
Employer Branding and Organizational Attractiveness: Current Employees' Perspective

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Abstract:

Purpose: Drawing on marketing and recruitment theory, we examined the relationships between employer branding and employer attractiveness as seen by currently employed employees. The evidence was sought of which employer branding practices (external or internal) may have the strongest impact on the employer's image perceived by employees.

Design/Methodology/Approach: Based on an outline of current conceptualizations of employer branding, the paper discusses the potential of external employer branding activities and internal branding processes in the context of the impact on the employer attractiveness perceived by employees. This paper selects 520 employers from local services firms in Poland. The hypotheses are tested using SEM-AMOS.

Findings: Data from 520 employees representing the service companies provided some evidence that more intense external employer branding activities and more intense internal employer branding practices directly affected employer attractiveness, considered in terms of expected benefits.

Research limitations/implications: To concentrate on the research objective, the authors only consider the same characteristics in each workers' job environment, neglecting differences in employment conditions, living environment, etc.

Practical implications: Our study reveals that internal and external employer branding activities could change employees' perception of an organization's attractiveness.

Originality/value: We seek to contribute to the employer branding literature by investigating specific external and internal factors that affect employer image and employer attractiveness. The results support the notion that external employer branding and internal branding practices directly affect employer attractiveness.

Keywords: Employer branding, internal activities, external activities, employer attractiveness, dimensions of employer branding.

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Authors' contributions: The study concept and design were conceived by MKK and IS, who also prepared the Polish version of the questionnaire and organized data collection. Analyses were performed by IS (SPSS 20), and MKK and IS prepared the first draft of the manuscript. All authors critically read, revised, and approved the final manuscript.

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1. Introduction

Over the past 20 years, there has been a dramatic rise in employers' interest in brand building. In the 1990s, companies began to identify their employees as internal clients and recognized that creating a friendly workplace is in an employer's interest. The consequence was the perception and treatment of employees as the company's clients. Nowadays, in developed economies, the competition for good employees is fierce. A strategic investment to attract and retain suitably qualified and skilled employees is necessary for increasingly competitive employment markets. Changing demographics and economic conditions have given rise to the development of employer branding strategies, which can help the company become an employer of choice. Thus, it is critical to identify factors that could help organizations gain a competitive advantage in a specific job market.

This study aims to close the research gap by identifying how employer branding practices affect outcomes in terms of employer attractiveness as perceived by employees. First, a literature overview is presented, from which testable hypotheses are developed. The subsequent section verifies these hypotheses by first detailing the empirical study's methodology and then analyzing the results. Finally, the discussion is extended by including theoretical and managerial implications and limitations of the present study - and by providing a view towards future research.

Drawing on marketing and recruitment theory, we examined relationships between employer branding and employer attractiveness, predicting that external employer branding activities and internal branding practices positively affect both the employer's image and attractiveness. We also predicted that employer image would moderate the two employer branding practices' effects on employer attractiveness. We tested our hypotheses with data collected from 520 employees who represented various organizations and were recruited by snowball sampling at the turn of 2019 and 2020.

2. Literature Review

2.1 Basic Concepts

The concept of employer branding was strongly influenced by marketing - relational marketing and branding. Relationship marketing, defined as providing customers with long-term value, aimed at customer satisfaction (Kotler and Armstrong, 1996), marks a shift from focusing exclusively on short-term economic gains towards the long-term building of brand equity (Ambler, 1995). The rise of relationship marketing was closely related to the service sector's growth, focused on customer-firm interaction and customer participation in service outcomes (Gummerus *et al.*, 2017). The foundations for developing relationship prospects were set in place by recognizing the importance of buyer-supplier interactions and service quality. The idea of value exchange was the bedrock of relationship marketing, playing a key role in paving the way to a networked view of value creation (see Morgan and Hunt, 1994)

and becoming an integral part of contemporary marketing theory and practice. The six-market model covering the exchange of mutual value within a network of relationships between customer markets, internal markets, referral markets, influence markets, recruitment markets, and supplier markets (Christopher *et al.*, 2002) - brought a systemic perspective to strategy-making through focusing on the opportunities for creating and delivering value by keeping the employees involved in good relationships between the company and its customers and (Ambler and Barrow, 1996).

Branding is a new discipline of brand management, defined as the part of an organization's functional area that plans, measures, grows, and manages its brand (Keller, 1998). Branding strategies focus on the image organizations create in the minds of their customers regarding their products. The idea of branding and the development of brand equity have been applied to intangible services and tangible products (Krishnan and Hartline, 2001). Organizations use brands to give their offerings an identity and distinguish them from competitors' offerings (Miles and Mangold, 2004). A brand is "a seller's promise to consistently deliver a specific set of features, benefits, and services to the buyers" (Kotler, 1999). Brands are scale-independent signals which communicate unobservable quality, regardless of a transaction (Kirmani and Rao, 2000). The brand provides important benefits to consumers by facilitating their information processing, increasing confidence in their brand choices, and reducing perceived risk and information costs (Wilden. *et al.*, 2010). The value of branding to the customer can be expressed as the interpreting/processing information, confidence in the purchase decision, and satisfaction with use (Aaker, 1991). Delivering a consistent and distinctive customer brand experience has always been a central concern of brand management (Mosley, 2007).

