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Serbian Journal of Management 18 (1) (2023) 59 - 69

Serbian
Journal
of
Management

THE IMPACT OF CORPORATE IDENTITY ON REPUTATION AND EMPLOYER'S BRAND

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(Received 17 May 2022; accepted 14 February 2023)

Abstract

The study focuses on the area of corporate identity and its correlation to reputation and employer's brand. As competition in the labor market grows, more companies, in particular, are investing their efforts and resources in employer brand development that would be attractive to both current and potential employees. If the organization wants to be perceived as a desirable place for work and the employer as ideal, consistent corporate communication and harmonization of internal, employee-to-employee and external-employee-to-employee communications are required. The purpose of the paper is investigate the impact of corporate identity on good reputation and an attractive employer branding and thus gain a competitive advantage on the labor market. The intention is to find out the individual components of corporate identity that contribute to the solid reputation that could become a source of competitive advantage and a suitable foundation for achieving an attractive employer brand.

Keywords: Corporate identity, Employer branding, Employer, Employees, Reputation

1. INTRODUCTION

The concept of human resources or human capital has an entirely different meaning nowadays than in the past. This shift can be seen in the context of the importance of human resources as an intangible asset. The role of employees in

achieving the company's goals has ceased to be underestimated and the influence of corporate identity on the employer's reputation and employer's brand is also discussed. Currently, we see more and more companies in the labor market, which do not leave the creation and communication of the employer brand to happen somehow, but

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DOI: 10.5937/sjm18-37903

with their activities supporting an attractive employer brand, try to differentiate themselves from the competition and improve their reputation and image. With a targeted personnel strategy, they create the image of an employer for whom it is great to work. These activities also occur in the context of the involvement of the corporate identity because the identity enters the value offer for the potential employee and affects the current ones. The aim of the paper is to investigate the impact of corporate identity on the reputation and employer brand. Our intention is to find out which specific prerequisites and attributes of the corporate identity must be fulfilled if the goal of the company is an attractive employer branding with a good reputation.

2. THEORETICAL BACKGROUND

In the last decade, corporate identity has been the subject of many studies, with research focusing on various concepts, research methodology and analytical tools, or responding to the practical application of knowledge in this area by public and private sector managers. We consider Balmer as one of the pioneers in corporate identity connected with the organization's reputation. He defines it as the central platform on which the rules of corporate communication are based and form the pillars for corporate reputation and corporate image. He considers this to be the basis for identifying target groups with society (Balmer, 2008).

The importance of researching this area is stressed out by the fact that very few organizations have a strong brand and, at the same time, a good reputation and a quality employer brand. According to Abratt and Kleyn, even though every company has a

corporate brand and gains a reputation over time, strong brands and reputations are rare and cannot be imitated. (Abratt & Kleyn, 2012). From this statement, we conclude that reputation is not static; it changes over time and is influenced by several factors entering into its formation. Current and potential employees are also one of the target groups (stakeholders) playing a crucial role in the reputation assessment. In this context, it is necessary to point out the importance of identifying current employees with the company's corporate identity. It is essential to know and adequately manage all the dimensions of reputation that contribute to the desired status. Pointing out the importance of firm identification of employees with the company, we find the same opinion of Balmer, claiming that the deficit of insufficient identification with the company can not be replaced by anything (Balmer, 2008). This statement identifies the need for systematic work with employees, particularly through corporate communication, which should be coordinated across the company's organizational units to deliver brand experience and build the company's good reputation as an employer. Melewar et al. (2006) – with their knowledge – implemented this issue by pointing out that employees feel motivated if they identify with the company they work for and if that company has a strong image and reputation. According to the authors, a highly motivating work environment is valuable and increases productivity and profitability (Melewar et al., 2006). In this context we need to underline the role of a team spirit, as an important corporate identity component, that makes a team stronger than a simple set of individuals. Good guidance of the team towards the objective with constant

