

# The Influence of Employer Branding and Employee Value Proposition on Employee Retention with Employee Engagement as Mediation

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## Abstract:

Human resources are the most important aspect in carrying out management activities. In order to realize this, an employee retention level is needed in an organization. This research aims to test and analyze whether Employer Branding, Employee Value Proposition, and Employee Engagement have a significant effect on Employee Retention, as well as whether Employee Engagement can mediate the influence between Employer Branding and Employee Value Proposition on Employee Retention. The total population in this study was 47 respondents with a total sample taken using saturated sampling of 42 respondents, because there were several employees who were continuing their education. The respondents in the sample were employees of the Bank Indonesia Jember Regional Representative Office with permanent employee status. The type of data used is quantitative qualitative data. The data source used is primary data, where this data is obtained from the results of respondents' direct answers through research questionnaires and interviews. The data analysis method used in this research is Path Analysis with the help of IBM SPSS Statistics 26.0 software. The results of this research show that Employer Branding, Employee Value Proposition, and Employee Engagement have a significant effect on Employee Retention, and Employee Engagement can mediate the influence between Employer Branding and Employee Value Proposition on Employee Retention.

**Keywords:** Bank Indonesia, employer branding, employee engagement, employee retention, employee value proposition.

## 1. Introduction

In an era of continuous development, companies in the world increasingly need resources that are increasingly advanced and keep up with the times, and Indonesia is no different. The resources referred to here are human resources, which incidentally are often referred to as employees. Every company certainly wants employees who are competent and have loyalty to the company. Employees with high competence and loyalty do not come by themselves if the company or agency does not have a good image. Therefore, a company's good image is the most important aspect so that prospective employees are interested in applying, joining and working at the company or agency. The process of developing a good reputation and image to attract the interest of prospective employees to a company is often called employer branding.

According to Putri and Sugandi (2017:75) Employer branding is a business process carried out by an organization or company as a whole to convey to all audiences, whether they are employees or are still prospective employees, that the organization or company is a suitable and desirable place to work. Employer brand can also be interpreted as a unity of benefits consisting of functional, economic and psychological benefits provided by work and which have been identified by the company that provides employment or employs (Ambler and Barrow, 1996:187). Employer branding needs to be grown and developed within a company so that it can provide a good image and have a positive impact on its employees and prospective employees. The indicators for measuring employer branding in this research refer to the indicators put forward (Berthon et al., 2005:162), among others:

### a. *Interest value*

This value measures the extent to which employees are attracted to companies that provide an interesting work environment, new work practices, and that utilize employee creativity.

b. *Social values*

This value measures how far employees are attracted to companies that provide a fun and happy work environment, relationships between employees, and a team atmosphere.

c. *Economic value*

This value measures the extent to which employees are attracted to companies that provide above average compensation and salaries, job security, and promotion opportunities.

d. *Development values*

This value measures how far employees are attracted to companies that provide recognition, self-confidence and career advancement to employees.

e. *Application value*

This value measures how far employees are interested in companies that provide opportunities for employees to apply the knowledge they have learned to others.

With employer branding carried out by the company, the company can retain employees who have worked at the company and the company can also attract the interest of prospective employees to apply to the company. However, in building a good image and reputation, a company must have unique values that other companies do not have. These distinctive values that differentiate them from other companies are often called employee value propositions. Employee Value Proposition (EVP) is a method used by companies to attract and retain employees (Sumarni, 2016:776). According to Putri and Sugandi (2017:75) EVP is used by companies to attract employees to remain loyal to the company and prospective employees to be interested in applying and joining the company. Indicators for measuring employee value proposition have been put forward by experts. Febriana and Welly (2013:1592) convey employee value proposition indicators, including:

a. *Leadership*

Employees gain personal or personal benefits as a result of the relationship they have with the leader.

b. *Rewards*

Employees gain personal benefits in the form of satisfaction and comfort from the company when the company provides superior rewards in both tangible and intangible forms.

c. *Performance evaluation*

Employees gain personal benefits from performance evaluations that are carried out fairly based on employee performance in individuals or teams.

d. *Company*

Employees gain personal benefits from the way other people outside the company admire the company and the company's reputation.

e. *Jobs*

Employees gain personal benefits in the form of satisfaction and comfort from the company when the company provides interesting work, job design and job rotation that suit the employee's desires, abilities and skills.

