Should Corporations Care about Negative Brand Publicity? Understanding the Impact of Negative Brand Publicity on Employees’ Corporate Brand Pride

Fabian Abed\textsuperscript{a}, Marion Büttgen\textsuperscript{b}

\textsuperscript{a}Corresponding author. Department for Corporate Management, University of Hohenheim, Schloss Osthof/Ost, 70593 Stuttgart, Germany. F_Abed@uni-hohenheim.de

\textsuperscript{b}Department for Corporate Management, University of Hohenheim, Schloss Osthof/Ost, 70593 Stuttgart, Germany. m.buettgen@uni-hohenheim.de

Abstract

This article examines the effects of perceived negative brand publicity on employee emotions, attitudes and brand supporting behaviors. Drawing on Affective-Events-Theory (AET) it attempts to identify underlying affective and cognitive processes leading to behavioral change. Using data gathered from a large-scale survey of employees in Germany, our results show that perceived negative brand publicity affects emotional and attitudinal corporate brand pride of employees. In addition, higher levels of perceived negative brand publicity were negatively associated with brand-supporting behavior, such as employee referrals and word-of-mouth (WOM). We show that corporate brand experience through internal communications can be an effective tool in mitigating harmful effects of perceived negative brand publicity.

Keywords

Negative brand publicity; corporate brand pride; Affective-Events-Theory; internal branding; brand experience; brand supporting behavior

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1. Introduction

Publicity relating to corporate (brand) behavior is on the rise in recent years (Hock & Raithel, 2019). Corporate brand publicity can be defined as any information about a corporate brand, its products, services or behavior “communicated through editorial media that is not paid for” by the corporation (Collins & Stevens, 2002, p.1123). It typically involves non-personal mass communication such as TV news items, radio broadcasts or newspaper articles (Lee et al., 2013; Van Hoye & Lievens, 2005).

Corporate brands that have recently been the subject of negative brand publicity in Germany include, for example, Deutsche Bank and Volkswagen. The latter is receiving bad press around the world due to its manipulation of emissions. Deutsche Bank is in the media as a result of planning mass lay-offs and because of continuous misbehavior. In general, poor work conditions, poor management decision making, or quality issues are often matters of media coverage (Monga & John, 2008; Woo et al., 2020).

Negative (brand) publicity can have detrimental effects on multiple corporate or brand aspects. The literature provides evidence that sales (e.g. Berger et al., 2010), image (e.g. Zhu & Chang, 2013), consumer purchase intention (e.g. Osei-Frimpong et al., 2019), consumer trust and consumer affective identification (e.g. Lin et al., 2011), brand equity (e.g. Woo et al., 2020), share price as well as firm net value (e.g. Hock & Raithel, 2019) can be adversely affected. Moreover, negative press can lead to a lower perceived organizational attractiveness and reduced job pursuit intentions of job applicants (Jaidi et al., 2011).

Previous research on (brand) publicity focused mainly on attitudes and behaviors of consumers and job applicants. To the best of our knowledge, no research has focused on how publicity regarding corporate brands affects employees. More precisely, a deeper understanding of how corporate brand publicity might influence work-related attitudes and behavior of employees is missing from the literature. This is surprising as employees represent a crucial part of brands’ success and competitive advantage (e.g. Boukis et al., 2014; Löhndorf & Diamantopoulos, 2014).

This paper answers the following research questions. First, does negative corporate brand publicity affect employees’ corporate brand pride and subsequent brand supporting behavior? Second, can corporations mitigate the potentially devastating effect of perceived negative corporate brand publicity
on employees through corporate brand experience, i.e. internal or external communications?

2. Theoretical Background

Affective-Events-Theory (AET) described by Weiss and Cropanzano (1996) provides us with a macrostructure to understand how brand publicity affects emotional corporate brand pride (emotion), attitudinal corporate brand pride (attitude), and brand supporting behavior such as word-of-mouth (WOM) and employee referrals (judgement-driven behavior). Corporate brand pride has been chosen because research shows that pride affects employee behavior (e.g. turnover intention) much stronger than other work-related attitudes (e.g. commitment), making it necessary to further investigate this construct in a brand-employee context (Gouthier & Rhein, 2011). Moreover, several brands already include (brand) pride as central drivers for success, for example “I’m proud to be Ritz-Carlton” (Appleberg, 2005, p.3). In general, AET helps to explain the interplay of work events, work environment features, emotions, attitudes and behaviors. Specifically, the theory “explains the structure, causes, and consequences of employees’ affective experiences at work” (Matta et al., 2014, p.922). According to AET, certain work-events (e.g. negative corporate brand publicity) are proximal causes of employees’ emotional reactions (e.g. emotional corporate brand pride) which in turn influence work-related attitudes (e.g. attitudinal corporate brand pride) and behavior (e.g. brand supporting behavior) (Herrbach et al., 2004; Weiss & Cropanzano, 1996). Following Weiss and Cropanzano (1996) we define a work-event as something that occurs in a work-related setting during a particular period, like corporate brand publicity.

