

Unveiling the Black Box: How Employer Branding Drives Employee Engagement - Evidence from PT Gardamas Surya Lestari, Indonesia

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Abstract

The global competition for top talent is intensifying. Employer branding, as a strategy to build a company's image as an attractive place to work, is becoming increasingly important in attracting and retaining quality employees. However, there are still few studies that examine how employer branding specifically drives employee engagement in Indonesia. This research aims to understand how employer branding drives employee engagement at PT Gardamas Surya Lestari, Indonesia. This research uses a qualitative method with a single case study. Data was collected through in-depth interviews with the Company Leader, HRD Manager and Employees of PT Gardamas Surya Lestari. The results showed that employer branding of PT Gardamas Surya Lestari has a positive influence on employee engagement. This is achieved through three main mechanisms: First, building a strong corporate identity and values: PT Gardamas Surya Lestari has built a strong corporate identity and values, which are consistently communicated to employees through various channels. Second, creating a positive work culture: The work culture at PT Gardamas Surya Lestari supports employee engagement by providing employees with opportunities to learn and develop, and feel valued and respected. The third research result is by offering attractive programmes and benefits: PT Gardamas Surya Lestari offers attractive programmes and benefits for employees, including competitive salaries and benefits, career development opportunities, and a conducive work environment.

Keywords: Employer Branding, Employee Engagement

Introduction

The modern era marks a paradigm shift in the world of work. In the past, the main focus was on employee compliance and productivity. Now, the focus has shifted to employee engagement. Employee engagement is defined as employees' psychological investment in their work, characterized by enthusiasm, dedication and absorption. Engaged employees exhibit high levels of energy and motivation, and a desire to contribute to their full potential. They are more productive, innovative and loyal to the company.

The modern workplace faces a conflict between the need for high employee engagement and the pressures of globalization and digitalization. While engaged employees offer significant benefits in terms of productivity, innovation, and loyalty, these very same employees are susceptible to stress, burnout, and high turnover rates, especially among younger generations (Bakker & Demerouti, 2007; Maslach et al., 2001). This situation is particularly relevant in Indonesia, where employee turnover is a major concern.

In the midst of this situation, employer branding emerges as a strategic solution to attract and retain quality employees. Employer branding is defined as a company's effort to build a positive image as an employer (Ambler & Barrow, 1996). This positive image is built through effective communication of the values, work culture and development opportunities the company offers (Cascio, 2006).

Despite the demonstrated positive impact of employer branding on employee engagement (Berthon et al., 2005), research specifically examining this relationship within the Indonesian context remains limited. There is a lack of understanding on how employer branding strategies, particularly those focused on work culture and development opportunities, contribute to employee engagement in Indonesian companies.

This research gap presents a significant opportunity. By studying PT Gardamas Surya Lestari, a company with a strong focus on employer branding through positive work culture and development, we can gain valuable insights into how these strategies can address the challenges of employee engagement in the Indonesian context. This can inform future practices for both PT Gardamas Surya Lestari and other Indonesian companies seeking to improve employee engagement through employer branding initiatives.

Literature Review

Employer Branding

According to Mosley & Schmidt (2017), employer branding is the process of creating an exceptional workplace and then promoting it to talent whose knowledge and skills the organization needs to achieve its business goals and objectives. According to Berthon, et al. (2005), there are five main dimensions of employer branding:

- Company reputation: The public perception of the company as a workplace;
- Corporate culture: The values, beliefs and norms that the company holds;
- Employment benefits: Compensation, benefits and development opportunities offered by the company;
- Development opportunities: Opportunities for employees to learn and grow in their careers;
- Quality of work: The nature and meaning of the work employees do.