The existence of employer branding and employee value proposition helps the company value the company well in front of employees. This can reduce the turnover rate in the company, so that the company carries out employee retention efforts to retain employees who have extraordinary resources, potential and talent (talented employees) who can advance the company. Research conducted Hadi & Ahmed (2018), Bussin & Mouton (2019), Kristianto & Handoyo (2020), Thalgaspiya (2020) and Ekhsan et al. (2021) said that there is a significant and positive direct relationship between employee value proposition and employee retention.

Employee retention can be defined as the efforts and efforts of HR Management in encouraging talented employees to have a high sense of loyalty to the company, so that they remain in the company for a long time according to the retention level (Mathis et al., 2016:191). Retaining employees is the most important thing for companies in competing with other company competitors, because companies need the competence of talented people. Phillips & Connell (2004:2) explains employee retention is the percentage of employees who still exist or remain in the company. According to Mathis et al. (2016:186) Employee retention indicators are as follows:

a. *Organizational and management factors*

Companies with a purpose can retain managers and employees by demonstrating that the company is the best place to work, especially for employees who want to grow financially or professionally.

b. *Employee-supervisor relationships*

A positive working relationship between supervisors and employees can foster a sense of comfort in employees. Supervisors can achieve this by being fair and non-discriminatory, allowing flexibility in work and balance between personal and work life, providing positive feedback that provides recognition for employee performance, and supporting career planning and development.

c. *Job security and work-life balance*

Companies with job security tend to have high retention rates. Companies can realize job security by designing jobs that suit employee knowledge, skills and abilities; achievement and workload demands that do not burden employees; determine flexible work schedules and locations; as well as allowing employees to manage their work-life balance skills to maintain performance.

d. *Career training and development*

The company provides training and development programs with the aim of retaining employees. Apart from that, the company aims to increase the knowledge, skills and abilities of employees so they can do their jobs properly.

e. *Employer policies and practices*

The company provides training and development programs with the aim of retaining employees. Apart from that, the company aims to increase the knowledge, skills and abilities of employees so they can do their jobs properly.

According to several previous studies, employee retention can be influenced by employer branding and the employee value proposition carried out by the company. In line with this, research was carried out Ekhsan et al. (2021) And Kumar et al. (2021) proves that employer branding and employee value proposition can increase employee retention for employees of electronics companies in the Park Cikarang Industrial Area, East Jakarta and manufacturing companies in Sri Lanka. However, this research found another factor that can influence employee retention, namely employee engagement. This happens because companies that provide space and opportunities to employees make employees feel comfortable and attached to their work and the company as a place to work, as a result employees will provide dedication and contribution to the company for a long period of time at the company. Ekhsan and Taopik (2020) shows that there is a positive impact between employee engagement and employee retention at PT Matahari Putra Prima Tbk. Likewise with research conducted by Ratnawati and Subudi (2018), Kristianto and Handoyo (2020), Srimulyani (2020), And Ekhsan et al. (2021) which states employee engagement has a significant influence on employee retention.

By building employee employee engagement through the role of employer branding which convinces employees to give maximum effort to the company, this indirectly influences employee retention levels to be high, so that the company can run for a long time. (Kristianto and Handoyo, 2020:16). According to Sumarni (2016:775) Employee engagement is the strongest measuring tool for showing positive performance in a company and connecting managers with employees. Employees can be said to be engaged when the employee has an emotional attachment or urgency to the work, a high level of focus when completing the work so that it doesn't feel like time passes so quickly, a high level of concentration with intensity when the tasks and work match the employee's skills, and always feel Enthusiastic about all tasks and work given by the company (Macey et al., 2009:20). Employee engagement indicators proposed by Schaufeli et al. (2002:74), among others:

a. *Vigor*

Employees feel enthusiastic with high levels of energy and mentality. If employees feel an attachment to the company, employees will be willing to do any work and persevere when facing difficulties on the job.

b. *Dedication*

Employees feel connected to the company, characterized by a sense of enthusiasm, inspiration, pride and challenges regarding the work they face. Employees also feel important and are willing to give all their dedication to the company.

c. *Absorption*

Employees can be said to be tied to the company if the employee feels that time passes quickly when carrying out work assigned by the company. Employees will be absorbed in their work without realizing it because employees do this with high focus, clear thinking, and concentration without even trying.

