

Employer Brand and Business Performance: The Role of Intellectual Capital

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Intangible assets play a vital role in the hotel industry, in general, and can also ensure the sustainability of a business during a crisis. The aim of the paper is to identify the impact of employer brand on the business performance of hotel companies, including the mediating effect of intellectual capital as an element of intangible assets. The research was conducted among managers who are employed in 92 hotels, and who evaluated the dimensions of the employer brand, business performance (organisational performance and market performance), and intellectual capital. The research hypotheses were tested using partial least squares structural equation modeling (PLS-SEM). The research model has supported the full mediating effect of intellectual capital between most of the employer brand dimensions and business performance. Results confirm the contribution of the employer brand to the business performance, with the support of intellectual capital and indicate the necessity of mutual use of intellectual capital and employer brand as key assets in a crisis.

Keywords: *Intellectual Capital; Employer Brand; Organisational Performance; Market Performance; Hotel.*

Introduction

The challenges of globalisation and the fast-growing importance of digitalisation have fostered a tremendous transformation of background for sustainable competitive advantage in the knowledge-based economy. The resource-based view of the firm, more precisely the knowledge-based view of the firm has emphasised the relevance of intangible factors, such as knowledge, for organisational success (Tovstiga & Tulugurova, 2007). Numerous studies report on the importance of intangible assets for firm performance (Ferdaous & Rahman, 2019), superior firm profitability (Seo & Kim, 2020), and as being essential for business success (Steenkamp & Kashyap, 2010). Intangible assets, rather than traditional tangible assets, took over the leading role in achieving and sustaining competitive advantage and induced a predominant impact on business performance. Arrighetti *et al.* (2014) note that intangible resources consist of autonomously produced assets, such as brand equity and design, and externally generated assets, such as technologies and competencies. Brand equity, including employer brand, mostly come from relationships which include employees ties that are established inside and outside an organisation. Despite the meaningful number of previous studies, which interchangeably use the terms “intangible asset”, “intellectual asset”, and “intellectual capital”, the present study considers intellectual capital as unique assets, including three key components: human capital, structural capital, and customer capital. Intellectual capital has been recognised as a primary theoretical approach for research into intangible assets (Buonomo *et al.*, 2020), with the purpose of clarifying different category assets and relations

to business performance. Intangible assets, including employer brand and intellectual capital, are able to positively contribute to sustainable competitive advantage and organisational performance through innovation, efficiency, benefits, and values for customers and employees (Kengatharan, 2019).

The core of previously noted intangible assets constructs consists of employees and their competencies. Recognising the special strategic significance of human resources (Rose *et al.*, 2010) and the potential to positively contribute to financial success (Soewarno & Tjahjadi, 2020), companies have focused and adapted their human resources practice, with the aim of retaining human capital. The high demands for skilled employees have induced an imbalance between the supply and demand of human capital, thus causing a deficit in the labour market (Ployhart, 2006). The registered deficit of human capital (Arasanmi & Krishna, 2019) and the tendencies to make more frequent changes in the employee’s career (Santiago, 2019), have stepped up competition among companies at a higher level for an individual possessing the adequate skills and managerial capabilities. Most companies that are faced with the current problem have developed specific intangible assets, with the purpose of supporting the effort of human resources practice that are directed towards attracting and engaging high-level qualified employees (Chawla, 2020). Primary attention has been paid to the employer brand concept that should create distinction between employers by providing appropriate benefits to employees. Companies have deployed the employer brand as an effective instrumentality for attracting and retaining qualified individuals and differentiating the company from its

competitors in the labour market. The development of the employer brand was aimed at developing long-term and sustainable relationships with employees (Deepa & Baral, 2019). Employer branding philosophy based on the focus on employees as internal clients tends to be different from other companies' approaches, that are focused on attracting and retaining human capital.

Intellectual capital, as a part of intangible assets, i.e., its components, namely human capital, structural capital and customer capital, have powerful connotations for today's companies, managers, and their stakeholders. Tovstiga and Tulugurova (2007) suggest that human capital indicates the levels of employee competence, attitudes and intellectual agility, while structural capital embodies the relationships that are established with the various stakeholders, including customers, organisational internal environment and development. Knowledge, experience, and skills of employees that are embodied within human capital are a particularly important resource for labour-intensive industries, and the effective management of such capital has been recognised as significant for corporate performance (Bontis *et al.*, 2018). Success, growth and development of hotels relies, to a large extent, on knowledge, since employees are directly involved in the process of service production and consumption (Author & Author, 2018). Management and sustainable development of human capital are substantially related to the implemented employer brand strategy, which has offered some benefits for employees as the medium with which to attract and retain individuals within an organisation. The aforementioned benefits principally reflect intangible elements, such as specific training and career development opportunity, mentoring programmes, employee recognition programmes, work-life balance, corporate wellness support, or flexible work arrangements. Support for human capital development and functioning within an organisation is provided by structural capital, which includes databases, systems, procedures, software, hardware, and business culture (Zigan & Zeglat, 2010). The application and development of structural capital components is performed by managers and employees. Organisational infrastructure, primarily organisational culture, endeavour to positively contribute to active and efficient task performance. Employees, along with structural capital, positively contribute to customer capital formation, representative of the quality of the established relationships between employees and customers. Associations between employees and customers allow a better understanding of customer needs, and also provide effective feedback, along with a required knowledge of workers (Shih *et al.*, 2010). This type of approach allows an organisation to build its reputation of being a responsible company, not only for the customers, but for employees, while a strong employer brand supporting improved work engagement and behaviour leads to a high-quality service that is provided to the customers. Information on the employer brand reputation that is presented in public, contributes to the general image of the company, thus inducing a positive or negative spill over effect towards the customer, with a significant impact on their decision-making process regarding their acceptance of the company's product(s) or service(s). The utilisation of the employee's knowledge, skills, abilities and communication combined with elements of structural capital, affect the quality and

efficiency of service delivery, which contributes to creating a base of loyal and satisfied customers, and thus creates preconditions for high quality business performance. The functioning of structural capital and customer capital is not possible without the support of human capital, which makes these three components of intellectual capital inextricably linked. It has been previously argued that the benefits for employees not only lead to employer brand building, but also to intellectual capital improvement. Research of such relations emerges as important for the hotel industry, which is specifically recognised as a business which represents a high dependency on service quality that is reliant on the employees and their abilities (Santiago, 2019).

Our study focus is on the hotel industry as a labour-intensive industry, while the results of previous research have shown that intellectual capital, and also human capital particularly, are important factors for a hotel's performance (Sardo *et al.*, 2018). Thus, the hotel industry emerges as very suitable model for researching the significance and roles of employer brand and intellectual capital which impact on business performance. According to Eurostat (2021) the hotel industry has recorded an expansion in employment during the past 10 years, as well as an increase in demand for skilled employees. The number of employees engaged in the hospitality industry in the European Union (EU) during 2019 is higher by 21 % compared to 2010, while Serbia evidenced an increase of 27 % in the number of employees in the same industry during an equal period of time. In the hospitality industry in the EU, the number of employees with a tertiary education reported a constant growth during the period 2010–2019, while Serbia has followed this trend with a slight downward tendency in the number of tertiary education employees during 2019 (Serbian Statistical Yearbook, 2020), within the same industry. Further, due to the COVID-19 pandemic crisis, many hotels were faced with reducing the number of employees in order to survive (Yacoub & ElHajjar, 2021).