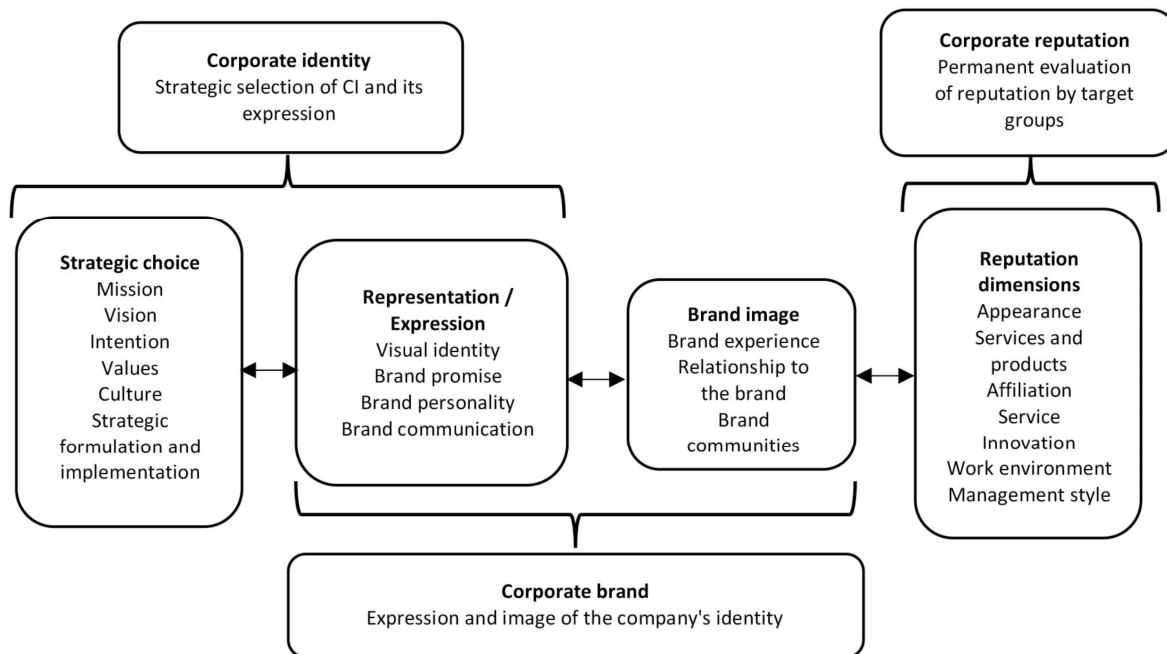
adjustment through retrospectives resulted in high productivity (Stojković et al., 2021).

We should add that the identification of employees with a company while promoting a strong image and reputation is only one factor affecting employees' overall motivation. Research done by Ganta confirms the relationship between motivation in work and employee performance; based on his study, he states that each employee has his path to motivation and it is the manager's job to understand why the employee works and to provide the reward that the employee would find as satisfying (Ganta, 2014).

A graphical representation of the corporate identity integration, corporate brand and company reputation is summarized in Figure 1. The process begins by creating a corporate identity, deciding and defining who we are, what our company is like and what it would like to become in the future. The definition of these issues forms

the core of the company's mission and vision, values and suitable corporate culture. Considering all these aspects, it is possible to create and define the visual identity, the promise of the brand, brand personality, as well as the way and rules of communication across all target groups. In other words, we state it is necessary to define how we express and deliver the company's corporate identity to all target groups.

Based on the schematic illustration, which mainly expresses the complexity of the issue, we agree with the authors Abratt and Kleyn, stating that building a strong reputation requires strategic decisions of the organization in aligning strategy, culture and corporate communication (Abratt & Kleyn, 2012). If the organization succeeds, a strong reputation becomes a source of competitive advantage and is essential for managing an attractive employer brand. The study's authors discussed reputation on a theoretical level and did not support their findings using



Source: own processing as per the authors of Abratt and Kleyn (2012)

Figure 1. Strategic integration of corporate identity, corporate brand and company reputation

empirical research that otherwise could be helpful in the practical application of knowledge.