According to Saks (2006), employee engagement is the degree to which employees are psychologically attached to their jobs and organizations. High employee engagement is associated with a range of positive outcomes, including:

- Higher productivity: Engaged employees are more motivated to work hard and achieve their goals;
- Better quality of work: Engaged employees take more care in their work and are less likely to make mistakes;
- Higher employee retention: Engaged employees are more satisfied with their jobs and less likely to leave the company;

There are several models that explain how employer branding can improve employee engagement:

- Attraction-Selection-Attrition (ASA) model: This model shows that employer branding can help companies attract qualified applicants, select the right employees, and retain the best employees.
- Value-Proposition Model: This model shows that employer branding can help a company communicate its values to employees and create a value proposition that appeals to top talent.
- Employer Branding Funnel Model: This model shows that employer branding is a gradual process that starts with building awareness about the company as a place to work and ends with attracting and retaining the best employees.

Employer branding is becoming increasingly important in Indonesia, as the labor market becomes more competitive. Companies that want to attract and retain top talent need to have strong employer branding.

Employee Engagement

Employee engagement is an important concept in human resource management that refers to the level of commitment, enthusiasm and dedication employees have towards their work and organization. Engaged employees show energy and discretionary effort in their work, and have a high sense of attachment and loyalty to the company.

According to Kahn (2010), employee engagement has three main dimensions:

- Vigor: The passion, energy, and stamina that employees show in their work;
- Dedication: The employee's level of commitment and attachment to his/her job and the organization;
- Absorption: The level of focus and concentration of employees while working, as well as a sense of enjoyment and challenge in completing tasks.

Many factors can affect the level of employee engagement, including (Robbins & Judge, 2018):
Individual Factors:

- Personal characteristics: Individual personality, motivation, values, and job satisfaction;
- Skills and abilities: The employee's ability to complete tasks and contribute to the organization;

- Work experience: Past positive and negative experiences, including relationships with supervisors and co-workers.

Organizational factors:

- Organizational culture: A culture that supports openness, communication and employee participation;
- Management practices: Effective leadership, constructive feedback, and career development opportunities;
- Working conditions: A safe, comfortable, and conducive work environment;
- Resource availability: Access to the tools, information, and support needed to get the job done;

High levels of employee engagement have many benefits for organizations, including (Mauno & Kinnunen, 2022):

- Higher productivity and performance: Engaged employees are more motivated and eager to work, resulting in better output;
- Higher quality of work: Engaged employees are more conscientious and focused in completing tasks, resulting in high-quality products or services;
- Higher innovation and creativity: Engaged employees are more willing to take risks and try new ideas, thus encouraging innovation and creativity in the organization;
- Higher employee retention: Engaged employees are more satisfied with their jobs and are less likely to leave for other companies;
- Higher customer satisfaction: Engaged employees are more friendly and helpful to customers, thus increasing customer satisfaction.

Conceptual Framework

Employee engagement is a critical factor in achieving optimal organizational performance. This encourages companies to build strong employer branding as a strategy to attract and retain top talent. This research aims to understand how PT Gardamas Surya Lestari's employer branding affects the employee engagement of its employees. The conceptual framework of this research refers to several theories and previous studies, which show the relationship between employer branding and employee engagement:

Employer branding is defined as a communication strategy used by companies to build a positive image as an employer (Berthon, 2005). This image is formed through various elements, such as:

- Organizational values: The vision, mission, and core values of the company that are communicated to the public;
- Corporate reputation: Public perception of the company based on its performance and social responsibility;
- HRM practices: Policies and programmes that a company implements to manage its employees, such as recruitment, development, and compensation;
- Employee experience: The overall experience of an employee while working for a company, from the recruitment process to retirement.

Employee engagement is defined as employees' commitment and enthusiasm towards their work (Dutton, 2009). It is shown through several indicators, such as:

- Emotional engagement (affective commitment): Employees' sense of pride and loyalty towards the company;
- Cognitive engagement: The level of focus and attention employees pay to their work;
- Behavioral engagement: Employees' willingness to put in extra effort and contribute to the company.

Strong employer branding can increase employee engagement in several ways (Armstrong & Baron, 2004):

- Increase attraction: Positive employer branding attracts top talent to join the company;
- Increases employee retention: Employees who are satisfied with the company's employer branding are more likely to stay for a long time;
- Improves motivation and performance: Engaged employees feel inspired and energized to deliver their best performance.

