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Employer Branding and Employee Performance at PT KAI: The Role of Employee Retention as a Mediator

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Abstract. Today job seekers tend to choose a popular company over a lesser known one, although it may be the potential to accept the company more difficult compared to the company that has a reputation under it. Therefore, it is important for the company's Human Resources (HR) team to do employer branding. Employer branding can be a good image, positive values of the company, a comfortable and professional work culture, and so on. For employees, employer branding is also an important aspect of employee retention, as it has a stronger ignation employee loyalty than non-emotional factors. This study aims to explain: 1) the impact of employer branding on employee retention and employee formance; 2) the impact of employee retention on employee performance; 3) the impact of employer branding on employee performance through employee retention as a mediator. The research sample of front liner employees of PT Kereta Api Indonesia (KAI) (Persero) DAOP VII Madiun has as many as 110 people. Sampling techniques using proportional random sampling. This study uses descriptive analysis and inferential analysis (path analysis and t-test) with SPSS and Sobel test. The results of the influence test directly show that: employer branding has an impact on a significant increase in employee retention and employee performance; employee retention has an impact on increasing employee performance significantly. The results of testing the role of mediators with path analysis and Sobel tests showed that the direct impact of employer branding on employee retention after being controlled by employee retention as a mediator became insignificant; and the results of mediator testing show that employee retention acts 16s a full mediator for the impact of employer branding on employee performance. Based on the results of the study, it was concluded that: 1) the company can maintain employee retention in order to remain high can be done by strengthening aspects of employer branding that include interest value, social value, economic value, development value, application value; 2) companies can improve employee performance can be done by improving employee retention through career opportunities, awards, as well as employee relationships.

Keywords: Employer branding, social value, economic value, employee retention, employee performance.

Employer Branding dan Kinerja Karyawan di PT KAI: Peran Retensi Karyawan sebagai Mediator

Abstrak. Dewasa ini para pencari kerja cenderung memilih perusahaan yang populer daripada yang kurang dikenal. Meskipun mungkin potensi untuk diterima perusahaan tersebut lebih sulit dibandingkan dengan perusahaan yang memiliki reputasi di bawahnya. Oleh karena itu, penting bagi tim Human Resources (HR) perusahaan untuk melakukan employer branding. Bentuk employer branding dapat berupa citra yang baik, nilai positif perusahaan, budaya kerja yang nyaman dan profesional, dan sebagainya. Bagi karyawan, employer branding juga menjadi salah satu aspek penting dalam employee retention, karena memiliki dampak lebih kuat pada loyalitas karyawan daripada faktor non emosional. Penelitian ini bertujuan untuk menjelaskan: 1) dampak employer branding terhadap employee retention dan employee performance; 2) dampak employee retention terhadap employee performance; 3) dampak employer branding pada employee performance melalui employee retention sebagai mediasi. Sampel penelitian karyawan front liner PT Kereta Api Indonesia (Persero) DAOP VII Madiun sebanyak 110 orang. Teknik pengambilan sampel menggunakan propotional random sampling. Studi ini menggunakan analisis deskriptif dan analisis inferensial (analisis jalur dan ttest) dengan SPSS dan Sobel test. Hasil pengujian pengaruh secara langsung menunjukkan bahwa: 1) employer branding berdampak pada peningkatan employee retention dan employee performance secara signifikan; 2) employee retention berdampak pada peningkatan employee performance secara signifikan. Hasil pengujian peran mediator dengan analisis jalur dan Sobel test menunjukkan bahwa dampak langsung employer branding pada employee retention setelah dikontrol employee retention sebagai mediator menjadi tidak signifikan; dan hasil pengujian mediator menunjukkan employee retention berperan sebagai full mediator atas dampak employer branding terhadap employee performance. Berdasarkan hasil penelitian, disimpulkan bahwa: 1) perusahaan dapat menjaga employee retention agar tetap tinggi dapat dilakukan dengan memperkuat aspek employer branding yang meliputi include interest value, social value, economic value, development value, application value; 2) perusahaan daat meningkatkan employee performance dapat dilakukan dengan meningkatkan employee retention melalui peluang karir, penghargaan, serta hubungan kekaryawan.

Katakunci: Employer branding, social value, economic value, employee retention, employee performance.

Introduction

In a competitive environment, stretching skilled employees is very difficult (Shakeel, 2015), so employee retention has been one of the dominant themes in management studies over the past decade (Vasantham, 2016). Employee retention plays an important role in an organization because it affects employee performance (Swaroopa & Sudhir, 2019). Employee retention is important for building a productive, healthy, and committed

workforce. Retention practices help save costs related to poor hiring, business productivity, or customer service.

