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Understanding employer branding within MNC subsidiaries: Evidence from MNC hotel subsidiaries in Indonesia

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ABSTRACT

Employer branding is an important process in marketing to ensure the smooth delivery of branding strategies. Nevertheless, research focusing on the process of employer branding within international subsidiaries is scant. Thus, this research explores the process of developing employer branding for international subsidiaries to suit the multinational company (MNC) hotels' branding strategies. In particular, the current study examines the critical factors that could support and forestall employer branding within MNC hotel subsidiaries in Indonesia. Using a qualitative approach, semi-structured interviews were conducted with three different actors (i.e., expatriate manager, local manager, and regional executives). The results reveal that the company employer branding process is being influenced by several factors that exist only in the country of the MNC hotel subsidiaries. This study is important to explain the contextual factors of stakeholder preferences in the management of internal marketing within international MNC subsidiaries.

1. Introduction

Employer branding is considered a useful tool for creating and maintaining strong brands in multiple businesses (Garas et al., 2018). To maintain a strong brand, various companies have pursued various employer branding strategies to maintain sustainable competitive advantage (e.g., corporate identity, human resource talents) (Buil et al., 2016). There have been significant studies in internal marketing about employer branding in the business sector. However, these studies tend to focus on corporate image or brand leadership (e.g., Ayrom and Turner, 2020; Robson and Farquhar, 2021; Junca Silva and Dias, 2022; Ek Styvén et al., 2022). The focus of the present study is on the process of employer branding of MNC hotels to its subsidiaries.

To date, there are still limited studies on implementing employer branding strategies in MNC subsidiaries (e.g., Song, 2021; Bader et al., 2022). There are certain expectations from MNC's about conducting employer branding to subsidiaries. For example, these multiple studies (Minkiewicz et al., 2011; King and So, 2015; King, 2017) pointed out the importance of company brand and image to ensure the traditional skills and knowledge applied match with the MNC HQ. It is challenging for an MNC to significantly use its home

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country's management operations in its subsidiaries when expanding the business into a new market (Ando and Endo, 2013; Hui et al., 2021). For instance, MNCs need to conduct feasibility studies to meet some requirements, such as legislation, education, labour management, income, and salaried employment. In such cases, the primary question is how to best identify those services that most readily adapt to local markets, in line with regulations, culture, and education. Such requirements may need both host country market knowledge and the international organisation's expertise and capabilities to see how their services would adapt to management requirements at the subsidiary level. At the same time, government support and involvement could help the development process run smoothly by increasing the company's commitment, and competitive capabilities and bringing their global performance to the subsidiaries (Falahat et al., 2020). Both sides (MNC HQ and subsidiaries) are responsible for maintaining the network and relationship, managing the knowledge transfer, and managing their management operation to fit their brand strategy and image internally and externally. Therefore, this study analyses whether there is an inconsistency in the employer branding process from MNC HQ to MNC subsidiaries due to various requirements (Cheong et al., 2019).

Moreover, various researchers (Dechawatanapaisal, 2018; Garas et al., 2018; Suomi et al., 2019) have examined the implication of employer branding strategies on the human resources functions (e.g., recruitment, selection, training, etc.) in general business industries. For example, Garas et al. (2018) examined the employee's role clarity and commitment through employer branding on branding behaviour in the banking industry in Egypt. He concluded that corporate training should be for all employee levels to maximise employer branding efforts. However, there is still limited research regarding the vulnerability of the development of employer branding and brand image for international subsidiaries in the hospitality and tourism industry, especially in developing countries (Koukpaki et al., 2020). Therefore, this study investigates how pivotal to align the employer branding strategies from the point of view of multiple stakeholders (e.g., hotel managers, MNC hotels and hotel owners) in international hotel brands.

By focusing on MNC hotel subsidiaries in a developing country - Jakarta, Indonesia, the present study makes a valuable contribution by looking particularly at the contextual factors of stakeholder preferences in internal marketing management within international MNC subsidiaries in a developing country. Particularly, this qualitative study investigates the processes and challenges to employer branding strategies among MNC subsidiaries (Michailova et al., 2016; Liu et al., 2020), which raises several questions. Notably, the objective of this study is to seek to answer the following **research questions**:

1. What are the conditional factors that can support the successful employer branding process within MNC subsidiaries?
2. What factors hinder the employer branding process between MNCs and subsidiaries in delivering their employer branding strategies?

This paper makes several contributions to the literature. First, it clarifies the topic of shaping the employer branding strategies focusing on cultural uniqueness in the hospitality and tourism industry, particularly on the relationships between MNC HQ and its subsidiaries. Previous studies focused on MNC hotel strategies, specifically on internal and external branding communication (Wang et al., 2019; Koo and Curtis, 2019), employer branding leadership (Ayrom and Turner, 2020), and the effect of employer attractiveness on corporate branding (Ek Styvén et al., 2022). Our results highlighted that cultural uniqueness gives advantages and disadvantages to the brands to the tourists, local and foreign. Second, this study also contributes to the existing knowledge of employer branding management, discussing the cultural uniqueness and challenges that could inhibit the employer branding process in the hospitality and tourism industry. The findings mentioned that good education and opportunities for international exposure could improve the competencies of the local managers (Onkelinx et al., 2016; Mariani and Matarazzo, 2021; Ando, 2021).

2. Literature review

2.1. The importance of employer branding for MNC subsidiaries

Employer branding is defined as a collaborative effort from various departments within the organisation to establish and maintain the employer brand using multi-directional internal communications (Hu et al., 2018). Similarly, Joseph et al. (2021) echoed that employer branding also proposed establishing and encouraging the consistency of external brands and promoting brand commitment as well as disseminating the brand championship among employees. According to Yousf and Khurshid (2021), employers have to strategise their branding efforts to engage their employees and keep them loyal to their brand. This engagement would invite employees to promote and develop a positive employer brand internally and externally (Vatankhah and Darvishi, 2018). Various researchers posited that there had been a significant relationship between employer branding strategies and company brand value in the hospitality and tourism industries (Buil et al., 2016; Dhiman and Arora, 2019; Ayrom and Turner, 2020). For example, Buil et al. (2016) argued that brand leadership, brand training, and internal brand communications (e.g., educational sessions, social activities, or team meetings) influence hotel employees' brand identification within the organisation. This influence could help human resources conduct their best practices and align them with corporate values (Vallaster and de Chernatony, 2006; Theurer et al., 2018; Näppä, 2022).