The importance of implementing employee retention or retaining employees in a company makes companies try to make efforts to retain employees and increase employee interest and emotions. With a high level of employee retention, companies can reduce the turnover rate that occurs within the company. Likewise with the Regional Representative Office of Bank Indonesia (KPwBI) Jember which is the object of this research. KPwBI Jember has a high employee retention rate due to its employer branding and the employee value proposition provided by Bank Indonesia to permanent employees.

**Table 1 : Data on the Number of Permanent Employees at KPwBI Jember 2017-2022  
(Processed by Researchers)**

Year	$\Sigma$ PT	Entry Employee	Incoming Employees (%)	Employee Leaves	Outgoing Employees (%)
2017	44	0	0	0	0
2018	45	1	2.22	0	0
2019	47	2	4.25	0	0
2020	47	2	4.25	2	4.25
2021	49	2	4.08	0	0
2022	47	0	0	2	4.25

**Source: KPwBI Jember Resource Unit (2022)**

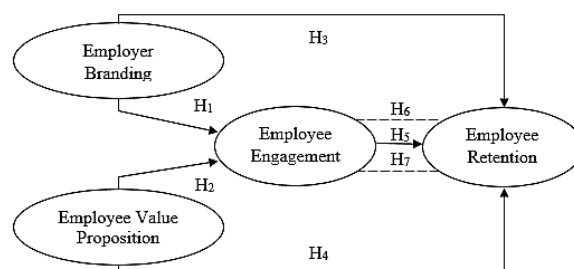
Information:

$\Sigma$  PT : Number of Permanent Employees

Based on Table 1 and According to the results of interviews by researchers with permanent employees at KPwBI Jember, there are several things that can make employees interested in becoming permanent employees at KPwBI Jember, namely the facilities provided are much better than previous employee jobs and more than other institutions, the opportunity to continue education and career development, employee layoffs are rare, want to have a more decent life, Bank Indonesia is not a profit-oriented institution and has high integrity for the welfare of society, as well as the public's view of Bank Indonesia as a large institution and has a good image. Several reasons explained by the permanent employees of KPwBI Jember can reflect that Bank Indonesia has very strong employer branding and employee engagement.

Based on the data, theory and previous research that has been explained previously, researchers want to know whether there are other factors that can influence employee retention among permanent employees at KPwBI Jember. This is the background to the research "The Influence of Employer Branding and Employee Value Proposition on Employee Retention with Employee Engagement as Mediation for Permanent Employees of the Bank Indonesia Jember Regional Representative Office". This research aims to determine and analyze the influence of employer branding and employee value proposition on employee retention, as well as determine and analyze the mediating influence of employee engagement between employer branding and employee value proposition on employee retention of permanent employees of KPwBI Jember.

The research conceptual framework in this study is as follows:



**Figure 1 : Conceptual Framework**

Information:

—————▶ Partially influential

----- Indirect influence

Based on the conceptual framework above, it is hoped that this can help the mindset related to the issues raised, namely to find out whether there is an influence between Employer Branding and Employee Value Proposition on Employee Retention, and the Employee Engagement variable is included as a mediating variable which could be influenced by Employer Branding. and Employee Value Proposition on Employee Retention. Likewise with other independent variables that also influence Employee Engagement.

A hypothesis which is a temporary answer to a problem is obtained from a conceptual framework, namely:

H1: There is a significant influence between employer branding on employee engagement in permanent employees of the Bank Indonesia Jember Regional Representative Office.

H2: There is a significant influence between *employee value proposition* on employee engagement in permanent employees of the Bank Indonesia Jember Regional Representative Office.

H3: There is a significant influence between employer branding on employee retention of permanent employees at the Bank Indonesia Jember Regional Representative Office.

