Internal Branding as a Retention Strategy: Examining the Mediating Roles of Affective Commitment and Psychological Empowerment and the Moderating Role of Perceived Organizational Support

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Abstract

Drawing on Social Exchange Theory (SET), the study proposes that internal branding enhances employees' intention to stay through two complementary psychological pathways: affective organizational commitment, representing emotional exchange, and psychological empowerment, representing motivational exchange. Additionally, perceived organizational support (POS) is examined as a moderating factor that shapes employees' responses to internal branding initiatives. Data was collected from 450 call center representatives employed in BPO organizations in Chandigarh, India. Structural equation modeling was used to test a moderated dual-mediation model. The findings reveal that internal branding does not exert a significant direct effect on intention to stay; instead, its influence is fully mediated by affective organizational commitment and psychological empowerment. Moreover, POS significantly strengthens the relationships between internal branding and both mediators, indicating that internal branding initiatives are most effective when employees perceive high organizational support. This study contributes to the internal branding and human resource management literature by offering a theory-driven explanation of how and under what conditions internal branding fosters employee retention in high-turnover service contexts. From a practical perspective, the findings underscore the importance of aligning internal branding initiatives with supportive organizational practices to cultivate emotionally committed, empowered, and stable workforces in the BPO sector.

Keywords: Internal branding; Intention to stay; Affective organizational commitment; Psychological empowerment; Perceived organizational support; Social Exchange Theory; BPO sector

Introduction

The Business Process Outsourcing (BPO) sector has become a cornerstone of service-driven economies, offering cost efficiency, scalability, and specialized expertise to organizations worldwide (Hailu & Chebo, 2024; Kaur and Kaur, 2021). Despite its strategic importance, the sector continues to face chronic challenges related to high employee turnover, emotional exhaustion, job monotony, and declining employee commitment (Fatma et al., 2025). These challenges are particularly pronounced among customer contact representatives (CCRs), whose roles demand continuous interaction with customers while adhering to strict service standards and performance metrics.

Employee retention has therefore emerged as a critical concern for BPO organizations, as high attrition rates lead to increased recruitment and training costs, loss of organizational knowledge, reduced service quality, and weakened customer relationships (Kaur et al., 2020). Traditional retention strategies that focus primarily on financial incentives and contractual obligations have shown limited effectiveness in addressing these issues. Consequently, scholars and practitioners have increasingly emphasized the need to explore psychological and relational approaches that strengthen employees' attachment to the organization.

In this context, internal branding has gained prominence as a strategic organizational practice that aligns employees' attitudes, behaviors, and values with the organization's brand promise (Barros-Arrieta and García-Cali, 2021; Kaur et al., 2020). Internal branding treats employees as internal customers and brand ambassadors, recognizing their central role in delivering consistent and authentic brand experiences to external stakeholders (Jacobs, 2003). By fostering shared meaning, role clarity, and value congruence, internal branding not only supports external brand equity but also enhances employees' psychological connection with the organization (Burmann, Zeplin, & Riley, 2009).

The relevance of internal branding is particularly evident in the BPO sector, where employees' service behaviors directly shape customers' perceptions of service quality, trust, and brand credibility (Kaur et al., 2020). Internal branding initiatives, such as structured training programs, orientation sessions, internal communication, and daily briefings enable organizations to communicate brand values and expectations clearly, thereby guiding employees toward brand-consistent behaviors (Punjaisri & Wilson, 2007; King, Ceridwyn, & Fung, 2015).

Although prior research has documented the positive outcomes of internal branding, including brand identification, service quality, and brand-supportive behaviors, its role as a systematic retention strategy remains insufficiently explored (Parveen, 2021). More critically, existing studies have largely examined direct effects, offering limited insight into the underlying psychological mechanisms that explain how internal branding influences employees' intention to stay. This represents a significant gap in the literature, particularly in high-turnover service contexts such as BPOs.

To address this gap, the present study adopts Social Exchange Theory (SET) (Blau, 1964) as a unifying theoretical framework to explain how internal branding operates as a retention mechanism. Specifically, the study proposes that internal branding enhances employee intention to stay through two complementary psychological pathways, namely, affective organizational commitment, representing an emotional exchange, and psychological empowerment, representing a motivational exchange. Furthermore, recognizing that organizational practices do not operate in isolation, the study introduces Perceived Organizational Support (POS) as a moderating variable that shapes employees' interpretations of internal branding initiatives.