Several studies have examined the importance of employer branding for guest services in the hospitality industry (Buil et al., 2016; Dhiman and Arora, 2019; Kim et al., 2020). However, these studies focus on common issues, such as employee performance or brand preferences. Dechawatanapaisal (2018, 2019) argued that to build a strong corporate brand, MNC hotels have to ensure their competitiveness. Many international hotel companies would like to have their brand identified as a recognised brand. This brand recognition could give it a more competitive edge among other brands. One of the competitive advantages is the hotel employees' uniqueness in delivering the brand to their customers (App et al., 2012; Piehler, 2018). According to Xiong and King (2015), human talents perceived to promote the brand inside the organisation are their intangible assets. The brand's spirit is distilled by the hotel employees, so they embedded its brand as part of their success story. This human talent representation would embrace its brand's

meaning and consistently deliver its messages to its stakeholders (Buil et al., 2016). Likewise, MNC hotel employees are expected to provide first-class service in accommodating multiple hotel guests (Wang et al., 2019). Each hotel customer comes from a different market, representing the various dimensions of stakeholders. Their expectations of the kind of services vary because they illustrate various market segments such as businessmen, businesswomen, families, government bureaucrats, and other individuals with niche preferences (e.g., LGBT, athletes, etc.). Nevertheless, these international hotel companies like to cater to all these market segments equivalently following corporate brand standards. Thus, MNC hotels would need a competitive edge to mould their subsidiaries' brand image to fit the MNC headquarters' (HQ) standard (Buil et al., 2016; Dhiman and Arora, 2019; Kim et al., 2020).

2.2. Factors that complement the process of employer branding

All employees, both internal (e.g., employee and managers) and external (e.g., CEO and executive board), perceived that they need to present the standard set of brand values and brand identity of the organisation consistently (Vallaster and de Chernatony, 2005; Afshardoost et al., 2023). This standard is regulated as an employer branding strategy that guarantees that the expected level of service quality is competitive. Burmann and Zeplin (2005) proposed a model of three approaches in internal brand management to achieve that consistency. They are brand-centered HR activities (i.e., the alignment of HR practices such as recruitment, training, and development with the organisation's brand values), brand communication (i.e., the perceived company's personality, value, and promise), and brand leadership (i.e., the company leadership identity). All employees from top to bottom need to understand this internal brand management. This internal brand management knowledge starts from the CEO and executive board, then passes the brand values and identity to the managers and employees (Afshardoost et al., 2023). By doing so, both internal and external employees would expect to understand and perform for the best of the organisation's identity (Onkelinx et al., 2016). Therefore, it is vital to understand how employer branding strategies are implemented toward MNC stakeholders, including the hospitality and tourism industry (e.g., hotel employees and hotel owners) (Buil et al., 2016).

MNC subsidiaries recognised that they have limitations in providing expertise, education, and technical skills to running global businesses (Minbaeva et al., 2003; Minbaeva et al., 2018). These limitations showed that the human talent in MNC subsidiaries needed the skills and expertise to meet the MNC HQ standards in operating their businesses internationally. King and So (2015) and King (2017) pointed out that MNC subsidiaries must have the MNC HQ requirements to smooth the employer branding process (e.g., technical skills, education, and competencies). For example, in terms of communication skills, employees carry the brand promise, incorporate it as an integral part of the employer branding culture, and can improve knowledge transfer across the organisation (Vercic, 2021). Such requirements may require both the host country's knowledge and the international MNC's expertise and capabilities to bring the MNC's management capabilities to the MNC subsidiaries. Thus, these requirements could minimise the management discrepancies between MNC HQ and subsidiaries (Benoy and Morley, 2020).

2.3. Factors that inhibit the process of employer branding

This sub-section demonstrated the issues that might obstruct the smooth delivery of employer branding. One critical issue is the selection process to match MNC preferences in different subsidiaries (Gannon et al., 2015). Some previous studies have investigated the influence of manager placement in MNC subsidiaries, such as HQ decisions and the origin of the MNC's home country (Turner and Golding, 2010; Hodari et al., 2017); hotel owner's brand and image and other stakeholders preference (i.e., hotel employees and customers) (Situmorang and Japutra, 2019); satisfying MNC ambition (Gannon et al., 2015); setting corporate brand strategy (Xiao et al., 2012; Buil et al., 2016); and established MNC competitive advantages (Koukpaki et al., 2020). For example, Hodari et al. (2017) argued that some strategic decisions such as recruitment policies, still focused on the relationship between hotel owners and corporate management. This condition could create a display of power balance, which could result in disagreement and interfere with the employer branding process between the owners and corporate management. When it comes to choosing a department head (e.g., director of marketing, food and beverage director), This condition might be problematic and complex because each side might have its own preferences depending on what they want to gain from it (Ando and Endo, 2013; Michailova et al., 2016; Situmorang and Japutra, 2019). Hotel owners and MNC HQ might prefer foreign managers (e.g., home country or third country managers) over local managers as the senior management positions because it would give a better image and competitiveness for the international brands. However, this might create ripples among the local employees where they are wondering whether they would get an opportunity for future career development. As a result, there might be an increase in staff turnover within the MNC subsidiaries. If the employee turnover is high, the progress of the MNC branding internalisation would always back to square one.