A review of the literature on employer brand reveals several research gaps that we perceived to be important in relation to the present study. Firstly, previous research indicates a relation between employer brand and employee engagement (Chawla, 2020), employee retention (Arasanmi & Krishna, 2019), employee satisfaction and identification (Schlager *et al.*, 2011), intent to join an organisation (Sharma & Prasad, 2018), and job satisfaction (Tanwar & Prasad, 2016), commonly named as work outcomes, while relatedness to business performance is still missing. Kucherov *et al.* (2022) believe that scientists are quite optimistic in explaining the role of employer brand in increasing productivity, financial market performance, and shareholder value, but to the best of our knowledge, the empirical evidence for this finding is rather scarce. Deepa and Baral (2019) note the impact of employer brand on a company's resources and on employee behaviour, but for those authors it was difficult to directly measure performance improvement through employer brand building actions. The relationship between employer brand and business performance needs to be analysed, since research shows that the employer brand creates a positive attitude of employees towards the organisation, commitment to the brand (Gilani & Jamshed, 2016) and contribution to improved employee performance (Deepa & Baral, 2019).

Secondly, previous studies have analysed the relationship between intellectual capital and corporate social responsibility (Vo *et al.*, 2022), intellectual capital and corporate governance (Tran *et al.*, 2020), and intellectual capital and corporate reputation (Ginesti *et al.*, 2018). By researching the factors that influence the development of the employer's brand, the results would significantly contribute to the accumulation of intellectual capital (Azam & Qureshi, 2021). Previous studies have provided evidence for the impact of intellectual capital on business performance (Isola *et al.*, 2020; Xu & Li, 2020), but the relationship between intangible assets components, i.e., employer brand and intellectual capital, and their impact on business success, has not been analysed and, therefore, this is noted by the present authors as a central research question. This gap supports the aim of our study in establishing a relation between employer brand and business performance, with the mediating role of intellectual capital. The question of the contribution of intangible assets and their components to the sustainability and business success of a hotel becomes more significant in the current business crisis conditions. Thirdly, in previous studies, relations between employer brand and business performance were not analysed in the context of the hotel industry. Research shows that hotel strategy usually ignores the vital role of human resources development in acquiring, maintaining, and developing the key competencies of hotel employees (Francois Koukpaki *et al.*, 2021). If investing in human capital ensures performance improvement, growth in productivity, and work efficiency in the hotel industry (Ferrary, 2015), the question of implementing analysing tools (employer brand and intellectual capital) to achieve better results becomes relevant for the hotel industry. Fourthly, the majority of studies on employer brand were directed to revealing the power of employer brand regarding attracting talent (Arasanmi & Krishna, 2019), and the study participants were the individuals who would, potentially, be employed in the company. Tanwar and Prasad (2016) indicate that the employer brand should induce positive employee outcomes for future workers but only if existing employees considered this to be attractive. Current employees view the employer brand based on their experience and fulfilment of the promises made, while potential employees see the promises made in the offer of employment through employer branding activities (Saini & Jawahar, 2019). Also, current employees play a vital role in developing the brand image in the hotel industry (Schwaiger *et al.*, 2022). Thus our research focus is on the current employees in the hotel industry.

In accordance with what the present authors observed to be research gaps, the aim of the present paper is to identify the impact of employer brand on the business performance of hotel companies, including the mediating effect of the intellectual capital as an element of intangible assets. Improvement of intangible assets is becoming a particular challenge for hotel company managers, as previous studies have shown that these assets positively contribute to business performance and sustainable competitive advantage. Employer brand should contribute to intellectual capital development through the advancement of human capital, as an asset that ensures the growth of employee efficiency.

The contributions of this study are summarised in the following. Firstly, the essence of the employer brand is not entirely explored in the body of literature, which implies the need to overcome this gap in order to understand the performance of the organisation (Deepa & Baral, 2019). That is why the present study researches the relationship between the employer brand and the results of the companies, thus indicating the importance of these intangible assets in hotels. Previous studies have analysed the relation between human capital and business performance, but the impact of an employer brand on business performance has not been analysed, to our knowledge. Investing in the employer brand, i.e., the benefits for employees, requires financial expenses for companies, which is why it is necessary to study their effectiveness. Secondly, no study has analysed the relationship between the employer brand and intellectual capital. Human capital positively contributes to business performance (Cleary & Quinn, 2016; Jordao *et al.*, 2020; Campos *et al.*, 2021) and creates a competitive advantage (Tovstiga & Tulugurova, 2007; Simic & Author, 2019; Simić *et al.*, 2020). Therefore, it is necessary to consider how the company attracts and retains the talents that are the basis of human capital, and the most potent component of intellectual capital. In the literature in recent years, the concept of the employer brand stands out, with the aim to build appropriate benefits for employees that have a positive impact on the company's reputation in the labour market. By building benefits that are valuable to employees, companies increase their ability to attract human capital and, thus, increase the value of intellectual capital. Thirdly, the research was conducted in the field of the hotel industry, which was recognised as a labour-intensive industry, and an industry that was extremely affected by the Covid-19 pandemic. Such circumstances further point to the importance of human capital, which should enable sustainable business in times of crisis and create preconditions for growth after the end of the pandemic. Fourthly, the results of the study may be useful for hotel business managers, pointing to the importance of the employer brand and the possibility of using it as a means of attracting qualified employees and developing intellectual capital components.

Literature Review

Employer Branding

Employer branding has been recognised as consisting of instrumental strategies that are implemented to attract and retain talents within an organisation, in order to achieve organisational goals in a dynamic business environment (Chawla, 2020). The employer branding strategy is especially focused on the relationship between employees and the employer, which has the ultimate goal of providing intellectual support for the growth and development of the company (Author & Author, 2019). Ambler and Barrow (1996, p.187) describe employer brand as “the package of functional, economic and psychological benefits provided by employment, and identified with the employing company”. Functional benefits rely on the job specificity, the content of business tasks, and the perspective of professional career development. Psychological benefits

include developing a sense of belonging, and good relationships with colleagues in the company where they work. Economic benefits refer to the amount of financial and non-financial compensations that the employee acquires in accordance with the invested work and effort.

Employer brand represents an intangible asset that is generated as a result of successful employer branding strategy implementation that is directed at promoting the company as an exceptional employer, by providing candidates with realistic expectations, and fulfils the promises that have been given to the current employees (Author, 2020). The goal of employer branding strategy is to improve human capital within a company, that would enhance work outcomes through the deployment of more competencies, abilities, and skills, especially because a contribution by employees increases over time as a result of learning and experience (Bontis *et al.*, 2000; Bontis *et al.*, 2018). Respectively, a strong employer brand can be achieved with the support of devoted and talented employees (Author, 2020).