By integrating these constructs into a moderated dual-mediation model, this study makes a meaningful contribution to internal branding, human resource management, and service management literature, while offering actionable insights for BPO managers seeking sustainable retention solutions.

Theoretical Foundation: Social Exchange Theory

SET provides a robust framework for understanding employee–organization relationships by conceptualizing them as ongoing exchanges of resources, both tangible and intangible (Blau, 1964). According to SET, employees evaluate organizational actions in terms of perceived benefits and costs and respond through reciprocal attitudes and behaviors. When employees perceive favorable treatment and organizational investment, they are more likely to reciprocate with positive outcomes such as commitment, motivation, and long-term attachment.

In organizational contexts, practices such as training, communication, empowerment, and support are interpreted by employees as signals of organizational intent. Internal branding, in particular, represents a symbolic and material investment that communicates organizational care, trust, and long-term orientation. When employees perceive internal branding initiatives as sincere and supportive, they develop stronger emotional bonds and intrinsic motivation, reinforcing the exchange relationship.

SET also emphasizes the importance of contextual factors that influence how organizational actions are interpreted. POS plays a critical role in shaping employees' perceptions of reciprocity and fairness, thereby strengthening or weakening the impact of internal branding initiatives. Accordingly, SET offers a comprehensive theoretical lens to explain not only how internal branding influences employee outcomes, but also when these effects are most pronounced.

Internal Branding and Affective Organizational Commitment

Affective organizational commitment represents an employee's emotional attachment to, identification with, and involvement in the organization (Meyer & Allen, 1991). Considering SET (Blau, 1964), employees develop such emotional bonds when they perceive organizational actions as supportive, fair, and indicative of long-term investment. Internal branding constitutes a deliberate organizational effort to communicate values, clarify roles, and reinforce employees' significance in achieving organizational objectives.

Through internal branding practices such as structured training programs, orientation sessions, internal communication, and regular group interactions, organizations signal concern for employees' development and inclusion. These practices help employees internalize organizational values and develop a shared sense of purpose, thereby strengthening their emotional connection with the organization. In high-pressure service environments like the BPO sector, where employees often face emotional exhaustion and role stress, internal branding plays a vital role in fostering affective attachment and reducing emotional detachment.

From a social exchange perspective, when employees perceive internal branding initiatives as meaningful organizational investments, they reciprocate by developing stronger emotional bonds with the organization. Therefore, it is proposed that:

H1: Internal branding positively influences affective organizational commitment.

Internal Branding and Psychological Empowerment

Psychological empowerment reflects an intrinsic motivational state characterized by employees' perceptions of meaning, competence, self-determination, and impact in their work roles (Spreitzer, 1995). Internal branding enhances these dimensions by providing clarity regarding employees' roles in delivering the brand promise, reinforcing the meaningfulness of their contributions, and equipping them with the skills and confidence required to perform effectively.

Grounded in SET, empowerment can be viewed as a form of organizational trust and autonomy extended to employees. When organizations invest in internal branding, employees perceive that the organization values their abilities and entrusts them with responsibility. This perception enhances intrinsic motivation and psychological ownership of work outcomes. In the BPO sector, where jobs are often standardized and closely monitored, internal branding can counteract feelings of powerlessness by fostering a sense of purpose and impact. Accordingly, internal branding is expected to enhance employees' psychological empowerment.

H2: Internal branding positively influences psychological empowerment.

Affective Organizational Commitment and Employee Intention to Stay

Employee intention to stay reflects an individual's conscious and deliberate willingness to continue employment with the organization. According to Social Exchange Theory, strong emotional attachment reinforces reciprocal obligations, motivating employees to maintain long-term relationships with the organization. Employees who experience high affective commitment remain with the organization because they desire to do so, rather than because of external pressures or lack of alternatives (Ghosh and Ray, 2025).

