

# Sustainable HRM Practices for a Stronger Employer Brand: Leveraging Organizational Culture

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## Abstract

The business of the current era intends to show competitive advantage for a long run in order to get more profits and stay alive in the markets. Getting a competitive advantage is highly related to human resource management (HRM). Companies build a distinct employer brand based on their competitive advantage; however, the role of organizational culture to support the transition of companies to get a powerful employer brand is rarely studied. Consequently, the main purpose of the current study is to determine the mediating role of organizational culture (engagement and productivity) in the relationship between sustainable HRM practices and employer branding. The survey research design was used and data were collected from 420 employees of Azerbaijani organizations using a convenience sample strategy. The findings of the path analysis using AMOS revealed the partial multiple mediating role of organizational culture (engagement and productivity) in the relationship between sustainable HRM practices and employer branding. Moreover, as far as the individual mediating role is concerned, the mediating role of organizational engagement is stronger compared to productivity. The findings highlighted that by implementing Sustainable HRM practices and maintaining an engaged organizational culture in the employer brand, employers can meet their employees' various requirements and expectations while maintaining a consistent company image.

## Keywords

Human resource management; Organizational culture; Employer branding; Sustainable HRM; Person-organization fit theory

## JEL Classification

M, M12

## Introduction

In the current highly competitive market, businesses must focus on their employer brand in order to attract and retain talented employees. For a long-term competitive advantage in knowledge-based and developed economies, companies work to keep their talented employees productive and satisfied (Moroko and Uncles, 2008). The entire scenario of the labor market has changed as this market has started to shift from selling to buying concept, particularly for highly skilled labor (Tumasjan et al., 2020). The role of Human resource management (HRM) is pertinent to maintain the competitive edge for companies by providing and retaining highly skilled employees and keeping them motivated towards key job tasks. However, the story seems different now days, as HRM is facing difficulties in finding the most suitable employees. For example, in Germany, there is a need to hire 780,000 additional top tech specialists by the end of 2026 in order to meet the economy's demand (McKinsey, 2022). McKinsey in its survey revealed that more than 87 percent senior executives of the companies think that they are not well prepared to address the employee recruitment gap. Long-term retention and long-term productivity of employees are one of the critical challenges of HRM (Mohsen and Sarbuland, 2020). According to the latest report by McKinsey (2022), businesses are struggling to search and retain technical talent and companies do not want to leave any stone unturned. Therefore, there is need to attract and retain talented employees. This problem can be solved by sustainable HRM practices. To have a sustainable competitive advantage, it is crucial for the companies to work with sustainable HRM practices (Ehnert, 2009). Sustainable HRM practices are the fixes of the challenges that companies facing to retain their employees and intending to work for their employer brand and let it be a desirable station to work (Babel'ová et al., 2020). Having a strong employer brand attracts employees to work for long run for the companies (Reis et al., 2021). Therefore, employer branding has a positive effect on an employee's desire to work for the organization (Chawla, 2020). Employer branding is characterized as look, culture, and

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personality of the company that attracts employees to get competitive advantage. Here, culture refers to entire actions of the employees; and image and personality refers how employees or customers perceives a company's image. According to Backhaus and Tikoo, (2004), a more engaging environment can be achieved through building a strong employer brand that can attract the people inside and outside of the organization. The term 'employer brand' was discovered by Amber and Barrow in the early 1990s (Backhaus, 2016; Theurer et al., 2018; Vatsa, 2016), and since then the term of employer branding has got attraction from the business world and researchers. Employer brand is a set of activities that planned to attract and retain old and new employees. This twenty-first century shows little options to job seekers about where to work and how long to work for an organization (Ahmad et al., 2020). Therefore, maintaining the overall image of an organization is crucial to attract employees to work longer (Eger et al., 2019). The success of the company is highly dependent on its capabilities and productivity (García-Muiña and Navas-López, 2007). But for continuous success, companies need highly skilled workers and companies face the challenge to find and retain skilled workers in today's competitive world (Riyanto et al., 2021). Here, the use of employer branding is a vital solution for companies to address the challenge of attracting and retaining old and new employees.