Human resources play a crucial role in the sustainability of a hotel business in crisis (Batool *et al.*, 2022), although research indicates lower values of the importance and use of human resources in conditions of a pandemic crisis in this industry (Lai & Wong, 2020). However, the Covid-19 pandemic has had serious consequences for the hotel industry, especially in terms of recruitment and retention of staff (Kar & Nguyen Thi Phuong, 2022). Due to the disruption of working practices during the pandemic, there is a need to create a positive attitude in the minds of employees who will remain attracted to their organisation (Deepa & Baral, 2022). Thus, in the context of the Covid-19 pandemic, it seems that developing an employer brand is an excellent way for those companies which want to follow the curve of change (Kar & Nguyen Thi Phuong, 2022), ensuring a better organizational culture, climate, and thus employee engagement. Based on the perceived problems with regard to HRM during the pandemic crisis, the issue of developing benefits for employees through the development of the employer brand is of particular importance.

Employer brand benefits have been classified into manageable dimensions that are identified as major values a company provides to candidates and employees, in order to attract and retain them (Tanwar & Prasad, 2017). Distinctive employer brand dimensions were observed within our study, i.e., training and development, reputation, organisational culture, and work-life balance. The selection of these dimensions was based on the internal qualities of each, and also on external performance (reputation), that highly perceivable by current employees.

Training and development activities include different human resource department initiatives, that are aimed to improve work abilities, decision making skills, and employee's assertiveness (Aruldoos *et al.*, 2021), as well as knowledge promoting and skill-seeking behaviour (Chen *et al.*, 2021). Effective human resource management and training and development initiatives appeared as significantly important for the competitiveness of service companies due to the improvement of human capital.

Reputation emerged as a vital component of a company's image in public, and also as perceived by the company's stakeholders, and it is the result of interaction

and relatedness between company and its stakeholders, which is built up over time (Famiyeh *et al.*, 2016). Initially induced as marketing concept, reputation has been found to be very important for human resource management when a deficit of skilled workforce has appeared in the labour market. According to Famiyeh *et al.* (2016), companies with a higher reputation were able to attract investors, new partners, and enter into new markets, thus its adoption is suggested for attracting candidates from the labour market or other companies. Spillover effect of reputation from customer to candidates and employees supports the development of employer brand, thus inducing recruitment staff with higher interests to work within a company, while the recruiting and contracting costs remain at lower levels.

Organisational culture includes beliefs, values, and patterns of behaviour which are embedded in the daily work routine of employees (Shea *et al.*, 2021), and is directed towards job-related outcomes, as well as a sense of identification with a company. Previous studies have revealed a high degree of identification with organisational culture, which should imply an extraordinary performance achieved by employees, while a weak culture would lead to poor performance (Gorondutse & Hilman, 2019). Organisational culture produces unique experiences for the current employees which is positive and also creates a significant impact on employer brand. Behavior of current employees impacted by organisational culture, simultaneously, should direct candidate perception of employer brand and impact on employment decisions.

Work-life balance has been a critical issue during previous years, due to the high intensity of work and levels of stress. Soomro *et al.* (2018) describe work-life balance as a time-sharing ratio between family and work which, arises as very important when a deficit of talents appears in the labour market, thus placing companies in the position to take more care regarding work attitudes. Usually, it is related to the family but work-life balance also treats the activity within the community, activism in some groups, and hobbies or personal pursuits (Smith *et al.*, 2016). Oyewobi *et al.* (2019) note that work-life balance should enhance employee's loyalty, thus inducing more commitment during task performance. Companies benefit from this through loyalty and commitment, thus strengthening employer brand and attractiveness for candidates they hire, as well as enhancing work engagement and job performance. A deficit of talents in the job market allows candidates to select companies which offer more benefits, including work-life balance.

Employer Brand and Business Performance

Previous studies supported the association between employer brand and employee satisfaction (Author & Author, 2019), as well as the positive relation between employer brand and workforce performance (Author, 2020). Thus, investing in employer brand promotes improved work outcomes obtained through differentiated dimensions that are positively perceived by employees. Subordinated, but perhaps the most important role of employer brand is supplying an organisation with adequate knowledge, by providing a mechanism for attracting and retaining human capital within that organisation. Human capital, as the most

important component of intellectual capital, has registered positive impact on organisational performance in some studies (Author & Author, 2018; Author & Babić, 2019). The existing research has not established a direct relationship between employer brand and business performance. Kashive and Khanna (2017) suggest a positive association between functional job association and employer brand awareness, as constructs of employer brand knowledge, on firm performance in the study with student participation as respondents. Similar research with employees as respondents was not found. Thus, the present study investigates employer brand impact on business performance from the employee perception or perspective, and includes the mediating role of intellectual capital.

Intellectual Capital and Business Performance

Numerous previous studies have explored the relationship between intellectual capital and business performance. In general, some studies have explored this association by setting up the research based on questionnaires as instrument for observing construct of intellectual capital and performance (Engström *et al.*, 2003), while other studies deployed data that were gathered from official financial reports, in order to compute components of intellectual capital within a determined model (Pulic, 2000; Nimtrakoon, 2015). The named methods proved relevant with empirical evidence on the intellectual capital affect on firm-related outcomes.

Research on intellectual capital practice within small innovative enterprises has revealed that both human capital and structural capital positively drive performances and outperform the importance of factors coming from that environment (Tovstiga & Tulugurova, 2007). By strengthening intellectual capital components, firms decrease the relevance of potential disruptions in small innovative enterprises and build more agile capacities for performance improvement. Quantitative-based research undertaken by Clarke *et al.* (2011) has shown that human capital and structural capital positively effect firm performance in the Pulic (2000) model of intellectual capital measurement. Based on the same approach, research on the banking sector in developing countries supports the positive consequence of intellectual capital on performance (Isola *et al.*, 2020), as well as in manufacturing firms (Xu & Li, 2020). Digitalisation of business processes appeared as an important factor that positively influences the development of human capital and relational capital, while intellectual capital as a whole has recorded a positive association with business performance (Cleary & Quinn, 2016). A study of small businesses indicates a positive relationship between human capital and organisational capital with performance, but innovation has occurred as a mediator within that relationship (McDowell *et al.*, 2018). The importance of intellectual capital for preserving business performance during the Covid-19 pandemic crisis has been studied (Muftiasa *et al.*, 2023; Schislyaeva *et al.*, 2022; Paoloni *et al.*, 2022). Components of intellectual capital in a crisis allow companies to overcome the crisis, thus improving their proactive and reactive capabilities (Paoloni *et al.*, 2022). Research also shows that intellectual capital plays a key role in improving the competitive

advantage of the hotel industry in the conditions of the Covid-19 pandemic crisis (Alkhatib & Valeri, 2022).

The majority of such studies promote the positive impact of intellectual capital, directly or indirectly, via innovation or dynamic capabilities (Campos *et al.*, 2021). Ghosh and Mondal (2009) have found the relatedness between intellectual capital of companies and performance, but any contribution to the productivity was not registered. A broad view of business performance includes market-based performances that are mostly considered as the market value of a company. Hamdan (2018) suggests that there is a positive relation between intellectual capital and performance, based on accounting measurements, while the relation with market value was not supported. Further, different study supports the positive association between intellectual capital and book-to-market ratio (i.e., book value versus market value) (Weqar *et al.*, 2020).