Linking perceived negative corporate brand publicity and emotional corporate brand pride

Following AET, we propose that perceived negative corporate brand publicity is linked to a number of actual and perceived events that cause intense emotional responses (Rosen et al., 2009). Negative brand publicity is likely to evoke affective responses regarding employees due to various reasons. First, negative corporate brand publicity has usually a surprising character (Cleeren et al., 2013). Brands have, in contrast to other forms of communication, no direct control over publicity (Collins & Stevens, 2002). So, publicity exhibits a sort of an unexpected event with regard to the corporate brand
and its members. For example, employees working for Volkswagen have been shocked when they read the embarrassing headlines about the emission scandal without any advance warning.

In line with findings of Weiss and Cropanzano (1996), who state that work-events are sudden changes in circumstances eliciting emotions, we argue that the surprising occurrence of negative brand publicity should influence employees’ affective reactions (e.g. emotional corporate brand pride). Second, negative publicity adversely affects the status of a corporate brand, highlighting for instance quality issues or misbehavior. Previous research showed that feelings of pride are directly linked to the organization’s reflected glory or achievements (Salerno et al., 2015). Boons et al. (2015) stated that media, communicating organization level status information elicit feelings of pride. Similarly, Appleberg (2005) concluded that various aspects of organizational image can instill pride. Hence, we argue that employees working for a corporate brand with a poor reputation (reflected in negative stories in the media) should exhibit diminished feelings of emotional corporate brand pride (Helm, 2013). These reflections result in the following hypothesis:

**Hypothesis 1.** Perceived negative corporate brand publicity is negatively associated with emotional corporate brand pride experienced by employees.

**Linking perceived negative corporate brand publicity, WOM and employee referrals**

Previous research on negative (brand) publicity revealed detrimental effects on various attitudes (e.g. Braxton et al., 2019; Zhou & Whitla, 2013), behavioral intentions (e.g. Müller & Gaus, 2015; Osei-Frimpong et al., 2019) and actual behavior (Jaidi et al., 2011, e.g.). Specifically, perceived negative publicity adversely affects consumer trust and affective identification (Lin et al., 2011; Müller & Gaus, 2015). As trust and identification are antecedents of WOM and (employee) referrals, we suppose that negative corporate brand publicity influences employee WOM and referrals, too (Bloemer, 2010; De Matos & Rossi, 2008). Hence, we propose:

**Hypothesis 2a.** Perceived negative corporate brand publicity has a negative influence on employee WOM.

**Hypothesis 2b.** Perceived negative corporate brand publicity has a negative influence on employee referrals.
Even though the proposed direct effects are not explicitly specified in Weiss and Cropanzano (1996), we found support for this approach. Zhao et al. (2007) showed, drawing on AET, that work events can have a direct impact on employee behavior. Similarly, Müller and Gaus (2015) revealed that negative media information directly affected behavioral intentions of consumers.

**Linking emotional corporate brand pride and attitudinal corporate brand pride**

Corporate brand pride emotions are, as all emotions, short-lived mental experiences (Fisher & Ashkanasy, 2000). Therefore, pride emotions have downstream consequences with regard to attitudes and behaviors (Elfenbein, 2007). This assumption is in line with AET’s suggestion of causality between emotions and work-related attitudes. Moreover, we argue that employees who remain in the same corporation for a certain period can experience corporate brand pride emotions repeatedly, which should lead to a more durable state, namely attitudinal corporate brand pride (Gouthier & Rhein, 2011). Therefore, we hypothesize the following:

**Hypothesis 3.** Corporate brand pride emotions have a positive influence on attitudinal corporate brand pride

**Linking attitudinal corporate brand pride and WOM/Employee referrals**

Previous research on brand supporting behavior such as WOM and (employee) referrals identified multiple antecedents, such as brand passion (Albert et al., 2013), positive emotions (Lovett et al., 2013), satisfaction (Hagenbuch et al., 2008; Wangenheim & Baón, 2007), brand commitment (Albert et al., 2013), product (Wangenheim & Baón, 2007; Wolny & Mueller, 2013) or brand involvement (Wolny & Mueller, 2013). WOM can be defined as “informal, person-to-person communication between a perceived non-commercial communicator and a receiver regarding a brand, a product, an organization, or a service” (Harrison, 2001, p.63). In contrast to these more general forms, employee referrals represent an internal recruitment method whereby an actual employee of the corporate brand proactively identifies and provides specific information about vacancies to persons he or she knows (Breaugh & Starke, 2000).

