



The Implementation of Employer Branding in Hospitality Industry: A Literature Review

Lisnawati Pertiwi; Ahmad Azmy

Master Program in Management, Faculty of Economy and Business, Paramadina University, Indonesia

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Abstract

Large and sustainable companies are those that can build a strong Employer Branding that holds meaning for their employees, even after they leave the company. However, it is suspected that some hotels still lack a robust employer branding strategy. Through effective employer branding, a company can attract human resources capable of creating a competitive advantage. This study aims to delve deeper into the application of employer branding in the hospitality industry. To this end, a descriptive case study method was applied. In this case study, all findings are described based on theoretical and empirical results. It is expected to provide broader insights to the general public using library research. When a company genuinely cares for its employees and views them as valuable assets to be nurtured, it significantly influences the progress and work performance of its workforce. When employees work with dedication, high enthusiasm, and a sense of belonging toward the company, it has an incredibly positive impact on the company. This is where employer branding becomes crucial for a company in attracting the best talents. When a company successfully implements employer branding, it reaps numerous benefits. They become the first choice and primary destination for job seekers, including fresh graduates and experienced professionals. The company becomes a magnet for job seekers, eliminating the need for extensive recruitment efforts. As a result, the company avoids the hassle of frequent employee turnover.

Keywords: *Employer Branding; Hospitality Industry*

Introduction

Every business aims for growth and expansion, which necessitates the formulation of strategies and approaches. Google, listed in Fortune's 100 Best Places to Work, is one of the most valuable companies in the world. Google's core value begins with the statement "we want to work with great people." Google attracts individuals with the strength of its brand and the opportunity to work with talented people. Their philosophy is to bring in the most talented individuals and create an environment where people can excel. In the early years of the organization, the founders were busy recruiting the best talent when many other organizations were letting them go (Bhattacharyya et al., 2021). "Google's input control is so strong that even today, every employee profile and interview comment is one of the founders before they were hired"(Bhattacharyya et al., 2021). Free food, on-site medical care, office laundry facilities, and a trendy corporate culture have made Google an attractive company. With around 10,000

employees worldwide, Google receives 1,300 job applications every day in the U.S. alone. Google is not the only company famous for its exceptional employee benefits. Other well-known companies include Nike, Shell, and Philips. Most of these companies also participate in elections to be recognized as large corporations. Examples of these choices include 'Best Places to Work' and 'Many job choices.'

The hotel industry, like any other sector, strives for development and increased resilience. As asserted by (Bayudin and Maradona 2019), the hotel industry transcends mere accommodation offerings, encompassing commercially managed lodging services. Furthermore, the diversity of hotel types has become pronounced, with constant innovation driving differentiation in business operations within the realm of hotel management. Even after the integration of information technology systems, new entrants have emerged in the hotel industry, introducing disruptive changes in comparison to established entrepreneurs. These newcomers engage in competitive endeavors, fueling the industry's evolution with novel innovations, which are perceived as disruptive by incumbent stakeholders (Sri Darma, 2016). While according to Worsfold's survey, the state of the hotel industry is outdated and the quality of Human Resources in the hotel industry can be poor, like other industries, the hotel industry still struggles to attract and retain good employees. The hotel industry has a poor image, "because it represents low wages and poor working conditions" (Lucas, 2009). It is essential for companies to retain talent within the organization; therefore, competencies must be managed and developed. "Organizations must engage the hearts and minds of the people. In this regard, the most successful organizations are those whose vision and organizational values align with individuals."

Every company undoubtedly aspires to progress and achieve growth, and the hotel industry is no exception. One of the methods employed to attain these objectives is by entrusting human resources with the pivotal role of providing the necessary impetus for the realization of corporate goals. An issue that frequently arises in the competitive business landscape is a company's inability to identify suitable candidates for specific positions. A prominent characteristic of successful and sustainable organizations is their ability to construct a brand, or, in other words, as articulated in the primary definition of branding strategy by (Wertz, 2019), they shape "employer branding." Employer branding is a potent concept that bestows significance upon employees, even after they depart from the organization.