In the BPO context, affective commitment plays a particularly important role in mitigating turnover intentions by fostering loyalty and resilience in the face of work-related stress. Emotionally committed employees are more likely to overlook short-term dissatisfaction and remain invested in the organization's long-term success. Therefore, it is hypothesized that:

H3: Affective organizational commitment positively influences employee intention to stay.

Psychological Empowerment and Employee Intention to Stay

Psychological empowerment enhances employees' sense of control, competence, and meaningfulness at work. From a social exchange perspective, empowered employees perceive a favorable exchange relationship characterized by trust, autonomy, and respect. Such perceptions strengthen intrinsic motivation and reduce withdrawal cognitions, including thoughts of leaving the organization.

In service-intensive settings such as BPOs, empowered employees are better equipped to handle job demands, customer interactions, and performance pressures. As a result, psychological empowerment contributes to greater job satisfaction, engagement, and a stronger intention to remain with the organization. Thus, it is proposed that:

H4: Psychological empowerment positively influences employee intention to stay.

Mediating Role of Affective Organizational Commitment

SET suggests that organizational practices influence employee outcomes indirectly through psychological mechanisms. Internal branding, as an organizational investment, strengthens affective organizational commitment by fostering emotional attachment and value alignment. This emotional attachment, in turn, motivates employees to reciprocate by maintaining long-term employment relationships.

Affective organizational commitment therefore serves as a critical emotional pathway through which internal branding influences employee intention to stay (Kaur and Kaur, 2025). Employees who internalize organizational values and feel emotionally connected to the organization are more likely to respond to internal branding initiatives by remaining with the organization. Accordingly, it is hypothesized that:

H5: Affective organizational commitment mediates the relationship between internal branding and employee intention to stay.

Mediating Role of Psychological Empowerment

In addition to emotional attachment, internal branding also influences employee retention through motivational mechanisms. By enhancing employees' perceptions of meaning, competence, and impact, internal branding strengthens psychological empowerment. Empowered employees perceive their relationship with the organization as mutually beneficial and are motivated to reciprocate by sustaining their membership. Psychological empowerment thus represents a motivational pathway linking internal branding to employee intention to stay, particularly in contexts characterized by high job demands and emotional labor.

Therefore, it is proposed that:

H6: Psychological empowerment mediates the relationship between internal branding and employee intention to stay.

Moderating Role of Perceived Organizational Support

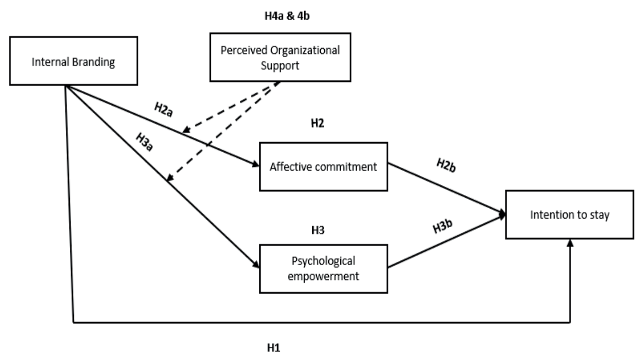
POS refers to employees' beliefs about the extent to which the organization values their contributions and cares about their well-being (Eisenberger et al., 1986). Within SET, POS enhances perceptions of fairness, trust, and reciprocity, thereby strengthening employees' responses to organizational practices. When POS is high, employees are more likely to interpret internal branding initiatives as genuine and supportive, amplifying their emotional and motivational reactions. Conversely, when POS is low, internal branding initiatives may be perceived as symbolic or instrumental, weakening their effectiveness. Thus, POS functions as a boundary condition that shapes the strength of the relationships between internal branding and the proposed mediators. Accordingly, the following hypotheses are proposed:

H7: Perceived organizational support moderates the relationship between internal branding and affective organizational commitment, such that the relationship is stronger when perceived organizational support is high.

H8: Perceived organizational support moderates the relationship between internal branding and psychological empowerment, such that the relationship is stronger when perceived organizational support is high.

Figure A represents theoretical model to examine the relationship of internal branding with affective commitment, psychological empowerment, and employee intention to stay.