Previous research has indicated that human resource management (HRM) has an impact on employer branding and organizational culture (Huseynova et al., 2022; Maheshwari et al., 2017). When going into this research topic, it is critical to understand employer branding and how it affects job experience and commitment. Previous studies have discovered the role of sustainable HRM practices to promote employer branding, but the research is in infancy stage (Maurya and Agarwal, 2018). However, less attention is paid to the possible moderating effect of organizational culture engagement and productivity (Tarba et al., 2019). In particular, in the context of developing countries such as Azerbaijan, there is scarce literature available to highlight the importance of sustainable HRM to enhance employer branding.

In this fast-paced industrial digital world, companies are facing a severe shortage of skilled workers and facing difficulties to retain talented employees (Brunetti et al., 2020; Li Qi and Jia Qi, 2021; Zia, 2020). Sustainable HRM practices can fill this gap by developing a strong employer brand and playing the role to retain highly talented employees based. Therefore, it is pertinent to study the effect of sustainable HRM practices to strengthen the employer branding. Furthermore, it is also crucial to study the role of organizational culture engagement and organizational culture productivity that could affect the relationship between sustainable HRM practices and employer branding. The importance of branding for both products and organizations has now been recognized by academics and practitioners alike (Jamshido'g'li et al., 2020; Yasin et al., 2022). Because branding strategies are still a relatively new concept, it is vital to investigate them deeper. The current study highlights the importance of sustainable HRM practices that can strengthen employer branding to attract and retain high talented employees. The objective of the study is to provide insight into the relationships between sustainable HRM practices and employer branding. The study has also examined and discussed the moderating role of organizational culture (engagement & productivity) between the relationship of sustainable HRM practices and employer branding. The study contributes to the existing literature by highlighting the importance of sustainable HRM practices to improve employer branding. Furthermore, examining the moderating role of organizational culture (engagement & productivity) between the relationship of sustainable HRM practices and employer branding in the context of developing countries such as Azerbaijan can also be considered as a novel contribution of the study.

## **Literature Review**

Organizations must incorporate a concept of sustainability into their practices and policies to improve the attractiveness and corporate reputation to potential employees (Ahmad et al., 2020). Several studies have been conducted to investigate the role of HRM practices in improving employer image and reputation (Albinger and Freeman, 2000; Backhaus and Tikoo, 2004; Greening and Turban, 2000). A study of Tanwar and Kumar, (2019) discusses the central importance of employer branding in all HR practices. Employers look for the employees that offer what the organization needs, and on the other hand, employers take care of the needs of employees that can be fulfilled by organizations (Stoyanova and Iliev, 2017). This falls under best HRM practices that ensure an employer hires compatible employees, which can promote the employer brand once they are satisfied with the organization's human resource practices (Ashton, 2018; Huseynova et al., 2022). According to these principles, the person-organization fit theory fits the undergoing study.

### ***Person-organization fit theory***

The recent practices of job seekers explain their congruence and best job fit characteristics that they find in the potential employer, and it should be matched with the personal characteristics, values, and qualities of the employer (Cable and DeRue, 2002; Cable and Judge, 1996). These workers apply for jobs that think their personalities and aptitudes are in line with the employer's own culture and work environment. Employees prefer their personal preferences, such as satisfactory health and monitoring benefits and a safe working environment, and hence want to be treated in a substance-oriented manner, as defined by sustainable human resource management. Due to sustainable HRM practices, the company can attract current and future employees to promote and highlight the

employer brand. Therefore, due to these valuable and intangible benefits, employees are considered to follow a good people-organization fit (Albinger and Freeman, 2000).

The following section includes a literature assessment, theoretical underpinnings, research hypotheses, and a proposal for a theoretical model for the investigation. The methodology employed in this work is described in the next section, along with the sample and data collection source, measurement and apparatus, and data analysis approach. The final section summarizes the findings, explains the study's limitations, and offers research recommendations for future research for brand managers and advertisers.