Based on earlier findings of Kraemer et al. (2020) and Lythreatis et al. (2019), we assume that corporate brand pride is a strong intrinsic motivator leading to WOM and employee referrals due to various reasons. First,
proud employees have a strong bond with the corporate brand leading to extraordinary intrinsic motivation (Kraemer et al., 2020; Lythreitis et al., 2019). This is in line with findings of Verbeke et al. (2004) who stated that pride (emotion) leads to greater effort of salespeople. Similarly, Baer et al. (2015) revealed that high levels of pride are positively related to reputation maintenance concerns of employees (e.g. WOM). Second, (organizational) pride is found to be negatively related to turnover intention of employees (Kraemer & Gouthier, 2014). As turnover intention is in general known as a form of loyalty, similar to WOM and employee referrals, we expect employees with higher levels of corporate brand pride to show stronger brand supporting behavior:

**Hypothesis 4a.** Attitudinal corporate brand pride has a positive influence on WOM

**Hypothesis 4b.** Attitudinal corporate brand pride has a positive influence on employee referrals.

**Linking corporate brand experience through internal/external communications and perceived negative corporate brand publicity**

Marketing literature often emphasize synergy effects of advertising and publicity, although both aspects need to exhibit the same valence (e.g. Stammerjohan et al., 2005; Wang, 2006). Research analyzing a situation where the two sources of information differ in their valence is scarce, especially with regard to an employee context. To date only few studies show how negative publicity can be mitigated. For example, Van Hoye and Lievens (2005) showed that performance-based negative publicity can be compensated through recruitment advertising, and Stammerjohan et al. (2005) found that effects of negative news stories can be mitigated through radio and print advertising in a consumer context.

As nowadays many corporate brands extensively use new technologies in order to create an appealing internet and intranet appearance, we assume that employees’ corporate brand experience through internal and external communications can reduce perceptions of negative brand publicity. An in-depth analysis of the existing literature provide support for this assumption. First, communication of brand values guides employee behavior (Harris & De Chernatony, 2001). This, in turn, may lead to reduced misbehavior of employees, which is one potential cause of negative brand publicity. Second,
drawing on findings of Eisingerich et al. (2011) we state that the extent to which employees experience the corporate brand through internal and external communications as a great place to work (e.g. corporate brand values) can induce resistance to negative information. This case relates to the goodwill of employees. Thereby, individuals are less likely to blame the corporate brand for misbehavior, wrongdoings or product failures, because the corporate brand signals its good intentions through both communication channels, which in turn helps the brand to insulate itself from scrutiny when negative publicity occurs (Peloza, 2006; Yoon et al., 2006). Theoretical support for this assumption provides the information integration theory, which states that inconsistent information will receive a decreased weight compared to consistent information. These reflections result in the following hypotheses:

**Hypothesis 5a.** Corporate brand experience through external communications has a negative influence on perceived negative corporate brand publicity

**Hypothesis 5b.** Corporate brand experience through internal communications has a negative influence on perceived negative corporate brand publicity

**Linking corporate brand experience through internal/external communications and emotional corporate brand pride**

Employees can experience corporate brand in various ways. Obviously, in their daily work environment dealing with colleagues or management (Morhart et al., 2009). It is also possible to experience the corporate brand through internal and external communications (Aurand et al., 2005; Burmann et al., 2009; Harris & De Chernatony, 2001; King & Grace, 2010). As (emotional) corporate brand pride refers to a positive evaluation of status, reputation, or achievements of the corporate brand, we suggest that a corporations who make stories about the corporate brand accessible to their employees (e.g. testimonials, brand values, etc.) instill corporate brand pride in their workforce. This assumption is in line with AET, which posits that work environment features (e.g. internal communication) can directly affect employee emotions (e.g. corporate brand pride). Research from Boons et al. (2015) supports this assumption, stating that the communication of status-related information positively affects pride in a consumer context. Therefore, we propose:
Hypothesis 6a. Corporate brand experience through external communications has a positive influence on emotional corporate brand pride.

Hypothesis 6b. Corporate brand experience through internal communications has a positive influence on emotional corporate brand pride.

The theoretical framework and associated hypotheses developed in this section are depicted in Figure 1.

3. Method

Sample and Procedure

Data reported in this article were drawn from a large-scale online survey distributed in the largest business network of Germany (XING). The survey investigated employees’ responses to various brand and human resources practices in Germany. Participants were informed about the purpose of the study and its confidentiality, and were encouraged to participate in the survey. In total, 2,870 employees opened the link and 763 completed the online survey (response rate = 26.59%). Deletion of missing values and careless responses (i.e. eliminating cases with a response time less than twenty-five percent of the average response time) resulted in a usable sample of 608 employees.