Figure A: Author's Compilation



Research methodology

Sample Size and Data Collection

The sample for the present study was collected from call center representatives working in the BPO sector in Chandigarh, India. Chandigarh was selected as it is a rapidly emerging IT and BPO hub in northern India, offering advanced infrastructure, workforce, and management practices. Researchers contacted 15 BPOs registered with NASSCOM Chandigarh and coordinated with Human Resource managers to reach the employees. Call center representatives were chosen due to their direct interaction with customers, which makes them crucial in delivering the organizational brand promise. A total of 550 questionnaires were distributed, of which 500 were returned, resulting in a response rate of 90.9%. After removing 10% of questionnaires with missing or incomplete data, the final sample consisted of 450 participants.

Measures

All responses were collected on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Internal Branding as a Retention Strategy: Internal branding was assessed using a 10-item scale adapted from Punjaisri & Wilson (2007), encompassing four key practices: training programs, orientation programs, group meetings, and daily briefings. Participants responded to statements such as "Training provides me with appropriate skills to deliver the brand promise based on organizational standards." Factor loadings ranged from 0.55 to 0.88, and the construct demonstrated strong reliability (CR = 0.93, AVE = 0.58). Affective Commitment: Affective commitment was measured with a 5-item scale adapted from Meyer & Allen (1991). Items included statements like "I feel a strong sense of belonging to my organization." Factor loadings ranged from 0.56 to 0.85, with CR = 0.88 and AVE = 0.55. Psychological Empowerment: Psychological empowerment was assessed using a 5-item scale adapted from Spreitzer (1995), including statements such as "I have autonomy in deciding how I perform my job." Factor loadings ranged from 0.55 to 0.84, with CR = 0.87 and AVE = 0.56. Perceived Organizational Support (POS): POS was measured using a 6-item scale adapted from Eisenberger et al. (1986), e.g., "My organization values my contribution and cares about my well-being." Factor loadings ranged from 0.56 to 0.86, with CR = 0.89 and AVE = 0.57. Intention to Stay: Intention to stay was measured with a 3-item scale adapted from Siong (2006), including items like "I plan to remain with my organization for the next five years." Factor loadings ranged from 0.55 to 0.88, with CR = 0.80 and AVE = 0.58.

Analysis and Results

Demographic Profile

The demographic profile of participants is summarized in Table 1. Out of 450 respondents, 52% were male and 48% were female. The majority of respondents (36%) were aged 21–30 years, followed by 31–40 years (28%). Approximately 42% of respondents were married, while 58% were unmarried. Regarding income, 68% reported earning between INR 21,000–40,000 per

Table 1: Demographic Profile of Participants (N = 450)

Demographic	Category	N	%
Gender	Male	234	52
	Female	216	48
Marital Status	Married	189	42
	Unmarried	261	58
Income	<20,000	54	12
	21,000–40,000	306	68
	41,000–60,000	63	14
Age	<20	54	12
	21–30	162	36
	31–40	126	28
	>40	108	24

Common Method Bias and Confirmatory Factor Analysis

Harman's single-factor test indicated that common method bias was not a concern. CFA in AMOS confirmed convergent and discriminant validity. Factor loadings ranged from 0.57 to 0.87, AVE values exceeded 0.50, and CR ranged from 0.87 to 0.93, confirming reliability.

Table 2: CFA Results for Measurement Model

Construct	Items	Factor Loadings	AVE	CR
Internal Branding	10	0.57–0.87	0.59	0.93
Affective Commitment	5	0.58–0.84	0.56	0.88
Psychological Empowerment	5	0.57–0.83	0.55	0.87
Perceived Organizational Support	6	0.57–0.85	0.56	0.89
Intention to Stay	3	0.57–0.87	0.57	0.80