The purpose of the employee retention strategy is to increase awareness, tools, and information available to employers to assist employers in employee retention (Vasantham, 2016). The purpose of employee retention is to retain employees who are considered qualified owned by the company for as long as possible because qualified employees are intangible assets, which are invaluable to the company (Sumarni, 2020).

Companies need to implement three aspects of employee retention to maintain employee satisfaction and high employee performance (Balaji & Kumar, 2017): respect, recognition, dan rewards. Respect is an award, special respect, or special consideration given to people; as shown by the pyramid, respect is the foundation for looking after employees, while recognition and rewards will have little effect if the company does not respect employees. Through the implementation of retention programs, the company's efforts can encourage employees to further strive to provide the best for the company by trying to show its best performance.

An important aspect in growing employee retention is employer branding (Kristianto & Handoyo, 2020). Several large companies have initiated employer branding in Indonesia to obtain the required organizational asset (Purusottama and Ardianto, 2019). A good company's reputation is seen from the company's commitment in paying attention and managing its employees. It also includes the company's employer branding. Therefore, employer branding becomes a large capital of the company in attracting talented

employees. Because, only employees who have above average abilities and innovative thinking will be more courageous to choose a company with a good reputation. That is why companies should strive to have good employer branding, because with good employer branding, the ability and performance assessment of good employees will filter by itself, because only people who have high confidence try to enter a company that has a good reputation.

The success of the company's growth and sustainability, will depend on the development of new resources just like exploiting the resources owned by the company (Wernerflet, 1984). It also occurs in changes in external conditions. Employer branding is one of the company's strategies in forming a competitive advantage, so that it becomes an attraction for internal users (human resources) and external users.

Employer branding is very important because it is difficult to build an image in the minds of potential employees and market the organization as a 'great place to work' (Uppal, Wadhwa, & Vashisht, 2017). Employer branding strategy is oriented externally and internally, as the company's image and as a promotion for employees both inside and outside the company (Aldousari, Robertson, Yajid, & Ahmed, 2017).

Effective employer branding organizations lead to a competitive advantage to help employees internalize company values and help employee retention (Dell & Ainspan, 2001 in Sokro, 2012). Employer branding improves morale and employee satisfaction, which in turn increases retention (Allen, Bryant, & Vardaman, 2010). Employer branding also has an impact on employee performance. The results of this study support previous

empirical studies (Ha Nguyen, Vinh Luan & Thanh Koa, 2021; Bussin & Mouton, 2019) which shows that the strength of an organization's brand has a significant impact on the performance of its employees. Employer branding can also improve employee performance indirectly through employee retention.

The rapid development of types of transportation other than railways, was initially considered quite effective and efficient in the quality and quantity of local and interlocal services and transportation. However, over time this development has a negative influence on the surrounding environment, especially in Indonesia. The level of congestion on the streets of major cities in Indonesia is increasing sharply every year, as is the case on the streets of Jakarta and Surabaya. Environmental issues such as the problem of global warming have also begun to arise related to the exhaust emissions of motor vehicles such as cars and motorcycles. In addition, the issue of the energy crisis, especially fuel oil (BBM) began to be heard frequently in the community, related to the waste of fuel in the vehicle engine. Therefore, the solution that can solve this problem, one of which is by revitalizing and restoring the performance of railways in Indonesia.

The image of a train in Indonesia 15 years ago was identic with broken, dirty carriages, torn seats, dirty toilets, crowded with passengers, hawkers, pickpockets and beggars; and the arrival of trains is usually often late. However, the mode of transportation that is much loved by the public in general, continues to improve to build employer branding as an effort by the management of PT Kereta Api Indonesia (KAI) (Persero) to build a reputation and a positive image in the eyes of stakeholders. Improving the quality of good services and facilities that increasingly follow the demands of civilization accompanied

by improving the quality of human resources, as well as employee retention programs need to be carried out by PT KAI so that people can trust more and choose to use rail transportation services.

In line with the theory of dynamic capabilities (DC), PT KAI continues to improve itself, in order to have a competitive advantage in the midst of competition for other modes of transportation. PT KAI is listed as the most aggressive and innovative state-owned enterprise (BUMN) in corporate revamping. This is evident from various fundamental improvements in financial performance, management, awards and especially service to rail service customers. This is evident from the performance of PT KAI which received the award as the best Marketing Performance in the category of Corporate Marketing BUMN Sector Service, Transportation, Logistics and Energy in the 2018 BUMN Branding & Marketing Award. In addition, PT KAI is committed to carrying out a complete transformation with 5 Main Values (Integrity, Professional, Safety, Innovation and Excellent Service). PT KAI is engaged in transportation and other support as well as being a driver of the Indonesian economy and has more than 70 years of experience in the field of Transportation. Accompanying the success, PT KAI not only focuses on operational development, but continues to improve the company's competitiveness through continuous development of human resources quality.