2.2 Defining the Essence of the Employer Branding Concept

Three main concepts similar to employer branding are corporate culture, internal marketing, and corporate reputation (Ambler and Barrow, 1996). Organizational culture, defined as the values that support the organizational purpose, strategy, and corporate identity, contributing to the unique social and psychological environment of the business (Lipton, 1996), lay the foundation for the understanding of people's attitudes, motivation, perception, and behaviors (Amah and Daminabo-Weje, 2013). Organizational culture consists of values, norms, standards of behavior, and common expectations that control how individuals and groups interact and work to achieve the organization's goals (Jones and George, 2003). Culture enhances organizational commitment and increases the consistency of employee's behavior. It reduces incomprehensibility and tells employees how things are done and what is important.

Employees whose values are consistent with the organization's values are easier to manage (Amah and Daminabo-Weje, 2013). The role of corporate culture in influencing employees' behavior seems increasingly important in today's workplaces. Thus, organizations are trying to create a workplace culture that supports

family-friendly policies such as flexible working hours, maternity leave benefits, alternative work arrangements, family care initiatives, and employee assistance programmes (Mushfiqur *et al.*, 2018).

Internal marketing is closely related to employer branding considering the company acting on the employee market (Papasolomou-Doukakis, 2003). The concept of internal marketing maintains that marketing-like activities can influence an organization's internal market of employees. The basic assumption of the internal marketing approach is that good customer service is only possible if employee satisfaction and motivation are high. Internal marketing in that context is "attracting, developing, motivating, and retaining qualified employees through job-products that satisfy their needs," which means treating employees like customers and shaping job-products to fit human needs (Berry and Parasuraman, 1991, p. 151). Internal marketing - seen as a device by which organizational change can be accomplished and strategies implemented - is defined as "a planned effort using a marketing-like approach to overcome organizational resistance to change and to align, motivate, and inter functionally coordinate and integrate employees towards the effective implementation of corporate and functional strategies in order to deliver customer satisfaction through a process of creating motivated and customer-orientated employees" (Rafiq and Ahmed, 2000). Internal marketing fundamentally focused on social values, provides for a richer range of exchanges premised on both economic and non-economic values, is, therefore, an important activity in developing a customer-oriented organization, looking at the employee as a valued customer and suggesting that jobs are managed similarly to products (Varey and Lewis, 1999). Consequently, the company should use marketing techniques to design jobs that meet both the employees' and the firm's needs; creating a strong employer brand will positively affect communicating these benefits of employment to internal and external markets (Wilden *et al.*, 2010).

Corporate reputation set up the alignment between the internal and external stakeholders' perceptions of a firm, especially the most important stakeholders, employees, and customers (Hatch and Schultz, 2001). The key elements of corporate reputation are identity (what the company is), desired identity (what the company says it is), and image (what the customers think it is) (Davies and Miles, 1998). When seen as an umbrella construct, corporate reputation refers to the cumulative impressions of internal and external stakeholders. Reputation is based upon wide experience, while the image is more tractable, as people can have images of organizations with which they have had little experience (Chun, 2005).

Within the past few years, the importance of intangible assets in general and corporate reputation have grown rapidly. To create market entry barriers, foster customer retention, and strengthen competitive advantages, intangible assets are vitally important (Adeosun and Ganiyu, 2013). Corporate reputation affects how various stakeholders behave towards an organization, influencing employee retention, customer satisfaction, and customer loyalty (Chun, 2005). All these concepts, sharing recognition of the importance of the intangible asset made up of the relationships

between the company, its employees, and its identity presented to the world (Ambler and Barrow, 1996), contribute to the employer branding concept.

The employer branding would be defined as „the process of building an identifiable and unique employer identity, and the employer brand as a concept of the firm that differentiates it from its competitors” (Backhaus and Tikoo, 2004, p. 502). Employer brand thinking's original focus was to apply the same concept to managing the organization's proposition to employees as the company's offer to the customers. The employer be a brand with which the employee develops a closer relationship. In that case, employee - and thus corporate - performance will be influenced by awareness, positive attitudes toward the “brand,” and loyalty (Ambler and Barrow, 1996). Theurer *et al.* (2018), in their model, delineated the four stages of employer branding employer knowledge development and investment, the interaction of employer branding activities with employee mindset, firm performance and competitive advantage, financial market performance, and shareholder value. The employer branding process involves the development and marketing of an employee value proposition both externally and internally. This employer branding involves promoting, both within and outside the firm, a clear view of what makes a firm different and desirable as an employer (Backhaus and Tikoo, 2004). The activities are aimed at employer differentiation in the employment marketplace and maintaining employee commitment to the organization (Backhaus, 2016). Growing competition within the labor market for companies' talent was the cause of increased interest in this approach.