Employer branding is a comprehensive strategy that can be used by companies to attract and retain talented employees. In a global economy where, talented labor is scarce and has many options available to them, companies can use employer branding as a strategic opportunity to increase employee engagement (Chawla, 2020). Meanwhile, Davis et al (2018) in a study entitled "When employer brand image aids employee satisfaction and engagement", stated that the company's brand image can affect employees in general and certain employee groups in particular is not well understood. This is the first empirical study on the effect of employer brand image on employee engagement and one of the few studies to consider the application of employee segmentation.

Linking Employer Branding and Employee Engagement PT Gardamas Surya Lestari explores how a strong employer brand can not only attract and retain talent, but also improve customer satisfaction and brand reputation. The research shows the positive influence of employee engagement on the overall employer brand.

Methods, Data and Analysis

This research uses a qualitative approach with a single case study method. A single case study is an appropriate research strategy for studying contemporary phenomena in a real-life context (Yin, 2018). This approach allows researchers to deeply understand how employer branding drives employee engagement at PT Gardamas Surya Lestari, Indonesia. Research data were obtained from various sources, namely:

- In-depth interviews: Conducted with 3 key informants consisting of Company Leaders, HRD Managers and Employees;
- Participant observation: Researchers will directly observe the activities and interactions of employees at PT Gardamas Surya Lestari to understand the company culture and how employer branding is implemented;
- Document analysis: Researchers will analyze documents related to employer branding and employee engagement at PT Gardamas Surya Lestari, such as company websites, annual reports, and company policies.

The research data was analyzed using qualitative data analysis techniques, namely (Sugiyono, 2020):

- Thematic analysis: Conducted to identify the main themes that emerged from interview data, observations, and document analysis;
- Narrative analysis: Conducted to understand how informants construct their meanings and experiences related to employer branding and employee engagement.

To ensure data validity, researchers will use data triangulation, which is collecting and analyzing data using various sources, methods, and theories to increase the validity and reliability of the research (Sujarweni, 2018).

Result and Discussion

The findings from this study highlight the important role of employer branding in driving employee engagement at PT Gardamas Surya Lestari, Indonesia. The results of the qualitative analysis show that a strong and consistent employer branding strategy has shaped employees' positive perceptions of their organization. This is reflected in high levels of engagement, including commitment to the company's vision, high job satisfaction, and motivation to contribute to the maximum. The implications of these findings confirm that investment in employer branding is not only beneficial for attracting top talent, but also for retaining existing employees by nurturing a strong emotional bond between the individual and the company (Saks, 2018).

In-depth analyses have revealed a complex relationship between employer branding and employee engagement at PT Gardamas Surya Lestari. Evidence shows that employer branding focused on the company's core values, inclusive work culture, and career development opportunities has been a key catalyst in shaping employees' positive attitudes towards their work and the organization as a whole. Employees who feel emotionally connected to the employer brand tend to be more motivated, committed and have higher retention rates (Backhaus et al, 2014). This underlines the importance of a thorough and integrated branding strategy in creating a strong bond between employees and the company.

From a human resource management (HRM) perspective, these findings have significant practical implications. Firstly, management needs to understand that employer branding is not just about the external image of the company, but also about creating an internal environment that supports, motivates and nurtures employees. Therefore, investing in an inclusive work culture, continuous career development programmes and transparent communication are key in strengthening employer branding. In addition, HR management needs to actively involve employees in the process of shaping and refining the branding strategy, thereby creating a greater sense of ownership and commitment.

It can be concluded that employer branding plays a crucial role in driving high employee engagement. The practical implications of the findings offer valuable insights for company management to strengthen the relationship between employer branding and employee engagement, and improve the effectiveness of human resource management (HRM) strategies.

The research findings also show that employees at PT Gardamas Surya Lestari respond positively to the inclusive corporate culture and core values emphasized in employer branding. Therefore, management needs to strengthen a work culture that supports collaboration, diversity and respect for differences. This can be achieved through policies that support employee involvement in decision-making processes, training programmes to raise diversity awareness, and clear recognition of individual contributions in creating an inclusive work environment.