Employer branding program that has been carried out by PT KAI in the era of Ignatius Jonan leadership for example: 1) Identity change or rebranding means changes to the name, logo, slogan of the company; 2) changes in Self Check In technology and KAI access applications; 3) changes in services and facilities, etc. With employer branding

that has been done by PT KAI, of course, it has an impact on the loyalty of employee and improved employee performance in their respective task roles. This is shown in the performance of PT KAI Daop 7 Madiun recorded zero train accidents in the operational performance of travel safety during the period of January 1 to December 31, 2020 (Pratama, 2021).

The purpose of the research by taking the object of the employee's front liner P.T. Kereta

Api Indonesia (Persero) DAOP VII Madiun are: 1) analyze the positive impact of

employer branding on employee retention and employee performance; 2) analyze the

positive impact of employee retention on employee performance; 3) test the indirect

impact of employer branding on employee performance with employee retention as

mediator.

Dynamic Capabilities Theory

The concept of dynamic capabilities was originally developed based on the concept of Resource-Based View (RBV) (Eisenhardt & Martin, 2000). According to Teece et al. (1997) RBV has not adequately explained why and how a company can have a competitive advantage when facing situations of rapid and unexpected changes, which require companies to develop dynamic capabilities, so that company managers strive to integrate, build, and reconfigure their internal and external competencies to deal with the changing environment of their organization.

Resource-Based View (R-BV) Theory

The level of industry competition is getting higher and higher, encouraging each company to strive to have better competitiveness than other companies. Competitive advantage is a concept that is believed to help companies to win the competition. On the concept of R-BV theory it is stated that the enterprise as a collection of resources and capabilities (Wernerflet, 1984) so that companies use their resources and capabilities as a competitive advantage. Resources and the company's capabilities can be seen as a bundle of tangible and intangible assets, including the company's management skills, processes and routines in the company, as well as information and knowledge that the company can control (Barney et al., 2001).

The success of the company's growth and sustainability, will depend on the development of new resources just like exploiting the resources owned by the company (Wernerflet, 1984). It also occurs in changes in external conditions. Employer branding is one of the company's strategies in forming a competitive advantage, so that it becomes an attraction for internal users (human resources) and external users. The core principle of R-BV is resources and capabilities that are simultaneously valuable, rare, inimitable, and non-substitutable are the source of competitive advantage. RB-V also pays attention to organizational learning, knowledge accumulation, development capabilities, and the process of changing associations.

Dynamic Capability Theory

Dynamic capability theory (DCT) focuses on the capacity of organizations facing rapidly changing environments to create new resources, to update or transform the organization's resource mix (Bowman & Ambrosini, 2003). DC theory is often positioned as an extension of the R-BV theory, which proposes that every organization has a profile of tangible and intangible resources and capabilities that all form variations in the position of organizational excellence and organizational performance.

18 Social Exchange Theory

The social exchange theory is developed by Homans in 1958 (Redmond, 2015). Social exchange theory (SET) emphasized on the social interactions between people, involving cost and rewards. Digging deeply into the definitions of the components of the social exchange theory, including: Cost and Reward (Homans, 1958). The basic assumption of this theory is that everyone voluntarily enters and settles into a social relationship as long as the relationship is quite satisfactory when viewed in terms of rewards and costs.

The application of the SET in the organizational environment can be done as an effort to retain employees and foster interactive and humanistic work culture (Alnajim, 2021). For example, there are coaching and counselling sessions, support for relationship development, and recognition programs.

Employer Branding

Employer branding is a set of attributes and qualities that are often intangible, that create a distinctive organization, promise a certain type of work experience, and appeal to people who will develop and perform as well as possible in their culture (CIPD 2008, in Sokro, 2012). Employer branding is an activity in which the principles of marketing in particular the "science of branding", are applied to human resource activities related to current and potential employees (Biswas, 2012).

Employer branding of each organization has two external and internal dimensions (John & Raj, 2020); internal employer branding aims to serve the organization's employees, focus on building a friendly work culture, creating employee growth and development within the organization, while external employer branding emphasizes on fostering the company's image in a way that increases market awareness of the brand, attracts candidates, and highlights the benefits when employed by the company.

Employer branding includes all kinds of corporate activities to attract, engage to restrain (attraction, engagement and retention) aimed at strengthening the company's brand in the eyes of stakeholders. Employer branding is an important factor for an organization's success and has attracted significant attention in recent years, used to attract prospective temporary employees and employees within an organization (Gilani & Cunningham, 2017).