The concept of employer branding originates from the marketing brand concept, which has been developed from the perspective of human resources. Considering that human resource management is a key factor, the government is committed to improving personnel quality by allocating funds for professional training through the Ministry of Human Resources. Employer branding is a way to promote a company through its human resources, where company employees feel safe, have a desire for growth, and are loyal to the company. The aim of this process is to attract, recruit, and retain ideal employees, often referred to as top talent. The concept of employer branding is relevant in various industries. One industry that is currently drawing attention is the hotel industry. Employer branding is becoming increasingly important in the hotel industry, especially in the current situation where the demand for workers is driving businesses to consider short-term and long-term recruitment and retention strategies. Taking steps to identify and strengthen your company's brand will help your organization at every stage of talent search, recruitment, and retention (Alice Cheng, accessed in October 2023). However, it is suspected that some hotels still lack a robust employer branding strategy. The concept of employer branding was first postulated by Ambler and Barrow (Alifia et al., 2020). They defined employer branding as a long-term strategy aimed at shaping the awareness and perceptions of employees, potential employees, and relevant stakeholders concerning the company. For a company, it is crucial to retain talent within the organization, and therefore, talent needs to be managed and developed. "An organization should engage with the hearts and minds of individuals. The most successful organizations in this regard are those in which the vision and values of the organization align with individuals" (K. and P. A. Thorne, 2007).

According to (Mosley & Schmidt, 2017), employer branding entails the process of creating an exceptional workplace and subsequently promoting it to the talents whose knowledge and skills are required by the organization to fulfill its business objectives and targets. Similar to consumer branding, employer branding involves less pushing and more pulling to cultivate a positive reputation that aids in attracting talented individuals whenever and wherever they are needed (Mosley & Schmidt, 2017). The first step in building a talent pool is to attract qualified staff. Organizations must first clarify their definition of what makes a good employee. Each company has different values and employee needs (Sjoerd A. Gehrels dan Joachim de Looij., 2014).

The second step is to motivate employees. "Motivation is the driving force (desire) behind all organism's actions" (Wels, 2007). Motivation is also a key to employee performance. This motivational approach simply asks employees what they want from their job, leading to a good work environment, clear job descriptions, and satisfying compensation packages (Wels, 2007).

The third step in building a talent pool is retaining it. DeBare (2007) introduced the idea that the 1990s truly changed the rules on how long employees stayed in their jobs and how long managers expected them to stay. Employees understand that their managers can fire them at any time if their performance is disappointing or if there is a merger. This means that empowered workers will have the power in the future. Employee loyalty is no longer given, and employees no longer work with the idea of having a job for life. Consequently, employees also play a pivotal role in shaping the company's image in society. Amelia (Alifia et al., 2020) asserts that the difficulty in securing the best-right talent and the aspiration to become an employer of choice are reinforcing indications of an ongoing talent war in Indonesia. Companies are fiercely competing to recruit the best employees. Similar to consumer branding, employer branding relies more on attraction than promotion to cultivate a positive reputation, which, in turn, aids in attracting talented individuals when and where they are needed (Mosley & Schmidt, 2017). Consequently, numerous companies are actively engaged in employer branding activities to gain an advantage in the talent war. In light of the issues outlined above, this study attempts to delve further into the application of employer branding within the hotel industry.

Theoretical Review

Employer Branding

A hotel is an industry or commercial service enterprise (Hermawan, 2018). According to the Ministry of Tourism, Post, and Telecommunication letter no. KM/37/PW/304/MPPT-86, hotel encompasses all forms of accommodation that provide partial or entire buildings for lodging, food and beverage services, and other services for the general public, operated on a commercial basis.

From the aforementioned definitions, it can be deduced that a hotel:

1. Represents a type of accommodation.
2. Offers accommodation, food, and beverage services
3. Is available to everyone.
4. Operates with a commercial motive, seeking profitability.