Fifty-one percent of the respondents were female (n = 310) and forty-nine percent were male (n = 298). The majority of the participants hold a university degree (n = 472, 77.6%) and worked in a company with more than five-hundred employees (n = 375, 61.7%), without managerial responsibility (n = 435, 71.55%). They were employed in a variety of occupational fields, including: human resources (n = 97, 16.0%), sales (n = 82, 13.5%), marketing (n = 66, 10.9%), consulting (n = 64, 10.5%), other (n = 58, 9.5%), research and development (n = 49, 8.1%), information technology (n = 40, 6.6%), finance and accounting (n = 36, 5.9%), manufacturing (n = 23, 3.8%), services (n = 20, 3.3%), administration (n = 20, 3.3%), purchasing (n = 17, 2.8%), management (n = 12, 2.0%), logistics (n = 10, 1.6%), legal (n = 10, 1.6%) and design (n = 4, 0.7%).

In terms of corporate tenure, 12.5 percent of employees (n = 76) joined the corporate brand less than a year ago, 21.7 percent of employees (n = 132) joined the brand one to two years ago, 31.9 percent of employees (n = 194) joined the corporate brand three to five years ago, 17.9 percent of employees (n = 109) belonged to the corporate brand between six and ten years, and
Figure 1: Theoretical Framework

- Brand experience through internal communications
- Perceived negative brand publicity
- Brand experience through external communications

Work event

- Affective experience
  - Emotional corporate brand pride
  - Work attitude
    - Attitudinal corporate brand pride

Judgement driven behavior
- Employee referrals
- WOM

Paths with hypotheses

Additional paths
16.0 percent of employees (n = 97) joined the corporate brand more than ten years ago.

Measures

The response scale for each survey item ranged from 1 (‘strongly disagree’) to 5 (‘strongly agree’), unless otherwise noted. Because the study was conducted in a German-speaking environment, all measures previously developed in English have been translated into German, using the commonly translation-back translation procedure (Brislin, 1980). Moreover, we intensively pre-tested all used measures regarding reliability, validity and mutual understanding.

We measured perceived negative brand publicity with three items on a bipolar response scale ranging from 1 (very negative) to 5 (very positive). The item development was inspired by Jaidi et al. (2011) as well as (Collins & Stevens, 2002). Items are: ‘News coverage in the media regarding [corporate brand name] is mostly…’, ‘When [corporate brand name] is mentioned in press, it is mostly…’ and ‘The presentation of [corporate brand name] in television, radio, print- or online media is…’. Cronbach’s alpha for this scale is 0.93.

To assess the level of emotional corporate brand pride, the four-item scale by Gouthier and Rhein (2011) was used. A sample item is: ‘In these moments I am proud of what the [corporate brand name] has achieved’. Cronbach’s alpha for this scale was 0.93.

We measured attitudinal corporate brand pride using Gouthier and Rhein (2011)’s three-item measure. A sample item is: ‘I feel proud to work for my [corporate brand name]. Due to its central role in our theoretical framework, we added one item to the existing scale to ensure reliability (‘I’m proud to be part of [corporate brand name]’). The reliability of this scale was 0.94.

To measure word-of-mouth, the three-item scale by Morhart et al. (2009) was used. A sample item is: ‘I talk up [corporate brand name] to people I know’. Cronbach’s alpha for this scale was 0.93.

We measured employee referrals with five items. We used two already validated and reliable items developed by Bloemer (2010) and inspired by Zeithaml et al. (1996). In addition, three items were included to ensure the specific nature of referrals and to distinguish this measure from related constructs such as word-of-mouth. The added items are: ‘I approach friends, when I have the feeling that my employer offers an interesting job, which
suits them.’, ‘I forward job postings to friends, which seek employment.’ and ‘I approach friends, when I have the feeling that my employer offers an interesting job in a similar domain, in which they are currently working.’ The Cronbach’s alpha coefficient was 0.94.

To assess the level of employees’ brand experience through internal communications, we used a three-item scale developed by Egeler et al. (2022) and inspired by Aurand et al. (2005). Items are: ‘Through information in our internal communications, I experience what our corporate brand stands for.’, ‘I experience the corporate brand through editorial content in our internal communications.’, ‘I come in contact with the corporate brand through available media in our internal communications.’ The reliability of this scale was 0.94.

Brand experience through external communications. To assess the level of employees’ brand experience through external communications we used a three-item scale developed by Egeler et al. (2022) and also inspired by Aurand et al. (2005). Items are: ‘I experience the corporate brand through editorial content in external communications (e. g. television, radio, etc.),’ ‘I experience our corporate brand in a private setting through external communication activities,’ ‘I come in contact with the corporate brand in a private context, through actions of the external communication.’ The Cronbach’s alpha for this scale was 0.93.