Similarly, Koukpaki et al. (2020) believed that it is important for MNC HQ and subsidiaries to recognise the assertiveness of human resources managers in employees' recruitment and retention to promote a clear plan to improve employee branding. The employees' recruitment and retention need to be aligned with the MNC's strategic human resources development practices (e.g., knowledge integration, human resource capabilities, and organisational learning capabilities) (Näppä et al., 2014; Garavan et al., 2016). Therefore, the MNC HQ and subsidiaries had to set the HR qualifications and development strategies right from the first time, otherwise, the human talent capabilities could hinder the employer branding process. Any incongruity (e.g., different personalities or images with the company brand strategy) from the human talent could give a setback to the organisation culture transfer into the subsidiaries. For example, Ritz Carlton is famous for its credo where genuine care and personal service toward the guests is the utmost important goal. Thus, having a human talent that is warm, sincere, and caring would help in the employer branding process. On the other hand, an individual with ambitious, pretentious, and bold personality traits might hinder the process.

3. Methodology

3.1. Design and approach

The present research adopted an interpretivism paradigm because it helps the researchers make sense of the subjective and socially constructed meanings. This interpretative paradigm is adopted not to obtain the truth but to provide reasonable interpretations from the various experiences and perspectives (Vickers, 2010). Thus, this research aims to understand how the hotel's manager experience, perceptions, and meanings shape the development of employer branding strategies, which is called *verstehen* (Bryman, 2012). This epistemology is selected to understand and explore expatriate managers' and local managers' experiences in the process of employer branding within international hotel subsidiaries in Jakarta, Indonesia.

This study applied 'why' and 'how' questions to obtain deeper insights from the investigation (Robinson et al., 2014; Mariani and Wamba, 2020). Specifically, the present paper used an inductive qualitative study with a case study approach to provide elaborate interpretations of the experiences of hotel managers concerning the process of employer branding within the international hotel industry in Indonesia (Creswell, 2014). Moreover, this study selected a case study approach because it offers unique insights into the specific context of multiple situations (e.g., hotel departments, organisations, individuals) by utilising different techniques such as observation, semi-structured interviews, and documentary analysis (Robson, 2011). The present study focused on the experiences and insights from multiple actors about employer branding from MNC HQ to MNC subsidiaries.

In summary, there are a few advantages of using qualitative research in this study (Rahman, 2017). First, the qualitative approach generated detailed insights from the participants' feelings, experiences, and opinions. This approach provided the relationship between information processing and individual performance specifically and deeply. Second, interpretivism understands each employee's expertise in specific settings. For example, every hotel manager prepares and develops employer branding strategies in their department. They want to ensure all employees understand the MNC's brand and perform them according to the brand standards. Lastly, interpretivism is fundamental research (Klein and Myers, 1999). This research approach provided the study of the exploration of individual cases or events within the specific context related to employer branding in the MNC hotel in Jakarta, Indonesia. However, there are also limitations to qualitative research. First, according to Silverman (2010), qualitative research sometimes leaves out contextual sensitivities and focuses more on meaning and experiences. Second, the issue of generalisation to the whole population of the study due to limited size often arises (Thomson, 2011). Finally, the case analysis takes a lot of time, and generalising any result from a larger population is challenging (Flick, 2011).

3.2. Data collection and participants

We selected Jakarta, Indonesia, as the context of this study for three main reasons. First, Jakarta is considered one of the main tourist attractions for business and leisure since it provides a wide range of offerings to cover needs for multiple necessities (e.g., working business or vacation). Second, as Indonesia's capital city, Jakarta presents superior infrastructure than any other city in Indonesia. The central hub helps connect and communicate with the MNC's smaller subsidiaries. Third, most of the main office for MNC hotel subsidiaries is in Jakarta.

This study gathered primary data from interviewing managers (expatriate and local), regional executives, and policymakers. To get a deeper understanding and enrich the interview data, a semi-structured interview was selected as an approach since it allows the researchers to gain more insights from the participants due to the improvisation in probing, yet the inquiries are still pre-determined according to the corridor of the research questions (Silverman, 2013). Additional supporting pieces of evidence were obtained from documentation and field observation (Silverman, 2010). These data were gathered from multiple sources of published statistics and reports (e.g., Indonesia Statistic Bureau, International Labor Organisation report) and field observation (e.g., notes on participant reactions to specific topics during the interviews).

Purposive sampling was selected to identify the best candidates to answer the research questions (Ames et al., 2019). According to Brinkman and Kvale (2015), the participants' selection should be based on their qualifications, competencies, and expertise in the industry. Thus, the present study selected expatriate and local senior managers as well as regional executives to represent the international hotel industry in Indonesia. Due to their engagements in developing the hotel industry in Jakarta, Indonesia, these three actors have the capabilities to share insights on various diverse issues ranging from macro to micro issues.

The invitation was sent directly to the participant's email addresses, who were acquainted with the researchers' professional network. Initially, around 25 participants responded to the invitation. However, some appointments were cancelled due to various reasons. For example, there was limited time availability of several managers. In addition, some could not obtain permission from the hotels since the hotels would like to protect their privacy. Nevertheless, 18 participants participated in the study. Of these, three were expatriate managers, one was a regional executive, and the rest were local managers. All participant names were kept anonymous throughout the paper.

The interview questions were also set for the three different actors. The questions were designed to probe their experiences in handling the issues and situations within their organisations. For example, their experiences in developing managerial talents, specifically with regards to transferring knowledge from MNC HQ to subsidiaries. Follow-up questions were created to probe their experiences in knowledge sharing within the MNC subsidiaries. Collectively, the main and follow up questions were designed for two hours. Thus, the interviews took around 2.5 to 3.5 h to finish. The interview began with an introduction and rapport building. Semi-formal questions were asked with regards to the role of the participants within their organisations. Then, it continued to questions related to previous career experiences and development, cultural and commercial experiences during their position in Jakarta and

other countries if applicable. Finally, the interview was closed with an appreciation of their time and confirmation about the probability of a follow-up interview via email or direct call. Interviews were conducted mostly at the participant's offices or in a convenient place like one of the hotel restaurant outlets or a nearby coffee shop. The interviews mostly conducted in Indonesian, except for the expatriates where English was used.