Strategic orientation on low-cost leadership or differentiation significantly determine a hotel's intellectual capital development strategy, as demonstrated in a study conducted by Walsh *et al.* (2008), which has revealed the systems capital, customer capital, and human capital positively contribute to firm performance, while these relationships were not supported by low-cost leadership orientation within human capital. Thus, strategic orientation on differentiation would favor more investment in human capital to direct hotel performance. A hotel industry study (Engström *et al.*, 2003) notes that human capital and structural capital have the capability of enhancing hotel profit. Further, the research results argue the ability of intellectual capital to improve business performance through the development of employee knowledge and skills, or within routines, organisational internal variables, and systems or ties that are developed with the customer. These assumptions are useful for the research approach used in the present study, which was based on relations among intellectual capital and business performance, but predominantly considered through a supportive role.

Employer Branding, Intellectual Capital, and Business Performance

The association between employer branding and business performance, as well as the role intellectual capital, has been observed through the identification of the particular effect of employer branding dimensions, i.e., training and development, reputation, organisational culture, and work-life balance, and business performance with the deployment of intellectual capital. Thus, we identify support for the given relationship in the current literature, and then we developed our hypotheses.

Employee training, as one of the most important aspects of human resource management practices, has been noted to have significant effects on firm profitability and is marked as a key driver of economic value (Bassi *et al.*, 2002). A particularly positive effect of training activities on firm performance was registered by Lu *et al.* (2015), while Ubeda-Garcia *et al.* (2013) report this effect in the hotel industry in particular. Sometimes, the positive effect of training activities is absent in the short-term, especially when there exists a skills gap that is due to the current job requirements, or it is related to less knowledge-intensive

workers, while regarding the long-term effect, largely, there is no doubt that the positive effect does exist. The study by Kwon (2019) has revealed that investment in training and development is positively associated with the financial performance in the long-term, and the employer brand building strategy requires more time for the evaluation of a positive effect of such type of investment. Also, the training and development activities strongly support human capital development, which positively affects organisational performance by confirming the mediating role of that component of intellectual capital in the research model (Youndt & Snell, 2004). The mediating role of human capital and social capital has been noted in the relationship between human resource development practice and return on assets (Chen *et al.*, 2021). Therefore, we present our first two hypotheses:

Hypothesis 1: Intellectual capital positively mediates the relationship between training and development and organisational performance.

Hypothesis 2: Intellectual capital positively mediates the relationship between training and development and market performance.

Previous research has revealed that the reputation of a company comes from different activities, and it can vary across industries, with a significant effect on financial performance (Brammer & Millington, 2005). Corporate reputation has been identified as a factor that is significantly and positively associated with corporate performance (Lee & Roh, 2012). Firm attractiveness, as a component of corporate reputation, is positively related to overall organisational performance (Famiyeh *et al.*, 2016). A very important role of reputation is identified in the socially sensitive industries, due to the greater attention of different stakeholders. The corporate reputation of multinational companies was noted as the mediator variable between social performance and financial performance (Subramaniam *et al.*, 2019). The recently identified deficit of talents in the labour market, and the raising of the importance of a work-life balance has promoted the employee as one of the key stakeholders. The study by Taghian *et al.* (2015) suggests that the employee, as stakeholder, is positively associated with the CSR and corporate reputation, and reputation is positively related to any change in market share and any change in profitability. Ginesti *et al.* (2018) note that human capital appears as the most important determinant of company reputation, and reputation leads to improved financial performance. These results indicate that reputation can affect the efficient deployment of intellectual capital with its components, especially human capital. Intellectual capital has appeared as an important driver of firm reputation, which enhances the success of the market internationalisation process (Ulubeyli & Yorulmaz, 2019). Consequently, with this background, we present the following hypotheses:

Hypothesis 3: Intellectual capital positively mediates the relationship between reputation and organisational performance.

Hypothesis 4: Intellectual capital positively mediates the relationship between reputation and market performance.

Organisational culture has been noted as a powerful internal variable of companies, which can impact the average employee to accomplish a task with high performance (Larry *et al.*, 2011), while a weak culture can turn the high-potential employee towards less effective performance (Yarborough *et al.*, 2011). The literature supports the relationship between organisational culture and business performance in the different contexts (Ogbonna & Harris, 2000; Lee & Yu, 2004), due to the fact that culture is a unique variable and can differ from organisation to organisation. A recent study reveals that organisational culture can shape the behaviours of employees, which positively contributes to the performance of small-scale businesses (Gorondutse & Hilman, 2019).

A study undertaken by Lopez *et al.* (2004) shows that a collaborative organisational culture promotes organisational learning, and has a significant positive impact on business performance. Previous studies reveal that organisational culture is positively related to knowledge management as knowledge management strengths provide a competitive advantage and improve performance (Al-Bahussin & El-Garaihy, 2013), and suggest that the relationship between organisational culture and knowledge management practice is positively associated to organisational performance (Shea *et al.*, 2021). Culture encourages knowledge sharing and simultaneously contributes to the development of structural capital, that contains routines and procedures to promote knowledge flow. The application of knowledge stimulates the enhancement of human capital, through using knowledge in daily problem solving or decision making, by which employees can create new knowledge and improve their intellectual capital. Gupta *et al.* (2016) suggest that adaptive and flexible culture positively stimulate the creation of intellectual capital, while allowing risk-taking, creativity, and innovation in daily routine and work. The level of culture, both national and organisational, can contribute to the development of the intellectual capital of the company (Sandra *et al.*, 2007). It is concluded that the creation of all components of intellectual capital in an organisation serves as an interconnection between them and establishes the assumptions for improvement of business performance. Therefore, we present two more hypotheses:

Hypothesis 5: Intellectual capital positively mediates the relationship between organisational culture and organisational performances.

Hypothesis 6: Intellectual capital positively mediates the relationship between organisational culture and market performance.

Work-life balance emerges as an important component of employer brand and a powerful tool for the sustainable differentiation between employers. The work-life conflict has been noted as an important predictor of work-life balance, with a significantly negative effect (Helmle *et al.*, 2014), which indicates that a negative work attitude can weaken employer brand. Beauregard and Henry (2009) argue that work-life practice has different positive impacts on employees and organisations, such as improved job-related attitudes, productivity, cost savings, retention, and recruitment, while creating employee loyalty and enhanced organisational image (Ioan *et al.*, 2010). Research undertaken by Soomro *et al.* (2018) has shown that work-

life balance has positive effects on employee performance. Other studies note that work-life balance is positively related to organisational performance (Oyewobi *et al.*, 2019), market performance, and profit-sales growth (Perry-Smith & Blum, 2000). The firm which has practiced extensive work-life programs indicates a positive impact on productivity (Konrad & Mangel, 2000). To our knowledge, the current literature has not recognised an association between work-life balance and intellectual capital. Our research is based on the assumption that better deployment of intellectual capital allows employees to achieve their goals, and requires performance with less effort and time, while simultaneously supporting the work-life balance policy. In accordance with this background, the following hypotheses are presented:

Hypothesis 7: Intellectual capital positively mediates the relationship between work life balance and organisational performance.

Hypothesis 8: Intellectual capital positively mediates the relationship between work life balance and market performance.