Consistent with past research, we controlled for several socio-demographic variables, including gender (1 = female 2 = male), corporate tenure (0-1 years, 1-2 years, 3-5 years, 6-10 years and more than 10 years), corporate size (0-19 employees, 20-99 employees, 100-499 employees and more than 500 employees), employee status (1 = management board 2 = executive employee 3 = employee 4 = freelancer 5 = trainee 6 = intern/working student/temporary staff), functional area (1 = consulting 2 = design 3 = purchasing 4 = finance and accounting 5 = research and development 6 = IT 7= Services 8 = logistics 9 = marketing 10 = administration 11 = HR 12 = manufacturing 13 = legal 14 = management 15 = sales 16 = other) and education (1 = doctoral and postdoctoral 2 = academic studies 3 = foreman/technician 4 = apprenticeship 5 = university-entrance diploma 6 = general certificate of secondary education 7 = certificate of secondary education 8 = none).
4. Analysis

We analysed data following Anderson and Gerbing (1991) two step approach. In a first step we evaluate the psychometric properties of the scales. Moreover, we test for common method bias using established statistical techniques. In a second step, we test the hypothesized relationships using AMOS 25 (Arbuckle, 2003).

To assess the quality of the measurement model, we ran a confirmatory factor analysis (CFA). We followed common recommendations from Gracia et al. (2013) and Stumpp et al. (2009) and used the following fit indices: goodness of fit index (GFI), adjusted goodness of fit index (AGFI), comparative fit index (CFI), normed fit index (NFI), tucker lewis index (TLI), root mean square error of approximation (RMSEA), and standardized root mean square error of approximation (SRMR). For GFI, AGFI, CFI, NFI and TLI values higher than .90 indicate good fit (Arbuckle, 2003; Bryne, 2001; B. Hair et al., 2006; Homburg & Giering, 1996; Hu & Bentler, 1998). SRMR values lower than .05 indicate good fit respectively (J. Hair et al., 1998; Hu & Bentler, 1998). CFA showed a good model fit: $\text{CMIN/DF} = 1.753$, $\text{SRMR} = .02$, $\text{RMSEA} = .035$, $\text{GFI} = .94$, $\text{AGFI} = .92$, $\text{NFI} = .97$, $\text{TLI} = .98$, $\text{CFI} = .98$.

In addition, we compared the hypothesized model with three nested models (Table 1). The original model shows a significant better fit than the alternative nested models, providing support for the distinctiveness of the constructs. Besides a satisfactory model fit, scales included in this study should exhibit convergent validity, reliability, and discriminant validity (Bagozzi & Yi, 1988; Fornell & Larcker, 1981). Since the lowest factor loading in our model was 0.75, there is support for convergent validity. For the reliabilities, see Table 2. Composite reliability (CR) and average variance extracted (AVE) were calculated based on the procedure of Fornell and Larcker (1981). CR and AVE for all constructs were above 0.92 and 0.72 respectively. These values fulfill the recommended cut-off values of $\text{CR} > 0.70$ and $\text{AVE} > 0.50$ (Bagozzi & Yi, 1988; Fornell & Larcker, 1981). Similarly, all AVE values are greater than the squared correlation between that factor and another factor, suggesting discriminant validity is given.

Data were collected at a single point of time from a single source, which can represent a potential risk regarding to the problem of common method variance (Podsakoff & Organ, 1986). To minimize this bias, we referred to survey design guidelines proposed by Podsakoff et al. (2003) guaranteeing
Table 1: Results of the Confirmatory Factor Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>CFI</th>
<th>NFI</th>
<th>RMSEA</th>
<th>GFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seven-factor Model</td>
<td>436.455</td>
<td>249</td>
<td>0.989</td>
<td>0.974</td>
<td>0.035</td>
<td>0.946</td>
</tr>
<tr>
<td>Six-factor model 1: WOM and employee referrals combined</td>
<td>939.830</td>
<td>255</td>
<td>0.958</td>
<td>0.943</td>
<td>0.067</td>
<td>0.898</td>
</tr>
<tr>
<td>Six-factor model 2: Emotional corporate brand pride and attitudinal corporate brand pride combined</td>
<td>1067.423</td>
<td>255</td>
<td>0.950</td>
<td>0.930</td>
<td>0.072</td>
<td>0.863</td>
</tr>
<tr>
<td>One-factor model</td>
<td>6933.159</td>
<td>270</td>
<td>0.591</td>
<td>0.583</td>
<td>0.202</td>
<td>0.527</td>
</tr>
</tbody>
</table>

*Note:* CFI - comparative fit index; NFI - normed fit index; RMSEA - root mean square root error of approximation; GFI - goodness of fit index
confidentiality, using clear response guidelines, designing focused and specific items, and using different scale endpoints at one of the variables. Moreover, we counterbalanced the question order to disrupt the logical flow. To test statistically for potential common method bias, we conducted a Harman one-factor test (Podsakoff & Organ, 1986). Results suggested the presence of 5 factors, indicating that common method effects are no serious problem in the data. In addition, we controlled for common method variance using a marker variable test (Lindell & Whitney, 2001). We selected Felfe’s ‘transactional leadership’ as a marker variable, as it was theoretically uncorrelated to most of the constructs. Analysis showed that none of the significant correlations of the model became nonsignificant or changed their sign. Thus, we assume that CMV is not likely to affect the validity of this study (Doty & Glick, 1998).