2.3 The Employer Branding Principles in Model Approach

The overarching goal of employer branding is to become an "employer of choice," a place where people prefer to work (Armstrong, 2006). Thus, an employer brand is "the package of functional, economic, and psychological benefits provided by employment and identified with the employing company" (Ambler and Barrow, 1996, p. 187). Appropriate measures can help organizations create an attractive and competitive employer brand, and the role of employer branding is to position the firm in the minds of its potential and current employees as a great place to work (an employer of choice) (Branham, 2001).

Employer branding can be considered as a brand being marketed to a distinct segment of employees. In this case, the value of employer branding will depend on the importance which "customers" (employees) assign to the benefits the company can deliver (Ambler and Barrow, 1996). The primary focus on the use of employer branding has been to develop a distinctive external reputation, relating to a lesser extent to internal efforts to drive positive employee engagement or culture change. Presently, many organizations have begun to evolve towards a more integrated approach, aligning external recruitment promises with the internal employee experience and employer brand development with the corporate and customer brand (Barrow and Mosley, 2005). This progression towards a more integrated view of the brand has caused employer brands to play a dual purpose. The employer brand

proposition needs to clarify what prospective and current employees can expect from the organization regarding rational and emotional benefits. On the other hand, it also needs to settle what will be expected of employees in return (Mosley, 2007). Integrated employer brand propositions are equivalent to "giving" and "receiving," which adapt the employer brand promise to the customer brand and corporate performance agenda (Younger *et al.*, 2007).

The employer brand encompasses the firm's values, systems, policies, and behaviors toward the objectives of motivating and retaining employees (Dell *et al.*, 2001), and the main benefits that employer branding offers are: functional (developmental and/or useful activities), economic (material or monetary rewards), and psychological (feelings such as belonging, direction, and purpose) (Ambler and Barrow, 1996). All mentioned advantages contribute to the employer's attractiveness. Employer branding efforts aimed at communicating the utility that the employee anticipates from working for a company, build employee-based brand equity, also described as employer attractiveness (Berthon *et al.*, 2005).

Employer branding, seen as the process of building employer identity, is based on two main assets - loyalty to the particular brand and association with the brand (Backhous and Tikoo, 2004). These factors influence both the culture of the organization and the external company's image as an employer. Human resource management solutions, internal public relations, and employee relations are the most important elements of employer branding that create the principal assets, which are brand associations and brand loyalty (Backhous and Tikoo, 2004). Employer branding includes internal and external branding. External employer branding is all activities directed at professionals, students, graduates, and other stakeholders — using modern communication channels and websites with content on the company's culture — to disseminate a relevant, reliable message to the targeted talent markets. It would mean building relationships with the academic community, co-operating with opinion-leading media, running image-enhancing recruitment projects, etc. (Stuss and Herdan, 2017). Internal employer branding is primarily directed towards existing employees and is focused on developmental programs and building a corporate culture and friendly work environment (Stuss and Herdan, 2017).

The brand image is defined as an existing in a consumer's memory perception of functional and symbolic benefits associated with the brand (Keller, 1993). Employer brand image is how employees (as a target audience) perceive the company brand as an employer (Dabirian *et al.*, 2019). Employer brand associations drive employer image, which in turn affects the attractiveness of the organization. Well-differentiated employer image enables job seekers to understand the organization's values and to find similarities between themselves and the employer's organization (Backhous, 2016). The employer brand's functional benefits describe elements of employment with the firm that are desirable in objective terms, such as salary, benefits, and leave allowances. In contrast, symbolic benefits relate to perceptions about the firm's prestige and the social approval of working for the firm (Backhous and Tikoo, 2004).

As stressed by Brooke (2002), organizations that want to build an employer brand should:

- increase employee responsibility while reducing the scope of control,
- decentralize and move away from bureaucracy,
- apply unique procedures and policies related to human resources management,
- provide information about brand values first to employees and then to external stakeholders,
- avoid specialized jargon (stick to the KISS principle - Keep it short and simple),
- involve all company departments in the brand-building process, and
- plan all activities long-term.

3. Research Methodology

3.1 Research Hypotheses

The potential employees compare the employer's brand image with their own needs, personality, and values. The more the organization's values fit the potential employee's values, the more likely they will be attracted (Byrne and Neuman, 1992; Cable and Judge, 1996; Judge and Cable, 1997; Backhaus and Tikoo, 2004). Therefore, it is worth examining whether:

H1: More intense employer branding activities lead to increased employer attractiveness, considered in terms of benefits expected by employees.

The symbolic benefits that a potential employee finds interesting or attractive and associates with the employer brand include organizational attributes such as innovation or prestige (Dabirian *et al.*, 2019). Literature sources (Backhaus and Tikoo, 2004; Lievens and Highhouse, 2003) indicate that limiting the functional differences between brands increases the importance of symbolic functions. Work-related factors are often similar within the same industry, which is why employers find it difficult to stand out from their competitors (Lievens and Highhouse, 2003). Thus, an employer's brand can be instrumental in conveying the symbolic benefits of working in an organization and developing a favorable image of the employer. Supporting this, Lievens and Highhouse (2003) stated that the symbolic perception of an organization's attributes exceeds the instrumental characteristics of work, such as remuneration or benefits, in the context of the company's perceived attractiveness as an employer. Therefore, it is worth examining whether:

H2: Employer image mediates the relationship between employer branding and employer attractiveness.