3.3. Data analysis

The analysis of the data started with a process of transcribing the interviews (See Fig. 1). All interviews conducted in Indonesian were translated into English. Then, the process identified emergent topics and themes related to the manager's experience in engaging the process of employer branding within the MNC hotel industry (Gibson and Brown, 2009). Identifying essential topics and themes led to the creation of data coding. Initial data coding began with establishing the patterns, familiarisation, and (re)ordering and recognising thematic matrices from the interview transcriptions (Robson, 2011). Initial data coding can develop the cultural domains or categories, which help in avoiding rigorous classifications that may produce different meanings from the researchers' perspective (Spradley, 1980). The themes were then identified, categorised, and sub-categorised into codes and essential attributes based on a few words, a keyword, a sentence, or a small paragraph from the text (Saldana, 2016).

Several categories were identified, such as assignments, competencies, cultural and commercial, experiences, development, and hotel industry. In contrast, the sub-categories were: "expertise," "insufficient competencies," "brand and image," "international experiences," "local development," and "Indonesia tourism." The researchers used Nvivo software to assist in managing the data (Bazeley and Jackson, 2013). Finally, the transcripts were shared with the participants. Through this process, some additional insights from the participants could be added to enrich the meaning and interpretation (Denzin and Lincoln, 1994).

4. Findings

The findings illustrate the uniqueness and challenges of employer branding in MNC subsidiaries. These pivotal situations could hinder the development process of employer branding in hospitality and tourism within the MNC subsidiaries. We discuss these findings in regards to the employer branding strategies theory on the following issues (see Fig. 2).

4.1. The cultural uniqueness of Indonesian hospitality and tourism

Findings suggested some uniqueness of Indonesian hospitality and tourism can influence employer branding strategies. Multiple participants shared their opinions that the unique culture of Indonesia could be turned into an asset but also a threat. They described the wealthy tourism resources such as beautiful destinations, popular local culture, and unlimited gastronomy culture. It was mentioned that Indonesian food and culture offered a wide variety of experiences that could only enrich the uniqueness of Indonesian hospitality. This unique culture would help to display the richness and identity of Indonesian tourism which will clearly define the employee branding from a country point of view. One manager (Participant#10, male, expatriate) shared a story of how he often receives praise from foreign guests, intimating that they prefer Indonesia for services that it would not find elsewhere, compared to Singapore for instance.

"Many of my foreign friends from Singapore. In Singapore, everything about fast service with no character whatsoever, but I see something different with Indonesian services...they offered a unique relationship between host and guest" (Participant#10, Male, Expatriate).

Several managers voiced those interpersonal skills as crucial to the hospitality industry, which are primarily based on human interactions. Managers are continually dealing with people, whether employee to employee, employee to guest or employee to superior. Multiple participants (local and expatriate) shared their insights that the wealth of cultures in Indonesia was an advantage. They explained that Indonesia is wealthy in unlimited tourism resources such as beautiful beaches and landscapes, a wide variety of popular culture, and its indigenous people's way of life. It is perceived that Indonesian people and culture offered many experiences that could only enrich the uniqueness of employee branding in Indonesian hospitality. Although the basic hospitable attitudes (e.g., helpful, politeness, etc.) are the same, foreign and local tourists would feel refreshed over the cultural varieties of the country. One manager echoed his feedback about how foreign guests observed Indonesian hospitality,

"These foreign guests often described the uniqueness of Indonesian hospitality whenever they got a chance, and these foreign tourists said that they prefer to be served by Indonesians because they would not be able to find it elsewhere. If compared to [another country in Southeast Asia] for instance." (Participant #13, male, local manager).

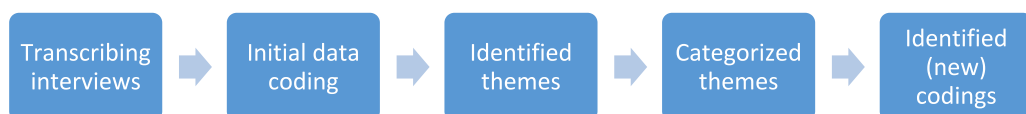


Fig. 1. Data analysis process.