Hotel products are comprised of tangible and intangible components. Tangible products are those visible to the public or guests and include items such as rooms, food, beverages, meeting rooms, swimming pools, karaoke facilities, fitness centers, lounges, coffee shops, mini bars, saunas, laundry services, and other amenities available within the hotel. Intangible products, on the other hand, are not directly visible but are experienced by guests, who must pay for them. These intangible products encompass

1. Services for guests,
2. Security, cleanliness,
3. And hospitality (Bagyono as cited in (Krestanto Nidn et al., 2019)).

The concept of employer branding was initially proposed by Ambler and Barrow (as cited in (Alifia et al., 2020), accessed in October 2023). They defined employer branding as a long-term strategy with the aim of managing the awareness and perceptions of employees, potential employees, and related stakeholders about the company.

William Tincup, President at Recruiting Daily (as cited in (Slater, 2017), accessed in October 2023), offers a simple interpretation of employer branding: "When asked the question, what is employer branding? *My answer is simple, what's the feeling you want candidates to have about your brand? That feeling.* That feeling that permeates your organization... 1 part values, 1 part culture, 1 part experiences... in essence, employer brand is your unique scent." In essence, William Tincup's statement conveys that employer brand is the company's identity, a unique aspect that distinguishes the company, making it appear more distinct. Employer branding is then defined as the company's ability to differentiate and promote this identity to a specific group of candidates interested in applying to the company.

The primary objective of employer branding is to develop employees in building the company's image through training, ensuring that employees have a sense of commitment to the company (Citta et al., 2020). By applying Employer Branding as a company strategy, a company is expected to create a pleasant working environment, thus reducing the likelihood of employees leaving the organization. In constructing employer branding, companies should pay attention to the following aspects (Citta et al., 2020):

1. Companies should focus on their vision and mission and effectively communicate these to employees.
2. Fostering clear communication with potential employees regarding the company's culture and the benefits they would receive by working for the company.
3. Maintaining consistency in the company's brand and conveying the added value it offers to external stakeholders.

Key Aspects of Employer Branding

According to Sullivan (2017), key aspects of employer branding that companies should focus on include:

1. Developing a value proposition to offer to prospective and existing employees. Developing this value proposition concept using information about organizational culture, management style, current job descriptions, the quality of current employees, and the value offered to the company to create the perception of the company as an attractive place to work.
2. The process of communicating to external parties that the company has an attractive value proposition for job applicants who are the target of recruitment.
3. Building an internal brand promise and involving employees as part of the organizational culture.

The Benefit of Employer Branding

Employer branding plays a pivotal role in enhancing the function of human resources, enabling them to perform more effectively and generate optimal results for the company. (Loomly Team, 2017) mentions four advantages of employer branding:

1. Providing Candidates with a Reason to Choose You

In 2011, a dramatic shift occurred in the job market. Harvard Business Review (2015) states, "We left an employer-driven market, where the people with positions to offer held all the cards, and moved to

a candidate-driven market, where the top talent calls the shots." This means that many companies transitioned from an employer-driven market, where the workforce was used to achieve specific company goals, to a candidate-driven market. In the candidate-driven market, top talent has the upper hand in making choices.