In the labor market, we often observe a situation where companies compete by job offers designed for the same jobs to reach and attract potential employees. One of the ways to differentiate an organization from its competition for potential employees is through the employer's brand (Verčič & Sinčić Ćorić, 2018). However, the employer's brand and reputation and corporate identity are transformed into the employer's value. An internal brand involves recruiting employees, with people being most conveniently recruited if their values are similar to the company's (Kaplan, 2017). The employer's brand represents the part of the offer that makes the company unique and distinguishable. According to Armstrong, creating an employer's brand requires to:

- analyze what the best job seekers want and need,
- find out to what extent the basic values of the organization's brand support the attractive brand and ensure that they are part of its presentation,
- define the features of the employer's brand, based on which people perceive the organization as a great place to work, whether it is a fair approach, development opportunities, work-life balance, leadership style and quality, level of cooperation or success of the organization,
- compare their approach with competing organizations, such as those with the best employers, and seek inspiration (Armstrong, 2015).

Based on the above, we can conclude that the employer's brand is a set of tangible and intangible values designed for current and potential employees, while the goal is to

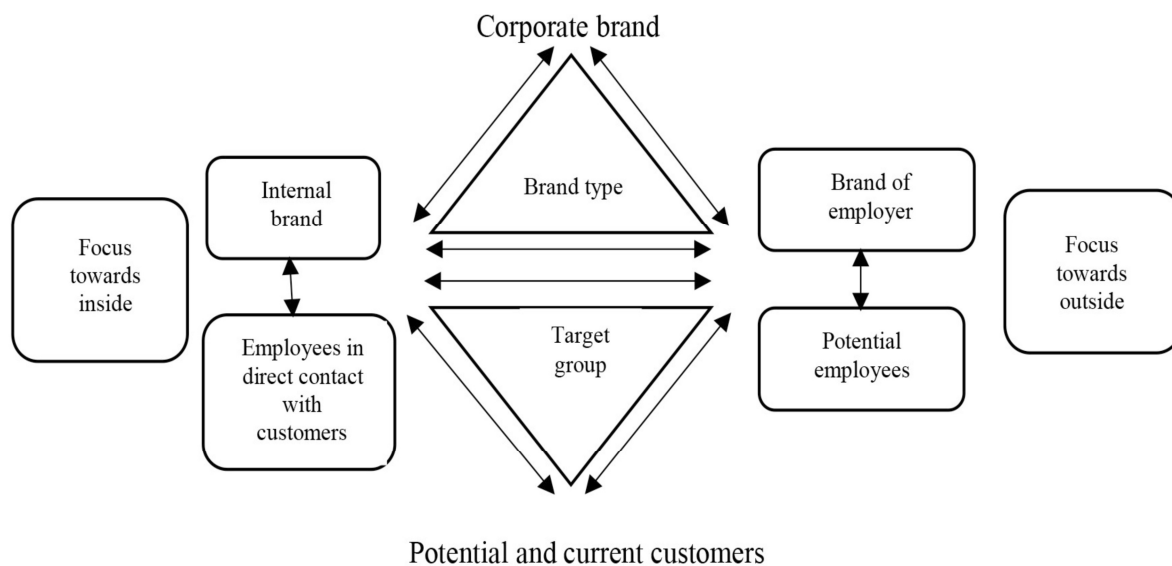
create the image of an attractive employer. At present, social networks are very beneficial in this process. We consider social networks as an important channel for brand communication and for attracting talented candidates. We anticipate that their importance will grow in both the private and professional spheres. Employers should therefore take the opportunity to deepen their relationship with potential candidates and communicate brand values to create an image of a great place to work (Bednárík & Charvát Janechová, 2021). Contact with the target group via social networks enables two-way communication in real-time as well as the clear and simple expression of the employer's attitude. However, social networks should not be the only channel for employer brand communication. Employer branding should be seen in a broader context as a strategic issue with a long-term perspective and should not be seen as a tactical issue or a communication exercise (Bellou et al., 2015). The research focused on the employer's attractive brand concludes that the employer's attractiveness depends mainly on the company's holistic approach to its corporate image. Potential candidates combine information with their own impression and knowledge of the corporate brand. They create a specific impression of the company as an employer, which directly impacts its attractiveness (Kissel & Büttgen, 2015).