5. Results

Means, standard deviations, correlations and reliabilities are shown in Table 2. The results are illustrated in Figure 2 and reveal that only one out of ten hypotheses need to be rejected. Perceived negative corporate brand publicity adversely affect emotional corporate brand pride, supporting H1 ($\beta = .19, p < .001$). Similarly, perceived negative brand publicity directly affect brand supporting behavior of employees, namely WOM ($H2a, \beta = -.15, p < .001$) and employee referrals ($H2b, \beta = -.08, p < .002$). Moreover, we can confirm $H3$ stating that emotional corporate brand pride leads to attitudinal corporate brand pride ($\beta = .79, p < .001$). In accordance with $H4a$ and $H4b$, we show that attitudinal corporate brand pride significantly influences WOM ($H4a, \beta = .74, p < .001$) and employee referrals ($H4b, \beta = .67, p < .001$).

In contrast to our expectations corporate brand experience through internal communications and corporate brand experience through external communications did not act in the same way in compensating perceived negative corporate brand publicity. Corporate brand experience through internal communications mitigates the perception of negative brand publicity ($H5b, \beta = -.22, p < .001$), supporting $H5b$. However, the path between corporate brand experience through external communications and perceived negative brand publicity wasn’t significant, leading to a rejection of $H5a (\beta = -.03, \text{n.s.})$. To test whether emotional corporate brand pride can be triggered by the corporation through specific corporate brand experience, we test $H6a$
Table 2: Descriptive Statistics and Correlations

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Perceived negative brand publicity</td>
<td>2.31</td>
<td>0.88</td>
<td>(0.93)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Emotional corporate brand pride</td>
<td>3.86</td>
<td>1.01</td>
<td>-0.27</td>
<td>(0.93)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Attitudinal corporate brand pride</td>
<td>3.74</td>
<td>1.11</td>
<td>-0.29</td>
<td>0.84</td>
<td>(0.94)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. WOM</td>
<td>3.62</td>
<td>1.12</td>
<td>-0.36</td>
<td>0.68</td>
<td>0.78</td>
<td>(0.93)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Employee Referrals</td>
<td>3.37</td>
<td>1.23</td>
<td>-0.26</td>
<td>0.58</td>
<td>0.68</td>
<td>0.68</td>
<td>(0.94)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Brand experience through internal communications</td>
<td>3.44</td>
<td>1.15</td>
<td>-0.24</td>
<td>0.41</td>
<td>0.44</td>
<td>0.39</td>
<td>0.42</td>
<td>(0.94)</td>
<td></td>
</tr>
<tr>
<td>7. Brand experience through external communications</td>
<td>2.57</td>
<td>1.30</td>
<td>-0.13</td>
<td>0.30</td>
<td>0.35</td>
<td>0.34</td>
<td>0.34</td>
<td>0.45</td>
<td>(0.93)</td>
</tr>
</tbody>
</table>

Note: All correlations are significant at $p < .01$. Coefficient alphas appear on diagonal.
and H6b. In line with expectations corporate brand experience through external communications positively affect emotional corporate brand pride (H6a, $\beta = .14, p < .002$). Similarly, corporate brand experience through internal communications influences emotional corporate brand pride (H6b, $\beta = .31, p < .001$).

In addition, we tested for moderators that were not hypothesized. We conducted multi-group analysis as our possible moderators are discrete variables (Eberl, 2010). We applied the procedure that Bryne (2010) proposes to test the difference in our groups. Since Gouthier and Rhein (2011) suggest that women show more (organizational) pride than men, we tested for gender effects. We also tested whether tenure influence the proposed paths as Helm (2013) state that employees with a longer tenure might show higher levels of pride. Analysis showed that, in terms of the relationship between perceived negative corporate brand publicity and employee referrals, gender has a significant effect. Results suggest that men are less likely to recommend job offers. Furthermore, the relationship between corporate brand experience through external communications and emotional corporate brand pride, gender has a significant effect. However, group difference is marginal. Regarding tenure analysis showed that almost all paths did not differ, except for the relationship attitudinal corporate brand pride and employee referrals. Here, employees with a short tenure tend to show higher employee referrals behavior. Finally, multi-group analysis revealed that management and non-management employees slightly differ in referral behavior ($\beta = .04, p < .04$). Results of the multi-group analysis are presented in Tables 3-5.