Research Methodology

Sample and Data Collection

The research into the relationship between the defined variables was conducted in the hotel industry. The commitment to the hotel industry for this type of research is argued for the following reasons: firstly, it is an industry in which the employer brand is able to make a significant difference between companies in the labour market; secondly, it is a labour-intensive industry in which the effects of intellectual capital can be verified, as confirmed by previous studies. Information on the available sample of hotels (number, type, and category) is taken from the website of the Ministry of Trade, Tourism and Telecommunications of the Republic of Serbia.

Given that these are intangible assets, determining the precise value of intellectual capital is a problem that exists in the literature. Engstrom *et al.* (2003) consider it useful to assess the value of a hotel's intellectual capital because of its relationship to business results. Observing studies that analysed the impact of intellectual capital on business performance, Campos *et al.* (2021) proves intellectual capital to be more associated with qualitative performance (e.g., innovation performance, adaptation performance) than in quantitative performance (e.g., financial performance). Despite the importance of intangible resources that create value in the hotel industry, the issue of reporting and determining the value of intellectual capital continues to jeopardize the ability of stakeholders to value distinctive competencies and competitive advantage (Davey *et al.*, 2017). Qualitative assessment of intellectual capital has been conducted by numerous authors in their research (Bontis *et al.*, 2000; Engström *et al.*, 2003; Cleary & Quinn, 2016; Kengatharan, 2019). It is noteworthy that the approaches to management and evaluation of intellectual capital differ significantly according to the size and type of knowledge-intensive business service firm (Huggins & Weir, 2012), hence it is necessary to be acquainted with the characteristics of the observed sample.

The units that constitute the sample had to meet the following criteria. Firstly, the sample consists of hotel facilities for accommodation: hotels, garni hotels (limited eating facilities) and apart hotels (apartment with hotel facilities). Other types of facilities (marinas, camps, modular, tourist resorts) are very little represented in the total database of hotel facilities, and are not included in the sample. Secondly, data were collected from 3-star, 4-star, and five-star hotels. The starting point is the assumption that in one-star and two-star hotels the intellectual capital and employer brand are not sufficiently developed, therefore such hotels are not relevant to this research, and do not form part of the sample. Thirdly, hotel managers were surveyed, and their attitude is based on the assumption that they are best informed about the benefits represented by the employer brand, the development of intellectual capital components, and the achieved business performance. Also, the development and importance of the employer brand for hotels can be best assessed by employees (Tanwar & Prasad, 2016). The defined criteria were met by 331 hotel companies. The questionnaire was sent to the e-mail addresses of hotel company managers, preceded by a phone call, and obtaining consent to have them participate in the research. The initial response rate was 18 %. According to the recommendations of Menon *et al.* (1999), after a 15-day period following the sending of the initial message via e-mail, an additional telephone call was made which contributed to the increase of the response rate. As a final result, 92 valid questionnaires were obtained, with an overall response rate of 28 %, which is one third of the population identified as a sample. The stated response rate can be assessed as very satisfactory (Dommeyer *et al.*, 2004).

Hotels were observed according to category, type of organisation, and number of employees. The sample is dominated by three-star hotels (58 %), while four-star hotels constitute 38 % of the sample, and five-star hotels 4 %. The largest number of hotels operates as independent hotels (87 %), while the rest are part of the national hotel chain (9 %), and part of the foreign hotel chain (4 %). The sample is dominated by hotels with the number of employees from 10 to 49 (58 %). The largest number of respondents in the sample is female (66 %), has 6 to 10 years of work experience (37 %) and is employed in the position of "top manager" (43 %).

Measures

The questionnaire consists of four parts. The first part covers profile questions related to the characteristics of the respondents, and the hotels that are the subject of the research. The second, third, and fourth parts of the questionnaire include items assessing intellectual capital, employer brand, and business performance. The questionnaire includes a total of 64 statements. The findings were measured on a 5-level Likert scale, from 1 "absolutely disagree" to 5 "absolutely agree".

The development of the employer brand was observed through four dimensions (training and development, reputation, organisational culture, and work/life balance), compiled on the basis of peer-reviewed articles: Rampl (2014) and Tanwar and Prasad (2016). Intellectual capital is monitored through human capital, structural capital, and

customer capital, and modeled in accordance with previously works in the literature (Engstrom *et al.*, 2003; Rudez & Mihalic, 2007).

As the employer brand and intellectual capital are a key source of value creation (Kennedy, 1998; Bontis *et al.*, 1999; Davey *et al.*, 2017), it is not advisable to reduce business performance analysis to one variable. Business performance is observed through organisational performance and market performance with a total of 8 defined statements, based on the works of Delaney and Huselid (1996) and Valmohammadi (2014).

Results and Analysis

The present study hypotheses have been tested through the partial least square approach to structural equation modeling (PLS-SEM). We have used SmartPLS software to analyse the required indicators of the reflective measurement model. According to Hair *et al.* (2014) variance-based SEM does not require multivariate normality, and our decision to employ the variance-based approach with PLS-SEM, instead of the covariance-based SEM (CB-SEM) is established on results of preliminary analysis, which lead to the conclusion that data used in this study did not comply with the normality criteria. Secondly, the method has an important advantage which lies in its ability to perform complex analysis with smaller sample sizes (Barclay *et al.*, 1995; Henseler, 2010). Thirdly, our research integrates the employer brand concept related with marketing, and intellectual capital related with strategic management, and both are well supported with the above method (Hair *et al.*, 2012a; Hair *et al.*, 2012b; Van Reijssen *et al.*, 2015). After preliminary results we used a two-step approach, as suggested by Anderson and Gerbing (1988), for validating measurement and assessing structural model quality.

The presents study includes a total of seven key constructs, such as training and development (TD), reputation (RE), organisational culture (OC), work-life balance (WLB), intellectual capital (IC), organisational performance (OP), and market performance (MP). Employer brand is represented by four constructs, including training and development, reputation, organisational culture, and work-life balance (Tanwar & Prasad, 2016). Results presented in Figure 1 show that the particular dimension of employer brand positively relates with intellectual capital (training and development, $\beta = 0.15, p < 0.05$; reputation, $\beta = 0.19, p < 0.05$; organisational culture, $\beta = 0.43, p < 0.001$; work-life balance, $\beta = 0.23, p < 0.01$). Intellectual capital is positively related with organisational performance ($\beta = 0.68, p < 0.001$) and market performance ($\beta = 0.69, p < 0.001$).

Measurement Model Assessment

Confirmatory factor analysis was performed on all model constructs in order to settle reliability and validity. Results of internal consistency reliability and convergent validity analysis of our model is presented in Table 1. Cronbach's alpha for all latent constructs was higher than the acceptable threshold (Nunnally & Bernstein, 1994). Composite reliability (CR) was above the required 0.7 (Hair *et al.*, 2017). Both indicators suggest that the measurement model of our research demonstrates good internal consistency. Convergent validity is measured by AVE (average variance extracted) within the desired value greater than 0.5, which explains that the construct represents more than 50 % of the variance of its items (Fornell & Larcker, 1981; Chin, 2010). AVE values for all constructs range between 0.510 and 0.795, and meet the required criterion. The indicator reliability representing the item's loadings into constructs above the desired threshold is 0.7 (Chin, 1998). One indicator ("My organisation is highly reputed nationally and internationally") initially included in reputation construct was discarded due to loadings values and decreasing AVE, to an acceptable level.