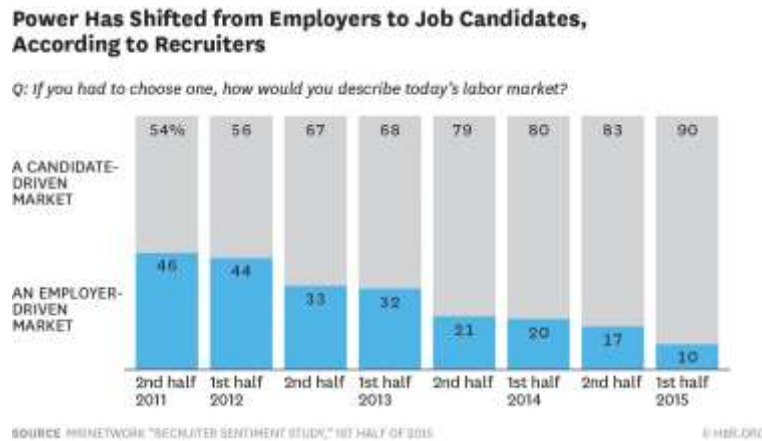


Figure 1 Harvard Business Review
Source: Harvard Business Review

The connection to employer branding lies in the fact that in a candidate-driven market, a company's brand is an opportunity to stand out among the competition, all vying for attention. If the next job vacancy is a product, and candidates are consumers, then employer branding is a marketing strategy to attract, engage, and persuade them to work for the company.

2. Make the Hiring Process Smoother

Employer branding can streamline the prolonged recruitment process. A survey by LinkedIn in 2011 found that companies using branding strategies to aid in the recruitment process could hire one to two times faster than before. The survey also discovered a 50% increase in qualified candidates applying within their respective fields. This reduction in administrative work and increased chances of finding the right candidates make the hiring process smoother and more efficient.



Figure 2 LinkedIn's Survey on Employer Branding
Source: LinkedIn Business

3. Save Money

There are two cost-saving elements associated with employer branding:

- Smooth recruitment process equals lower cost spent for the process. LinkedIn's survey, as shown in Figure 2, report that on average, a company save up to 50% recruitment cost.
- Having a positive reputation can lead to savings in terms of employee salaries and incentives.

Harvard Business Review (2015) found that companies with a poor reputation pay an average of 10% more per employee, with additional incentives required to attract talent. This survey involved companies with 10,000 employees, paying the average American salary and incurring an extra cost of \$7.6 million per year. However, additional money or incentives are often insufficient to retain employees in the long term. According to (Loomly Team, n.d.), 92% of employees would consider leaving their current job for a company with a better reputation and brand. A company with better employer branding report lower turnover rate up to 28% on average. Therefore, having a strong employer branding can yield significant cost savings.

4. Engage Your Current Employees

As (Pollock, 2015) from Clear Company emphasizes, "Good employer branding attracts better candidates, which in turn leads to employees that are more apt to work for your company and love working with you." Employee engagement plays a significant role in employer branding, involving employees in sharing their stories and contributing to the brand. This plays an important role in developing a company's brand. Employees with higher engagement may perceive a higher sense of appreciation and exhibit higher intention to stay in the company.

The Positive Effect of Employer Branding

Employer branding has several positive impacts on the success of an organization or company, as highlighted by (Mosley & Schmidt, 2017) in various areas:

1. Recruitment

Companies with a strong employer branding attract greater interest from high-quality job candidates and, in turn, reduce overall recruitment costs.

2. Engagement

Employer branding provides information about the company's culture and work environment, fostering higher job satisfaction and pride among employees. Such a positive work environment encourages higher levels of employee engagement, leading to increased diligence in their work and, ultimately, higher levels of productivity and customer satisfaction.

3. Retention

A good workplace with talented and highly engaged employees are the key in improving employees' intention to stay. Furthermore, employer branding sets expectations for potential employees about the company before they even apply. As a result, companies with appropriate employer branding tend to experience lower turnover rates, meaning that employees are less likely to leave the organization, leading to more stability in their workforce in the short term.

4. Competitive Advantage

Employer branding enables companies to build all-star teams composed of talented employees. By creating teams that excel in categories such as collective intelligence, creativity, and more, companies can retain a competitive advantage in their industry.

Research Method

This research employed a descriptive case study method. In this case study, all findings are described based on theoretical and empirical results. Through this literature review, it aimed to provide broader insights into the case study method to the general audience, utilizing a library research approach. According to (Sugiyono, 2019), a literature review involves a theoretical examination of references and other scholarly works related to the culture, values, norms, and social situations under investigation. These discussions were then synthesized for further examination.