Employer branding can be seen from the aspect of employer attractiveness (Gaddam, 2008; in Gilani & Cunningham, 2017). Employer attractiveness is an advantage that potential employees dream of working for a particular company (Berthon, Ewing & Hah,

2005) measured by using five dimensions, namely interest value, social value, economic value, development value, and application value (Sivertzen, Nilsen, & Olafsen, 2013).

Interest value is a company is an attractive workplace, innovative, utilization of expertise and creativity by the company so as to produce high quality and innovative products and services; social value is related to a comfortable work environment, good relationships between employees and mutual support, so that the work environment makes employees happy; economic value relates to promotional opportunities available in the company, job security, earned work experience, above-average base salary, as well as attractive compensation packages; development value is related to the recognition of management, a good company for the future, feel better when part of the organization, feel yourself to be more confident when becoming part of the organization, as well as gaining new experience in career; application value relates to humanist aspects, namely the company's contribution to environmental concern, the opportunity to apply competencies or that have been learned by employees in the company, the opportunity to teach others what has been learned, the sense of acceptance and belonging, and the company oriented to customers.

Employee Retention

Each organization is trying to retain its best employees. Employee retention involves encouraging employees to remain in the organization for the maximum period (Griffeth & Hom 2001 in Shelar & Buch, 2020). Top management and human resources (HR) departments need to increase attention, financial resources, and efforts to figure out how

to retain their employees and gain a competitive edge in order for the company to exist and grow. Companies that adopt and implement various aspects of employee retention practices ensure improved performance (Njoroge, 2019).

Determining factors of employee retention include aspects of organizational components, career opportunities in the organization, awards, design of tasks and occupations, and employee relationships (Mathis dan Jackson, 2006:128). Effective employee retention is an employer's effort to create and foster an environment that encourages today's employees to keep working by having policies and practices to meet the diverse needs of employees (Balaji & Kumar, 2017).

Employee Performance

Employee performance is how employees perform their tasks, measured by comparing task performance with job requirements, including actual performance such as leadership, time management, employee productivity (Betaubun, Werang & Rahail, 2015). Employee performance is seen in the form of outcomes. The measures considered in performance measurement include 1) which is the ratio of output per unit of input; 2) efficiency is defined as useful work done using minimal resources; 3) effectiveness is producing results, and 4) qualities is defined as the degree of excellence of something.

Hypothesis Development

In a competitive environment, retaining skilled employees is very difficult. Top management & HR departments need to spend time, financial resources, and great effort to figure out how to maintain them their employees and gain a competitive advantage, and one of the organization's strategies in retaining employees is employer branding.

Employer branding is influenced by the job environment, employer reputation, employee perceptions, interest value, social value, development value, and people's suitability to the organization (Paul & Raj, 2017). Values to build an employer brand include development value, social value, diversity value, economic value, and reputation value (Uppal et al., 2017) and should be an integrated process in an organization (Gilani & Cunningham, 2017), resulting in positive behaviour that contribute to employee retention (Kristianto & Handoyo, 2020; Paul & Raj, 2017; Rukmani, 2012; Sokro, 2012).

Employer branding is a strategy in HR that refers to the concept with R-BV and DCT namely as one of the company's efforts to build competitive advantages by increasing the organization's ability to integrate, build, and configure internal and external competencies to face rapid environmental changes (Teece et al., 1997). Researchers argue that the organization has developed programs to retain valuable employees and consider them a strategic asset (Raj & Rao, 2017). Under the same conditions, organizations that are building employer branding also need to have a pool of talented employees (Matongolo et al., 2018).

The result is a positive impact on the positive behavior of employees as an internal resource of the organization, for example an increasing level of employee retention.

Referring to the study of the theory and previous empirical studies, the first hypothesis (H1) is formulated as follows:

H1: The stronger the employer branding, the higher the employee retention.

From the SET perspective, employee retention can be created by the development offered by the employer, which facilitates mutual benefit (Xuecheng et al., 2022). Employee retention can have a positive impact on employee performance (Swaroopa & Sudhir, 2019). Employee-intensive practices can improve employee performance (Chebet, 2019. The findings of the Kingi et al. (2019) show that retention programs such as training and development, employee reward systems, and employee work environments have a significant positive effect on employee performance. Likewise, the results of the study of Sutanto & Kurniawan (2016) showed that retention directly affects employee performance.

Referring to the theoretical and empirical studies, the second hypothesis (H2) is formulated as follows:

H2: The higher the employee retention, the higher the employee performance.