6. Discussion

Although there are several studies providing empirical evidence that negative (brand) publicity has adverse effects on a number of consumer and applicant attitudes and behavioral intentions, it is unclear to what extent perceived negative corporate brand publicity affects employees. The present study reveals that perceived negative corporate brand publicity directly affects employee emotion, namely emotional corporate brand pride. Moreover, perceived negative corporate brand publicity has a direct effect on employees’ brand supporting behavior like WOM and employee referrals. As the latter finding is in contrast to prior studies Müller and Gaus (e.g. 2015) who did not find significant effects of negative media on actual consumer behavior, we argue that a person’s employer (i.e. brand) represent an important
### Table 3: Multi-Group Analysis, by Gender

<table>
<thead>
<tr>
<th>Group</th>
<th>Path</th>
<th>Male</th>
<th>Female</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE internal</td>
<td>Emotional corporate brand pride → Perceived negative brand publicity</td>
<td>−0.23</td>
<td>−0.22</td>
<td></td>
</tr>
<tr>
<td>BE external</td>
<td>Emotional corporate brand pride ← Employee referrals</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Perceived negative brand publicity ← WOM</td>
<td>−0.02</td>
<td>−0.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emotional corporate brand pride ← Sometime refersals</td>
<td>−0.01</td>
<td>−0.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitudinal corporate brand pride ← Emotional corporate brand pride</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitudinal corporate brand pride ← Attitudinal corporate brand pride</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived negative brand publicity ← BE external communication</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived negative brand publicity ← BE internal communication</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **Note:** Significant at *** *p < .001; ** *p < .01; * *p < .05
Table 4: Multi-Group Analysis, by Tenure

<table>
<thead>
<tr>
<th>Path</th>
<th>Standard coefficient</th>
<th>Long Tenure</th>
<th>Short Tenure</th>
<th>Group Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE internal communication → Perceived negative brand publicity</td>
<td>−0.24</td>
<td>−0.27</td>
<td>0.03</td>
<td></td>
</tr>
<tr>
<td>BE external communication → Perceived negative brand publicity</td>
<td>−0.04</td>
<td>−0.04</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Perceived negative brand publicity → Emotional corporate brand pride</td>
<td>−0.15</td>
<td>−0.15</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Emotional corporate brand pride → Attitudinal corporate brand pride</td>
<td>0.81</td>
<td>0.80</td>
<td>0.01</td>
<td></td>
</tr>
<tr>
<td>Attitudinal corporate brand pride → Employee referrals</td>
<td>0.63</td>
<td>0.67</td>
<td>0.04*</td>
<td></td>
</tr>
<tr>
<td>Attitudinal corporate brand pride → WOM</td>
<td>0.72</td>
<td>0.71</td>
<td>0.01</td>
<td></td>
</tr>
<tr>
<td>Perceived negative brand publicity → Employee referrals</td>
<td>−0.11</td>
<td>−0.09</td>
<td>0.02</td>
<td></td>
</tr>
<tr>
<td>Perceived negative brand publicity → WOM</td>
<td>−0.16</td>
<td>−0.14</td>
<td>0.02</td>
<td></td>
</tr>
<tr>
<td>BE internal communication → Emotional corporate brand pride</td>
<td>0.31</td>
<td>0.31</td>
<td>0.01</td>
<td></td>
</tr>
<tr>
<td>BE external communication → Emotional corporate brand pride</td>
<td>0.12</td>
<td>0.13</td>
<td>0.01***</td>
<td></td>
</tr>
</tbody>
</table>

Note: Significant at ***p < .01; **p < 0.5; *p < .10
<table>
<thead>
<tr>
<th>Path</th>
<th>Management Group Non-Group Difference</th>
<th>Standard Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE internal communication → Emotional corporate brand pride</td>
<td>0.15</td>
<td>0 0.17</td>
</tr>
<tr>
<td>BE external communication → Emotional corporate brand pride</td>
<td>0.30</td>
<td>0 0.29</td>
</tr>
<tr>
<td>Perceived negative brand publicity → WOM</td>
<td>0.15</td>
<td>−0 0.15</td>
</tr>
<tr>
<td>Perceived negative brand publicity → Employment referrals</td>
<td>0.20</td>
<td>−0 0.20</td>
</tr>
<tr>
<td>Emotional corporate brand pride → Attitudinal corporate brand pride</td>
<td>0.74</td>
<td>0 0.74</td>
</tr>
<tr>
<td>Attitudinal corporate brand pride → WOM</td>
<td>0.65</td>
<td>0 0.65</td>
</tr>
<tr>
<td>Perceived negative brand publicity → Employee referrals</td>
<td>0.23</td>
<td>−0 0.23</td>
</tr>
<tr>
<td>BE external communication → Emotional corporate brand pride</td>
<td>0.17</td>
<td>0 0.17</td>
</tr>
<tr>
<td>BE internal communication → Emotional corporate brand pride</td>
<td>0.29</td>
<td>0 0.29</td>
</tr>
<tr>
<td>Perceived negative brand publicity → WOM</td>
<td>0.15</td>
<td>−0 0.15</td>
</tr>
<tr>
<td>Perceived negative brand publicity → Employment referrals</td>
<td>0.20</td>
<td>−0 0.20</td>
</tr>
</tbody>
</table>

Note: Significant at *** p < 0.01; ** p < 0.05; * p < 0.10.
part of the individual’s self-concept leading to a change in employee behavior (Cable & Turban, 2003).

