationship is the domain of employer branding. In order to facilitate the retention of competent personnel, it takes into account the employee’s employment history from the very beginning of the partnership. Biswas and Suar (2016) reviewed and analyzed the phenomenon of employer branding. Subsequently, this research study made an attempt to identify various antecedents and consequences of employer branding.

Due to the growing rivalry for finding and hiring new, talented employees as well as battling for more customers and market share, businesses today are devoting a significant amount of time, money, and resources to becoming recognized as the “Best Employer.” Thus, attracting, recruiting and retaining talented human capital is the primary focus of every organization. Hadi and Ahmed (2018) made an attempt to determine which dimension (s) of employer branding affects employee retention. With the help of analysis undertaken on the data collected from educational institutes of Pakistan, the findings of the study revealed that ‘development value’ has a substantial relationship with employee retention.

Employer branding offers a wide range of opportunities for both employers and employees. Due to this, employer branding spreads throughout businesses and becomes a widely used HRM strategy in the modern era. Tanwar and Prasad (2016) tried to determine the antecedents of employer branding from the employees’ perspective. In addition, this study also examined the impact of employer branding on retention of existing workforce in the organization. The findings of the qualitative interviews indicated a beneficial association between employee retention and the results of employer branding (work satisfaction and psychological contract). Additionally, there was an evidence of a beneficial association between organizational commitment and employer branding, which in turn supports the growth of brand advocacy.

Recently, both practitioners and researchers have shown a great deal of interest in well-being, a favorable psychological state that results from a person’s perspective of and assessment of their life. Benraïss-Noailles and Viot (2021) elucidated the concept of employer brand equity (EBE) and tried to examine its impact on employees well-being and loyalty. The study employed ‘EmpAt’ a 25-item scale for measuring employer brand equity. The research findings indicated that the impact of EBE on employees’ behavioral intentions is very complex. However, it would be highly beneficial for HR managers to comprehend the circumstances under which the positive benefits of EBE on loyalty intention outweigh the negative ones.

### **PROPOSED RESEARCH STUDY**

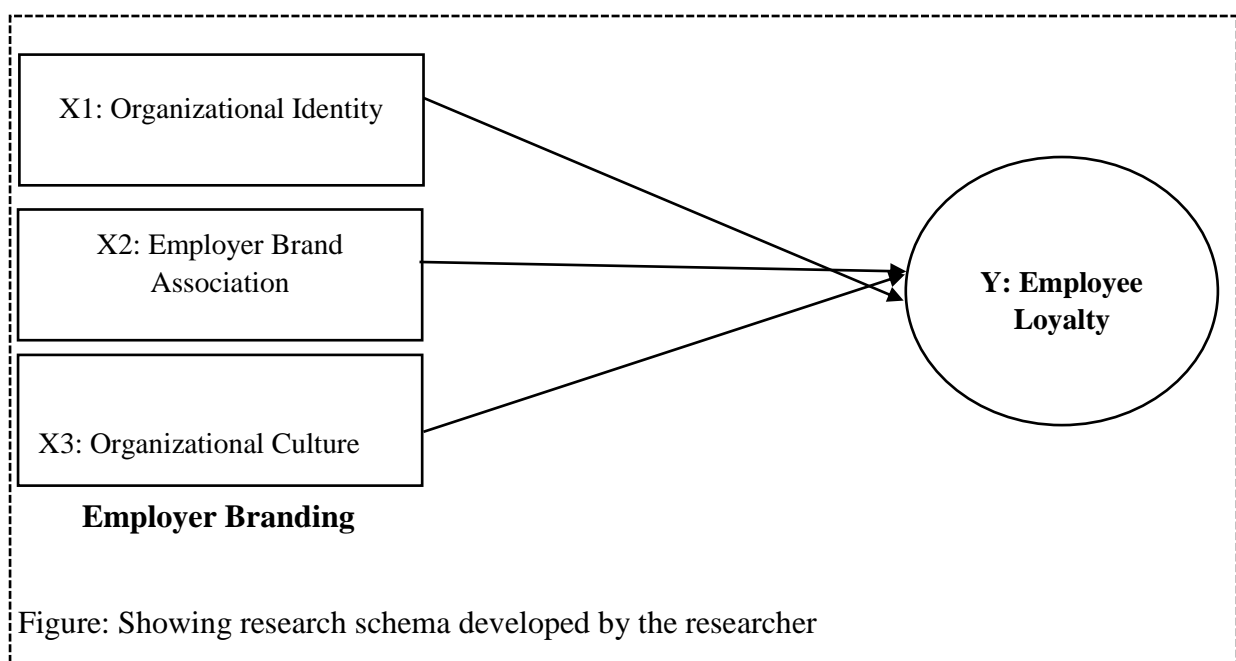
The concept of employer branding is based on the idea that investing wisely in human capital can improve a company’s performance since it adds value to the organization in various ways. The organization becomes a preferred employer through external employer brand