In line with SET, some empirical studies show that that employer attractiveness was associated with significant positives with employee performance (Ha Nguyen, Vinh Luan & Thanh Koa, 2021; Bussin & Mouton, 2019). Employer branding as a company strategy provides more value, such as a pleasant work environment, positive and competitive behavior, teamwork, a good reward system, good corporate governance, encouraging a creative and innovative culture, strong leadership, and a culture of sufficient learning and

training. Therefore, employees feel proud in carrying out their job duties so as to create employee awareness to improve better performance for the company. Employer brand will increase loyalty (retention) to employers, which will directly affect production efficiency by identifying employees to employers (Wong, 2015).

Supporting some earlier empirical studies, the third hypothesis (H3) is formulated as follows:

H3: The stronger the employer branding, the higher the employee performance.

Employer branding describes the image in which employers respond positively to employee contributions so that employees are willing to work longer in the workplace because employees see the company as a good place to work. The company's practice in the retention of talent or potential employees can be explained from the SET. Employer branding improves employee morale and satisfaction, which in turn increases retention (Allen et al., 2010). Employer branding helps to improve organisational performance within the context of HR in areas such as recruitment, retention, and engagement, by allowing them to differentiate themselves from competitors (Chhabra & Sharma, 2014).

This is particularly relevant to the concept of reciprocity theory, that is, rewards as well as related obligations imply that when a company provides staff development as employer branding, the assumption is that existing talented employees will be required to be in the company. Meanwhile, other empirical studies (Syahreza et al., 2017) showed a positive influence of employee retention on employee performance.

Supporting the study of the theory and empirical studies, the fourth hypothesis (H4) is formulated as follows:

H4: Employer branding has an impact on employee performance with employee retention as a mediator.

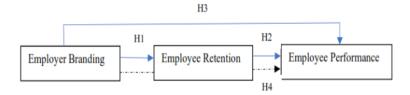


Figure 1. Research Model

Research Methodology

The research approach used is a quantitative and associative approach with the survey method and using questionnaires as a data collection tool. The population in this study was front liner employees (conductors, customer service, counter officers, and broadcasters) of PT KAI DAOP VII Madiun, totaling 153 people, sampling with probability sampling techniques with proportional random sampling techniques. The number of samples is set on the basis of the Slovin formula, which is 110 front liner employees.

$$n = \frac{N}{1 + N. e^2}$$

Information:

n: number of samples

N: total population

e: degree of accuracy or desired critical value (note: critical value 5%)

$$n = \frac{153}{(1+153\times0,05^2)} = \frac{153}{1+153\times0.0025}$$

$$n = \frac{153}{1+0,382}$$

$$n = \frac{153}{1.382}$$

$$n = 110 \text{ (rounding)}$$

Operational definitions and dimensions of the measurement of research variables using the Likert scale (1-5), summarized as follows:

- Employer branding is a condition where employees feel the benefits because they are employed and needed by the company where the current employees are. Dimensions used for the basis of employer branding measurement include development value, social value, interest value, application value, and economic value (Sivertzen, Nilsen, & Olafsen, 2013) developed into 25 measurement items.
- 2) Employee retention is an employee's assessment of management's efforts in maintaining employees working in the company in the long term. Employee retention measurement uses 25 measurement items developed from organizational component dimensions, career opportunities, awards, job design and tasks, and employment relationships (Mathis & Jackson, 2006:128)
- 3) Employee performance is the result of work displayed by an employee for the role of work performed. Dimensions of employee performance measurement include the quantity of work, quality of work, and timeliness (Robbins, 2005) developed into 23 measurement items.

Data analysis includes descriptive analysis, data quality test, which includes validity test and reliability test, classic assumption test, and regression and t-test analysis.

Mediating variable influence testing is conducted with two steps, namely (1) estimating the direct influence of independent variables on dependent variables (coef. c), the coefficient of the path must be significant and (2) simultaneously estimating the indirect influence, the coefficient of independent variable influence path to the mediation variable (coef. a) and the influence of the mediation variable on the dependent variable (coef. b) shall be significant. Conclusion on the effect of mediation, i.e. (1) if the coefficient of line c" (the influence of independent variables on dependents from the estimated results of the second step) remains significant and unchanged (c"=c), then there is no mediation effect, (2) If the coefficient of line c" is down in value (c"<c) but remains significant then the form of mediation is partial mediation, 3) If the coefficient of line c" the value drops (c"<c) becomes insignificant then the form of mediation is full mediation (Baron & Kenny, 1986).

Results and Discussion

Based on the data analysis, in Table 1, the following is presented a description of the research variables.