Collinearity statistics measured by VIF (variance inflation factor) represent values above 5 for all items and indicate that multi-collinearity is not a problem in the research model. Cross-validated communality index (H^2) ranges from 0.411 to 0.675 and is positive for all constructs, as it should be. For validating discriminant validity the heterotrait-monotrait (HTMT_{0.85}) criterion proposed by Henseler *et al.* (2015) was implemented. Results presented in Table 2 exhibit that all of the values are below 0.850, marked as threshold, and confirm that our measurement model obtain satisfactory discriminant validity.

Structural Model Assessment

Assessment of the structural model was initiated by using the blindfolding option in PLS. Cross validated redundancy index (Stone-Geisser Q^2) has been calculated for endogenous latent variable to assess the predictive relevance. Values of Q^2 were determined as 0.377, 0.227, and 0.330 for intellectual capital, organisational performance, and market performance, respectively. Positive values of Q^2 were indicated as acceptable suggesting the good-quality of the structural model (Stone, 1974; Geisser, 1974). The coefficient of determination explaining variance (R^2) was evaluated for the observed constructs. The resulting values of R^2 describe 70.0 per cent of intellectual capital, 42.1 per cent of organisational performance, and 40.4 per cent of market performance provide a relatively high level of the model's explanatory power. The standardised root mean square residual (SRMR), proposed by Henseler *et al.* (2014), is used to avoid model misspecification. The value of SRMR for the model was 0.001 and is significantly below the 0.08 criterion, as recommended by Hu and Bentler (1999). Goodness-of-fit (GOF) was calculated manually as root square of multiplication of communality and R^2 . The values presented in Table 3 indicate that GOF values for intellectual capital, organisational performance, and market performance are in the acceptable range of 0–1.

Table 1

Measurement Model and Constructs

| Construct and item description | Convergent validity | VIF | Composite reliability | Cronbach's alpha | AVE | Cross-validated communality index (H^2) |
|--|---------------------|-------|-----------------------|------------------|-------|---|
| EB: Employer brand | | | | | | |
| TD: Training and development (Tanwar & Prasad, 2016) | | | 0.933 | 0.934 | 0.739 | 0.675 |
| TD01: My organisation provides us with online training courses. | 0.848 | 2.752 | | | | |
| TD02: My organisation has structured training programmes for its employees. | 0.860 | 2.994 | | | | |
| TD03: My organisation trains employees in skills that prepare them for future job positions. | 0.924 | 4.217 | | | | |
| TD04: My organisation invests heavily in training and development of its employees. | 0.916 | 3.929 | | | | |
| TD05: My organisation provides employees with information on the availability of job openings inside the organisation. | 0.892 | 3.313 | | | | |
| RE: Reputation (Tanwar & Prasad, 2016) | | | | | | |
| RE2: Friends and colleagues consider this hotel as a great place to work. | 0.770 | 1.484 | 0.817 | 0.806 | 0.606 | 0.437 |
| RE3: There are probably many who would like to work for this hotel. | 0.860 | 2.045 | | | | |
| RE4: Employees are proud to say they work for this hotel. | 0.909 | 2.099 | | | | |
| OC: Organisational culture (Rampl, 2014; Tanwar & Prasad, 2016) | | | | | | |
| OC01: A job at this hotel has a good working environment. | 0.828 | 2.625 | 0.909 | 0.910 | 0.630 | 0.562 |
| OC02: I like the way employees interact with each other at this hotel. | 0.742 | 2.384 | | | | |
| OC03: The work culture at this hotel is comfortable. | 0.865 | 4.568 | | | | |
| OC04: Team work is highly encouraged within the organisation. | 0.874 | 4.533 | | | | |
| OC05: My organisation provides opportunities to move around and work in different roles. | 0.827 | 2.481 | | | | |
| OC06: The management genuinely responds to employees' suggestions and ideas. | 0.844 | 2.705 | | | | |
| WLB: Work-Life balance (Tanwar & Prasad, 2016) | | | | | | |
| WLB01: My organisation provides flexible working hours. | 0.885 | 1.879 | 0.803 | 0.798 | 0.583 | 0.411 |
| WLB02: My organisation provides access to paid parental leave. | 0.876 | 2.132 | | | | |
| WLB03: Employees are permitted to leave the workplace in the case of family emergency. | 0.763 | 1.490 | | | | |
| IC: Intellectual capital (Rudez & Mihalic, 2007; Engstrom et al., 2003) | | | | | | |
| HC: Human capital | | | 0.892 | 0.892 | 0.510 | 0.437 |
| HC01: Employees perpetually develop their knowledge. | 0.744 | 2.129 | | | | |
| HC02: Employees are devoted to their work. | 0.789 | 2.283 | | | | |
| HC03: Employees perform with "energy". | 0.702 | 2.431 | | | | |
| SC: Structural capital. | | | | | | |
| SC01: There is great support for innovative ideas in the firm. | 0.750 | 2.105 | | | | |
| SC02: We continuously improve the quality of our service. | 0.840 | 3.022 | | | | |
| CC: Customer capital. | | | | | | |
| CC01: Understand target markets. | 0.740 | 1.980 | | | | |
| CC02: Hotel launches what customers want. | 0.730 | 3.656 | | | | |
| CC03: Feedback with customer. | 0.744 | 3.863 | | | | |
| OP: Organisational performance (Delaney & Huselid, 1996) | | | | | | |
| OP01: Quality of service. | 0.757 | 1.842 | 0.863 | 0.865 | 0.618 | 0.499 |

| Construct and item description | Convergent validity | VIF | Composite reliability | Cronbach's alpha | AVE | Cross-validated communality index (H^2) |
|---|---------------------|-------|-----------------------|------------------|-------|---|
| OP02: Development of new service. | 0.844 | 2.447 | | | | |
| OP03: Satisfaction of customers. | 0.871 | 2.513 | | | | |
| OP04: Relationship between management and other employees. | 0.896 | 2.769 | | | | |
| MP: Market performance (Delaney & Huselid, 1996) | | | 0.886 | 0.885 | 0.795 | 0.566 |
| MP01: Marketing compared to the other hotels over past three years. | 0.943 | 2.695 | | | | |
| MP02: Profitability compared to the other hotels over past three years. | 0.951 | 2.695 | | | | |

Source: Authors' own calculation

Standard PLS-SEM bootstrapping procedure was run to calculate magnitude and significance of the path coefficients. Structural model results and hypotheses testing are reported in Table 3. We followed the procedure proposed by Zhao *et al.* (2010) and Nitzl *et al.* (2016) to test mediating affects in our model. Results presented in Figure 1 indicate the positive and statistically significant relation between employer brand constructs and intellectual capital. Also, intellectual capital is positively related to organisational performance and market performance ($\beta =$

0.68, $p < 0.001$; $\beta = 0.69$, $p < 0.001$). Statistical analysis revealed that a significant direct effect between training and development, reputation, organisational culture and work-life balance, and organisational performance and market performance were not registered. The research interest of this study was to explore the mediating effects of intellectual capital, and the analysis of direct effect implied indirect effect assessment, using bias-corrected bootstrapping analysis at 95 % CI, as presented.

