

# The Employer Branding Practices in the Attraction and Retention of Employees: The Case of the Portuguese Hotel Industry

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**Abstract:** Employer branding is a concept that has become progressively a vital factor for the success of organisations and has captured significant attention in recent years, it is used to appeal to potential employees and at the same while engaging an organisation's current employees. It is a current and relevant tool for organisations that want to position themselves and gain name and prominence in the market. Employer Branding benefits organisations by making them attractive, reliable, and trustworthy and, subsequently, it contributes to talent attraction and retention. Therefore, this study aims to understand how the hotel sector uses Employer Branding practices in their working style, in order to provide greater attraction and retention of employees. With the lockdown, associated with the pandemic period, the hotel industry is facing unprecedented obstacles. As one of the sectors most affected by the pandemic crisis, the survival of hotel units depends on their ability to adapt to new challenges, namely in the human resources field. This study used a qualitative methodology, where semi-structured interviews were conducted with eleven human resources managers from hotel units, two were males and eight were females, with an average age of thirty-eight years, from eleven hotel units or hotel groups. Data were analysed according to thematic analysis procedures. The main results suggest that hotel units are increasingly beginning to give more importance to employees and human resource management has been making progress regarding the existing concern for employees. Furthermore, it was possible to conclude that, in the hotels under study, and in order to face the problems and challenges in their daily management, these organisations are increasingly investing in attraction and retention practices. Finally, it was also possible to understand the changes that have occurred in the hotel units, both arising from the day-to-day management and those related to the changes required by the pandemic. Therefore, we can conclude that hotels need to reposition themselves in order to redefine strategies/practices to support their employees in becoming more attractive to work.

**Keywords:** Attraction practices, Employer branding, Retention practices, Portuguese hotel industry, Pandemic

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## 1. Introduction

Employer branding is a recent but increasingly studied concept; it has become progressively a vital factor for the success of organisations and has captured significant attention in recent years, it is used to appeal to potential employees and at the same while engaging an organisation's current employees (Gilliver, 2013). Employer branding benefits organisations by making them attractive, reliable and trustworthy and, subsequently, contributes to attracting and retaining talent.

Employer branding strategies are, then, associated with the attraction of potential employees and retention of qualified talents which allow organisations to achieve competitive advantage in the labour market. This research aims to understand the importance of Employer Branding in attracting and retaining employees in the hotel sector.

## 2. Literature Review

Employer branding has been progressively becoming a fundamental factor for the success of organisations. A strong employer brand allows organisations to differentiate themselves from their competitors.

Research shows that there is a significant positive relationship between having a developed employer branding strategy and the organisation's productivity. Furthermore, in organisations where employer branding strategies are developed, it is found that they are generally more productive than those with a partially or undeveloped strategy.

Employer branding strategies provide a better working environment and have more loyal who are motivated to work, provide higher quality services and products, are committed, and leave less often for competing organisations (Aldousari et al., 2017).

Another benefit that can be acquired through employer branding is the possibility for employees to perform to a high degree. This involves reducing absenteeism and improving job performance (Barrow & Mosley, 2007; Ambler & Barrow, 1996). Employees who feel pride in their jobs probably enjoy their work and therefore have less reason to neglect their obligations.

In addition, there are also positive results for the financial and non-financial performance of organisations (Biswas, & Suar, 2016), such as for customer satisfaction, employee attraction, and the retention of high-performing employees.

The implementation of an Employer Branding strategy has been essential to be able to attract quality candidates and retain talented employees (Sokro, 2017). Specifically, employer branding reduces recruitment costs through better communication with potential employees, as the recruitment process can be very expensive, and having a strong employer brand can help reduce costs. Employer branding also has some disadvantages namely conformism and time-consuming.

The employer branding process is related to the creation of a very stable corporate image (Sullivan, 2009). It is also an excellent communication tool. Backhaus and Tikoo (2004) were the first to recognise the relationship of employer branding with human resources based on the premise that human capital adds value to the organisation, and is the main source of competitive advantage since it helps organisations to improve their productivity levels, attract better candidates for recruitment processes, and to promote employee retention and commitment to the organisation.

Attraction refers to the activities developed by organisations for the general public to promote the integration of the employee into the organisation (Gregorka et al, 2017). According to the literature, organisations should outline attraction strategies in order to attract candidates with high potential.

Several studies suggest that employer branding has a positive impact on the attraction and on retention of employees (Barrow & Mosley, 2007), but, the reasons that attract or retain employees may be completely different (Barrow & Mosley, 2007).

In order to attract the right people, organisations need to offer working conditions that distinguish them from the competition through employer branding strategies. However, the selection of the employer by the individual is, prior to his or her experiences, motivations, needs, and personality (Lievens et al., 2016). Consequently, a candidate is more attracted to organisations that share the same characteristics, and common values.