Table 1. Description of Research Variables

Variable	Mean	Description
1. Employer Branding	4.27	Very High
Development value	4.19	High
Social value	4.45	Very High
Interest value	4.30	Very High
Application value	4.12	High
Economic value	4.30	Very High
2. Employee Retention	4.21	Very High
Organizational Components	4.25	Very High
Career opportunities	4.07	High
Award	4.25	Very High
Design and work tasks	4.22	Very High
Working relationships	4.28	Very High
3. Employee Performance	4.34	Very High
Quantity of work	4.26	Very High
Quality of work	4.41	Very High
Timeliness of work	4.34	Very High

(Source: Author's calculations, 2021)

In Table 1, it is shown that employer branding and the company's efforts in stretching employees get excellent responses; this is seen from the average value of these two variables is very high (4.27) for employer branding and 4.21 for employee retention. The highest value in employer branding lies in the social value dimension (4.45), which is a

measurement of the aspect of employer branding seen from the comfort of the work environment, harmonious relationships between employees, and the level of mutual support among co-workers so that the work environment makes employees happy.

The highest score on employee retention measurement (4.28) is the quality dimension of good employee relationships, working together, supporting each other, and good coordination. Similarly, the average value of employee performance is also very high (4.34), with the highest measurement aspect on the quality of work (4.41) in the form of self-assessment of the conformity of work quality achieved based on the established conditions and self-readiness.

Table 2. Reliability Test Results

Variable	Cut of	Employer	Employee	Employee	Note
	value	Branding	Retention	Performance	
Cronbach's	0.70	0.910	0.919	0.835	Reliable
alpha					

(Source: Author's calculation, 2021)

Table 2 shows the results of reliability testing on the measurement of research variables which shows that the calculation results of Cronbach's alpha for all three variables are greater than the cut of value (0.70). This means that the measurement results of the three research variables can be analyzed or relied on.

Table 3. Employer Branding Measurement Validity Test Results

-	Indicator	r statistic > r table (0.187)	Note
-	EB1	0.475	Valid
	EB2	0.573	Valid
	EB3	0.530	Valid
	EB4	0.233	Valid
	EB5	0.484	Valid
	EB6	0.468	Valid
	EB7	0.483	Valid
	EB8	0.627	Valid
	EB9	0.688	Valid
	EB10	0.558	Valid
	EB11	0.646	Valid
	EB12	0.615	Valid
	EB13	0.526	Valid
	EB14	0.388	Valid
	EB15	0.620	Valid
	EB16	0.521	Valid
	EB17	0.544	Valid
	EB18	0.580	Valid
	EB19	0.467	Valid
	EB20	0.427	Valid
	EB21	0.539	Valid
	EB22	0.510	Valid

EB23	0.419	Valid
EB24	0.484	Valid
EB25	0.306	Valid

(Source: Author's calculation, 2021)

Table 3 shows the validity test results of 25 measurement items for employer branding are valid because r statistics > r table.

Table 4. Employee Retention Measurement Validity Test Results

r statistic > r table (0.187)	Note
0.555	Valid
0.364	Valid
0.560	Valid
0.343	Valid
0.620	Valid
0.582	Valid
0.643	Valid
0.653	Valid
0.487	Valid
0.555	Valid
0.570	Valid
0.486	Valid
0.665	Valid
0.661	Valid
0.720	Valid
	0.555 0.364 0.560 0.343 0.620 0.582 0.643 0.653 0.487 0.555 0.570 0.486 0.665 0.661

	ER16	0.411	Valid
	ER17	0.500	Valid
	ER18	0.556	Valid
	ER19	0.451	Valid
	ER20	0.517	Valid
	ER21	0.660	Valid
	ER22	0.422	Valid
	ER23	0.279	Valid
	ER24	0.566	Valid
	ER25	0.549	Valid
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(Source: Author's calculation, 2021

The results of testing the validity of 25 employee retention measurement items are shown in Table 4 with the result that all 25 measurement items are valid (r statistic > r table).

Table 5. Employee Performance Measurement Validity Test Results

Indicator	r statistic > r table (0.187)	Note
EP1	0.324	Valid
EP2	0.306	Valid
EP3	0.434	Valid
EP4	0.448	Valid
EP5	0.344	Valid
EP6	0.502	Valid
EP7	0.295	Valid
EP8	0.236	Valid

EP9	0.283	Valid
EP10	0.520	Valid
EP11	0.451	Valid
EP12	0.262	Valid
EP13	0.461	Valid
EP14	0.408	Valid
EP15	0.457	Valid
EP16	0.330	Valid
EP17	0.359	Valid
EP18	0.498	Valid
EP19	0.421	Valid
EP20	0.372	Valid
EP21	0.370	Valid
EP22	0.418	Valid
EP23	0.397	Valid

(Source: Author's calculation, 2021)

The validity test results on 23 employee performance measurement items (Table 5) show valid (r statistics > r table).