Table 2

Discriminant Validity (HTMT_{0.85} criterion)

| Constructs | 1 | 2 | 3 | 4 | 5 | 6 |
|-----------------------------------|-------|-------|-------|-------|-------|-------|
| 1. TD: Training and development | – | | | | | |
| 2. RE: Reputation | 0.534 | | | | | |
| 3. OC: Organisational culture | 0.618 | 0.597 | | | | |
| 4. WLB: Work-Life balance | 0.512 | 0.389 | 0.686 | | | |
| 5. IC: Intellectual capital | 0.639 | 0.619 | 0.794 | 0.674 | | |
| 6. OP: Organizational performance | 0.439 | 0.443 | 0.373 | 0.389 | 0.603 | |
| 7. MP: Market performance | 0.368 | 0.449 | 0.425 | 0.411 | 0.614 | 0.396 |

Source: Authors' own calculation

The bootstrap results confirm the presence of the positive and significant mediating effect between reputation and organisational performance ($\beta = 0.135$, $t = 2.212$, $p < 0.05$) and reputation and market performance ($\beta = 0.130$, $t = 2.149$, $p < 0.05$) via intellectual capital. A mediating effect was found between organiaational culture and organisational performance ($\beta = 0.298$, $t = 2.777$, $p < 0.01$) and market performance ($\beta = 0.288$, $t = 2.557$, $p < 0.05$) via

intellectual capital. Also, the presence of a positive and significant mediating effect between work-life balance and organisational performance ($\beta = 0.157$, $t = 2.246$, $p < 0.05$) and market performance ($\beta = 0.152$, $t = 2.586$, $p < 0.01$) via intellectual capital was confirmed. A mediating effect was not supported between training and development and both of the performances via intellectual capital.

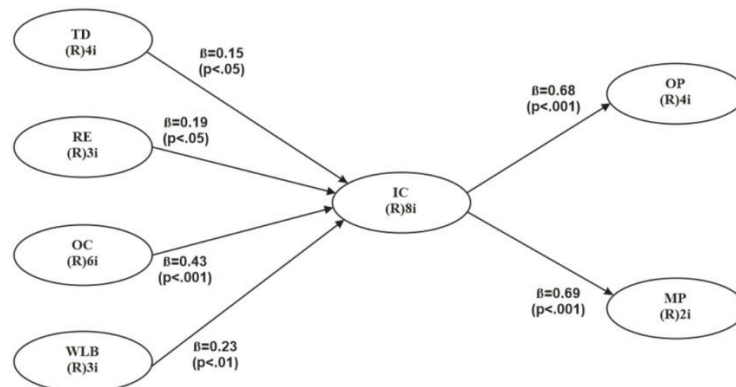


Figure 1. SEM-PLS Path Modelling

Table 3

Results of Testing the Hypothesis

| Relationship | Path coefficient | t-Value | 95% CIs (bias corrected) | Results |
|----------------------------|-------------------------------------|----------------------|--------------------------|---------------|
| TD → IC → OP | 0.109 | 1.772 | [0.017, 0.258] | Not supported |
| RE → IC → OP | 0.135* | 2.212 | [0.043, 0.281] | Supported |
| OC → IC → OP | 0.298** | 2.777 | [0.130, 0.574] | Supported |
| WLB → IC → OP | 0.157* | 2.246 | [0.058, 0.335] | Supported |
| TD → IC → MP | 0.106 | 1.873 | [0.020, 0.221] | Not supported |
| RE → IC → MP | 0.130* | 2.149 | [0.039, 0.287] | Supported |
| OC → IC → MP | 0.288* | 2.557 | [0.111, 0.546] | Supported |
| WLB → IC → MP | 0.152** | 2.586 | [0.060, 0.294] | Supported |
| | | | | |
| | <i>Stoner-Geisser Q²</i> | <i>R²</i> | <i>GOF</i> | |
| Intellectual capital | 0.377 | 0.710 | 0.517 | |
| Organizational performance | 0.227 | 0.421 | 0.303 | |
| Market performance | 0.330 | 0.404 | 0.365 | |
| SRMR | 0.001 | | | |

*Notes: TD, training and development; RE, reputation; OC, organisational culture; WLB, work-life balance; IC, intellectual capital; OP, organisational performance; MP, market performance. *p < 0.05; **p < 0.01*

Source: Authors' own calculation

According to the results of the direct effects and registered mediating effects we conclude that our model supports full mediation of intellectual capital between reputation, organisational culture, and work-life balance, from one side, and organisational performance and market performance, to the other side. Thus, Hypotheses 3 to 8 were supported, but Hypothesis 1 and Hypothesis 2 were not supported.

Discussion

The results of the present study are in accordance with the resource-based view and the knowledge-based view. The results show that the relationship between training and development and intellectual capital has no impact on the organisational and market performance of hotels. The results of the study are in contrast with the results of previous research, that identified a positive impact of training and development on performance (Ubeda-Garcia *et al.*, 2013; Chen *et al.*, 2021). The reason for such results may be explained by the indication that there is a significant turnover of employees in this industry, which demotivates managers and stops them investing in employee training and development programmes. Secondly, the absence of the effect of training and development is the result of reducing investment in training and development of employees in the conditions of the Covid-19 pandemic crisis (Jayathilake *et al.*, 2021). Thirdly, the lack of awareness of owners/managers about the benefits provided by training (Panagiotakopoulos, 2020) also leads to worse results of training and development, which in the future will reflect on business performance.

Establishing a positive association between reputation and business performance with the mediating role of intellectual capital was confirmed in our study and this is in line with the results of previous research (Ginesti *et al.*, 2018; Ulubeyli & Yorulmaz, 2019). Companies with a developed reputation are able to translate the knowledge, experience, and skills of their employees into dynamic value activities for stakeholders (Ginesti *et al.*, 2018). Previous studies explain the impact of reputation on business performance through the attitudes and feelings of employees and the public (Taghian *et al.*, 2015), as well as employee satisfaction (Tian *et al.*,

2022). These workforce outcomes are the result of building the employer brand, which further confirms the justification of investing in this asset, as it contributes to a good reputation. This conclusion is supported by Ginesti *et al.* (2018) observing human capital as a key driver of reputation, emphasising that companies that take care of their reputation use intellectual capital effectively. The deployment of structural and relational capital contributes to a hotel's reputation even better. The results of the study confirm that intellectual capital has a mediating effect on the relationship between a hotel's organisational culture and business performance. Previous studies have confirmed the impact of organisational culture on the contribution to the development of intellectual capital (Gupta *et al.*, 2016). The impact of organisational culture on business performance is also confirmed in the literature (Abdullah *et al.*, 2021). Employees' perception of organisational culture influences their behaviour as well as their positive attitudes (Abdullah *et al.*, 2021), which contributes to the sustainable performance of companies (Uzkurt *et al.*, 2013). A strong organisational culture encourages employees to share and transfer knowledge, which has a positive effect on strengthening human capital, as a component of intellectual capital. At the same time, organisational culture through language established rules of behaviour, and communication supports the strengthening of other components of intellectual capital, i.e., structural and relational capital, with a clear impact on business performance. It should be emphasised that the development of organisational culture, and the promotion of behaviour and norms are more challenging in the uncertain conditions that are present at the time of writing this paper (Deeg *et al.*, 2021). The study also confirms the positive impact of work-life balance on business performance with the mediating impact of intellectual capital. Previous research has shown that supportive work-life balance programmes contribute to strengthening the employer brand (Ioan *et al.*, 2010) and organisational performance (Oyewobi *et al.*, 2019). Literature confirms the positive contribution of work-life balance to work satisfaction and work performance (Smith *et al.*, 2016), which has a positive effect on raising hotel

business results. Issues of work-life balance become especially important in the conditions of the Covid-19 pandemic, since reports show that employees have a problem with this well-being indicator (Lamprinou *et al.*, 2021).