The social identity theory supports the relationship between the employer's image and attractiveness (Underwood *et al.*, 2001). Keller (1998) and Backhaus and Tikoo

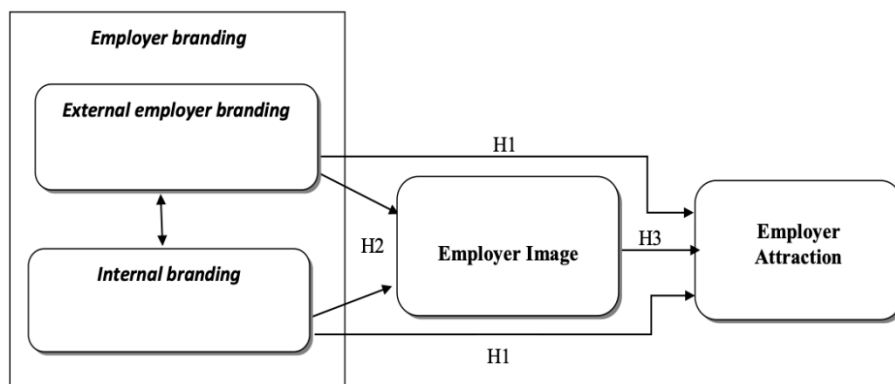
(2004) support the concept of strengthening the employer image when it resonates with employees' needs. As brand awareness increases, consumers begin to develop positive brand identification. The more positively the brand is perceived, the more they identify with the product. According to the theory of social identity, consumers ultimately buy a brand due to having a positive self-concept and a sense of belonging to the brand. Likewise, employees who value an employer's image positively are more likely to identify with the employer brand and decide to work for the organization. Sharma (2019) also draws attention to the image's impact on the employer's attractiveness. According to Miles and Mangold (2004), the important step in developing employer branding is ensuring that employees know what their brand is and reflect the desired brand image through their work or interaction with the stakeholder. Therefore, the following research hypothesis was established:

H3: A higher potential employee perception of their employer's image leads to an increased perceived employer attractiveness, considered in terms of expected benefits.

3.2 Research Framework

This study proposes a structural model for measuring employer branding (Figure 2).

Figure 2. Research model



Source: Own creation.

Further, this study develops structural relationships between employer branding activities directed at employees, employer image, and employer attractiveness. According to the concept presented by Backhaus and Tikoo (2004), we deal with the upper part of the model (Figure 1). We are looking for relationships between employer branding activities and the employer image and the employer's image and attractiveness considered in terms of the benefits perceived by employees. The items of the scale for individual dimensions were developed based on a thorough literature review in order to operationalize them.

To assess employer attractiveness in terms of the benefits offered to the employee, we used elements from work published by Collins (2007), Lievens (2007), Rampl (2014), Bellou *et al.* (2015), Tanwar and Prasad (2016), Carpentier *et al.* (2017), Dabirian *et al.* (2019), adapting them appropriately to Polish conditions and the subject of the study. Likewise, the elements for operationalization of employer image come from Collins (2007), Branham (2001), Rampl (2014), Carpentier *et al.* (2017), and Mosley (2007).

To assess the external employer branding activities, we used elements from work by Collins and Han (2004), Sivertzen *et al.* (2013), Carpentier *et al.* (2017), Stuss and Herdan (2017). For the internal branding, we used elements from work by Herman and Gioia (2001), Bayo-Moriones and Ortín-Ángel (2003), Devaro and Morita (2009), Javidmehr and Ebrahimpour (2015), Bai *et al.* (2017), Mihalcea (2017) and Idowu (2017). Detailed items are provided in table 1. These elements' responses were scored on a Likert scale with five points, from 1 (strongly disagree) to 5 (strongly agree).

3.3 Sample

This empirical study was conducted at the turn of 2019 and 2020 in Poland. The study was conducted on a total of 520 respondents. The employees who participated were employed from the services sector in various firms of different sizes (only one employee per company participated in the study).

The snowball sampling method (Goodman, 1961) was used. The first participants chosen (matching the participant profile and were known to or had done business with the researchers) referred others with similar characteristics to the study; therefore, the research participants assessed various employers. This technique's advantages were obtaining a fairly large sample in a short time and its low costs. The main disadvantage was the possibility of incorrect typing of subsequent participants while identifying respondents similar in many respects. There is also the disadvantage of an unrepresentative sample, which does not allow for generalization of the results.