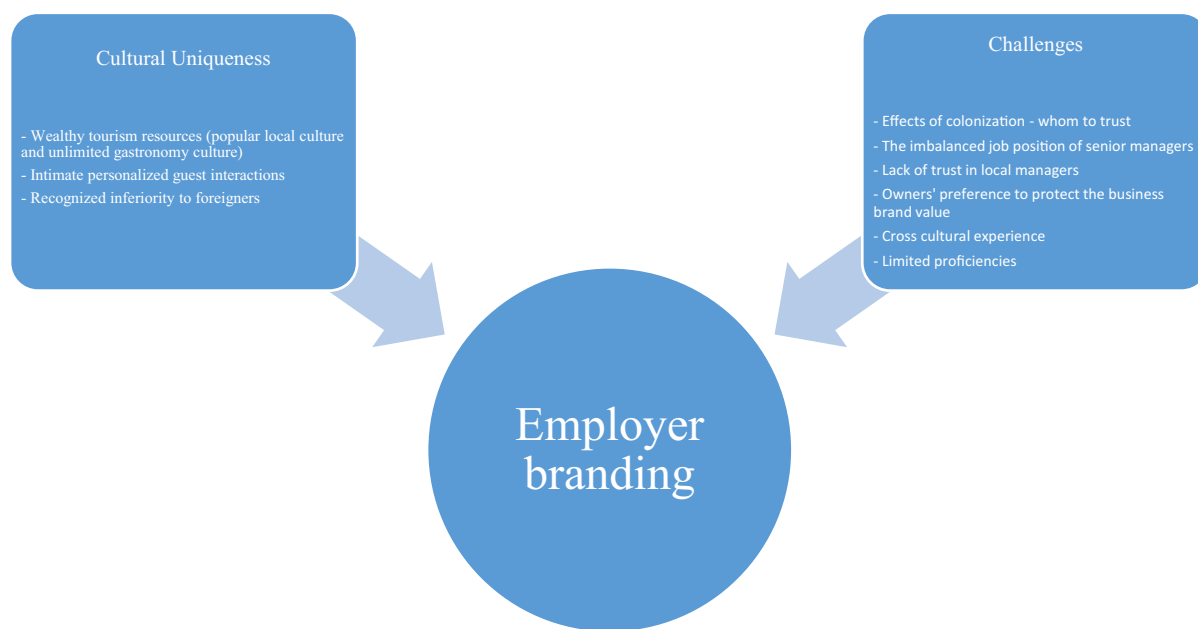


Fig. 2. The contextual factors of the employer branding process.

4.2. The unfair situation in the international hotel industry in Jakarta, Indonesia

4.2.1. The imbalanced job position of senior managers

The findings suggest that there are still more foreign managers than local managers in MNC hotel subsidiaries in Jakarta, Indonesia. Many participants mentioned that these have something to do with building a better image and business for the hotel brands. The expatriates' figures will assure hotel guests, public media, and business colleagues that the hotel provides stamps or warrants for their business operations. Nevertheless, some local managers are reluctant to give such details due to privacy and personal reasons. The consensus from the participants who passed this information specified that there was a clear difference between Western expatriates and expatriates from other regional countries. This specification is an important distinction, as when the word "expatriate or foreign manager" is mentioned, others automatically understand this as "Westerners/Caucasian," which is not the case in the Indonesian hotel industry. There are other non-Caucasian expatriates, such as Singaporeans or Filipinos.

A manager posed a surprising worry about the number of expatriates in the hotel. One local manager (Participant #7, female, local manager) expressed her bizarre thoughts regarding the high statistic of expatriates working on her property. A similar opinion (Participant #8, female, local manager) stated that:

"Not too long ago, the only local manager within the hotel was the Director of Human Resources, while the rest were expatriates (Participant #8, female, local manager)".

Local managers despised the fact particularly when they encountered some imbalanced opportunities toward particular manager's job positions in the hotel. There was a tendency for local managers to hold a grudge when they had a disagreement or different opinions with another manager. The view, expressed by both expatriates and local managers, was that local managers had much to learn from expatriates in understanding how to rise above disagreements or arguments for the greater good of the hotel. Nevertheless, this imbalanced job position, particularly for the role of senior managers, felt like a "glass ceiling" for local managers in their career development. The locals showed scepticism and felt to a certain extent that they were not fully part of the organisation. This is also influenced by Eastern culture where they are not likely to open up to something personal or voice their own opinion.

4.2.2. Lack of trust in local managers

One of the managers (Participant#8, male, local manager) believed that there had been hesitation from MNC subsidiaries to promote local managers. For example, by sending them abroad to obtain a professional qualification,

"A good leader is a leader who inspires others to be new leaders. When you can inspire people, it makes you feel more motivated. I like to develop our local managers, to encourage them to improve. But once, I got into a disagreement with one of my bosses, who was an expatriate. He didn't agree with me when I wanted to send my staff abroad to get professional certification. My boss had doubts and said if the employee got trained and then left, the expense would have been for nothing. But I told him, that even if the employee goes to another company, he will tell the world that he went to a formal institution supported by our hotel. This argument finally convinced him to agree to my wishes. For me, it is just a different viewpoint; expatriates might not understand why this would be important, but a local manager would" (participant#8/male/local manager).

One of the managers (Participant#6, male, local manager) mentioned a lack of recognition of local manager performance and

competencies from MNC.

“MNC company must be confident enough to give a ‘level of trust’ to the local manager. This is what it takes to give local managers opportunities to show their capacity in their own country. Unfortunately, local managers do not get the recognition from the MNC hotels, even though they deserve it” (Participant#6, male, local manager).

This manager thought that local managers could receive better recognition for their work. He argued how the knowledge transfer could be practical and implemented for local talent if the MNC hotel hesitates to trust and appoint the locals. Another manager (Participant#16, male, local manager) noted the times when he had observed a hotel company being unable to make decisions. They would like to employ what type of manager they would use and recounted that they were often confused about choosing an expatriate or a local. This unbalanced number among locals and expatriates may not be straightforward when company brand and image are considered. Local employees would classify themselves as “insiders”, who are pivotal for the organisation and responsible for the brand’s success. However, they need to be trusted by their leaders (e.g., department heads, general managers, or regional corporates) as an essential antecedent variable of employer branding (perceived insider status).

4.2.3. Owner preference to present better brand image to protect the business brand value

Another set of findings pointed out that the hotel owner’s preference could interfere with the employer branding process. According to the regional executive (Participant#16, male, local), the more hotels develop in the country, the more local managers are required to lead those hotels. He added that hotel owners may begin to understand that is inevitable for locals to lead any hotel brand (local or international brand) one day. Substantially, the more local managers who lead international hotel brands, it means that it shows how successful the employer branding process is from MNC HQ to subsidiaries. Eventually, local managers are hopeful to lead the employee branding internalisation in MNC subsidiaries. However, hotel owners have a different view in that particular endeavour. Hotel owner tends to set their degree of business brand value associated with other hotel investors in Indonesia. The more expatriate managers in their hotels, the more prestigious their brand value as hotel owners. By doing so, the hotel owners protected their business brand value toward the stakeholders.

Many local managers suggested that there is competition among local hotel owners to employ expatriates to present a better image. One manager (participant#6, male, local manager), who works in a newly built international hotel brand, mentioned that there are no expatriates currently working in his hotel. He would assume that it is most likely for the hotel owner to replace his local general manager and F&B Director with expatriates in time.