H4: There is a significant influence between *employee value proposition* on employee retention for permanent employees of the Bank Indonesia Jember Regional Representative Office.

H5: There is a significant influence between *employee engagement* on employee retention for permanent employees of the Bank Indonesia Jember Regional Representative Office.

H6: There is a significant influence between *employer branding* on employee retention through employee engagement mediation for permanent employees of the Bank Indonesia Jember Regional Representative Office.

H7: There is a significant influence between *employee value proposition* on employee retention through employee engagement mediation for permanent employees of the Bank Indonesia Jember Regional Representative Office.

## 2. Method

The research carried out by researchers is explanatory research or cause-and-effect research, namely research that tests the interrelationships between several variables through testing research hypotheses. This research is quantitative in nature with the research object being the Regional Representative Office of Bank Indonesia Jember. In this research, researchers will analyze the influence of employer branding and employee value proposition on employee retention with employee engagement as a mediating variable. The type of data used in this research is quantitative qualitative data which is then processed using statistical tools. The data that has been processed will then be interpreted qualitatively again. The data sources used in this research are primary data, namely answers to questionnaires and direct interviews with respondents.

The population used in this research was all permanent employees of KPwBI Jember, totaling 47 respondents. The samples used were taken using saturated sampling, namely the same number as the existing population. The sample used was 42 respondents, while 5 respondents could not fill in because they were currently studying. The selection of this sample of permanent employees is based on the consideration that permanent employees are more attached to the company than contract employees, so that employees feel comfortable with the job and the company, both in terms of the work environment, duties and responsibilities, or the benefits that employees get while working

The data analysis method used in this research is Path Analysis and t Test using assistance software IBM SPSS Statistics 26.0. Path analysis is used for analyzing causal paths or causal relationships between independent variables and dependent variables, either directly or indirectly through intermediary variables. Through path analysis, it can be found which is the shortest path for the independent variable to the final dependent variable (Sugiyono, 2017:297). The t test or hypothesis test is used to determine the significance of the influence of the independent variable on the dependent variable through the Partial Test or t Test. According to Ghazali (2014:23) The t statistical test is used to show the extent of influence the independent variable has on the dependent variable, assuming the other independent variables are constant.

## 3. Results and Discussion



In this study, a total of 42 respondents participated, all of whom were permanent employees of the Jember Representative Office of Bank Indonesia. The following is a description of the characteristics of respondents

**Table 2 : demographic respondents**

<b>Characteristic</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Gender</b>	Male	34	81.0
	Female	8	19.0
<b>Age</b>	21-25 years	2	4.8
	26-30 years	7	16.7
	31-35 years	16	38.1
	36-40 years	5	11.9
	> 40 years	12	28.6
<b>Education Level</b>	Bachelor's Degree (S1)	36	85.7
	Master's Degree (S2)	4	9.5
	Doctoral Degree (S3)	0	0.0
	Others	2	4.8
<b>Position</b>	Manager	6	14.3
	Assistant Manager	10	23.8
	Staff	17	40.5
	Executive	9	21.4
<b>Length of Work</b>	1-5 years	8	19.0
	6-10 years	26	61.9
	11-15 years	3	7.1
	16-20 years	2	4.8
	> 20 years	3	7.1
<b>Total Respondents</b>		42	100.0

The demographic data reveals some notable characteristics of the respondents. The majority of respondents were male (81%), which is consistent with the gender distribution among permanent employees at the Bank Indonesia Jember Regional Representative Office. In terms of age, the largest group was between 31-35 years old (38.1%), followed by those over 40 years old (28.6%), indicating a relatively experienced workforce. Regarding educational qualifications, a significant proportion of respondents held a Bachelor's degree (85.7%), which is a common requirement for permanent employment at the Bank Indonesia Jember Regional Representative Office. A smaller percentage (9.5%) had obtained a Master's degree, while no respondents held a Doctoral degree. The distribution of positions among respondents was diverse, with the largest group being staff members (40.5%), followed by assistant managers (23.8%), executives (21.4%), and managers (14.3%). This range of positions allows for a comprehensive understanding of perspectives across different hierarchical levels within the organization. Notably, the majority of respondents had been working for 6-10 years (61.9%), suggesting a relatively stable and experienced workforce. A smaller proportion had been employed for 1-5 years (19%), while the remaining respondents had tenures ranging from 11 to over 20 years.

