

Employer Branding & 'its impact' on organizational performance-A comprehensive Review

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Abstract

Human capital is one of the most important drivers of competitive advantage that is becoming more and more popular in the contemporary business environment. The concept of employer branding has become a strategic instrument that helps companies to recruit, involve, and keep skilled staff. This paper will analyze how the employer branding contributes to employee engagement, attraction of talents, retention of talents and performance of the organization.

The study uses a qualitative methodology that is grounded in an in-depth examination of the current literature. Past research indicates that a good employer brand boosts employee satisfaction, lowers turnover intention, and boosts the success of recruitment "(Backhaus and Tikoo, 2004, Berthon et al., 2005)". Also, the digital and sustainable employer branding is becoming increasingly relevant in the creation of employee perceptions and organizational reputation "(Sivertzen et al., 2013, App et al., 2012)".

The results suggest that employer branding plays a crucial role in organizational success as it enhances employee engagement and talent management practices. Nonetheless, the research is restricted by secondary data and absence of empirical confirmations. The next step of research must be quantitative analysis and cross-cultural comparisons that will serve to prove these results.

Aims of the research:

- To examine the employer branding as a predictor of talent attraction.
- To investigate the effects of employer branding on employee engagement.
- To study the relationship between employer branding and employee retention. To assess how organizational performance is influenced by employer branding.
- To create a theoretical model of how employer branding is related to major HR outputs.

Purpose of the study :

This research will aim to give an in-depth insight about employer branding and how it affects the success of an organization. The research combines different aspects like employee engagement, digital transformation, and sustainability to create a comprehensive view of employer branding.

The study has a background that is as follows:

"The concept of employer branding is emerged on the basis of marketing principles and only found its way into the human resource management discipline". It was initially mainly centered on recruitment but with time it has been extended to a wider idea that has an effect on the whole life of the employee.

Preliminary research has emphasized the importance of employer branding in talent attraction and enhancing recruitment performance. But recent studies have gone further to incorporate employee engagement, retention and organizational performance. This trend is indicative of the increased importance of employer branding as a strategic resource and not merely a recruitment strategy.

INTRODUCTION

In the current competitive and dynamic business world, organizations are starting to realize that winning in the business world does not solely lie in the ability to attract customers but also attract and retain talent employees. Consequently, the employer branding has become a very important concept in the sphere of Human Resource Management (HRM). "Employer branding focuses on establishing and marketing an excellent image of the organization as an attractive place to work, to the existing and prospective candidates". Research by major academic publishers over the years, e.g. Emerald publishing, MDPI, Frontiers Media, has pointed out that branding of an employer is no longer confined to the recruitment process.

Rather, it has become a strategic role, which has an impact on various elements of organizational performance, such as employee engagement, job satisfaction, and retention. An employer brand is useful in enabling organizations to stand out in the job market, as well as giving employees trust and reliability.

Moreover, the research shows that employer branding is an important factor in the perception and attitude formation of employees. Once the employees associate themselves with the values and the culture of the organization, they tend to be more motivated, committed and interested in their work. Such relationship is not only good but also enhances personal performance, but it also leads to organizational performance. Over the last few years the employer branding scope has grown beyond the conventional limits.

As the digital platforms have emerged, the organizations are currently taking advantage of the social media and online platforms to convey their employer value proposition and connect with a broader audience. "According to research carried out by Elsevier and IGI Global, digital employer branding appears to be a potent instrument of influencing the selection of job seekers and making an organization more visible".

Meanwhile, the focus on sustainability and ethical branding of employers is also increasing. Contemporary workers are becoming more and

more inclined to work in the company which proves to be socially responsible and conscious of the environment. The change has resulted in the new sustainable employer branding that incorporates organizational values with the larger societal objectives. Although the literature on employer branding is expanding, a more detailed knowledge of the relationship between employer branding and other variables is yet to be established in understanding the interaction of employer branding with employee engagement, talent management, leadership, and company performance.

Numerous works have been conducted to explore these areas separately but few studies have tried to interdiscipline these areas into a single unified framework. Thus, the purpose of the study is to survey the existing literature on the topic of employer branding and analyze its influence on attracting talents, engaging employees, and on the performance of organizations. It also aims to present a conceptualization that represents the interrelationships between these variables within the contemporary organizations.