### ***Sustainable HRM Practices and Employer Branding***

The term of Employer Branding was used in the early 1990s in the literature during the concept of "war for talent" (Backhaus and Tikoo, 2004). According to the CIPD report (2010), a tight labour market and low unemployment rates created a skill shortage for businesses. Literature suggests that the increasing interest in employer branding has emerged due to the recent dramatic changes in economies, geographies and cultural preferences. Resultantly, today's organizations are constantly working on their strategies to attract and retain skilled employees (Mosley, 2007). According to Backhaus and Tikoo, (2004), the central goal of the employer branding is to attract both internal and external employees in order to achieve the competitive advantage.

The concept of employer branding was introduced in the 1990s by Ambler and Barrow, (1996), who referred the term as a package of facilities and benefits that employers offer, including psychological, monitoring, and functional benefits. Employer branding involves two different fields of studies, that is, human resource management and marketing, and both studies are influenced by each other in everyday functions (Kashive et al., 2020). Nevertheless, in recent crises, various global surveys have established a clear link between strategic management and employer branding. As per the current literature, employer branding is keenly linked with the management concepts, for example, customer relationship management and (Barrow et al., 2007; Beaumont and Graeme, 2003; John, 2020). Few authors consider employer branding as a crucial part of human resource management, effective leadership, and competitive marketing strategy.

In today's business world, employer branding is considered a critical part of business growth. The long-term success of companies is highly dependent on their ability to retain and attract old and new employees. (Backhaus and Tikoo, 2004). Therefore, to become more attractive to employees, employers successfully target their attributes to get a strong image for their excellent work place (Foster et al., 2010; Mosley, 2007). However, these companies' objectives can only be achieved if employer branding is considered a vital element of organizational strategies (Foster et al., 2010; Mosley, 2007). A strong employer brand builds its image in such a way that workers become ready to work even on fewer remunerations compared to other employers. In such ways, despite low earnings, in case of market situations, employees feel satisfied due to a strong brand image of the employer (Jackson, 2012). Depending on the positive thoughts and expectations of the employees, an organization can enhance its image for both internal and external stakeholders. Established employer brand activities attract and retain skilled employees that contribute in organizational overall growth innovation and productivity. Several sociopsychological advantages are linked to strong employer brands, such as an improvement in performance and engagement of employees. Resultantly, satisfied employees make an irony bond with their line managers and feel themselves as a vital element of the organizations. Therefore, as the knowledge-based economy gets growth in organization (Zia et al., 2022), the need for an established organizational culture arises (Jackson, 2012; Oleksa-Marewska, 2020).

At the end of the discussion, an established employer brand reflects the expectations of current and future workers, and therefore, it is pertinent to consider the perspective of employees during the employer brand positioning. HRM has also changed its strategy to hire employees, and it does not only depend on labor markets but intends to ensure sustainable HRM practices in order to receive nonstop skilled labor supplies for the organization (App et al., 2012). The work of sustainable HRM practices is taken as an investment that benefits both internal and external employees. (Cooke et al., 2020). This results in increased attractiveness among current and projected employees. Sustainable HRM practices to build a strong employer brand are considered as a way to hire skilled labor (App et al., 2012). These HRM practices enhance the ability of companies to attract and retain skilled workers, offering a long-term competitive advantage. A variety of theories support our proposal to include Sustainable HRM in the employer brand. Based on a review of the literature and logical beliefs, we make the following hypotheses.