Data analysis was carried out by researchers using the frequency distribution of respondents' answers and using IBM SPSS Statistics 26.0 software. The following table presents the descriptive statistics for each research variable, providing insights into the respondents' perceptions and responses.

**Table 3 : Descriptive statistics**

Variable	Mean (out of 5)	Mode	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Employee Engagement (Z)	4.79	5 (Strongly Agree)	83.3%	12.7%	1.6%	1.6%	0.8%
Employer Branding (X1)	4.68	5 (Strongly Agree)	77.6%	16.7%	3.3%	2.4%	0%
Employee Value Proposition (X2)	4.53	5 (Strongly Agree)	61.9%	31.9%	3.3%	1.9%	1%
Employee Retention (Y)	4.53	5 (Strongly Agree)	61.4%	32.4%	4.8%	1.4%	0%

The table presents the descriptive statistics, including the mean, mode, and the percentage distribution of responses for each research variable. The mean values closer to 5 indicate that most respondents provided positive responses to the statements in the questionnaire. The mode, or the most frequent response, was "Strongly Agree" for all variables, further emphasizing the positive perceptions of the respondents. Additionally, the table shows the percentage of respondents who selected each response option, ranging from "Strongly Agree" to "Strongly Disagree," providing a comprehensive view of the response patterns.

The data normality test is carried out to test the independent variable data and the dependent variable data in the resulting regression equation so that it can be seen whether the data obtained is normally or not normally distributed. The data normality test in this study was carried out using the Kolmogorov-Smirnov Test. The total value of the variable is first converted into a residual value, if  $Asymp. Sig > 0.05$  then the residual value can be said to be normally distributed. The results of the data normality test in this study can be seen in Table

**Table 4 : Data Normality Test Results**

N		42
Normal Parameters, b	Mean	0
	Std. Deviation	1.73022358
	Most Extreme Differences	
	Absolute	0.067
	Positive	0.067
	Negative	-0.043
Statistical Tests		0.067
Asymp. Sig. (2-tailed)		,200c,d

Based on Table above, it can be seen that the results of the data normality test show that  $Asymp. Sig > 0.05$ , where the  $Asymp. Sig$  value is 0.2 which means it is greater than 0.05. From these results, it can be concluded that the residual values are normally distributed.

The Multicollinearity Test aims to test whether in the regression model a high or perfect level of correlation is found between the independent variables (Hamid et al., 2020:89). A good regression model is a model that does not occur multicollinearity. It can be said that the regression model does not have multicollinearity if the tolerance value is  $> 0.10$  or  $VIF < 10$ , but if the tolerance value is  $< 0.10$  or  $VIF > 10$  then multicollinearity occurs. The results of the multicollinearity test in this study can be seen in Table

**Table 5 : Multicollinearity Test Results**

Track	Tolerance	VIF	Test results
X1 Z	0.652	1,534	Multicollinearity did not occur
X2 Z	0.652	1,534	Multicollinearity did not occur
X1 Y	0.586	1,706	Multicollinearity did not occur

X2 Y →	0.583	1,716	Multicollinearity did not occur
ZY →	0.639	1,564	Multicollinearity did not occur

Based on Table 4.14 above, it is known that all paths have tolerance values  $> 0.10$  and  $VIF < 10$ , so it can be concluded that multicollinearity does not occur on all paths.

The Heteroscedasticity Test aims to test whether in the regression model there is dissimilarity between the variants of one variable and the variants of other variables (Hamid et al., 2020:109). If the variable variants in the regression model have different values, it can be said that there is an indication of heteroscedasticity. The heteroscedasticity test carried out in this study used the Glejser Test by looking at the significance value of the regression model. When  $Sig. > 0.05$ , then heteroscedasticity does not occur. The results of the heteroscedasticity test in this study can be seen in Table

**Table 6 : Heteroscedasticity Test Results**

Track	Sig.	Level Sig.	Test results
X1 Z →	0.148	0.05	Heteroscedasticity does not occur
X2 Z →	0.219	0.05	Heteroscedasticity does not occur
X1 Y →	0.168	0.05	Heteroscedasticity does not occur
X2 Y →	0.807	0.05	Heteroscedasticity does not occur
ZY →	0.302	0.05	Heteroscedasticity does not occur

Based on Table 4.15 above, the Sig value can be seen. of all paths is greater than the significance level of 0.05. So, it can be concluded that heteroscedasticity does not occur in all paths.