All the above results indicate another important result of this study, which is related to intellectual capital. The direct relationship between the dimensions of the employer's brand and business performance has not been identified, but it is realised exclusively through intellectual capital, confirming the full mediating effect of this variable. These results do not diminish the importance of the employer brand, but they do indicate that the investment in the development of the employer brand is not valorised directly through this variable but, rather, indirectly through intellectual capital. In this way, intellectual capital has a leverage effect on investing in an employer brand.

Theoretical Implications

This study provides a multiple theoretical contribution to the literature. Firstly, it identifies the relationship between employer brand and intellectual capital, which has not been analysed in previous studies. Analysis of the mediating effect of intellectual capital provides a better understanding of the contribution of the employer brand to the hotel industry. Secondly, the evaluation of the employer brand was performed from the current employees' perspective, which is important for determining the factors for employee retention. Thirdly, the conducted research expands the knowledge about the resource-based view and knowledge-based view, by indicating the need to develop the employer brand through the support of intellectual capital in order to achieve improved performance.

Managerial Implications

The recorded impact of employer brand dimensions and intellectual capital on business performance can be crucial to the economic opportunities caused by the Covid-19 pandemic. The hotel industry is often referred to as the business most at risk from the Covid-19 pandemic. In such circumstances, the results obtained in this study suggest that companies which have a more developed employer brand have a greater opportunity to attract new employees or retain existing employees. Stability and competence of employees can be crucial for overcoming the crisis and achieving positive performance after the end of the Covid-19 pandemic. Essentially, investing in an employer brand can create a strong current position in the labour market through attracting talent, but can also enable long-term effects through the retention of existing human capital. Existing economic challenges, such as inflation and rising business costs, restrictions on international trade, and labour constraints, can have a negative impact on profitability and business outcomes. Attracting talent through the development of the employer brand provides the opportunity to develop intellectual abilities, which may have an enticing effect on performance and a corresponding response to a diminished capacity to predict economic opportunities.

The results of the research obtained in this study provide guidelines for improving management practices. Hotel management should focus on the development of the employer brand with the support of intellectual capital components, in order to achieve business results that meet expectations. Investing in building an employer brand can be extensive, so it is necessary to clearly determine the dimensions on the basis of which investing in these assets would give the best effects. The research results described in the above indicate that the work-life balance programme has a strong impact on market performance with the support of intellectual capital. Therefore, the investment in the work-life balance programme can be assessed as significant from the aspect of the hotel achieving market performance. The results of this research also show that a strong organisational culture can have a significant positive effect on organisational performance, as it is identified as the dimension of the employer brand, that achieves the strongest effect through the mediating role of intellectual capital. Hotel management needs to establish a sustainable system of values, beliefs and behaviours, supported by components of intellectual capital. This primarily refers to human capital, because employees are the ones who communicate and demonstrate organisational culture. Structural capital can contribute to the establishment and respect of the rules of organisational culture through communication channels and the work of employees. Consequently, this connection contributes to a better impression that the hotels impact on the guest, thus strengthening the customer capital. The lack of contribution of training and development to organisational and market performance indicates that training and development are not at a satisfactory level in the observed hotels. Managers of the human resources department must take certain steps to make training more effective. Firstly, managers can independently organise training sessions for their employees, which will not cause high costs. Additional training sessions include establishing cooperation with specialised centres or international hotel chains, where employees can be sent for training. Another option is to organise training by managers or other employees in charge of conducting training. Secondly, HR managers can select candidates who need training and thus not organise training for all employees. Thirdly, they can commit to the specialization of labour through the grouping of employees. Fourthly, they can organise the training process during the execution of business tasks at the workplace. The maximum effect of training and development of employees in the hotel industry can be achieved by harmonising this activity with other human resource management practices; for example, establishing a clear career path in the future (Almutirat, 2022) or redesigning the compensation system.

Limitations

The research conducted in this study has certain limitations. The first limitation relates to the business performance measurement approach. The presentation of results on the agreement scale is based on the assessment of the success of the hotel business by one person. The hotel industry, which is the focus of this study, uses the traditional approach, financial analysis and performance calculation

based on financial reports (Zigan & Zeglat, 2010). Financial measures are used in the hotel industry because of their ability to reflect the effectiveness of current and past activities (Banker *et al.*, 2005). However, some authors clearly state the problem and the shortcomings of using only financial measures to monitor the success of the hotel. Ghalayini and Noble (1996) consider that financial measures are not related to corporate strategy and are unable to quantify improvement efforts. Financial measures tend to look back and lack the ability to explain future results (Ittner *et al.*, 2003; Zigan & Zeglat, 2010). As a consequence, performance based on accounting differs from performance based on market measurement, due to the lack of data that investors receive (Hamdan, 2018). In addition, the calculation of market performance is often not feasible, because only a small number of observed units in the sample operates as a company listed on the capital market. This is an additional reason why business performance is observed descriptively in this paper. The second limitation builds on the first and relates to the way in which intellectual capital is assessed. Despite the defined measurement methods (direct intellectual capital, market capitalisation methods, return on assets, and scorecard methods), in practice there is still the problem of financial records of intellectual capital. The often used VAIC (value-added intellectual capital) methodology does not show the complete value of intellectual capital, since it does not include the value of customers' capital in the calculation. In addition, the financial presentation of the value of human capital is often treated as an expense in the income statement rather than as an investment. One of the possible solutions for overcoming the shortcomings of financial reporting is the presentation of intellectual capital on the scale of agreement. The third limitation refers to the low representation of the fifth category hotels in the sample. The

presence of this type of hotel might affect different research results, since these hotels are recognised as companies with developed intellectual capital, especially human capital, with a significant impact of the employer's brand on attracting and retaining human capital.

The obtained research results and existing limitations provide guidelines for future research that focus on the following:

- Identify the spillover effect between the employer brand and the general brand of the company. This research could make a direct link between the strength of the employer's brand and the market position or value of the company's brand.
- Identify the impact of intellectual capital and employer brand on financial performance. Is there a difference in the obtained results in relation to the agreement scale? In which categories does the difference occur and why?
- Examine the nature of the relationship between the individual dimensions of intellectual capital and dimensions of employer brand. Make a comparison between different service industries.

The research proposals are likely to reveal the moderating influence of some other variables in relation to the research model presented in this paper.

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