*H1: There is a positive influence of sustainable HRM practices on employer branding.*

### ***Sustainable HRM Practices and Organizational Culture***

Culture refers to collective mind programming that has its own pattern ways to think, feel, and react (Akuratiya, 2017; Barrow and Mosley, 2011). Greenberg and Baron (1995) define , organizational culture as a framework of norms, values, attitudes, beliefs, and behavior of employees and expectations that are shared by members of an organization. The performance of an organization is significantly dependent on its culture, particularly it enhances effectiveness and efficiency of organizations (Nongo and Ikyanyon, 2012). This shows that the right culture of an organization is vital to its success. The organizational culture directly impacts the commitment of employees, which means that employee commitment is directly proportional to organizational culture. (Nongo and Ikyanyon, 2012;

Park et al., 2020). Organizational culture plays a crucial role in employer branding (Gaddam, 2008). Gaddam (2008) highlights the components of a corporate organizational culture that includes its size, structure, and working approach. The culture of the organization makes it what it appears to itself and to others. Organizational culture determines failure and success of the companies; On the other hand, employer brand has a strong influence on organizational culture because it makes the image of the companies as a more suitable work place for skilled employees. Various cultural dimensions like organizational rights, cultural networks, and processes, both add value employer branding; however, employer branding has the potential to change such dimensions. (Chițu and Russo, 2020). Semnani and Fard, (2014) examined a strong relationship between organizational culture and employee commitment. Employees show a strong affiliation with those employers who show a corporate culture and a strong employer brand. The employer branding process integrates skilled employees to project the employer image for external workers and organizations (Miles and Mangold, 2005; Sharma and Raghuvanshi, 2021). The activities of employer branding can only alter the image of employer when the organizational culture responds accordingly, while embedding employer brand by HRM into a culture of an organization makes it difficult for competitors to replicate as compared to traditional components of operations (Barrow and Mosley, 2011). Therefore, sustainable HRM practices can change the culture of organizations for better employer brand implementation.

*H2: There is a positive influence of sustainable HRM practices on organizational culture.*

### **Organizational culture and employer branding**

According to researchers, employer branding has a strong effect on organizational culture. As per the internal marketing effort study of a People Energy Corporation, most of the employees aligns their activities according to the culture of organization, and they consider it as an integral part of activities. (Papasolomou and Melanthiou, 2012). Resultantly, the new cultural norms appear according to the expectations of the company (Vasanthi, 2018). A study by Xia and Yang (2010) explains the connection of employer brand with the material and spiritual needs of employees, which can lead to motivation and satisfaction of employees. Numerous studies have been conducted to explain the link between employer brand and attitude of employees, such as organizational identity (Hoppe, 2018), commitment and satisfaction (Edwards, 2017; Schlager et al., 2011). On the same lines, a well-established brand motivates skilled employees to work for even with low remunerations. An estimated 26% labor cost can be saved with a stronger employer brand. A study by Kucherov and Samokish, (2016) highlights that for the organizations with employer brand, the wage level is 859 euros, whereas the salary level for employees of organizations with now employer brand gets upto 1164. A well -established employer brand can only be achieved once it ensures a favorable organizational culture (Reis et al., 2021). Consequently, organizational culture can affect the efforts of HRM practices that an organization adopt to enhance employer branding. Based on the above arguments and logical beliefs, the hypothesis of the study is made as follows.

*H3: Organizational culture positively influences employer branding.*

*H4: Organizational Culture (engagement and productivity) mediates the relationship between sustainable HRM practices and employer branding.*

## **Methods**

### **Participants and Procedure**

The study participants came from a diverse spectrum of product-based businesses and organizations with similar sizes to ensure ecological validity. This multisource research methodology is used to attain generalizability and statistical significance to report the findings (Harrigan, 1983). All four Azerbaijani industries were represented in the final sample. These includes clothing & textiles (40.2%); automobiles (32.4%); health care (23.7%) and food & beverage (3.7%). The range of recruited employees falls between 20 and 65 for each firm.

With 420 employees, men make up 66.7 per cent of the workforce and women make up 34.2%. More than a third (35.4%) of the employees have a high school diploma. On the contrary, 34% have a university degree, while 30.5 percent said their qualifications were below the degree level. Moreover, employees work in the current organization with an average of 5.43 years with a standard deviation of 3.12.