marketing, which enables it to draw in the top candidates. The idea is that the brand's individuality enables the organization to attract and retain exceptional human resources.

Although employer branding has gained popularity among practicing managers; Preliminary literature review indicated the dearth of quality research studies in the area of employer branding. Employer branding's theoretical underpinnings have not been thoroughly established because it has gotten more attention in practitioner settings than in academic ones. Most of the prior research studies are conceptual and qualitative in nature; the proposed research study is intended to explore the determinants of employer branding and to empirically investigate the impact of the various determinants of employer branding on employee loyalty.

### RESEARCH SCHEMA

As the review of literature revealed the dearth of empirical research in the area of employer branding and employee loyalty, the focus of the present research study is to present a conceptual model for empirical investigation to understand the impact of various determinants of employer branding on employee loyalty.



### EXPECTED OUTCOME (S)

In present context, employees play key role in building and maintaining the relationships with all stakeholders of organization across the industry. Employees are considered as strategic asset of the organization as they help organizations achieve sustainable competitive advantage. The literature reviews effectively revealed the use of employer branding in attracting the desired talent and retaining them. This proposed research study aims to contribute significantly to the existing body of knowledge with some empirically tested facts and figures in the area of employer branding. With inputs from existing literature, a conceptual model elucidating the impact of employer branding on employee loyalty has been

developed and presented here. Subsequently, the conceptual model will be tested with the help of multivariate data analysis on the primary data collected from selected respondents. For the purpose of data collection, a structure questionnaire with appropriate reliability and validity will be developed and administered. The findings of the research will certainly be useful for the organizations interested in establishing themselves as strong employer brands.

## REFERENCES

1. Ahmad, N., & Daud, S. (2016). Engaging People with Employer Branding. *Procedia Economics and Finance*, 35, 690-98.
2. Ambler, T., & Barrow, S. (1996). The employer brand. *Journal of Brand Management*, 43, 185–206.
3. Backhaus, K., & Tikoo, S. (2004). Conceptualizing and researching employer branding. *Career development international*. *Career Development International*, 9(5), 501-517.
4. Benraïss-Noailles, L., & Viot, C. (2021). Employer brand equity effects on employees well-being and loyalty. *Journal of Business Research*, 126, 605–613.
5. Biswas, M. K., & Suar, D. (2014). Antecedents and consequences of employer branding. *Journal of Business Ethics*, 136(1), 57–72.
6. Collins, J. (2001). *Good to Great: Why Some Companies Make the Leap and Others Don't*. Harper Business.
7. Conference Board (2001). *Engaging Employees through Your Brand*. The Conference Board, New York, NY.
8. Hadi, N., & Ahmed, S. (2018). Role of employer branding dimensions on employee retention: Evidence from educational sector. *Administrative Sciences*, 8(44), 1–15.
9. Rampl, Viktoria L., & Kenning, P. (2014). Employer brand trust and affect: linking brand personality to employer brand attractiveness. *European Journal of Marketing*, 48(1/2), 218-236.
10. Tanwar, K., & Prasad, A. (2022). The Effect of Employer Brand Dimensions on Job Satisfaction: Gender as a Moderator. *Management Decision*, 54, 854-886.