In line with the finding that employees who feel connected to the employer brand tend to be more motivated, management needs to focus on continuous career development to increase employee engagement. This includes providing development and training programmes relevant to individual needs, clarity on career paths available within the company, and opportunities for internal growth and promotion (Edwards & Edwards, 2017). In this way, employees will feel supported in achieving their career goals, which in turn will increase engagement and retention.

In addition, transparent and open communication is also a key element in strengthening employer branding and employee engagement. Management therefore needs to actively communicate with employees about the company's values, strategic goals, and organizational changes that may affect them. This can be done through regular meetings, internal publications, and digital communication platforms that facilitate a two-way dialogue between management and employees. By building a strong communication foundation, management can ensure that employees feel involved in the company's journey and have a clear understanding of their contribution to the organization's success (Cable & Turban, 2020).

One of the key findings from this research is the importance of involving employees in the formation and refinement of employer branding strategies. Management needs to recognize that employees are the most influential internal brand ambassadors, and their opinions and experiences can provide valuable insights in strengthening the company's image. By involving employees in the decision-making process related to employer branding, management can create a greater sense of ownership and increase the level of commitment to strategy implementation.

By applying these practical implications, the management of PT Gardamas Surya Lestari can strengthen their employer branding, increase employee engagement, and create an inspiring and productive work environment. In addition, this approach can also contribute to the achievement of the company's long-term strategic goals and strengthen their position as a leader in the industry.

Conclusion

Through this research, we managed to uncover some important findings regarding the relationship between employer branding and employee engagement at PT Gardamas Surya Lestari, Indonesia. In this context, we can conclude that employer branding plays a significant role in influencing the level of employee engagement. First of all, we found that strong employer branding, particularly in terms of organizational values, culture and image,

has a positive impact on employees' perceptions of the company. This is reflected in employees' high levels of pride and loyalty towards the company. Secondly, our findings show that employee engagement is significantly influenced by their perceptions of the alignment of company values with their personal values, career development opportunities, and clarity of the company's strategic direction. This confirms the importance of aligning employer branding strategies with employees' needs and expectations.

In addition, the study reveals that effective internal communication also plays a crucial role in strengthening employer branding and driving employee engagement. By providing an open and transparent platform, companies can build trust and facilitate efficient information exchange between management and employees. Thus, in the context of PT Gardamas Surya Lestari, we recommend that companies continue to strengthen their employer branding by integrating corporate values into organizational culture, expanding career development opportunities, and improving internal communication. Overall, this study not only provides deep insights into how employer branding affects employee engagement at PT Gardamas Surya Lestari, but also contributes to the theoretical and practical understanding of the complex relationship between employer branding and employee engagement in an organizational context.

Theoretical Implications

The study reinforces the notion that employer branding, particularly a strong organizational image, values, and culture, positively impacts employee perceptions (Spoljaric and Tkalac, 2022). This aligns with the concept of person-organization fit, suggesting that employees who identify with the company's brand identity experience increased pride and loyalty (Chawla, 2020). Furthermore, the link between employee engagement and the alignment of company values with personal values, career development opportunities, and strategic clarity strengthens the argument for an EVP (Employee Value Proposition) that resonates with employees' needs (Sahu et al, 2018). This finding contributes to the ongoing discourse on employer branding moving beyond external attraction to encompass internal employee experience.

Practical Implications

The study offers valuable insights for companies seeking to enhance both employer branding and employee engagement. Organizations should strive to integrate their core values into the fabric of their culture, ensuring employees see a tangible reflection of these values in daily operations. Investing in robust career development programs fosters a sense of growth and purpose among employees. Finally, implementing open and transparent internal communication channels fosters trust, facilitates knowledge sharing, and reinforces the positive aspects of the employer brand.

Limitations and Future Research Directions

While the study provides valuable insights, limitations exist. The research focuses on a single organization, limiting generalizability. Future research could employ a multi-company design to explore the external validity of these findings. Additionally, the study utilized self-

reported data. Future research could incorporate objective measures of employee engagement and employer branding strength for a more robust analysis. Finally, exploring the mediating role of variables like leadership style or recognition programs in the employer branding-employee engagement relationship could provide deeper understanding.

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