### **Measures**

It is a cross-sectional study that relies on a two-part questionnaire to collect data. Questions on gender, age, qualification, and job experience made up the first part of the questionnaire; questions about sustainable HRM practices, employer branding, and organizational culture were the second part of the questionnaire. Sustainable HRM practices have been shown to affect employer branding in the study by Qureshi and Ramay (2006), which employed a similar questionnaire. There were 30 questions on the test, including those on team performance, performance evaluation, salary, and employee participation. The instrument had an internal reliability rating of 0.85. Each statement was rated on a 5-point Likert scale, with 5 representing agreement and 4 expressing disagreements. For the Organizational Culture Survey (1987), the researchers used a minimum reliability index of 0.70 to assess the reliability of the survey's eight questions across two domains, including organizational

engagement and productivity. Each statement was rated on a 5-point Likert scale, with 5 representing agreement and 4 expressing disagreements, and the Sivertzen et al. 2013 fourteen-item scale was used to assess employer branding.

## Results

### *Preliminary analysis*

Initially, to conduct further analysis, the reliability structure of the constructs was established, along with the extracting factor loadings of the constructs. Table 1 presents the construct factor loadings.

**Table 1.** Construct structure with factor loadings.

Constructs	Factor Loading
Sustainable HRM Practices (Image)	
When people work for this organisation, they surely take pride in their work.	0.78
Working for this organisation is a fantastic decision because of its good reputation.	0.76
This company is most likely well-known for being a fantastic place to work.	0.77
A large number of people might be interested in working for this company.	0.78
Working here, in my opinion, would be a privilege.	0.80
Sustainable HRM Practices (performance appraisal)	
The output of employees is assessed using objective, measurable metrics.	0.78
The appraisal method we use in our organisation is based on future growth and development.	0.77
Employees are counselled and evaluated based on their performance	0.76
Employees have faith in the performance review method.	0.77
The appraisal system in place in a company has a significant impact on individual and group behavior.	0.80
Organizational Culture (Engagement)	
Decisions made at the meeting are carried out.	0.87
All attendees are encouraged to participate in meetings.	0.88
Because we have a facilitator, the meetings stay on track.	0.79
People's creative potential is utilised when they convene for a meeting.	0.85
Organizational Culture (Productivity)	
Employees at this company are encouraged to be successful and efficient.	0.82
I'm getting enough information to figure out what is going on.	0.81
It's for a good reason that things change.	0.79
The organisation treats its employees consistently and fairly.	0.81
Employer Branding	
My company is producing innovative products and services	0.78
My company is a forward-thinking employer that employs cutting-edge working methods.	0.77
My organisation values and benefits from its employees' creativity.	0.75
The products and services offered by my company are of exceptional quality.	0.80
At my company, it's a lot of joy to work there.	0.79
As a result of my employment with this organisation, my self-assurance has increased.	0.76
Working at this company has improved my self-esteem.	0.72
Working at this organisation has provided me with invaluable experience in preparation for my future career.	0.78
Working at this company can help you advance your career.	0.82
Management at my company expresses its gratitude to its employees by publicly recognising them.	0.77
Employees at my organisation love to work with their superiors.	0.74
My coworkers are supportive and encouraging.	0.83
It's a lot of pleasure to work at my company.	0.85
My company has a comprehensive reward system.	0.78
My organization has fun working environment	0.79
My organization offers attractive overall compensation package	0.78

In order to assess the relationship between the study variables, Pearson product moment correlation analysis is conducted using IBM-SPSS 23 and the findings are given in table 2.

**Table 2.** Correlation coefficients, average variation extracted and mean, standard deviation of the constructs of the study.