“We don’t have expatriates currently working in [international hotel company], But there are going to be some changes soon. Our owner will likely hire foreign managers to replace our local general manager and F&B Director.” (Participant#6, male, local manager).

Other local managers (participant#13, male) also voiced that local owners tend to see it as a matter of pride that they can afford to hire expatriates within their company. Likewise, by hiring expatriates from specific developed countries such as the UK or the USA, this regional manager (participant#16, male, local) believes that it can be used as a barometer by potential employees to predict how successful their brand knowledge would be.

Despite that insight, one local manager (participant#6, male), who had been working in a few international hotel brands, mentioned that not all owners have the same opinion. He said that few hotel owners recognised that local managers knew better about the local market and could run local hotels. So, they considered employing more local managers to run their properties. This opinion was echoed by the regional executive manager (Participant#16, male, local) who worked in this particular international hotel company, he added that he knows that this particular brand hires more local managers than any other MNC hotel. He believed that the owner or owning company recognised that to extend their hotel brands, they had to give more opportunities to local people to improve their brand commitment by becoming managers or leaders.

4.3. Cross-cultural experience that can support or prevent the employer branding process

Some issues of cross-cultural or cultural understanding were mentioned regularly during the interviews. Some insights shared that cross-cultural issues could hamper the employer branding process within the organisation. In the case of the hotel industry in MNC subsidiaries, it appeared that there is often miscommunication between managers. It appears that in many cases both expatriates and local managers are aware of the problems but unwilling to be exposed in case it leads to a dysfunctional relationship between managers.

One local manager (Participant#17, male, local manager) pointed out that one of the most likely causes of expatriate failure in Indonesia is the poor level of awareness and preparation among expatriate managers when coming to Indonesia, given that most arrive with limited knowledge of the Indonesian culture. This limited cultural knowledge may include not knowing how many different ethnic groups and multiple religions exist in Indonesia. Also, not being able to speak “Bahasa” in the context of daily hotel operations, not understand the variety of customs and traditions represented within each ethnic group or religion. For instance, cultural awareness would be required in the human resource allocation of roles within a particular department of a hotel. In many parts of the world it is common practice to have equal numbers of male and female team members or a higher ratio of females to males. In Indonesia, there is a gender sensitivity in the allocation of males or females to certain departments which could be seen as problematic. This matter showed that brand internalisation could lose its focus when there is a problem involving cognitive and emotional related to national culture.

On the part of local managers, there was a certain perspective that expatriates tend to be pushy, inconsiderate and undemocratic. In contrast, many expatriates claimed that local managers were difficult to handle, could not speak straightforwardly and tended to be lazy. These two arguments typically represent a collision between two sets of different cultures functioning in the same environment. On one side, as a leader, the expatriate may be seen as having a one-dimensional view of running the business, being only focused on whatever it takes to reach the owners’ targets. On the other side, local managers may be seen deriding the expectation of their

expatriate boss as nonsense in the local context. One local manager shared his opinion regarding two very different expatriate approaches, one as being very understanding of local culture and the other as not being at all understanding,

"My current general manager is very result-oriented, it is very different to our previous one who was more able to see the process rather than the result" (Participant#14, male, local manager).

One expatriate who happened to come from another Asian country also mentioned his experience of cultural differences between Westerners during his tenure,

"There are lots of differences if we talk about cultures, which in this case, Indonesia has multiple cultures. The way we (Asians) think the way we consume our food, the way we socialise, we are more reserved than Americans, and we are not as open as them. We avoid confrontation, we like to keep to ourselves, we tend to delay deadlines" (Participant#1, male, expatriate).

One local manager (Participant#12, male) added that this cultural conflict happened frequently, for instance, when Westerners are angry with locals, the locals tend to smile back. Whilst the expatriate sees this as an insult, of not being taken seriously, the reality behind the smile is that the local is showing respect for the manager in pointing out their mistakes to them. This happened due to the inadequacy of brand-centred human resource management. The HR department needs to take control so these similar accidents will not happen again because it could slow down the process of employee brand internalisation.

Regarding brand internalisation, one local manager (Participant #9, female) explained that she was one of the managers in the HR department who commenced a class called "An introduction to Indonesian culture" because she found that expatriates did not understand the Indonesian culture and therefore faced difficulty in handling locals. This module mostly consisted of a cross-cultural understanding, of how Indonesian culture influences the working environment. This class was for all expatriate executive leaders and expatriate managers. She was disappointed because there was only a full in the first meeting, and then they just did not show up for the next class session

4.4. The limited proficiencies that prevent employer branding strategies to be conducted smoothly

During the interview discussions, the theme of competencies arose. These competencies are related to the education and managerial skills of the hotel industry. There is a possibility that the limited competencies of local managers could limit the talent pool in MNC subsidiaries. Competencies are related to the understanding and the abilities of employees to conduct internal brand activities such as organisational activities (e.g., brand culture, brand personality) which encourage the employee's positive attitude and behaviour toward their brand knowledge and value.

The findings from many participants show that Indonesia has a big task in developing local managers and competing as one of the leading countries in Asia and even globally. One local manager (participant #16, male, regional manager) showed his concern about the lack of competency development in Indonesia. Even though he was not surprised at all, he recognised that Indonesia has to compete vigorously with other countries in Southeast Asian regions such as Thailand, Vietnam, Singapore and Malaysia. He believed this situation would also need support from the government to ensure the higher education institutions obtained sufficient good accreditation domestically or even internationally.

A few participants also commented on how a good education could impact the country's hospitality and tourism industry. As tourism was one of the most creative industries in Indonesia, the educational sector had to keep up with the times, differentiating between tourism as being a major in vocational education and tourism as a traditional discipline. Nevertheless, she (Participant#5, female, local manager) suggested that restructuring Indonesia's education on their approach more toward research, advanced education and community services is necessary. This complex infrastructure presented complex challenges to local development.