An important target group that affects the employer's attractiveness is the employees themselves because the brand's performance depends on each employee's behavior and approach. Research into brand performance through employee involvement has shown that employees are linked to the employer's brand and create "pro-brand" behavior that affects brand performance, especially

through employee openness (Bieńkowska et al., 2020). As mentioned above, to connect employees with the employer's brand, it is necessary to select employees whose values are close to the company's values. While aligned, the risk of insufficient identification of employees with a corporate identity is reduced and it is possible to achieve a closer connection with the employer's brand.

The figure illustrates the organization's efforts to adapt the corporate brand towards the inside and relies on employees who contact customers to deliver the brand's promise to potential and current customers. For this process to be successful, the right people need to be hired. While the internal brand is concentrated inwards, the employer's brand focuses on external audiences, specifically potential employees who may also be customers (Foster et al., 2010). Employees identified with a corporate identity also encourage certain confidence in the customers they are in contact with. The prerequisite for success is the consistency

and coherence of internal and external communication. Many authors agree that a strong corporate identity can be a source of competitive advantage. It is often also the motive for rebranding companies. A company that can create an inimitable image and stands out from the competition allows itself to differentiate itself in a competitive environment (Melewar et al., 2006). However, to create a strong reputation and an attractive employer brand through corporate identity, a strategic approach of the organization in a harmonized corporate culture and corporate communication is needed to achieve, among other things, the identification of employees with corporate identity. Employees who feel needed, heard, and involved in the organization's functioning can bring future profits and contribute to the company's prosperity, helping to build a better image of the company. This also increases the interest of potential employees in the possible job position (Augustinova, 2020).



Source: own processing as per Foster et al. (2010)

Figure 2. Relationship between internal brand, corporate brand and employer brand

3. METHODOLOGY

3.1. Research design

Theoretical ideas were consistently chosen due to their relevance to the chosen area of research, topicality and expertise. The primary sources were scientific studies focused on corporate identity and professional literature focused mainly on human resource management. The study's research focused on the impact of corporate identity on a reputation and employer's brand. The intention was to find out the respondents' preferences and opinions on the individual components of corporate identity that contribute to the creation of the employer's brand and good reputation. We focused on the area of employee engagement and motivation, work organization, delegation of competencies, skills and knowledge constant improvement, the importance of employees for the company, the definition of ethical principles that guide the actions of employees, corporate values, the strength of corporate culture, definition of the mission and the importance of employer's brand and reputation for the company.

3.2. Sample and data collection

Considering the goal of the research, we created an online questionnaire in the second half of 2021, in which representatives of the largest construction companies in the Czech Republic were to express their views on individual attributes related to the role of corporate identity in building a strong employer with a positive reputation. The selection of subjects was not random. To determine the research sample, we used the TOP Employers' Ranking in the

Construction category, compiled once a year based on the results of a survey in the university environment on a sample of 12008 students, and which is to indicate to employers how to become a preferred employer in their category. We addressed the first 10 employers in the construction category with a questionnaire with five questions; the main question is the expression of attitudes to the 18 attributes necessary to create a strong employer brand.

Anonymous answers were collected via the Survio application during September 2021, and out of the 10 construction employers contacted, we received 8 complete answers to all questions. These were companies that ranked first to tenth in the construction category. We contacted the management of the companies with a questionnaire, and all the respondents mentioned the area of construction when asked about the control question, which concerned the selection of the area. None of the completed questionnaires were excluded from the research sample.

4. RESULTS

The research results were compiled based on the opinion of 8 respondents out of 10 respondents representing the management of large companies active in the field of construction. They expressed their attitude to the individual statements on a five-point scale with the possibilities I definitely agree, agree, Neutral, disagree, and disagree. No respondent used the option I definitely disagree. 75% (6) were positive and 25% (2) disagreed on whether they were convinced that they could positively impact the organization's operations. More than half of the respondents agreed that information is