Result and Discussion

In essence, Employer Branding is created to establish a company's identity, image, and positive values. This is done to differentiate a company from its competitors. This strategy is often linked to the recruitment process, as this is when companies face challenges in attracting prospective employees. However, it is essential to remember that this strategy is equally important for existing employees within the company. Employer branding holds the following significance:

1. It creates an impression of the company and portrays the work experience within the company. Existing employees can make more informed decisions and commitments aligned with their career development goals.
2. It attracts prospective employees to occupy suitable positions, leading to excellent synergy and increased company productivity.

Finding 1 What do the respondents know about company branding? The majority (23/15) have heard of Employer branding. Only a few reported that their companies use Employer branding in their HR strategies. One company conducted a company-wide study by a consulting firm on what Employer Branding means for the hotel network.

Finding 2 When managers think about Employer Branding, which companies come to their minds? Interestingly, only a few of them mentioned their own company's name. The most mentioned company is McDonald's (5 times). They focus their strategy on young people aged between 16 and 20 and are one of the few companies that offer career opportunities for people in this age group.

Finding 3 What are the biggest HR challenges? **Conclusion:** There is no clear difference in the challenges faced by different HR managers. For four out of six HR managers, the biggest challenge is attracting and retaining people in their jobs.

Finding 4 How do companies currently retain their employees? Almost all respondents mentioned that they have good training programs to motivate and retain employees. Salary is important in retaining people but not the most important. People also want other things like challenging work. Additionally, working together as a team and listening to what other coworkers want is important. Hotels should focus more on the people themselves, not just in the short term but also in the long term.

Finding 5 What do companies do for employees who leave? No organization has a former employee program. Currently, an employee leaving an organization is only given an exit interview to get feedback on how the organization can improve its performance.

Finding 6 Who is responsible for creating the company's branding strategy in the company? Although marketing traditionally is responsible for an organization's branding, none of the respondents considered the marketing department responsible. One respondent considered the PR department responsible for building the company's brand.

Finding 7 Are there risks in creating an Employer Branding strategy? Only a few restaurant managers do not see risks in creating an Employer Branding strategy. They argue that the company should continue all other programs, and that EB does not replace other strategies.

Companies are very interested in talented employees who can keep the company's economic wheels turning. Employer branding serves both internal and external purposes. Internally, it reinforces employee loyalty and commitment by aligning with company values. This ensures that employees can perform optimally and collaborate to achieve the company's objectives. Externally, companies must provide attractive and clear information about themselves to recruit talents that fit their organization. The importance of building employer branding can provide the following benefits to a company:

1. Building a Positive Reputation

Employer branding is created to promote a company to job seekers and prospective employees. This promotion highlights the positive reputation, including the company's work culture, vision, and mission. Establishing a strong branding image is crucial for building trust among employees and potential customers.

2. Attracting New Talent

Employer branding significantly influences recruitment activities. Candidates typically research and thoroughly learn about a company before applying.

3. Attracting High-Potential Employees

In addition to garnering the attention of as many prospective employees as possible, the primary goal of branding strategies is to attract prospective employees. Statistics indicate that a strong company brand will attract at least 50% more high-potential or high-quality candidates. Consequently, thanks to branding strategies, a company may have a greater opportunity to attract candidates who meet the criteria, as there will be more high-potential candidates available.

4. Reputation Trumps Salary:

While salary is important to job candidates, surveys suggest that up to 50% of candidates would avoid working for a company with a poor reputation, even if the salary is higher. This underscores the impact of branding on candidates' perceptions.

5. Reducing Advertising Costs

Developing an employee branding strategy is essential for cutting advertising and recruitment costs. Companies with a stronger brand than their competitors reduce recruitment costs by at least 43%. This demonstrates that employer branding not only attracts employees but also offers financial benefits to the company.

6. Enhancing Employee Loyalty

Employer branding does not only affect the recruitment process but also the retention of current employees. A well-built brand image can prevent current employees from leaving for other companies. This can be achieved by ensuring employee well-being, creating a pleasant work culture, implementing mutually beneficial policies, and.