In another set of findings, many participants discussed the minimum opportunity for local managers for overseas postings to further local managers in their professional development. The theme of international options appeared overall to be the most exciting topic during the interview with participants. It was consistently stated that if there was one thing that could improve managers' professional development of transferring knowledge and skills. It would be the opportunity to gain global exposure overseas, and also broaden the local managers' knowledge about the MNC branding strategies. One manager believed that local managers do not currently have enough opportunities to go abroad,

"One of the biggest weaknesses facing local managers is that they don't have enough people who have the opportunity to go abroad...if you have the opportunity to go abroad, you will be able to see what is happening outside, and this will open your eyes, let you learn new things, give you the ability to analyse different situations" (Participant#10, male, expatriate manager)

In contrast, one manager (Participant#10, male, expatriate manager) told his story about the treatment he received from MNC HQ. He did not receive any preparation when he was assigned for his expatriate assignment. He added that there are things to consider for anyone to come to Indonesia. It was very challenging for him with no training whatsoever from the MNC HQ. He sometimes wondered how he could survive when the MNC HQ just handed a DVD ROM for his staff orientation. He had to decide to start conducting recruitment without knowing more about the local culture because he knew that bringing in the right local talent was crucial for his assignment and property. Another different manager (Participant#1, male, expatriate manager) had a slightly similar situation. He was just grateful that he had experienced this kind of treatment (i.e., moving from one assignment to another without preparation), so it just came naturally for him to move from one country to another. This different treatment among local and expatriate managers could create different dynamics in the working environment.

5. Discussion

Our study has addressed the process of employer branding strategies in the MNC hotel subsidiaries. There are contextual factors of stakeholders' preferences in internal marketing management within MNC hotel subsidiaries. This paper argues that foreign managers will likely tenure senior management positions in Indonesia's international hotel industry. According to [Situmorang and Japutra \(2019\)](#), the selection of leaders in the hotel industry in developing countries is likely to be challenging due to local talent limitations. The hotel companies found it difficult to meet talent who fit with its international brand standards. This consequence develops the rationale to employ foreign managers to ensure their management operation provides the same service throughout its brand globally. The association between MNC hotels' corporate image and brand strategy has implications for the companies' recruitment policy toward foreign managers, specifically senior managers ([Situmorang and Japutra, 2019](#)). The rationale behind this policy is to facilitate effective communication between MNCs and subsidiaries and to transplant the company culture and knowledge to the subsidiaries. There have been substantial studies (i.e., [Ando and Endo, 2013](#); [Kim et al., 2019](#)) devoted to examining how MNCs deliver their organisational knowledge to foreign subsidiaries. To ensure coherence with the parent company's corporate culture, competence, strategy, control, and communication, attending to a local need adaptation ([Michailova et al., 2016](#); [Benoy and Morley, 2020](#); [Filieri and Mariani, 2021](#); [Barnard, 2021](#)). The focus is to manage communication and knowledge transfer across all team members at different levels in the organisations, emphasising the crucial roles of managers ([Azungah et al., 2020](#); [Cillo et al., 2022](#); [Situmorang and Japutra, 2024](#)). The foreign manager's appointment is often obligated to strengthen the MNC hotels' corporate and brand image to their stakeholders as part of their brand strategy ([King and So, 2015](#); [Liu et al., 2020](#)). Therefore, foreign managers' deployment is perceived to maintain their global brand ([Liu et al., 2020](#)). This type of management would apply its employer branding strategies in the subsidiary market. This constrained decision is also concerning the MNC hotel company image and the owners' pride ([Situmorang and Japutra, 2019](#)).

Nevertheless, MNC hotels might have different brands and names. Still, they all have similarities for their respective customers, such as providing the best services and products (e.g., rooms, food, and facilities), being committed to bringing the brand value and providing sustainable business within their community and employees ([Song, 2021](#); [Caputo et al., 2021](#); [Mariani et al., 2023](#)). In contrast, there are some differences, such as having their vision, mission, and values to accommodate various travellers' needs and lifestyles (e.g., budget value, luxury class, leisure and business resorts) ([Bader et al., 2022](#)). The importance of corporate and brand image is integrated into how the customer service and company culture deliver its business operation to the hotel guests. The hotel employees are bonded to developing a clear, robust corporate brand image in hotel guests' minds. This vision means the company's brand value is needed to deliver consistently and integrated with the corporate brand image. They (brand value and image) were embedded and rightly felt once the hotel guests walked into the property. Thus, the MNC hotel company prioritised adequate personnel to match the MNC employer branding strategy by carrying out its corporate image.

5.1. Theoretical implications

Various hospitality and tourism studies have studied the implications of employer branding strategies focusing on MNC hotels, such as internal and external branding communication (e.g., [Wang et al., 2019](#)), employee turnover intention (e.g., [Koo and Curtis, 2019](#); [Ayrom and Turner, 2020](#)), and the influence of employer attractiveness toward its employer branding ([Ek Styvén et al., 2022](#)). However, there is still much to be explored about the MNC hotel employer branding strategies, especially the employee branding process in MNC subsidiaries of developing countries ([Koukpaki et al., 2020](#)). This study extends the influence of cultural uniqueness into the employer branding strategies in the hospitality and tourism industry especially concerning MNC HQ and its subsidiaries. Thus, this study contributes to the existing knowledge of employer branding management, discussing the cultural uniqueness and challenges that could hinder the employer branding process in the hospitality and tourism industry ([App et al., 2012](#); [Ayrom and Turner, 2020](#); [Liu et al., 2020](#); [Ek Styven et al., 2022](#)).