Seasonality is a general feature of the hospitality sector regardless of the geographical location of the establishment and the sub-sector under analysis. For employees, seasonality has relevant consequences not only for those who can only get temporary contracts during the high season, but also for those in permanent jobs, who are often under high levels of stress and pressure.

From the human resources management point of view, seasonality creates a cyclical work environment that often requires the allocation of extraordinary resources to the recruitment, selection training and retention of workers compared to those that would be necessary for the absence of that seasonality.

Working in the hospitality industry is often seen as a transitional job, where employees stay until they are transition job, where employees stay until they get their desired job.

Consequently, problems in recruiting and selecting motivated and qualified professionals to work in hotels become frequent. The problem is exacerbated when low-skilled professionals are recruited for jobs with high customer contact jobs. Thus, it is essential that the hospitality industry reverses this negative perception and manage to attract and retain the best talents (Brien, 2014).

One of the particularities of the sector is linked to the fact that it operates on a continuous, i.e. 24 hours per day and seven days per week. This continuous regime means that the hospitality sector, is organised in specific and predefined shifts (Hornsey & Dannell, 2010).

This working organisation is challenging to the employer who needs to manage workers on different schedules. Furthermore, these working hours are unattractive to those who apply for jobs.

To attract these professionals, it is fundamental to have proactive attitudes by the employer, namely with regard to challenges proposed, the necessary balance between personal and professional life, the recognition and the possibility of professional development, not forgetting the benefits, which will generate an attitude of motivation, high performance and commitment.

Talent retention can be defined as the set of systematic efforts made by employers to build and promote a good work environment in order to retain employees and get them to work for the organisation for longer periods (Chaminade, 2016).

Talent retention is characterised by the attitude that organisations have in retaining their employees, through constant efforts that aim for organisational improvement. Organisational commitment and employee retention are understood as strategic aspect that benefits organizations.

Employee motivation is one of the major concerns of organisations, given that employees are the structure of the organization contributing to the achievement of their objectives (Karahan & Kurtulmus, 2017). Each leader has the responsibility to understand what motivates his employees (Glisovic et al., 2019). Furthermore, over time, the motivations of the same employee change, so it is important to constantly adapt employee motivation tools (Glisovic et al., 2019).

Thus, the motivation of employees in the hospitality sector requires special attention, as it influences their individual results (individual performance of the employee), the operational result of the organisation, customer satisfaction, and the financial results of the hotel. Thus, Human Resources Management requires a focus on the motivations of their employees, trying to understand how they can ensure high motivation of each employee, taking into account that motivation is influenced by various factors (Glisovic et al., 2019). Human Resources Management requires a focus on the motivations of their employees, trying to understand how they can ensure high motivation of each employee, taking into account that motivation is influenced by several factors such as the promotion of a challenging work environment, a set of rewards and recognition and also team-building activities.

Talent retention is a process where employees are encouraged to remain with the organization for a maximum period of time. Retention is beneficial to the organisation as well as the employee. Nowadays, employees are different, they think differently and when they think that the best thing is to change because they feel dissatisfied in their current workplace, they change, because this change is simpler. Therefore, organisations should make every effort to retain their best employees in order to not lose their talents.

Hotel units should build a set of human resources policies and processes that aim to change and/or improve existing ones. This change should be transversal to the entire hotel, namely in recruitment and selection processes, integration of new employees, training, and benefits (Messmer, 2000). These strategies may lead to a decrease the employee turnover and promote employee retention. Due to economic changes and the growing interest of organisations in the search for employees, the relationship between the employer and its employees must be rethought. Continually checking and modifying retention strategies is one important strategy to match the individual ambitions of your employees (Bryant & Allen, 2013). Thus, creating an excellent working environment where there is a good atmosphere between all employees is a big step towards retention, and an adjustment is needed between the culture of the organisation and the employees. Cappeli (2014) states that employees have a very strong connection with their social lives and many bonds are created within organisations. Thus, if there is a concern of the organisation to pay attention to these aspects, employees will be much more reluctant to leave the organisation.

Another useful strategy for employee retention in the hospitality sector is the promotion and development of autonomy. Allowing employees to be autonomous promotes a sense of challenge and trust.

According to Mayo (2003), development opportunities and career progression are human resources practices to be taken into account when addressing retention, along with training. Moreover, the most commonly used practices by various organisations are i) competitive remuneration and benefits packages; ii) improvements in workplace conditions by creating a good working environment iii) generating opportunities for career advancement and continuous training (Singh & Rokade 2014).