Developing an effective employer branding strategy has become crucial for every business. Such activities yield numerous benefits, including reduced turnover rates and the ability to recruit high-quality and potential candidates. These six factors highlight the critical importance of employer branding. An efficient and effective branding strategy attracts the best candidates during recruitment and motivates employees to excel in their roles, creating a comfortable working environment.

Conclusion

Many argue that the success or failure of a company depends on its leaders. However, no matter how capable a business leader is, they cannot operate smoothly and make a significant impact without the assistance of employees. Human resources are the primary asset of any company, and having the best human resources is a key factor for success. When a company genuinely cares for its employees and views them as valuable assets to be nurtured, it significantly influences the progress and work performance of its employees. When employees work with dedication, enthusiasm, a sense of commitment to the company, it has a profoundly positive impact on the organization. This is where employer branding becomes crucial for a company in attracting the best talents.

We believe that Employer Branding is not only for large organizations with big budgets but is suitable for every branch and every organization. It doesn't matter if a company has five or 50,000+ employees. Small organizations should focus on what it means to work there and the experience they provide to their employees so that their employees can consistently provide that experience to customers. It's about philosophy and how an organization shares this philosophy with its employees. In many ways, it's easier to control in smaller organizations because there are fewer people who can damage the brand. There are risks to establishing a company brand. One of the risks is that the term "employer branding" seems to project that it's only about creating an image. Another mentioned risk is that job advertisements may not align with everyone's desires. Job listings are not only read by potential employees but also by guests and suppliers. Another significant risk, according to one manager, is that employer branding makes the organization inflexible. At that point, everything is tightly managed with manuals and strong branding, so the company will lose flexibility to deviate from this. A good corporate brand requires good cooperation across all organizational functions. Thorne (2004) writes that this can be compared to a machine, one part cannot operate without the other. Cross-functional work breaks down traditional divisions between Marketing, Sales, Distribution, IT, Manufacturing, and HR (Sjoerd A. Gehrels dan Joachim de Looij., 2014).

The first step in establishing an employer brand (Thorne, 2004) is to identify a clear vision. All team members must be aware of the importance of a brand. The second step is to develop a clear internal engagement program. This step should also determine what the future looks like, how the company plans to achieve it, and how employees can help. The third step is to create a communication plan. It should not only be a plan for internal communication; it's also crucial to have a plan for how to share this externally. "It's not just about the proposed process of change but celebrating your history, building your future, creating new markets"(K. Thorne, 2004). The fourth step is to declare the corporate brand and implement it. It all needs to start with a commitment from the senior leadership team. The fifth step is to conduct an ongoing evaluation of the corporate brand, which will ensure that the brand is effective for the organization and will attract, engage, and retain the right talent (Sjoerd A. Gehrels dan Joachim de Looij., 2014).

When a company successfully implements employer branding, it reaps numerous benefits. They become the top choice and primary destination for both recent graduates and experienced job seekers. The company becomes a magnet, and there's no need to exert extra effort to attract the best talents. Furthermore, when employer branding functions effectively, dozens, hundreds, thousands, or even hundreds of thousands of employees choose to stay and thrive within the company. Employees feel they have found a workplace that aligns with their expectations and desires—a comfortable and secure place for the present and the future. Moreover, businesses will not be preoccupied with the constant turnover of employees.

Hotel leaders share a common trait: they have great people who provide excellent service. This doesn't happen by chance. The front-end delivery of service excellence is supported by a superior back-end training system, performance management, recruitment system, and rewards/recognition. Hospitality organizations need to ask themselves whether their employees act as ambassadors for their friends, family, colleagues, and customers/guests. Ultimately, it's not the product that delivers the brand promise but the people. Only those hospitality organizations that succeed in this aspect will win the battle for talent. Employer Branding supports them in this endeavor.

Therefore, the nature of employer branding deserves special attention in the business world, especially in the context of intense competition for talent. It's not solely the responsibility of the human resources department but a collective responsibility, from top to bottom, within the organization.

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