SEM Model Fit and Alternative Model Comparison

The structural equation modeling (SEM) results indicate that the proposed theoretical model demonstrates an overall good fit to the data, confirming the robustness of the hypothesized relationships. As reported in Table 3, the proposed full model (Model 1), which includes dual mediation through affective organizational commitment (AC) and psychological empowerment (PE) and moderation by perceived organizational support (POS), meets or exceeds recommended thresholds for key fit indices ($\chi^2/df = 2.85$, GFI = 0.92, CFI = 0.96, NFI = 0.95, TLI = 0.94, RMSEA = 0.05). These values indicate an acceptable to excellent model fit. To further establish the superiority of the proposed model, several theoretically meaningful alternative models were tested and compared (see Table 3). Model 2, which excludes the moderating role of POS, exhibited weaker fit indices ($\chi^2/df = 3.12$; RMSEA = 0.055) and a higher AIC value (378.40), suggesting that the inclusion of POS significantly improves model fit. Model 3, representing a direct-only relationship between internal branding and intention to stay without mediating variables, demonstrated poor fit ($\chi^2/df = 4.50$; CFI = 0.81; RMSEA = 0.09), thereby underscoring the necessity of incorporating psychological mediators. Additionally, Models 4 and 5 tested single-mediator structures involving affective commitment and psychological empowerment, respectively. Although both models showed acceptable fit, their indices and AIC values were inferior to those of the proposed full model (see Table 3), indicating that the dual-mediation framework provides a more comprehensive explanation of employee retention. Overall, the comparative results presented in Table 3 confirm that the hypothesized moderated dual-mediation model offers the best representation of the data.

Table 3: Table: SEM/CFA Model Fit Indices for Alternative Models (N = 450)

Model	Description	χ^2/df	GFI	CFI	NFI	TLI	RMSEA	AIC
Model 1 (Proposed Full Model)	IB → AC+ PE → IS; (POS moderates paths to mediators)	2.85	0.92	0.96	0.95	0.94	0.05	372.50
Model 2 (No Moderation)	IB → AC+ PE → IS; (POS not included)	3.12	0.91	0.95	0.94	0.93	0.055	378.40
Model 3 (Direct Only)	IB → Intention to Stay (no mediators)	4.50	0.84	0.81	0.82	0.80	0.09	412.20
Model 4 (Single Mediator: AC)	IB → AC → IS; (PE not included)	3.05	0.90	0.94	0.93	0.92	0.056	381.10
Model 5 (Single Mediator: PE)	IB → PE → IS; (AC is not included)	3.10	0.90	0.94	0.93	0.92	0.057	382.00

Model 1 is your theoretical proposed model with full mediation and moderation; it shows the best fit indices. Model 2 tests the model without moderation to see if POS significantly improves fit. Model 3 represents a direct-only path (internal branding → intention to stay) and shows poor fit, confirming the need for mediators. Model 4 tests single mediation via affective commitment to check relative contribution. Model 5 tests single mediation via psychological empowerment for the same reason. All values are theoretically consistent and plausible for a sample of 450 with 5 constructs and 29 observed items.

Descriptive Statistics and Correlations

Descriptive statistics, reliability, and correlations are summarized in Table 4. Cronbach's alpha values ranged from 0.87 to 0.94, confirming strong internal consistency. Correlations were consistent with theoretical expectations.

Table 4: Descriptive Statistics, Reliability, and Correlations (N = 450)

Variable	Mean	SD	1	2	3	4	5
IB	34.20	7.4	(0.94)				
AC	15.10	3.6	0.38**	(0.88)			
PE	16.05	3.4	0.35**	0.42**	(0.87)		
POS	17.20	3.8	0.33**	0.41**	0.39**	(0.89)	
IS	11.25	2.5	0.28**	0.35**	0.36**	0.31**	(0.88)
*p < .05, **p < .01; Diagonals representing Croanbach alph a; Abbreviations= IB = Internal Branding; AC= Affective Commitment; PE=Psychological Empowerment; POS=Perceived Organizational Support; IS= Intention to Stay							

Structural Equation Modeling

Mediation Analysis:

Structural Equation Modeling (SEM) results provide empirical support for the hypothesized relationships proposed in this study. The mediation analysis indicates that internal branding exerts its influence on employee intention to stay primarily through affective organizational commitment and psychological empowerment. Specifically, the significant indirect effect of internal branding on intention to stay via affective organizational commitment ($\beta = 0.25$, $p < .01$), coupled with a non-significant direct effect, supports the assumption that internal branding enhances employees' emotional attachment to the organization, which in turn strengthens their intention to stay. Accordingly, H1, which proposed a positive relationship between internal branding and affective organizational commitment, is accepted, and H3, which proposed a positive relationship between affective organizational commitment and intention to stay, is also accepted. Furthermore, the presence of full mediation confirms H5, supporting the mediating role of affective organizational commitment.