 ${\it Table 6. Summary of Linear Regression Analysis Results}$

Model	Unstandardized	Standardized	p	t	t	Description
	Coefficients	Coefficients	value	count	critical	
	Beta	Beta				
ER= a + b EB = 2.47 + 0.41 EB						
Constant	2.47		0.00	6.42		
EB→ER	0.41	0.40	0.00	4.57	2.00	Significant
						H1 Accepted
EP= a + b	ER = 2.60 + 0.41E	ER				
Constant	2.60		0.00	10.87		
ER→EP	0.41	0.58	00.0	7.33	2.00	Significant
						H2 Accepted
EP= a+ b	EB					
Constant	3.38		0.00	11.78		
ЕВ→ЕР	0.23	0.31	0.00	3.40	2.00	Significant
						H3 Accepted
EP= a + b1EB + b2 ER= 0.07EB+0.39ER						
Constant			0.00	8.366		
ЕВ→ЕР	0.07	0.09	0.27	1.10	2.00	Insignificant
ER→EP	0.39	0.54	0.00	6.27	2.00	Significant
/C A		2021)				

(Source: Author's calculations, 2021)

In Table 6, it is shown that there is a significant favorable influence on employer branding on employee retention (H1 accepted); employee retention significantly affects employee

performance (H2 accepted); employer branding has a significant positive impact on employee performance (H3 accepted).

In the employee retention test as a mediation of employer branding's influence on employee performance, it was shown that the coordination of line c''(0.09) < c(0.31) and its influence became insignificant (t count 1.10< 2.00), meaning that the form of mediation that occurred was full mediation. This means employer branding affects employee performance through employee retention as full mediation. Testing the role of the mediator using the Sobel test online can be seen in figure 2 below.

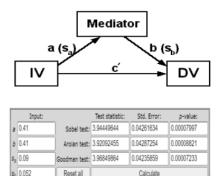


Figure 2. Sobel Test Result

Description of notation:

a = raw (unstandardized) regression coefficient for the association between IV (Independent Variable) and mediator.

 s_a =standard error of a.

b =raw coefficient for the association between the mediator and the DV (Dependent Variable); when the IV is also a predictor of the DV).

 s_b =standard error of b.

The results of the Sobel test support the results of the path analysis which shows that employee retention acts as a full mediator for the impact of employer branding on employee retention, as shown in Figure 2, showing that the t-statistical value of the value of the t-count = 3.944 > 2.00, and p-value of 0.00007 < 0.05. The results of the Sobel test 2 can be concluded that employee retention mediates the impact of employer branding on employee retention.

Discussion

Impact of Employer Branding on Employee Retention

The test result (Table 6) obtained a calculated t-value of 4.57 > 2.00 with a p-value of $0.00 < \alpha$ (0.05), so that H1 was supported. This means employer branding has a significant positive impact on the retention of front liner front employees. The results support several previous empirical studies ; Khoshnevis & Gholipour, 2017; (Paul & Raj, 2017; Rukmani, 2012; Sokro, 2012). These results are supported by the high average employer branding and employee retention (Table 1). The dimensions of employer branding that are highly rated are social value (4.45), interest value (4.30), and economic value (4.30).

Social value is related to employee assessment of the comfort of the work environment; harmonious working relationships and mutual support make employees feel valuable to increase retention in the company. The organization's work environment must be healthy to feel comfortable and connected from the organization (Singh & Rokade, 2014). A

supportive work environment is positively related to employee retention (Yusliza & Faezah et al., 2020). Work environment plays a major role in employee retention (Paul & Raj, 2017; Msengeti & Obwogi, 2015; Sokro, 2012). Often, the relationship with the management and the employees, peers, and subordinators may also be a reason for leaving the organization (Singh & Rokade, 2014). So that H.R. Manager has to take an interest in it and try to develop a healthy relationship among them and try to sort out grievance of an employee as soon as possible.

The average value of the interest value dimension is also very high, meaning that the employees of the company assess that the company where the employees work is lovely innovative by optimizing the expertise and creativity of employees so that the company provides high-quality and innovative services so that employees become interested in continuing to work in the company. Interest value dimensions are positively and significantly related to employee retention (Paul & Raj, 2017). Employees highly rate the economic value dimension. There are promotional opportunities, job security guarantees, employees get a lot of work experience, an above-average base salary, and attractive compensation packages. This economic value also contributes to increased employee retention.

The factors that contribute to being an employer branding are the provision of a reasonable degree of security; enhanced future employability because of the reputation of the organization as one that employs and develops high-quality people, as well as the learning opportunities it provides; employment conditions that satisfy work-life balance needs; a reward system that recognizes and values contributions and provides competitive

pay and benefits; exciting and rewarding work; and opportunities for learning, development and career progression (Sokro, 2012).