The uniqueness of Indonesian hospitality might produce unique employee branding ([Jain, 2020](#)), which can increase employee brand understanding, brand commitment, and brand citizenship behaviour ([Afshardoost et al., 2023](#)). Despite being hospitable, Indonesians are also recognised as being inferior to foreigners. This feeling of inferiority may stem from the effect of historical colonisation. Indonesia was occupied for an extended period from the early 16th century to the mid-20th century. The result shows that three centuries of past colonisation offer another dimension in the management selection of the international hotel industry in Jakarta, Indonesia ([Tomizawa et al., 2019](#)). This theme of 'colonisation' emerged several times among the participants, specifically those who identified as locals. While the adverse effects of colonisation will never vanish easily, in some ways, this culture may have had a positive impact on leading to a unique attitude toward foreigners, which can be utilised to promote Indonesian hospitality to foreign tourists.

It's like a double-edged sword, where on one side, this vulnerability due to colonisation produces a unique marketing strength for Indonesian tourism. For example, foreign tourists recognise Indonesia's unique attitude toward international tourists. Unconsciously or not, this might explain a culture that has positioned Indonesians as inferior to foreigners. On the other hand, it could provide challenges to the employer branding strategies conducted smoothly. The effect of colonisation shaped how local employees perceived where the knowledge was from and continued to second guess whether to adapt and get along or object to them. The local populace's roots fall behind in establishing their own modern identity, characteristics, and beliefs in their capacity for personal development. Although these intangible factors are difficult to explain, they appear psychologically real to native individuals as challenging to overcome barriers. Their identity, characteristics, and beliefs are shown in multi-ethnic groups across Indonesia, yet religion can bring cultural differences to another level ([Schulze, 2013](#)). This trait will restrain the employer branding process within the MNC

subsidiaries.

5.2. Practical implications

In terms of managerial implications, three issues need to be addressed to maximise brand internalisation. First, the cultural uniqueness of Indonesian hospitality and tourism has advantages and disadvantages simultaneously. For example, the branding of Indonesian hospitality is well known for its cultural uniqueness toward international and domestic tourists. This positive attitude and behaviour brings a distinctive character to its employee branding. However, this cultural uniqueness also could set back the employer branding process within the subsidiaries. The effect of colonisation shapes the identity, characteristics, and beliefs of multiple-ethnic groups, which may discourage the employee's positive attitude and behaviour toward understanding brand knowledge, commitment, and value (Piehler, 2018; Zhang and Xu, 2021). Our study suggests that MNC hotels and their subsidiaries must ensure that each subsidiary is managed by individuals who fit their criteria in bringing forward the company's corporate image. Regardless, the manager must combine cultural uniqueness with the employer brand without risking diluting the identity of the employer brand and the employee's uniqueness. Second, this paper also highlighted the lack of trust toward local managers, resulting in imbalanced senior management positions within the international hotel brands in MNC subsidiaries. The job position in the hotel industry, which is allegedly only positioned by foreign managers, should be given more opportunities to appropriately qualified local managers. It can be argued that local managers can lead MNC hotels. However, the image portrayed by foreign managers is still associated with the preference of multiple stakeholders (e.g., hotel owners, hotel investors, employees, and hotel customers). Third, a high degree of knowledge and skills is necessary to support the employer branding process in MNC subsidiaries. The findings mentioned that good education and opportunities for international exposure could improve the competencies of local managers (Onkelinx et al., 2016; Ando, 2021). Thus, it is prioritised for hospitality and tourism education to earn international qualifications. We argued that better educational infrastructure might only improve if better standards were attained in the quality of educators, institutions, facilities, and technology. Qualified future managers will attract similar employees with a similar mindset and enforce these values internally with suitable branding and human resource management practices (e.g., recruitment, training, etc.) (Ek Styvén et al., 2022). The transfer of organisational culture and brand could create brand citizens among the local employees, which can support the development of local competence in Indonesia (Biedenbach and Manzhynski, 2016).

6. Limitations and suggestions for future research

This study has some limitations. First, our study is only based on managers' perspectives in the hotel industry of Jakarta, Indonesia. This research could have yielded varying outcomes if conducted in diverse developing nations, such as Nepal and Brazil. The obtained findings may lack generalisability across various historical contexts and institutional settings (Terjav et al., 2016). Future research should thus investigate the corporate regional level, which encompasses the responsibility for managing several hotels within a certain region (e.g., the Middle East), in order to gain insights into the top management's emphasis on brand leadership. Second, this study is based only on a specific hospitality and tourism industry. Our findings cannot be used in interpretation for other sectors, such as telecommunications, building construction, or political sciences, which may bring different insights and results. Thus, future studies can investigate other contextual factors in employer branding uniqueness in relation to corporate image and employee branding (Younis and Hammad, 2021). Third, our results explored the challenges of the employer branding process in hospitality and tourism, but we did not investigate how the employee perceived the brand's understanding of its corporate brand. Further research should also examine how brand understanding could increase employee brand knowledge (Piehler, 2018).

7. Conclusion

This study aimed to examine the intricacies of employer branding within the hospitality and tourism industries, with a particular focus on developing countries. Hence, the objective of this study was to examine the procedures and difficulties associated with employer branding strategies within MNC subsidiaries (Michailova et al., 2016; Liu et al., 2020). The researchers utilised a qualitative methodology, specifically employing semi-structured interviews as a means of data collection. The participants of the study were hotel managers from MNCs located in Jakarta, Indonesia. The results indicate that the distinctiveness of culture has an impact on the perception of employer branding inside multinational hotel companies. MNCs operating in the hotel industry may contemplate the adoption of these measures in order to effectively execute their branding objectives within their subsidiary establishments. The limitations identified pertain to the perspectives of managers, the industry sector, and the significance of comprehending brand dynamics. In order to foster intellectual discourse and encourage further academic exploration, we present a diverse array of recommendations for prospective research endeavours.

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Declaration of competing interest

No conflict of interest.

Data availability

Data will be made available on request.

Appendix A. Supplementary data

Supplementary data to this article can be found online at <https://doi.org/10.1016/j.intman.2023.101100>.

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