When developing the concept of employee retention we will always have to analyse the turnover, which is a costly phenomenon from the organisational point of view. These voluntary staff departures represent an exit/loss of investments made in human capital. With the departure of employees, it is implicit that there will have to be a replacement process, which also has costs for organisations (John, 2010).

Therefore, this study aims to understand how the hotel sector uses Employer Branding practices in their working style, in order to provide greater attraction and retention of employees.

### **3. Design Method**

This study uses a qualitative methodology to answer the research question “How Employer Branding practices are implemented in Portuguese hotels?”. Our main objective was to understand the employer branding importance in employees’ attraction and retention in the hospitality industry. More specifically, we aimed to

understand the attraction practices used in the hospitality sector, understand the retention practices, and know the employer branding changes made in the hospitality sector due to the pandemic.

We used a semi-structured interview with 20 questions organised into two sections. The first section had sociodemographic questions such as gender, age, function, and the number of employees. The second section had a set of questions related to employer branding practices, attraction and retention practices used in the hospitality sector, such as “How do you describe the employer branding process on the hotel?”, “What are the main advantages and disadvantages of employer branding?”, “What are the main challenges in the employees’ attraction?”, or “What are the main challenges in the employees’ retention?”.

The inclusion criteria in our study were: being a 4- or 5-star hotel, having a human resources department, and having a presence in Portugal. We had a theoretical sample with 11 participants, whereas eight were female, with a mean age of 38 years old, and all the participants had high graduation courses. Regarding the organisation characteristics, most of them were hotel chains, with a mean of 88 employees and 9 years old.

The study was disseminated by e-mail to 30 hotels that fulfilled the inclusion criteria explaining the objectives and asking for their participation. For the hotels that accept to participate (n=11), it was scheduled an online interview. The interviews were audiotaped and verbatim transcribed. The interview duration ranged from 25 to 58 minutes.

After the interview transcription, data were analysed according to thematic analysis procedures (Braun & Clarke, 2010). All ethical procedures were observed.

#### 4. Results

Our main results were organised into three categories: employer branding, attraction, and retention.

The **employer branding** category refers to the structured process that should be aligned with organisation values and business objectives, where communication plays an important role in the organisation identity. The objective is to create a differentiating image among other organisations and make it an employer of choice. Though employer branding organisations become places where everyone wants to work, to integrate due to their practices, ways of working, and communication. Each organisation has an image as an employer between current and future employees. Our participants reinforce the importance of the corporative image and external recognition. This category emerged from the process, advantages, and disadvantages. The category process is related to the external brand of the employer (as cited by “*our positioning as an employer brand, that is, it is like selling the brand to the worker, show the working conditions that we have, that it is good to work here*” Interview 10), and the internal brand of the employer as referred by participant 8 “*from the way I hire, how I talk to the person, how I communicate internally, through an internal portal, through a platform...*”. The employer branding advantages are understood as benefits for the hotel and for human resources management. These benefits are related to the hotel’s ability to attract better candidates, retain good talent, and the brand promotion as illustrated by “*to pass on the message of what our organizational culture is, because it is almost certain that more than a salary, it is the emotional salary, to feel good, to identify themselves with the brand, with the climate that they will find, the work environment, and it is a little bit to promote that, to demonstrate what they can find at home, in the family of our group. I only see advantages only, we can only gain, really, in promoting, in demonstrating what we have to offer, and that people here can find a place to develop their skills, to grow so much that they can learn and develop their competencies, to grow both personally and professionally, that is, it is the whole process of promoting our brand*” (interview 1). The disadvantages refer to the negative issues related to the process namely during the employer branding implementation. The disadvantages were referred to by six participants and were related to taking time, the financial costs and the competitors as illustrated by Interview 4 “*As a consequence of the lack of resources, other organisations appear in the market creating alternative opportunities that force us to be attentive and try to keep up with the reality of the market in terms of supply and conditions, so that we can retain the employees we have in the organisation*”.

The **attraction** category refers to all the efforts made by organisations to attract better professionals to work in the hotel. This category emerged from problems, challenges, practices, and changes in the attraction process. The main problems related to the attraction of employees are related to their competitors, the number of organisations increasing, to the benefits – the sector is characterised by low salaries being very difficult to attract by salary, and seasonability. Seasonability is also related to the huge wear of the sector as observed by “*people are tired, the fact that it is a seasonal activity contributes enormously to the difficulty in bringing people into this activity*” (Interview 2). Additionally, the main challenges are related to the reduced number of qualified

employees, the fact of being a low attractive sector, and the work-life balance difficulties as illustrated by Interview 5 *“the work volume, the sifts, the kind of work and our family responsibilities it is very difficulty to conciliate everything”*. Attraction practices are efforts made by organisations used to attract their collaborators. The practices are related to communication, environment and relationships, and career management. Regarding the pandemic, hotels were obliged to introduce several changes in the employees’ attraction to adapt to new challenges and be able of attracting new talent, namely increasing benefits, having different schedules and work conditions promoting the sector, and the emergence of new cultures and mindsets.