LITERATURE REVIEW

One of the primary attributes that have been broadly researched in relation to talent management is the employer branding. "Backhaus and Tikoo (2004) opined that branding by employers established a special organizational identity that distinguished firms in the labor market". On the same note, the authors of the study "Berthon et al. (2005)" highlighted the role of attractiveness of the employers in determining the choices of job seekers.

Another significant outcome related to employer branding is employee engagement. "Kahn (1990)" characterized engagement as the emotional and psychological connection of workers to work. "Saks (2006)" also emphasized that engaged employees are more productive and dedicated towards organizational objectives.

Internal branding is important in contributing to employer branding. "Punjaisri and Wilson (2011) claimed that branding will not work without employees being able to feel the values of the organization internally". This alignment boosts employee trust and loyalty.



Over the last couple of years, digital employer branding has become significant. “The study by Sivertzen et al. (2013) discovered social media to have a great impact on the attractiveness of the employer”. Organizations post their culture and values on digital platforms thus appealing to potential candidates.

Another new trend is sustainable employer branding. “App et al. (2012)” emphasized that employees would like to work in organizations that practice ethical behaviors and social responsibility. This trend is indicative of evolving workforce demands and the increased value of sustainability

Theoretical Viewpoints that Advocate the Employer Branding

There are a number of theoretical frameworks that underpin the concept of employer branding. Among the theories included in the list is the Social Identity Theory, which is a theory that explains how people obtain their identity and esteem by being affiliated to organizations. Employees will also identify more with an organization when they believe it is reputable and attractive.

Talent attraction and Employer Branding

There is a substantial amount of literature that deals with the importance of employer branding in attracting potential employees. Employers with a good employer brand are seen as better places to work and this makes them have a high rate of getting quality candidates. Research has revealed that job seekers tend to question organizations on their reputation, values and work culture before making employment decisions.

Employer branding also assists organizations to be differentiated in the labor market which is competitive. It saves on the expenses of recruitment and enhances the efficiency of the hiring. Moreover, the studies indicate that the attractiveness of the employers is affected by the availability of career development, organizational culture and salary among other employer branding elements.

Research has shown that companies with good employer brands will get numerous applications to fill vacant jobs and can secure better candidates. It

does not only enhance the process of recruitment, but it also saves on time and cost of hiring.

Employer Branding and Employee Engagement

The other significant source of literature is the correlation between the employer branding and employee engagement. Studies conducted by Frontiers Media reveal that a good employer brand has a positive impact on the emotional attachment of the employees towards the organization.

Workers who have a positive perception about their organization have high chances of becoming motivated, satisfied, and committed to their work. This results in an increased level of engagement and productivity. The employer branding makes employees feel pride and belongingness which goes further to enhance their participation in the activities within the organization.

Therefore, employer branding does not only assist in employee attraction, but it is also instrumental in ensuring their motivation and loyalty.

Employees that feel that their organization supports them and that they have a good reputation will tend to

- Be driven and contented
- Demonstrate increased commitment.
- Make contributions towards organizational objectives.

This association results in high performance and productivity. In addition, the alignment between employee values and organizational values also affects the engagement. The more the employees believe that their personal values are aligned with those of the organization, the more they can be involved and committed.

Therefore, employer branding does not only assist in employee attraction, but it is also instrumental in ensuring their motivation and loyalty.

Performance and Employer Branding:

The literature on the effects of branding on the performance in an organization has been popularized. Employer branding has a direct and

indirect contribution towards performance. The direct contributions are enhanced productivity by the employees, innovation, and general performance. The indirect benefits consist of lower turnover expenses, higher employee morale and better organizational image. It has been found out that when the employees are engaged and satisfied, they tend to give better performance and contribute to the organization objectives.

Employer branding will result in such engagement and satisfaction. Also, a robust employer brand improves the organizational image among the external stakeholders such as customers and investors, making this additional point towards the success of the organization. 2.8 Employer Branding in the Digital Age and Technological Impact. Technology has also changed the employer branding in a great way.

Online channels are nowadays critical to deliver employer branding messages and interact with candidates. Elsevier and IGI Global researches reveal that companies utilize the social media, personal websites, and online platforms to demonstrate their work culture and values. The number of benefits that come with digital employer branding is: Extended coverage and availability. Real-time communication. Increased transparency. It enables organizations to communicate with the potential employees directly and establish connections with them prior to the recruitment process. This makes employer branding strategies effective. 2.9 Sustainable Employer Branding.