Online survey and delivery and collection survey were selected as the research methods (the questionnaire used as a measurement tool was the same for both research methods). The respondents received a cover letter via email outlining the study in advance and noticing imminent individual personal contact. The online questionnaires were carried out via email, and the delivery and collection questionnaires were delivered to respondents at one stage and collected at a later stage. To ensure an optimal response rate, the respondents were guaranteed total anonymity.

The study participants consisted of 64.8% women and 35.2% men; thus, the proportions of men and women in the survey are similar and correspond to the gender structure of the job market in Poland. Most respondents were people with a master's degree (35.8%), while 36% had a bachelor-level education and 28.3% had a

secondary-school education. Executives represented 9.2% of the respondents, and managers comprised 13.3%. 16.0% of the respondents were administrative staff and 61.5% specialists. 27.5% had up to one year's seniority in their company, 37.3% had worked at their current workplace for one to three years, and 28.5% had between four- and ten-years' seniority, 6.7% of the respondents had more than 10 years' seniority in their current company. It is worth noting that the respondents came from organizations employing:

- up to 49 people (31.5%),
- between 50 and 249 people (26.5%), and
- 250 people and more (41.9%).

4. Results

In the work of Podsakoff, MacKenzie, Lee, and Podsakoff (2003), particular attention is paid to the fact that various methods may intensify or underestimate the observed relationships between constructs, which leads to both types I and type II errors. Studies in which all of the data are collected using the same questionnaire in the same period of time are susceptible to these errors since the common method variance is attributed to the measurement method and not to individual measurement scales, i.e., there is no systematic measurement error associated with the deviation of estimates from the true relationship between theoretical constructs. One of the proposed verification methods to check for the effect of common variance is the one-component Harman test. To this end, all 33 variables were introduced into exploratory factor analysis, using unrotated principal component factor analysis, principal component analysis with varimax rotation, and principal axis analysis with varimax rotation to determine the number of factors that are necessary to account for the variance in the variables.

According to Podsakoff, MacKenzie, Lee, and Podsakoff (2003), if a substantial amount of common method variance is present, a single factor will emerge from the factor analysis. One general factor will account for the majority of the covariance among the variables. Unprotected primary factor analysis, primary element analysis with varimax rotation, and principal axis analysis with varimax rotation revealed the presence of 5 different factors with an eigenvalue greater than 1.0 rather than a single factor. The 5 factors combined explained 59.48% of the total variance; the first factor was not responsible for a most variance because it was only 14.72%. Only 4 factors constituted 56.00%. Thus, no general factor is apparent. Although the results of these analyses do not exclude the possibility of common method variance, they suggest that the common method's variance does not cause much concern, and therefore is unlikely to interfere with the interpretation of the results.

Firstly, we used factor analysis for each latent variable, carried out through principal component analysis and varimax rotation. In the principal component analysis, items are assumed to be exact linear combinations of factors, while varimax rotates the axes such that the two vertices are perpendicular to each other. The Kaiser–Meyer–Olkin

(KMO) test is used to measure the adequacy of sampling, which indicates the proportion of variance in the variables caused by underlying factors. KMO value, which is close to 1, generally indicates that factor analysis may be useful with the data, but if the value is less than 0.50, then the results of factor analysis would probably not be useful. Bartlett's test of sphericity tests whether the correlation matrix is an identity matrix, which would indicate that the variables are uncorrelated and therefore unsuitable for structure detection. For each latent variable, the descriptive statistics (KMO>0.8; Bartlett's test of sphericity $p<0.000$) indicated that the research data was appropriate for factor analysis (Table 2).

Table 2. Measures and Measure Validation

Item	Source	Factor loading	Indicators
Employer image			KMO=0.879; explained 71.307% of the total variance $\alpha=0.897$ CR=0.899 AVE=0.645
Employer is attractive on the labor market	Collins (2007), Rampl (2014)	.839	
Employer is responsible	Collins (2007), Rampl (2014)	.892	
Recommend your employer to others	Mosley (2007), Carpentier <i>et al.</i> (2017)	.877	
Employer is well-respected	Rampl (2014)	.871	
“Employer of choice”	Branham (2001)	.734	
Employer attractiveness			KMO=0.927 explain 54.34% of the total variance $\alpha=0.894$ CR=0.929 AVE=0.524
Satisfying salary	Collins (2007), Bellou, <i>et al.</i> (2015)	.764	
Stable employment	Carpentier <i>et al.</i> (2017)	.618	
Offers jobs in attractive locations	Rampl (2014), Dabirian <i>et al.</i> (2019)	-	
Flexible working time	Carpentier <i>et al.</i> (2017), Dabirian <i>et al.</i> (2019)	.627	
Work–life balance	Tanwar and Prasad (2016), Carpentier <i>et al.</i> (2017), Dabirian <i>et al.</i> (2019)	.661	
Job satisfaction	Lievens (2007), Carpentier <i>et al.</i> (2017)	.721	
Work prestige	Lievens (2007), Carpentier <i>et al.</i> (2017)	.758	
Good atmosphere at work	Lievens (2007), Carpentier <i>et al.</i> (2017)	.776	
Possibility to influence the company's operations and development	Carpentier <i>et al.</i> (2017)	.747	
Good opportunities for career advancement	Collins (2007), Dabirian <i>et al.</i> (2019)	.751	
Good intra-organizational communication	Lievens (2007)	.692	
Company social responsibility (CSR)	Tanwar and Prasad (2016), Carpentier <i>et al.</i> (2017),	.757	
Sharing knowledge	Lievens (2007)	.648	
Good reputation and market position of the company	Rampl (2014), Bellou, <i>et al.</i> (2015)	.674	
External employer branding activities directed at employees			KMO=0.889
Corporate advertising	Collins and Han (2004)	.775	