In line with AET Weiss and Cropanzano (1996) and earlier findings of Gouthier and Rhein (2011), our results reveal that emotional corporate brand pride has downstream consequences regarding attitudinal corporate brand pride. Similarly, the results demonstrate that attitudinal corporate brand pride strongly influences WOM and employee referrals (brand supporting behavior). Here, the study helps to broaden the current view on internal branding, which mainly focuses on brand commitment as a central construct, highlighting the importance of (attitudinal) corporate brand pride in an (internal) branding context.

Contrary to what we expected, corporate brand experience through external communications did not mitigate the perception of negative brand publicity in the same way brand experience through internal communication does. This finding is noteworthy, because it illustrates that employees of a corporate brand seem to be more prone to brand experience through internal communications. In doing so, the results establish an understanding that in an employee context both communication channels are not equally effective in compensating negative corporate brand publicity. From a theoretical point of view, this circumstance might relate to the accessibility of information amongst others, suggesting that the likelihood that information is used as the basis of an evaluation is determined by the accessibility of that information (Feldman & Lynch, 1988; Herr et al., 1991). In the context of our study, employees might use the internal communications more often as accessibility via the intranet is easier and often more detailed compared to external communications. Hence, the information is more present and therefore more effective. In addition, De Roeck et al. (2014) and Gond et al. (2010) showed that employees exhibited stronger feelings from internal CSR actions than from CSR actions towards other stakeholders, which could support our assumption that employees are more amenable to internal forms of communications.

Finally, this paper adds value to the existing research by showing how (emotional) corporate brand pride can be stimulated, responding to calls for further research (Kraemer et al., 2020). Likewise, corporate brand experience through internal communications trigger (emotional) corporate brand pride more strongly.
The analysis of control variables (multi-group analysis) revealed only minor differences regarding gender, tenure and employee status. Here, we did not find strong gender effects. In contrast to expectations employees with a short tenure are more likely to recommend specific jobs of the corporation. It is also interesting that non-management employees are more likely to refer specific jobs to persons he or she knows. As management employees usually have a broad social capital and are usually well informed about vacancies, this result is surprising.

**Limitations and implications for further research**

Despite the new findings noted here, several limitations should be addressed. First, the sample comprise of German employees, implying that the results cannot be generalized. Second, this research used a cross-sectional design. However, it may be interesting how the influence of perceived brand publicity varies over time, calling for further research using a longitudinal design. In addition, further studies might use semi-structured interviews to gain insights answering the question what employees of a corporate brand expect in a situation of negative publicity from top management, their supervisors or in general regarding the brand they work for. Third, to provide a holistic view on effects of brand publicity the study used a more general measure, capturing various forms of negative brand publicity. In doing so, we disregard previous research showing that various forms of publicity exist, for example performance-related (Lee et al., 2013; Lin et al., 2011) and value-related publicity (Kanar et al., 2010; Thwaites et al., 2012). To provide further insights, future studies should include differentiated measures to capture specific forms of (brand) publicity. Fourth, this research neglected effects of dispositions. Affective-Events-Theory postulates the importance of dispositions on the relationship of work-events and emotions. For these reasons, future research should include dispositions. Fifth, nowadays various communication channels exist (e.g. social media) and future studies should try to answer the question if negative brand publicity is similarly harmful in all channels.

7. **Practical Implications**

The findings of this research have several implications for management and marketing practitioners. As employees represent a crucial part of brands’ success and competitive advantage, it is important to understand how the
detrimental effects of perceived negative brand publicity on employees’ corporate brand pride and brand supporting behavior can be mitigated. The results show that corporation can effectively mitigate effects of perceived negative corporate brand publicity by creating a corporate brand experience. Here, marketing managers may be well advised to highlight corporate brand values through internal communications, which in turn negatively affect the employees’ perception of negative brand publicity. Moreover, this study indicates the importance of corporate brand pride as a central driver of brand supporting behavior, namely employee referrals and employee WOM. As many branding initiatives base upon brand commitment, practitioners might think of including brand pride in their marketing concepts. This research shows how corporate brand pride can be fostered through specific marketing or branding activities, for example highlighting corporate brand values via internal communications.

At the same time, we show that employees with a long tenure are less likely to recommend jobs to friends, compared to employees with a short tenure. As referrals are nowadays an important recruiting source (e.g. Pieper, 2015; Van Hoye, 2013), management and HR practitioners might stimulate employee referrals through incentives targeted at this particular group (e.g. differentiated referral bonuses). Similarly, managers are less likely to recommend jobs of their corporate brand to friends, compared to non-management employees. So, managers who usually have a large (business) network and know about various job opportunities within the corporation need to be encouraged to act as facilitators.

References