Variables	1	2	3	4
Sustainable HRM Practices	1			
Organizational Culture (Engagement)	.78***	1		
Organizational Culture (Productivity)	.68***	.80***	1	
Employer Branding	.72***	.76***	.72***	1
M	3.44	3.37	3.34	3.48
SD	0.76	0.9	0.82	0.81
AVE	0.76	0.82	0.84	0.69
A	0.84	0.89	0.81	0.72

Note. AVE=average variance extracted;  $\alpha$ =reliability coefficient; \*\*\* $p < 0.01$ , SD=standard deviation, A= average, M= mean

The reliability coefficients for all the constructs exceeded the Cronbach value range of 0.70, 0.60 for composite reliability, and 0.50 for the average variance derived when using Principal Component Analysis (PCA) (see Table 1) (Bagozzi and Yi, 1988; Nunnally, 1978). Because none of the variance percentages was less than 50%, common technique bias was also eliminated. Using the same respondents for all variables in a study increases the likelihood of common method variance, which can lead to errors (Podsakoff et al., 2003). The Pearson Product Moment correlation study revealed a strong correlation (0.72) between sustainable HRM practices and employer branding,

which means that well-established HRM practices have a strong effect on building a strong employer brand. Furthermore, organizational culture engagement and organizational culture productivity are also highly correlated (0.80), which indicates a soaring involvement of cultural engagement and productivity to strengthen HRM practices for a strong employer brand. Employer branding and organizational culture are positively connected, indicating that sustainable HRM practices have a beneficial impact on the latter two. Furthermore, the findings revealed that organizational culture (engagement and productivity) was positively related to employer branding, highlighting the need for more mediational research on AMOS.

### Model Fit

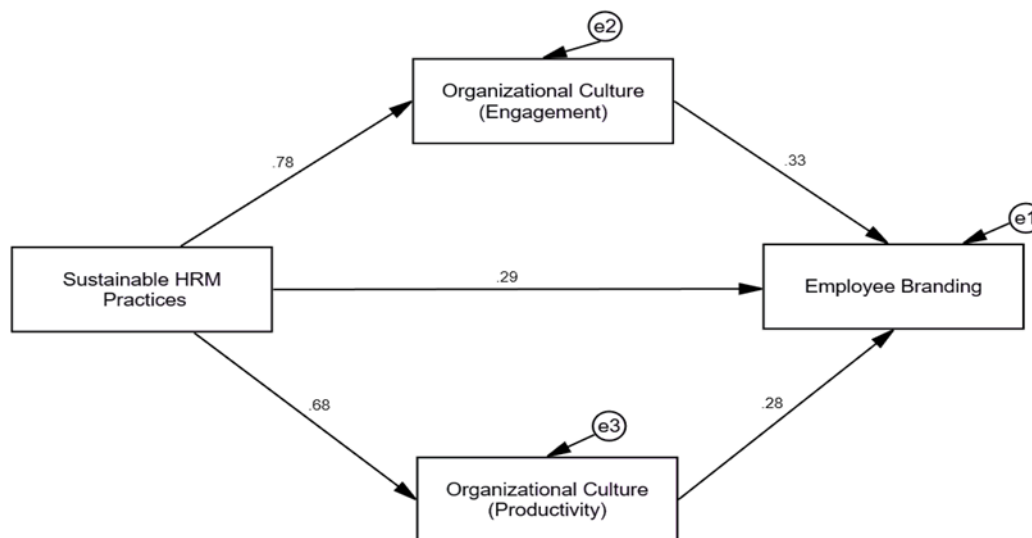
Goodness of fit indicates a minimum discrepancy function that is required to achieve perfect fit of the model under maximum likelihood conditions (Jöreskog & Sörbom, 1984; Tanaka & Huba, 1985). In the table below, the GFI (goodness of fit) establishes a value 1, where 1 denotes a perfect fit. AGFI (adjusted goodness-of-fit index) shows the degree of freedom (df) to test a model. Its value goes up to 1, which shows a perfect fit.

**Table 3.** Model-fit results.

Model	RMR	GFI	AGFI	PGFI
Default model	0.105	0.900	0.850	0.600
Saturated model	0.000	1.000		
Independence model	3.171	0.133	-0.001	0.115

### Path Analysis Using AMOS

With the help of AMOS, the path analysis was performed by building structural equation modeling, to test the study hypotheses, and the goodness-of-fit indices of SEM support that the hypothesized model was significant and fits adequately with the data ( $\chi^2=133.531$ ;  $p=0.000$ ; CFI= 0.92; TLI =0.90, RMSEA= 0.08), as presented in Figure 1.