“The concept of sustainability has played a crucial role in the employer branding from the previous few years”. There is rising concerns towards environmental and social issues among employees and they would like to be associated with organizations that portray ethical conduct and social responsibility. “According to the research conducted by MDPI, environmental responsibility, ethical conduct, and involvement in the community are the key elements of sustainable employer branding”. Companies that incorporate sustainability in their branding programs are seen to be more appealing and credible. This also assists in talent attraction as well as employee engagement and loyalty.

Employer Branding under Leadership Influence:

Leadership is very important in employer branding. Leaders shape organizational culture, employee behavior and general working environment. Transformational leadership, which channels inspiration, motivation and support have been identified to have a positive influence on the employer branding.

These leaders will foster a favorable workplace atmosphere that will improve the satisfaction and motivation of employees. The leadership perception of the employees has a direct influence on the perception of the organization as an employer. Thus, a strong employer brand requires a good leadership to create and sustain.

Multicultural and Global Vision:

Cultural and regional issues also have an impact on employer branding. Research has shown that the expectation and perception of employees in different cultures differ thus influencing the success of the employer branding strategies.

Employer branding strategies implemented by organizations in international markets have to be adjusted to the context of various cultures. This involves the knowledge on local values, work practices and employee expectations. A global approach to employer branding assists organizations to recruit different talents and to conduct in international markets.

Cohesive Outlook and New Tendencies

The literature indicates clearly that the employer branding is a multi dimensional concept that incorporates multiple aspects of organizational factors including HR practices, leadership, culture, digital strategies and sustainability.

As per the current trends, there is a tendency to become more holistic and the employer branding is associated with: Employee experience Digital transformation Sustainable development Although this has been achieved, more comprehensive research is still required to bring these aspects together into one framework.



Summary of Literature:

To sum up, the literature demonstrates that employer branding is important in employee behavior and organizational performance. It affects talent attraction, employee engagement, employee retention and performance. Nonetheless, the majority of studies are centered on different variables separately and do not give a complex picture on how the variables respond to each other.

This presents a research prospect to conduct another study that incorporates a comprehensive framework of the complexity in employer branding in contemporary organizations. The available existing literature on the employer branding indicates that employer branding is becoming increasingly significant as a strategic instrument in the contemporary Human Resource Management (HRM). Employer branding has over the years been transformed into being a recruitment-intensive concept to a holistic concept that determines various facts of organizational operations such as talent attraction, employee engagement, employee retention, and performance in general. The works of the most reputable academic “sources like Emerald Publishing, MDPI, and Frontiers Media are repeated in their argument that an effective employer brand positively affects internal and external organizational perceptions”. The importance of employer branding in drawing talented employees is one of the major discoveries in the literature. Employer brand gives the organizations a favorable image as a more preferred working place, and that allows them to get more candidates and more qualified ones. Some of the key areas that are communicated under employer branding include organizational culture, career development opportunities, and work environment which play significant role in determining the choice of job seekers. Consequently, it does not only enhance the quality of recruitment, but also saves on costs and time on hiring.

Besides recruiting the talented, the employer branding is also a main factor in improving employee engagement. Research shows that employees that have positive perceptions of their organization tend to become emotionally attached, motivated, and committed to their jobs. This feeling of belonging

and pride enhances the level of their “involvement resulting in high performance and productivity”. This relationship is further reinforced by the alignment of employee values with organizational values hence, employer branding forms a significant motivation to employee behavior. Another function of internal branding to support employer branding is also mentioned in the literature.

Although external branding is involved in appealing to the potential candidates, internal branding is to be sure that employees get to experience the values and promises relayed by the organization. Core internal branding has to do with effective communication procedures, conducive leadership and uniform practices in HR. An effective organizational culture also strengthens to employer branding as it provides a positive working environment that leads to a high level of employee satisfaction and loyalty. The other major sphere that is covered in the literature is employee retention. It has been discovered that employer branding helps to decrease turnover intention through raising job satisfaction and organizational commitment. Strong employee value proposition would make employees in an organization feel appreciated and make their expectations to be met hence likely remaining in the organization. Career development, work-life balance, and recognition are some of the factors that retention is associated with and these are similarly associated with the employer branding strategies. More so, employer branding directly and indirectly affects organizational performance. Motivated and competent employees work towards the organization purpose more productively leading to increased productivity, innovation, and efficiency.