The data analysis used in this research is Path Analysis which is carried out by calculating the path for each variable employer branding (X1) and employee value proposition (X2) to employee retention (Y), through employee engagement (Z). The results of the path analysis test in this research can be seen in Table 2 below.

**Table 7 : Path Analysis Test Results**

Track	Standardized		Sig.	Level Sig.	Test results
	Beta				
X1 Z →	0.332	0.043	0.05	Significant	
X2 Z →	0.342	0.037	0.05	Significant	
X1 Y →	0.447	0,000	0.05	Significant	
X2 Y →	0.648	0,000	0.05	Significant	
ZY →	0.293	0.012	0.05	Significant	

Based on Table 2 above, the results of the analysis can be drawn as follows:

- The first path is employer branding (X1) on employee engagement (Z) producing a significance value of 0.043 which is greater than 0.05, meaning there is a significant influence.
- The second path is employee value proposition (X2) on employee engagement (Z) producing a significance value of 0.037 which is greater than 0.05, meaning there is a significant influence.
- The third path is employer branding (X1) on employee retention (Y) producing a significance value of 0.000 which is smaller than 0.05, meaning there is a significant influence.
- The fourth path is employee value proposition (X2) on employee retention (Y) producing a significance value of 0.000 which is smaller than 0.05, meaning there is a significant influence.
- The fifth path is employee engagement (Z) on employee retention (Y) producing a significance value of 0.012 which is smaller than 0.05, meaning there is a significant influence.



The next data analysis carried out is the t test or hypothesis test. An independent variable can be said to have a significant influence on the dependent variable, if  $t \text{ count} > t \text{ table}$  and the significance value  $< 0.05$ , in other words  $H_0$  is rejected. However, if  $t \text{ count} < t \text{ table}$  and the significance value is  $> 0.05$ , then  $H_0$  is accepted or there is no significant influence. To find the t table, use the following formula:

$$Df = n - k - 1$$

$$df = 42 - 2 - 1$$

$$= 39$$

In accordance with the percentage point distribution of the t table, with a df of 39 with a significance level of 0.05, the t table used is 2.02269.

The following are the results of the hypothesis test (t test) in this research which are presented in Table 3 below.

**Table 3 : Hypothesis Test Results (t Test)**

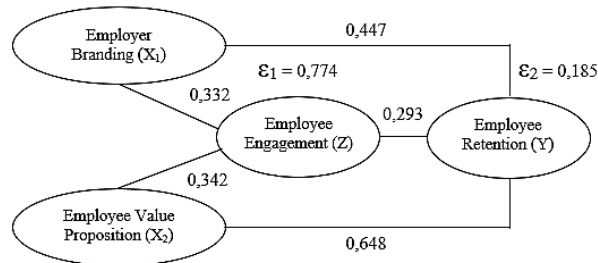
Track	t count	t table	Sig.	Test results
X1 Z →	2,093	2.02269	0.043	$H_0$ is rejected
X2 Z →	2,156	2.02269	0.037	$H_0$ is rejected
X1 Y →	3,864	2.02269	0,000	$H_0$ is rejected
X2 Y →	5,587	2.02269	0,000	$H_0$ is rejected
ZY →	2,647	2.02269	0.012	$H_0$ is rejected

Based on Table 3 above, hypothesis testing using the t test shows the following results:

- The influence of employer branding (X1) on employee engagement (Z)  
The results of the influence test between the employer branding variable (X1) on employee engagement (Z) show that the significance value is smaller than the significance level ( $0.043 < 0.05$ ) and the t count is greater than the t table ( $2.093 > 2.02269$ ). This proves that  $H_0$  is rejected and  $H_a$  is accepted, so it can be interpreted that employer branding has a significant effect on employee engagement in permanent employees of the Bank Indonesia Jember Regional Representative Office.
- The influence of employee value proposition (X2) on employee engagement (Z)  
The results of the influence test between the employee value proposition (X2) variable on employee engagement (Z) show that the significance value is smaller than the significance level ( $0.037 < 0.05$ ) and the t count is greater than the t table ( $2,156 > 2.02269$ ). This proves that  $H_0$  is rejected and  $H_a$  is accepted, so it can be interpreted that the employee value proposition has a significant effect on employee engagement in permanent employees of the Bank Indonesia Jember Regional Representative Office.
- The influence of employer branding (X1) on employee retention (Y)  
The results of the influence test between the employer branding variable (X1) on employee employee retention (Y) show that the significance value is smaller than the significance level ( $0.000 < 0.05$ ) and the t count is greater than the t table ( $3,864 > 2.02269$ ). This proves that  $H_0$  is rejected and  $H_a$  is accepted, so it can be interpreted that employer branding has a significant effect on employee retention for permanent employees at the Bank Indonesia Jember Regional Representative Office.
- The influence of employee value proposition (X2) on employee retention (Y)  
The results of the influence test between the employee value proposition (X2) variable on employee employee retention (Y) show that the significance value is smaller than the significance level ( $0.000 < 0.05$ ) and the t count is greater than the t table ( $5,587 > 2.02269$ ). This proves that  $H_0$  is rejected and  $H_a$  is accepted, so it can be interpreted that the employee value proposition has a significant effect on employee retention for permanent employees at the Bank Indonesia Jember Regional Representative Office.
- The influence of employee engagement (Z) on employee retention (Y)  
The results of the test of the influence of the variable employee engagement (Z) on employee retention (Y) show that the significance value is smaller than the significance level ( $0.012 < 0.05$ ) and the t count is

greater than the t table ( $2,647 > 2.02269$ ). This proves that  $H_0$  is rejected and  $H_a$  is accepted, so it can be interpreted that employee engagement has a significant effect on employee retention for permanent employees at the Bank Indonesia Jember Regional Representative Office.

After getting the research results from Path Analysis and t Test, the next thing to do is calculate the path. Path calculations are carried out to determine whether there are direct or indirect influences in the structural model or path diagram. Based on the hypothesis test (t test) it shows that all paths are proven to be significant and  $H_0$  is rejected, so there is no need for a trimming method. The calculation of the path coefficients involved is explained as in Figure 2 below.



**Figure 2 : Path calculation results**

Based on Figure 2, direct and indirect effects can be seen, here are the calculations:

a. Direct influence (Direct Effect)

- 1) The direct influence of the employer branding variable on employee engagement is equal to the square of the regression coefficient, namely  $(0.332) \times (0.332) = 0.110$  or 11%.
- 2) The direct influence of the employee value proposition variable on employee engagement is the square of the regression coefficient, namely  $(0.342) \times (0.342) = 0.116$  or 11.6%.
- 3) The direct influence of the employer branding variable on employee retention is the square of the regression coefficient, namely  $(0.447) \times (0.447) = 0.199$  or 19.9%.
- 4) The direct influence of the employee value proposition variable on employee retention is the square of the regression coefficient, namely  $(0.648) \times (0.648) = 0.419$  or 41.9%.
- 5) The direct influence of the employee engagement variable on employee retention is the square of the regression coefficient, namely  $(0.293) \times (0.293) = 0.085$  or 8.5%.

b. Indirect influence (Indirect Effect)

- 1) The indirect effect of the employer branding variable on employee retention through employee engagement is  $(0.332) \times (0.293) = 0.097$  or 9.7%.
- 2) The indirect effect of the employee value proposition variable on employee retention through employee engagement, namely  $(0.342) \times (0.293) = 0.100$  or 10%.

c. Total influence (Total Effect)

- 1) The total influence of employer branding variables, both directly and indirectly, on employee retention is  $0.199 + 0.097 = 0.296$ .
- 2) The total influence of employee value proposition variables, both directly and indirectly, on employee retention is  $0.419 + 0.100 = 0.519$ .