**Fig. 1.** Conceptual Model.

Five major direct effects were revealed after performing a route analysis. Sustainable HRM practices, according to the findings, have a significant beneficial impact on employer branding ( $\beta = 0.17$ ,  $p < 0.01$ ), proving the study hypothesis H1. Using sustainable HRM techniques, two observable characteristics, such as engagement and productivity, strongly predicted the latent variable organisational culture ( $\beta = 0.25$ ,  $p < 0.001$ ) and accepted H2. Furthermore, the results supported the relationship between organizational culture and employer branding, and therefore accepted H3 ( $\beta = 0.20$ ,  $p < 0.001$ ).

**Table 4.** Path Analysis for Employer Branding Using SEM.

Path	Direct effects	Indirect effects	Total effects	Hypotheses	Result
	$\beta$ /t-value	$\beta$ /t-value	$\beta$ /t-value		
Sustainable HRM practices -> Employer branding	0.17**/3.15			H1	Accepted
Sustainable HRM practices -> Organizational culture	0.25***/3.56			H2	Accepted
Organizational culture -> Employer branding	0.22***/3.54			H3	Accepted
Sustainable HRM practices -> Organizational culture (engagement & productivity) -> Employer branding	0.19***/18.36	0.11**/5.03	0.30***/41.5	H4	Accepted

Note: \*\*\* $p < 0.001$ ; \*\*  $p < 0.01$

To test for indirect effects, 5000 bootstrap samples were employed with a 95% bias adjusted confidence interval, revealing the mediating impact of organisational involvement and productivity. The findings revealed that there are various mediation roles for both organisational engagement and productivity. As a result of multiple mediation, a large number of variables are impacting each other at the same time (Preacher et al., 2008; Preacher and Hayes, 2004; Zhang et al., 2009). It was found that engagement and productivity play a partial mediating role between HRM practices and employer branding ( $\beta = 0.11$ ,  $p < 0.05$ ). However, sustainable HRM practices still have a direct relationship with employer branding in this mediation analysis ( $\beta = 0.19$ ,  $p < 0.001$ ), hence H4 is accepted. We evaluate multiple mediation models to reduce the probability of omitted variable problems in simple mediator models.

The unique indirect effects of both organisational engagement and productivity on employer branding are also observed to see how strong is the individual mediation impact of organisational culture domains.

## Discussion

According to the findings of this research, organizational culture can increase employer productivity and engagement, enhance employer branding, and support sustainable HRM practices. As a technique to attract and retain top talent, employer branding is important right now, and this study attempted to explain the relationship between organizational culture and sustainable HRM practices. Creating a strong employer brand can help employers become more appealing to potential employees and even an employer of choice for some of those employees (Moroko and Uncles, 2008). According to our findings, companies that use sustainable HRM to build an employer brand have a significant advantage when it comes to attracting and maintaining top talent. As a result, businesses will be able to distinguish themselves in the labor market from their rivals.

Employee engagement and productivity are linked to organizational culture improving employer branding using sustainable HRM practices and preexisting notions. Companies that provide a better organizational culture increase the engagement and productivity of their employees, which adds to their self-image. Employees are concerned about safeguarding their personal resources (such as their employability or health), and hence want to be treated in a substance-oriented manner, as defined by sustainable human resource management, as explained in person organization fit theory. The findings of the study add to the theory of person-organization fit because employees are retained and attracted due to sustainable HRM practices that become the basis for employer branding. The satisfied employees themselves become symbols of the employer brand.