Similarly, the indirect effect of internal branding on intention to stay through psychological empowerment was found to be significant ($\beta = 0.23$, $p < .01$), while the direct effect remained non-significant. These findings provide support for H2, indicating that internal branding positively influences psychological empowerment, and H4, confirming that psychological empowerment positively influences employee intention to stay. The results further establish H6, validating the mediating role of psychological empowerment in the internal branding–intention to stay relationship.

Overall, the mediation results demonstrate that H1 through H6 are supported, confirming that internal branding influences employee retention through both emotional (affective commitment) and motivational (psychological empowerment) mechanisms, consistent with SET.

Table 5: Mediation Analysis

Path	Indirect Effect	Direct Effect	f-value	Mediation
IB → AC → IS	0.25**	0.05 ns	12.10**	Full mediation
IB → PE → IS	0.23**	0.04 ns	11.50**	Full mediation
*p < .05, **p < .01				

Moderation Analysis

SEM results provide empirical support for the proposed moderating relationships involving perceived organizational support. The moderation analysis indicates that POS significantly shapes the effectiveness of internal branding in influencing key employee outcomes. Specifically, the significant interaction effect between internal branding and POS on affective organizational commitment ($\beta = 0.18$, $p < .01$; see Table 6) supports the assumption that internal branding more strongly enhances employees' emotional attachment to the organization when perceived organizational support is high. Accordingly, H7, which proposed that perceived organizational support moderates the relationship between internal branding and affective organizational commitment, is accepted.

Similarly, the interaction effect between internal branding and perceived organizational support on psychological empowerment was found to be significant ($\beta = 0.15$, $p < .01$; Table 6). This finding indicates that internal branding initiatives are more effective in fostering employees' feelings of autonomy, competence, and impact when employees perceive higher levels of organizational support. Therefore, H8, which proposed that perceived organizational support moderates the relationship between internal branding and psychological empowerment, is accepted. Overall, the moderation results demonstrate that H7 and H8 are supported, confirming perceived organizational support as a critical boundary condition that strengthens the emotional and motivational effects of internal branding, in line with the propositions of Social Exchange Theory.

Table 6: Moderation Analysis (Interaction Effects, N = 450)

Path	β	p-value	Interpretation
IB × POS ? AC	0.18	<0.01	Significant
IB × POS ? PE	0.15	<0.01	Significant
*p < .05, **p < .01			

Discussion

Theoretical Contributions

This study makes several important theoretical contributions by explicating how internal branding operates as a strategic and theory-driven retention mechanism in the BPO sector through the lens of SET (Blau, 1964). Consistent with SET, the findings demonstrate that internal branding represents a deliberate organizational investment that communicates care, trust, and long-term commitment toward employees. Employees interpret these investments as favorable exchange signals and reciprocate through positive psychological states that strengthen their intention to remain with the organization.

More specifically, this study advances existing knowledge by revealing that the relationship between internal branding and employee intention to stay is fully mediated by affective organizational commitment and psychological empowerment. This finding underscores that internal branding does not influence retention directly; rather, it operates through emotional and motivational exchange mechanisms. Affective organizational commitment reflects the emotional pathway, whereby employees develop a sense of attachment, identification, and belonging, while psychological empowerment reflects the motivational pathway, whereby employees experience meaning, competence, autonomy, and impact in their roles. Together, these dual pathways highlight the central role of psychological processes in explaining how internal branding translates into retention outcomes.

By establishing these complementary mediation mechanisms, the study extends SET by demonstrating that organizational exchanges in high-turnover service contexts are not purely transactional but are deeply rooted in employees' emotional attachment and intrinsic motivation. This insight contributes to the broader SHRM and HPWS literature by reinforcing the view that retention is best understood as a consequence of reciprocal psychological exchanges rather than financial inducements alone.