Meanwhile, the lowered turnover and recruitment costs enhance the performance of the organization at large. A good employer brand also improves the prestige of the organization to the outside stakeholders such as customers and investors. Digital employer branding has become a trend with the development of technology. “Elsevier and IGI Global studies indicate the importance of social media and online platforms in the creation



Figure:1 Conceptual Framework of Employer Branding and Organizational Performance.

of employer image”. Digital channels have enabled organizations to share their culture, values, and stories about their employees, which helps them reach more people and interact better with potential applicants. Sustainability has also emerged within the last few years as a significant aspect of employer branding. “MDPI research findings have also shown that employees are getting more and more attracted towards organizations that are ethically behaving, environmentally responsible and socially committed”. Sustainable employer branding does not only improve employer attractiveness, but also long term reputation of the organizations and loyalty among the employees. Another cause of employer branding is leadership. “The studies indicate that the style of leadership influences the employee perception and organizational culture”. By providing a favorable and healthy working environment, transformational leaders make a positive contribution to the employer brand through inspiring and motivating employees. This also helps in increasing employee engagement and devotion. On the whole, it is evident in the literature that employer brand has a multi-dimensional nature and is a concept that incorporates multiple aspects of an organization, such as HR practices, leadership, culture, digital strategies, and sustainability. Nevertheless, the majority of researches dwell on single factors as opposed to developing an integrated approach. This shows why additional

studies are needed to create an integrated model that will reflect the interrelationship between employer branding and organizational performance.

Conceptual framework

The theoretical framework of the present study demonstrates the connection between the employer branding and organizational performance in the form of the chain of interrelated variables. Figure 1 presents the conceptual framework of the relationship between employer branding and organizational performance. It describes the relationship between employer branding and employee attitudes and behaviors, and the ultimate consequence on organizational performance.

Employer branding is viewed as the independent variable at the first stage. It is a symbol of image, values, culture and employee value proposal (EVP) of the organization. When there is a good employer brand, there will be a positive perception with both the current and potential employees. It conveys what the organization is and what employees would get to expect regarding their career development, working environment and benefits.

The second phase of the framework is employee engagement, which is, in this case, a mediating variable. Employees feel belonging, motivated and emotionally attached to the organization as a result of a good employer branding when they have a positive perception about their organization.

This results in increased engagement, where workers are more dedicated, productive and ready to work towards organizational objectives.

Talent attraction and retention is the third stage. The Employer branding not just contributes to attracting skilled candidates but also is a main contributor of retaining existing employees. The engaged employees will have a higher probability of remaining in the organization thus minimizing the rates of turnover. Simultaneously, a good employer brand creates a pool of high-quality candidates and enhances the talent pool.

Lastly, performance of an organisation is the dependent variable, the result of the framework. An efficient talent management and better employee engagement lead to increased productivity, innovation, and efficiency. Also, with less turnover, there are lower recruitment and training cost, which boosts organizational performance.

The framework further implies that these relationships can be enhanced by factors like digital employer branding, leadership, and organizational culture. Indicatively, visibility of employers is increased with use of social media whereas positive work environment is provided with supportive leadership.

Overall, the framework has shown that employer branding affects organizational performance indirectly via employee engagement and talent management. It emphasizes the need to be holistic in employer branding so as to realise success in the long run of the organization.

RESEARCH METHODOLOGY

This research design is qualitative research design which uses secondary data. The information has been gathered in scholarly journals, research articles, and Internet databases.

Data Collection

- Peer-reviewed journals
- Research articles

- Method
- Thematic analysis
- Sample
- 20+ research papers

The method gives an opportunity to understand the topic in detail examining the results of existing research.

Findings

The research concludes that the employer branding affects the employee engagement, attraction and retention significantly in a positive manner. Talented candidates and skilled employees are likely to join organizations which have good employer brands and they also stay in the company.

Employer branding and organisational performance have a mediating relationship with employee engagement. The more productive employees are the more they can add up to the success of the organization which is a good thing about engaged employees.

Employer branding strategies are also made more effective with the use of digital and sustainable employer branding practices.

Research Gap

After much research, there are a number of gaps. The majority of the research is dedicated to single facets of employer branding instead of offering a comprehensive view. Additionally, there is limited research on the combined impact of digital and sustainable employer branding.

CONCLUSION

The concept of employer branding is now an important aspect in contemporary organizations. It affects attraction of talents, engagement of employees and performance of an organization. Organizations need to be holistic in their employer branding by incorporating digital and sustainable practices.

Future directions are to empirically validate it, and to investigate its application in other settings.

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