**Retention** refers to all efforts made by organisations to maintain their employees, namely the efforts related to human resources management practices. This category emerged from the problems, challenges, practices, and changes in the retention process. Retention problems are a very important issue for the hospitality sector requiring a quick solution. Most common problems are related to leadership problems, harassment from competitors, and salary expectations as illustrated by *“the salaries are a problem, employees have some expectations and we are not able to answer”* (Interview 9). The retention challenges are identified problems that still do not have a solution and refer to the employees’ satisfaction, work-life balance, and career plans as cited by Interview 8, *“we know it is very hard to conciliate work and family responsibilities, it is also very difficult to motivate employees, in a long-term, what do you have to offer, what is the perspective?! It is very difficult to implement career management strategies...”*. Although, hotels implement some retention practices in order to retain their employees. The most common practices are team-building activities, training, coaching sessions, and benefits as referred to in interview 5 *“we have some medical benefits, medical insurance for employees and their families, we have also some discounts within partners such as gyms, spas, stores...”*. Due pandemic period some changes were introduced in the retention process. These changes were related to the leaders’ awareness, some hotels introduced competitors analysis to understand what were the most common practices in the market. They also introduced satisfaction surveys to know the employees’ perspectives, and training for the new practices implemented within the pandemic period as illustrated by *“first we defined a training program, themes that were interesting but also that maintain the employees occupied during the lockdown, after the first period, when the new rules were defined we started the training and the preparation for the opening”* (Interview 7).

## 5. Discussion and Conclusions

This study aimed to understand the importance of employer branding strategies in the hospitality sector and how human resources practices are implemented for the attraction and retention of employees. Our results suggested that employer branding, attraction, and retention are practices that start to be valued by hotels, and human resources managers are giving important steps for valuing the employees.

Our results showed that employer branding is an important strategy for hotels namely during the attraction and retention of employees. Therefore our results are in line with previous studies (Singh & Rokade, 2014) that refers that employer branding is important among organisations and investors.

Employer branding is understood by the participants as an important and beneficial dimension of hotels. In our results, as stated by previous literature (Backhaus & Tikoo, 2004) employer branding, as a process, has several advantages for human resources management such as the external recognition of the hotel, the corporative brand or its attractiveness. Regarding the disadvantages, less frequent in our study, the most relevant are related to competitors and the costs as previously referred by Baum and Hai (2019).

Attraction was another central category. According to our participants hotels presented problems related to the attraction of employees related to competitors, salary, seasonability, and low qualifications. These problems are in line with previous studies that associate the hotel industry to the need to increase salaries and qualification between employees (Baum & Hai, 2019).

The literature suggests for a successful attraction the following recommendations: make talent management a corporate priority; ensure the design of a robust strategy for recruiting top talent; invest in the development of these professionals (Chambers et al., 2008). In this context, employer branding has been standing out in the last decade, being used as a tool to potentiate the attraction of employees (Aldousari et al., 2017).

Retention is defined as systematic efforts made by organisations to construct and promote a good climate enhancing employees’ retention and allowing their integration into the hotels. The main problems related to retention, namely issues such as leadership and competitors; and the definition of strategies to face the main challenges are important dimensions for our participants. As previously defined (Sullivan, 2019) hotels started to invest in giving better conditions to the employees. Despite the absence of a single strategy, our participants referred to the importance to introduce changes related to the leaders, the corporative image, salary

expectations, or organisational commitment. Moreover, it seems to be crucial the implementation of a strategic plan to promote employees retention. In line with previous studies (Singh & Rokade, 2014) our participants referred to the intentions to integrate more benefits, increase salaries, create career opportunities, and integrate training and coaching sessions.

Our study has some limitations. On one hand, we used a qualitative methodology, our sample was theoretical and reduced so it is not possible to generalize our main findings. On the other hand, Employer branding is not a very known process in the hospitality sector so the answers might be more generic.

For further research, we suggest the development of quantitative studies integrating several perspectives of different kinds of organisations, from familiar to multinationals, small, medium and large enterprises.

In conclusion, we find a connection between the three categories under analysis – Employer Branding, Attraction, and Retention. Employer Branding creates bonding and loyalty of employees to the organization's brand. This image has a positive impact on the organisation's own attractiveness, that is, by using the employer branding practice, an organisation increases and improves its external employer brand, which has a great impact on attracting potential employees and retaining its employees, and there are its employees, with very low turnover rates and high employee satisfaction.

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