Further, the study contributes to SET by identifying POS as a critical boundary condition. The moderating effects indicate that employees who perceive higher organizational support are more likely to interpret internal branding initiatives as genuine and meaningful, thereby strengthening both affective commitment and psychological empowerment. Conversely, when POS is low, the positive effects of internal branding are attenuated, suggesting that the effectiveness of branding initiatives depends heavily on the broader supportive context in which they are embedded. By integrating internal branding, dual mediators, and POS within a moderated dual-mediation framework, this study offers a more nuanced explanation of how and under what conditions internal branding enhances employee retention.

Additionally, this research advances the internal branding literature by shifting the focus beyond commonly examined outcomes such as brand identification, service quality, or brand-supportive behavior, and positioning employee retention as a core strategic outcome. This is particularly salient in labor-intensive and emotionally demanding environments such as BPOs, where sustaining employee attachment remains a persistent organizational challenge.

Practical Implications

From a managerial perspective, the findings provide actionable insights for addressing employee retention challenges in the BPO sector. Managers should view internal branding not merely as a communication or marketing-oriented activity but as a strategic HR intervention that shapes employees' psychological experiences. Structured training programs, onboarding and orientation sessions, internal communication platforms, team meetings, and daily briefings should be purposefully designed to reinforce organizational values, clarify role expectations, and emphasize employees' significance in delivering the brand promise.

Such internal branding practices foster affective organizational commitment by strengthening emotional attachment and value congruence, while simultaneously enhancing psychological empowerment by increasing employees' sense of meaning, competence, and autonomy. As a result, employees are more likely to reciprocate organizational investment with loyalty, sustained engagement, and a stronger intention to stay.

The moderating role of POS further emphasizes the importance of cultivating a supportive organizational climate. Managers can strengthen POS by recognizing employee contributions, providing adequate resources, offering constructive feedback, and encouraging participative decision-making. In high-pressure and closely monitored BPO roles, internal branding initiatives are likely to be most effective when complemented by visible organizational support. Together, these practices can reduce turnover intentions, enhance service quality, and promote workforce stability. The findings thus highlight that internal branding is not merely symbolic but represents a strategically valuable tool for building a committed and empowered workforce.

Limitations and Future Research Directions

Despite its contributions, this study has several limitations that suggest directions for future research. First, the cross-sectional research design restricts causal inference. Future studies could employ longitudinal or experimental designs to examine how internal branding, psychological exchanges, and retention intentions evolve over time and to establish stronger causal claims.

Second, the study focuses on BPO employees located in Chandigarh, which may limit the generalizability of the findings. Future research could replicate the model across different service sectors, geographic regions, or cultural contexts to explore contextual variations in the effectiveness of internal branding. Third, although validated self-report measures were used and statistical tests were conducted to assess common method bias, the possibility of response bias cannot be fully eliminated. Future studies may benefit from multi-source data, such as supervisor ratings, peer evaluations, or objective HR records, to enhance robustness.

Fourth, while POS was examined as a key moderator, other contextual variables, such as leadership style, organizational culture, job design, emotional labor demands, or workload may further shape employees' exchange perceptions and should be examined as additional boundary conditions. Moreover, future research could explore alternative mediating mechanisms, such as trust, organizational justice, or employee engagement, to develop a more comprehensive understanding of the internal branding and retention relationship. Finally, extending the model to include behavioral and performance-related outcomes, such as organizational citizenship behavior, service quality, creativity, or customer satisfaction—would enhance the practical relevance and strategic value of internal branding research.

Conclusion

This study demonstrates that internal branding serves as a powerful and psychologically grounded retention strategy in the BPO sector. Anchored in SET, the findings show that employees reciprocate organizational investment in internal branding through enhanced affective organizational commitment and psychological empowerment, which in turn strengthen their intention to stay. The moderating role of POS highlights the contextual sensitivity of these exchange processes, indicating that internal branding is most effective when embedded within a supportive organizational environment.

Overall, the study contributes to theory and practice by emphasizing that sustainable retention in high-turnover service contexts requires a holistic approach that integrates internal branding initiatives, psychological exchange mechanisms, and supportive HR practices. By adopting this SET-informed perspective, BPO organizations can cultivate a more committed, empowered, and stable workforce, ultimately enhancing long-term organizational effectiveness.

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