shared in such a way that everyone can access it when they need it -62,5% (5), the others preferred a neutral opinion of 25% (2) and some of them did not agree (1) – 12,5%. When asked whether strategic planning in the organization is ongoing, 75% of respondents agreed with the current effort to involve all employees, one (12.5%) took a neutral position and one (12.5%) disagreed with this particular statement. Teamwork is used to perform and achieve the results in 50% (4) companies, 37.5% (3) of respondents took a neutral position on teamwork and one respondent (12.5%) disagreed. According to the respondents, the teams are the cornerstone for 62.5% (5) of companies, 37.5% (3) took a neutral position on their importance. On the statement: the way work is organized so that each employee is aware of the connection between their work and the company's goals, 75% (6) of company representatives agreed, one (12.5%) took a neutral position and one (12.5%) disagreed. The issue of delegating powers to make decisions and work independently was agreed upon by 62.5% (5) of respondents and 37.5% (3) stayed neutral. All companies were 100% positive (8) that employees' skills and knowledge are constantly improving, while 62.5% (5) of respondents agreed that employees' skills serve as a source of competitive advantage. 37.5% (3) of respondents took a neutral position. A 100% agreement (8) occurred on the issue of the company's fixed values, which determine the way of doing business. 87.5% (7) of companies and one (12.5%) took a neutral position on the issue of well-defined ethical principles that guide the behavior of employees. 62.5% (5) of respondents support a strong corporate culture, 25% (2) took a neutral opinion and one (12.5%) disagreed. 87.5% (7) of

respondents agreed with a clearly defined mission that makes sense and direction agreed, one (12.5%) expressed a neutral attitude. On the issue of harmonizing objectives at different levels of management, 37.5% (3) of respondents agreed, 50% (4) took a neutral and one (12.5%) disagreed. 50% (4) of the respondents agreed that it was clear to their employees what needed to be done to reach the organization's long-term success, 50% (4) of the respondents were in a neutral position. 37.5% (3) of respondents agreed on the question if the vision creates enthusiasm and motivation for employees, 50% (4) took a neutral position and one (12.5%) disagreed. 75% (6) of companies agreed with the statement that the company's efforts to create an attractive employer brand are sufficient; one (12.5%) took a neutral position. 87.5% (7) of companies stated that a good reputation is crucial for their company; one company (12.5%) took a neutral position on this issue.

5. GENERAL DISCUSSION

5.1. Theoretical contributions

The study focused on corporate identity and its impact on employer reputation and brand. It has introduced the issue of identifying employees with brand values, its impact on employee motivation and discussed the obstacles to the strong integration of corporate identity and the prerequisites needed to build a strong reputation and employer brand. A well-chosen corporate identity, firmly integrated into the corporate strategy, is, according to the authors, advantageous for the company from many points of view. When a company communicates a strong image and strives for

Table 1. Please assess and decide the following statements concerning the company you represent

	I definitely agree	I agree	Neutral	I disagree	I definitely disagree
Employees are convinced that they can have a positive impact on the operation of the organization	2	4	0	2	0
Information is shared in such a way that everyone can access it in case of need	3	2	2	1	0
Strategic planning in the organization is ongoing, with an effort to involve all employees	2	4	1	1	0
Teamwork is mainly used to perform the work itself	0	4	3	1	0
Teams are our cornerstones	3	2	3	0	0
The work is organized in such a way that each employee is aware of the connection between their work and the company's goals	2	4	1	1	0
Powers are delegated so that employees can make their own decisions	2	3	3	0	0
The skills and knowledge of employees are constantly improving	2	6	0	0	0
Employee skills are perceived as a source of competitive advantage	3	2	3	0	0
We have fixed values of the company, which determine the way we do business and act	6	1	1	0	0
We have defined ethical principles that guide the actions of employees	6	1	1	0	0
There is a strong corporate culture in our company	4	1	2	1	0
We have a clearly defined mission that provides our work with meaning and direction	4	3	1	0	0
The goals at different levels of the organization are aligned	1	2	4	1	0
It is clear to our employees what needs to be done for the long-term success of our organization	2	2	4	0	0
Our vision creates enthusiasm and motivation for our employees	0	3	4	1	0
Our efforts are aimed at creating an attractive employer brand	5	2	1	0	0
A good reputation is crucial for our company	6	1	1	0	0

Source: authors based on own analysis (2021)

a good reputation, employees feel motivated and identify themselves more easily with the company (Melewar et al., 2006). In this context, it should be added that in some

instances, brand performance depends on the behavior and attitude of each employee. This may be because employee behavior affects how the corporate brand is perceived from

the external environment. If a company strives for a highly motivating work environment, it is an appropriate strategy to increase growth, productivity and profitability. We believe that a strong corporate brand is a navigator for all target groups, but especially customers, current and potential employees, and it is essential that each employee understands the values of the brand through an intellectual and emotional connection with the brand itself. This is a prerequisite for accepting brand values and identifying employees with a corporate identity.