The Impact of Employee Retention on Employee Performance

Table 6 shows that employee retention positively affects the performance of front-line employees. The results of the study support previous empirical studies (Chebet, 2019; Sutanto & Kurniawan, 2016). Retention describes how the employees decide to work and stay in the organization. Employee retention assessment is seen from the aspects of organizational components (company vision, company culture, and written regulations), career opportunities, awards, job design & Damp; tasks, and work relationships that can impact employees' work achievements. Another review of employee retention strategies that include employee reward programs, flexible working hours, employee training, performance-based bonuses, employee recreation, career development programs positively affect employee retention and performance (Swaroopa & Sudhir, 2019).

Another study (Kingi, Uzel, & Monari, 2019) found that training and development, employee reward systems, and employee work environment significantly impact employee performance. Rewards and recognition that are the company's efforts in slowing employees can improve performance and motivate employees towards continuous improvement (Shelar & Buch, 2020). Likewise, the dimension of the design of the work plays a vital role in the motivation of employees, which gives them the confidence to perform better. Job design also reflects an employee's performance as it guides an individual's behavior. When employees get involved and are familiar with the job design, they become more motivated to achieve organizational goals. As a result

performance of employees increases, which positively impacts the outcomes (Zareen & Razzaq et al., 2013).

The Impact of Employer Branding on Employee Performance

Test results (Table 6) show that employer branding positively affects the performance of front liner employees. Employer branding conceptually provides companies with a strategic thinking framework to collaborate between marketing and human resource management. The strength of an organization's brand has a significant impact on the performance of its employees. The results of the study support previous empirical studies (Ha Nguyen, Vinh Luan & Thanh Koa, 2021; Bussin & Mouton, 2019). If an organization maintains a good working environment, the employee's productivity will increase; environmental factors and social value play a very important role in the organization (Ha Nguyen, Vinh Luan & Thanh Koa, 2021). The attraction of organizational norms, values, and beliefs strongly affects performance and sustainability (Mohammad Awadh & Saad, 2013). Employer branding is an effort of an organization to communicate so that employees are comfortable and feel that the company is a good workplace by providing various benefits or facilities that can encourage employees to feel like living at home that makes employees work in totality that work achievements can be optimal. Therefore companies need to communicate clearly about the benefits of internalizing these values, such as training and development activities, promotional opportunities, and a conducive work environment will help employers in maintaining the promise of employer brands. Providing challenging job opportunities in the company and recognizing management for employee work is also expected to improve employee performance.

The Impact of Employer Branding on Employee Performance through Employee

Retention as Mediator

The employee retention test as mediating the influence of employer branding on the performance of front liner employees (Table 6) and Figure 2 obtained results that employee retention serves as full mediating. This means that the impact employer branding has on employee performance is not directly. Employer branding directly impacts employee retention, and employee retention significantly affects employee performance. These results support previous research (Wong, 2015). The company's brand is the most powerful tool for attracting, engaging, and maintaining the correct talent matches that will help leaders grow their organizations. Employer brands will increase employee loyalty to their employers, directly affecting work efficiency by identifying employees to their employers.

The results of the study support DCT and SET. Employer branding has been introduced to enhance retention by making the promise of employment so distinctive and superior to that of the competitors that the employee would not consider switching (Taylor, 2002). Organizations with employer brands can reduce the cost of human resources and improve recruiting performance and work relations; retain employees; offer fewer payments to employees compared with organizations without employer brands; and strengthen the corporate culture (Khoshnevis & Gholipour, 2017). The benefits of retention are saving costs for further recruitment, less training for new candidates, improving productivity,

increasing employee's performance and thus increasing profits, and meeting their organizational goals and objectives.

Conclusion

Partial test results showed a significantly positive impact of employer branding on employee retention and employee performance. Similarly, in testing the impact of employee retention on employee performance obtained results that employee retention has a significant positive impact on employee performance. Employee retention is also proven to play a role in full mediating the influence of employer branding on employee performance. This indicates that high employer branding will impact employee retention and improve employee performance.

The results of this study support the concept of DCT which emphasizes the key role of strategic management in adapting, integrating and configuring internal and external organizational skills, resources and functional competencies that are in accordance with the needs of environmental changes. The changes that have been made at PT KAI through the employer branding program can improve employee retention and employee performance. The results of this study also support the SET.

For the development of further research, it is recommended to review employer branding and employee retention per dimension or review the variable measurement indicators of both variables because employer branding and employee retention are very complex concepts that are still widely studied by academics.

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