Recruitment ads	Collins and Han (2004)	.720	explain 59.71% of the total variance $\alpha=0.853$ CR=0.867 AVE=0.522
Career fairs	Collins and Han (2004)	.683	
Events at universities	Collins and Han (2004)	.743	
Social media	Sivertzen <i>et al.</i> (2013), Carpentier <i>et al.</i> (2017)	.762	
Sponsorship activities	Collins and Han (2004)	.641	
Career services offices	Collins and Han (2004)	.775	
Company ambassadors (university alumni or interns)	Collins and Han (2004), Stuss and Herdan (2017)	.683	
Internal branding activities directed at employees			KMO=0.861 explain 56.88% of the total variance $\alpha=0.846$ CR=0.929 AVE=0.503
Employee team-building activities	Herman and Gioia (2001)	.717	
Internal communication	Herman and Gioia (2001)	.756	
Coaching	Mihalcea (2017)	.709	
Employee training and development	Bai <i>et al.</i> (2017),	.517	
Internal Recruitment	Devaro and Morita (2009), Bayo-Moriones and Ortín-Ángel (2003)	.791	
Individual Performance Appraisal System	Javidmehr and Ebrahimpour (2015), Idowu (2017)	.809	

Source: Own creation.

The second step was to determine the data's reliability and the consistency of the observable variables within the latent variables (Table 2). To ensure those factors, the following indicators were calculated, Joreskog's Rho as composite reliability (CR), average variance extracted (AVE), and Cronbach's alpha coefficient. The high reliability of the scale is indicated by values > 0.7 for Cronbach's alpha - known as Nunnally's criterion (Nunnally, 1994) - and an AVE of >0.5 (Fornell and Larcker, 1981). It is also expected that the correlations of individual variables with the scale's total results are higher than 0.4 (Klein, 2005). In turn, the accuracy was assessed based on convergent validity, where the value of AVE for each latent variable in the model should exceed 0.5, and discriminant validity, which checked the extent to which the identified latent variables differ from each other (Fornell and Larcker, 1981). Table 2 shows the remaining items' factor loading and their Cronbach's alpha, AVE, and CR values. The reliability of the scale for each latent variable was satisfactory (Cronbach's alpha > 0.9 , AVE > 0.5 , and CR > 0.7). Four latent variables were used to test the research hypothesis. Means, standard deviations, and the interrelations of the composite variables are presented in Table 3.

Table 3. Descriptive statistics for latent variables

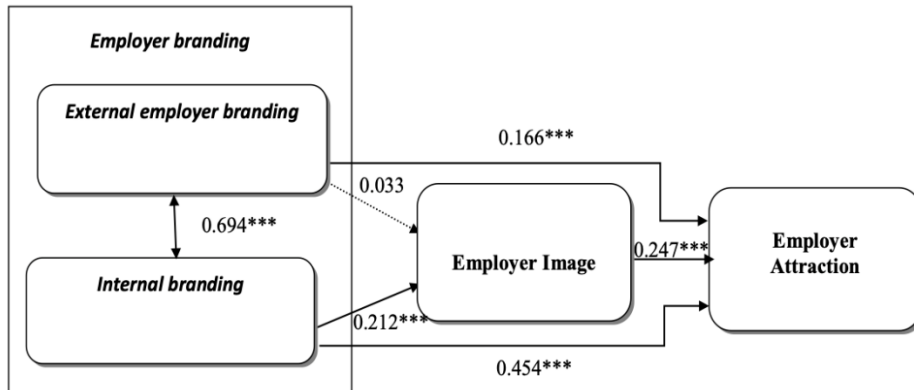
Latent variable	Mean	SD	Correlation Coefficient			
			External employer branding	Internal branding	Employer attractiveness	Employer image
External employer branding	2.947	0.943	.722			
Internal branding	3.119	1.005	.649***	.715		
Employer attractiveness	3.640	0.693	.431***	.522***	.803	
Employer image	3.395	0.997	.131***	.188***	.307***	.709

Note: ***Correlation is significant at the level of 0.001 (1-tailed). The square root value of AVE is shown on the diagonal, under the diagonal of Pearson's correlation coefficient.

Source: Own creation.

The square root AVEs were compared with the appropriate correlation factors. Their higher values indicate a positive test for divergent validity. Therefore, the individual latent variables differ significantly from one another.