5.2. Practical implication

Complementing the theoretical implication, the present findings also provide insights for human resource managers, brand managers as well as managers responsible for corporate identity and employer branding. However, the research findings highlight the importance of employees' conviction about their positive influence on the organization's operation. Information flow should be shared in such a way that everyone can access it in case of need. Managers should organize the work in such a way that each employee is aware of the connection between their work and the company's goals and powers are delegated so that employees can make their own decisions. Moreover, the skills and knowledge of employees should be constantly improving and should be perceived as a source of competitive advantage. By doing so, fixed values of the company should be set to determine the way of doing business and acting. In addition, a strong corporate culture, a clearly defined mission that provides work with meaning and direction, together with ethical

principles that guide the actions of employees, appears to be a managerial priority, in order to create an attractive employer brand and good reputation.

5.3. Limitations and future research agenda

The research lacks include that we researched only a selected market segment in the local market and the individually researched attributes may differ depending on the industry in which the employer operates. Several target groups are also involved in creating the employer's brand, and further research could be aimed at confronting the employer's efforts to create an employer's brand with potential and current employees.

The strong integration of corporate identity into the company's strategy brings undeniable benefits, especially in terms of human resource management, so we think why there are so few companies with a solid corporate identity and positive reputation. The question remains when we can consider a corporate strategy appropriately chosen and when it brings the desired results such as a positive reputation and an attractive employer brand. These issues could also be further researched.

6. CONCLUSION

We are currently experiencing a lack of certain professions in the labor market and are increasingly encountering employers' efforts to reach potential employees with a unique and competitive offer. Potential employees, especially senior and middle management, can orient themselves very well in employers' offers and evaluate them

comprehensively. Many employers have already understood that the regular job offer is not sufficient if they want to attract qualified and motivated human capital. Companies that take a strategic approach to corporate identity, reflected in corporate culture and communication, pay attention to their reputation and employer brand, have a competitive advantage in the labor market, demonstrating the ability to choose the most suitable job seekers. More and more companies are aware of this advantage in the labor market and are investing in a corporate identity that would cause them a difference in competition and favor their market position.

Based on theoretical research, we would like to conclude that if the corporate identity in the organization is underestimated and employees are not sufficiently identified with it, this situation impacts employee motivation, which further affects productivity and profitability. As the results of empirical research show, if corporate identity becomes a central platform and the organization makes strategic decisions in aligning corporate strategy, culture and corporate communication, it creates the basis for building a solid reputation that could become a source of competitive advantage and a suitable foundation for achieving an attractive employer brand.

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УТИЦАЈ КОРПОРАТИВНОГ ИДЕНТИТЕТА НА РЕПУТАЦИЈУ И БРЕНД ПОСЛОДАВЦА

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Извод

Студија се фокусира на област корпоративног идентитета и његову повезаност са репутацијом и брендом послодавца. Како конкуренција на тржишту рада расте, све више компанија, посебно, улаже своје напоре и ресурсе у развој брэнда послодавца који би био привлачан и садашњим и потенцијалним запосленима. Ако организација жели да буде перципирана као пожељно место за рад, а послодавац као идеално, потребна је доследна корпоративна комуникација и хармонизација интерне комуникације између запослених и екстерних запосленика. Сврха рада је истражити утицај корпоративног идентитета на добру репутацију и атрактиван брэнд послодавца и на тај начин стећи конкурентску предност на тржишту рада. Намера је да се открију појединачне компоненте корпоративног идентитета које доприносе чврстој репутацији која би могла да постане извор конкурентске предности и погодна основа за постизање атрактивног брэнда послодавца.

Кључне речи: корпоративни идентитет, брэндирање послодавца, послодавац, запослени, репутација

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