Human resources practices can provide long-term competitive benefits, according to Wright and McMahan, (1992). However, they stress the importance of having employees who are well qualified and highly motivated to achieve this. As a result, there is evidence to support human resource management (HRM) practices that aid in the development and maintenance of a high-quality workforce (Becker and Huselid, 2006; Delery and Roumpi, 2017; Lado and Wilson, 1994; Wright et al., 1994). Most HRM practices can be reproduced or substituted and, as a result, are not a source of long-term competitive advantage, as Wirda and Rivai, (2019) wrote. Lado and Wilson, (1994) disagree, claiming that imitating HRM practices is difficult to do. Since HRM practices are typically firm-specific and reflect a company's unique conditions, it is tough to transfer them from one company to another. HRM is therefore considered a vital competitive advantage for firms, and developing new tactics to attract and establish top-tier employees becomes critical.

Employees may draw cross-company comparisons based on the employer brand, which could impact their self-perception. Because it gives value to employees and helps them develop a positive self-concept, sustainable HRM should be part of an organization's employer brand. In addition to helping firms to stand out from the competition, integrating social networks into the workplace should increase employees' self-esteem. A company's employer brand must reflect its commitment to sustainable HRM practices to attract and keep top talent. As a result, the company has a competitive edge in the long run. Finally, the employer brand image of the company reflects the perceptions of current and potential employees; thus, an employee viewpoint must be taken into account to effectively place an employer brand.

The findings also suggest that only sustainable HRM practices alone cannot specify the employer branding; therefore, organizational culture affects the employ productivity, and engagement acts as a mediating factor in helping an organization achieving competitive advantage and shaping their employer brand.

### **Theoretical implications**

The study contributes to the existing literature in several ways. First, it extends the literature on sustainable HRM practices and its role to effect employer branding through developing countries context, i.e., Azerbaijan. This is in line with the studies of existing scholars who posit that sustainable HRM practices not only satisfy employees on their jobs but also promote employer brand (Bhattarai, 2021; Zia, 2020). Additionally, instead of looking at the direct relationship between sustainable HRM practices and employer branding, we brought organizational culture

(engagement & productivity) as a mediator. This adds more explanation of the current understanding of sustainable HRM practices by showing that sustainable HRM practices with the help of organizational culture can help to strengthen employer branding. The findings of the study add to personal-organizational fit theory by explaining that how sustainable HRM practices encourage employees to get satisfied and promote employer branding, which is equally beneficial for both actors, employees, and employer.

### **Practical implications**

The study offers some managerial implications for companies in developing economies, especially those that struggle to establish their employer brand and retain competitive employees. Due to the recent economic challenges in developing countries, companies need to strengthen their employer brand to retain talented employees. Our study highlights the importance of sustainable HRM practices and how these practices help organizations satisfy talented employees that can contribute to building a strong employer brand. Based on the findings, managers should pay attention to improving sustainable HRM practices and organizational culture to increase employer branding.

### **Conclusion**

Although the literature and theories on marketing and branding abound, there are only a few ideas about brand employers (Biswas and Suar, 2016). As a strategy to generate long-term competitive advantage, companies place greater value on human resource management practices. Employer branding has been an important topic in current HRM practices research due to organizations focusing on enhancing employee engagement and productivity. Branding as an employer allows a company to differentiate itself from the competition. Organizational culture is related to employer branding as a mediating factor according to the current study. Employee affective commitment was found to be more strongly influenced by corporate culture. Employee engagement and productivity depend on the organizational culture that increases their self-esteem to form the employer brand and achieve competitive goals. Incorporating Sustainable HRM practices into an organization's employer brand allows companies to satisfy their employees' diverse needs and expectations while maintaining a unified corporate image, but organizational culture for maximum productivity and engagement acts as a mediating factor.

### **Limitations and future research**

This study has limitations, just as any other study. To begin with, only people who were employed at a specified level were eligible for this research. Other companies or the entire leasing industry may conduct similar research in the future, as well. In the future, researchers may look at how employer branding affects employee behavior. Secondly, this study collects data only from Azerbaijan, which provides a context of the developing economy. Future studies should collect data from other regions to generalize the findings. Future studies can also see the impact of sustainable practices under uncertain market conditions, i.e., pandemic, earthquake, or flood, and examine how these uncertain conditions can impact the establishment of employer image.

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