Figure 3. Empirical model



Note: ***Correlation is significant at the level of 0.001 (2-tailed).

Source: Own creation.

This model is estimated using the maximum likelihood estimation, assuming a multidimensional normal distribution. Furthermore, no suspicious response pattern was observed, and - following the outlier labeling rule - no significant outlier was observed. However, the data were normal because no skewness or kurtosis statistics higher than 1.0 were found. In the case of the measurement and structural models, there is no reason to reject the hypothesis that the empirical and theoretical matrix's standardized residual values are equal to zero ($\chi^2 = 633.123$; $p = 0.000$). The value of root mean square of approximation error (RMSEA) of 0.070 (RMSEALO = 0.067; RMSEAH1 = 0.074) indicates a poor fit of the model. The values of $\chi^2/ss = 1.379$ indicate the acceptability of the model. Indices GFI = 0.935 and AGFI = 0.915 assume values close to the required thresholds. All of the meters are on the limit of acceptability, so the model is poorly suited to the data but can be used in the description.

The results confirm a significant positive and direct effect of internal branding (0.454) and external employer branding (0.166) on employer attractiveness, with comparable strength. This means that the more often an employer uses external and internal branding activities, the more attractive the employer is to an existing employee. Also, there is a statistically significant positive effect (0.247) of employer image on employer attractiveness; that is to say, the higher the employer's image in employees' opinion, the more attractive it is to the employee. The results also indicate a statistically insignificant direct effect (0.003) of external employer branding on

employer image. Therefore, external employer branding does not directly translate into the image of the current employer.

Table 4. *Standardized values of estimated parameters in the structural model*

Relationship with the latent variables			Standardized values of estimated parameters	t-stat	p-value
employer image	<---	internal branding	0.212	4.120	***
employer image	<---	external employer branding	0.003	0.064	.946
employer attractiveness	<---	employer image	0.247	5.328	***
employer attractiveness	<---	internal branding	0.454	7.397	***
employer attractiveness	<---	external employer branding	0.166	3.777	***
internal branding	<->	external employer branding	0.694	9.033	***

Note: *** $p < 0.001$

Source: Own creation.

The results show a statistically significant direct positive impact (0.212) of internal branding on employer image, meaning that internal branding activities directly translate into the employer's image.

The results also show an indirect positive effect of internal branding on employer attractiveness with a strength of 0.052 (statistical significance confirmed by the Sobel test). This means that employer image is a partial mediator of the effect of internal branding on employer attractiveness. Thus, the total effect of internal branding on employer attractiveness is stronger because it results from direct and indirect effects; the strength is 0.506. The results show that there is no indirect effect of external employer branding on employer attractiveness. This means that employer image is not a mediator of external employer branding on employer attractiveness.

5. Discussion

According to Carpentier *et al.* (2017) research, our results reveal that employer attractiveness is essentially influenced by external and internal activities directed at employees. Recruitment researchers indicate that external employer branding activities, such as corporate advertising (Collins and Han, 2004; Unadkat, 2012; Waeraas and Dahle, 2019), company ambassadors (university alumni or interns) (Collins and Han, 2004; Collins, 2007; Stuss and Herdan, 2017), career fairs, sponsorship activities, and career services offices (Collins and Han, 2004) are likely to affect employees' perceptions of an organization positively. Firms that invest in such activities may attract more consumers and gain a competitive advantage in the war for talent (Love and Singh, 2011). According to our research, all of the above

factors are important external branding activities directed at employees. All these items were included in the external employer branding measurement construct.

Another important element of retaining valuable employees is internal branding practices, such as employee team building activities and internal communication (Herman and Gioia, 2001; García *et al.*, 2019). For today's generation, employer brand is essential, and employees' affection to the company is impacted by a series of factors concerning the organization's culture and corporate environment, such as personal and professional development, career opportunities, learning through training and workshops (Bai *et al.*, 2017; Davis, 2014), coaching (Mihalcea, 2017), or an individual performance appraisal system (Javidmehr and Ebrahimpour, 2015; Idowu, 2017). The other research results reveal a positive relationship between the internal recruitment and job satisfaction. Internal promotions are used to protect and favor specific firms' investments in their workers' capital (Devaro and Morita, 2009; Bayo-Moriones and Ortín-Ángel, 2003). According to our research, all of the above factors are important internal branding activities directed at employees. All of these items were included in the internal branding measurement construct.

Our study has found that external employer branding activities strongly influence employer attractiveness, while internal activities directed at employees have a major impact on both employer attractiveness and employer image. Bellou *et al.* (2015) stressed that employees appreciate interpersonal relationships within the company, the relationship between the company as an entity and the employee, and the attitude of the employer's company toward the community - which was also confirmed in our research revealing the significant impact of internal branding activities on employer image and employer attractiveness.

These findings indicate that an employer's image is an antecedent to perceiving employer attractiveness, as in Backhous and Tikoo (2004). Also, activities aimed at building the good employer image among current employees allow more efficient employer branding. Lievens (2007) and Rampl (2014) stressed that the employer's brand's perception is significantly affected by a variety of tasks and social activities, which has also been confirmed in our research. Referring to the study by Rampl (2014), we confirmed that being an employer of choice is significantly influenced by employees' personal experience, acquired not only through workplace experience but also through improvement, integration, or training activities. Our research, referring to Rampl (2014), reveals that it is worth putting substantial effort into communicating content and work culture, as they are determinants of the employer's attractiveness. Unlike Rampl (2014) and Dabirian *et al.* (2019), the item "offers jobs in attractive locations" is not an employer attractiveness construct.

Our empirical model confirms that employer branding's consequences are employer image and employer attractiveness, as in work by Biswas and Suar (2016). This study results confirm the link between internal and external employer branding practices in increasing the employer's attractiveness perceived by employees.

6. Conclusion

In this study, we set out to better understand how firms can efficiently affect an organization's image and employer attractiveness. First, we identified external and internal branding activities that firms may use to attract current employees. Second, we turned to theory and research from the literature on recruitment and marketing to develop hypotheses explaining how employer branding activities would affect employer attractiveness, considered in terms of expected benefits. Third, drawing on marketing theory, we developed hypotheses regarding how corporate image moderates the relationship between employer branding practices and employer attractiveness. Finally, we developed hypotheses about how perceptions of an employer's image would affect the employer's attractiveness.

Table 5. *Decisions on hypothesis*

Hypothesis	Decision
H1. <i>More intense employer branding activities lead to increased employer attractiveness, considered in terms benefits expected by employees.</i>	is accepted
H2. <i>Employer image mediates the relationship between employer branding and employer attractiveness.</i>	can only be accepted within the boundaries of internal branding and partially for a mediator
H3. <i>A higher potential employee perception of their employer's image leads to an increased perceived employer attractiveness, considered in terms of expected benefits.</i>	is accepted

Source: *Own creation.*

The results have also confirmed that internal branding factors, such as team-building activities, internal communication, employee opinion surveys, training and development, coaching, internal recruitment practices, and an individual performance appraisal system, are likely to affect employees' perceptions of an organization's image. However, we have not confirmed the direct effect of external employer branding activities (such as corporate advertising, a "career" tab on the company's website, events at universities, PR and sponsorship activities, career services offices, best workplaces list, job portals, and company ambassadors) on employer image. Therefore, the research hypothesis, which claims that employer image mediates the relationship between employer branding and employer attractiveness, can only be accepted within the boundaries of internal branding and partially as a mediator.

This research seeks to contribute to the employer branding literature by investigating specific external and internal factors that affect employer image and employer attractiveness. Overall, our results support the notion that external and internal employer branding practices directly affect employer attractiveness. We found evidence that, of these factors, internal branding practices may have the most powerful direct effects on employer image. It has also been established that employer image was the predictor that directly impacted employer attractiveness perception as far as expected benefits are concerned.

Thus, firms that invest in employer branding activities may not only attract new, valuable employees but, most of all, gain a competitive advantage in terms of their current employees' involvement. Because of the importance of this factor, future research should be undertaken, for example, to examine the effects of employer branding practices on an organization's financial results.

6.1 Implication for Management

Our study reveals that internal branding practices and external employer branding activities could change employees' perception of an organization's attractiveness. Many organizations try to build a positive image of the employer. This study proves that investments in both internal and external activities directed at employees are justified, as they positively impact the employer's image and perceived attractiveness. This study contributes various implications for HR because it proves that internal and external activities directed at current employees significantly affect the perception of the attractiveness of the employer and its image. In a highly competitive work environment, this will support talented employees' retention, which is becoming increasingly important. The concept of employer branding can be precious in searching for a strategic human resource management framework.

6.2 Limitations

The study has several limitations. Firstly, the method used was the survey method, so the results are not entirely reliable and accurate. The survey method was the only one available under the existing financial conditions. The personal interview method should be used in the future, as it is more likely to deliver accurate and reliable answers. The second limitation was the snowball sampling used in this study, which meant that the selection was not representative, and it is not possible to generalize the results. It is recommended that further research be conducted with a more representative, random sample to generalize possible. The respondents come from different management levels: executive, managers, administrative, and specialists, which would be a sample quality problem. This study obtained responses only from current employees. It is recommended that the study should be extended to cover prospective employees so that the perceptions of prospective and current employees can be compared and integrated. Since employees of different employers were surveyed, it may be worth carrying out one employer's case study to follow these relationships. Future research should examine what actions most effectively impact perceptions of employer image and employer attractiveness.

Fourthly, the study was conducted in one region, so the results can only relate to specific local conditions. Hence, the research should be continued in different regions. Finally, the proposed measurement of employer branding is disputable because it deviates from the standards presented in the works of Lievens (2007), Biswas and Suar (2016), and Carpentier *et al.* (2017), for example. We are aware of the disadvantages of the proposed approach, but we wanted to emphasize current employees' internal and external activities. Despite the above limitations, this study's

results show the importance of actions towards current employees in building the employer's brand.

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