The total effect can be said to be the coefficient of determination (KD), so that if the value can be known, the amount of epsilon or residual value can be determined. The epsilon value is obtained from:

a. The total direct influence of the employer branding and employee value proposition variables on employee engagement is  $0.110 + 0.116 = 0.226$  or 22.6%.

$$\begin{aligned} \epsilon_1 &= 100\% - \text{KD} \\ &= 100\% - 22.6\% \\ &= 77.4\% \text{ or } 0.774 \end{aligned}$$

b. The total influence, both direct and indirect, of the employer branding and employee value proposition variables on employee retention through employee engagement is  $0.296 + 0.519 = 0.815$  or 81.5%.

$$\begin{aligned} \epsilon_2 &= 100\% - \text{KD} \\ &= 100\% - 81.5\% \\ &= 18.5\% \text{ or } 0.185 \end{aligned}$$

## The Influence of Employer Branding on Employee Engagement among Permanent Employees of KPwBI Jember

Employer branding The effect on employee engagement is proven by the t test results which show a significant value of 0.043 which is smaller than the specified significance level, namely 0.05. The relationship shown by the coefficient value is positive, this interprets that the better employer branding is implemented, the company's employee engagement will increase. Berthon et al. (2005:154) states that employer branding is a form of company effort to communicate that the workplace they occupy is a desirable place to work to existing employees. Employees are interested in joining the company because the company's employer branding is able to make employees feel attached to the company or job.

The same thing happened at the Bank Indonesia Jember Regional Representative Office, where employer branding can influence or measure how attached permanent employees are to a job. KPwBI Jember provides an attractive work environment, a supportive and competitive team atmosphere, promising salaries and benefits, career paths for permanent employees, and opportunities to learn positively in the work environment. This makes permanent KPwBI Jember employees have high enthusiasm, enthusiasm, and are encouraged to provide maximum dedication to KPwBI Jember. As a result, permanent employees often feel that time goes by very quickly when carrying out work.

The results of this research prove that employer branding has a significant effect on employee engagement, and this result is in line with previous research conducted by Kusuma & Prasetya (2017), Manurung (2018), Susanti (2018), Chawla (2020), Arinawati et al. (2021), Ekhsan et al. (2021) and Laura (2021).

## The Influence of Employee Value Proposition on Employee Engagement among Permanent Employees of KPwBI Jember

Employee value proposition The effect on employee engagement is proven by the results of the t test which shows a significant value of 0.037 which is smaller than the specified significance level, namely 0.05. The relationship shown by the coefficient value is positive, this interprets that the better the employee value proposition given to employees, the more the company's employee retention will increase. Employee value proposition is a benefit or benefits given to employees so that employees have an emotional attachment and connection to the work they do, so that employees can stay working at the company for a long time. The existence of this employee value proposition is able to grow employee engagement in employees.

Likewise what happened at the Bank Indonesia Jember Regional Representative Office, where the employee value proposition had an influence in growing employee engagement. Permanent employees of KPwBI Jember have the opportunity to establish positive relationships with the leadership of KPwBI Jember, Bank Indonesia provides fair awards for each permanent employee's performance, permanent employees receive praise for satisfactory performance evaluations, permanent employees feel proud of their work and the company because of the reputation they have Bank Indonesia, employees still get jobs that suit their desires and abilities. This makes permanent KPwBI Jember employees have high enthusiasm, enthusiasm, and are encouraged to provide maximum dedication to KPwBI Jember. As a result, permanent employees often feel that time goes by very quickly when carrying out work.

The results of this research prove that employee value proposition has a significant effect on employee engagement, and this result is in line with previous research conducted by Kusuma & Prasetya (2017) and Rifaldi (2018).

## The Influence of Employer Branding on Employee Retention of Permanent Employees of KPwBI Jember

Employer branding The effect on employee retention is proven by the results of the t test which shows a significant value of 0.000 which is smaller than the specified significance level, namely 0.05. The relationship shown by the coefficient value is positive, this interprets that the better employer branding is implemented, the company's employee retention will increase. According to Ekhsan et al. (2021:672) Employer branding indicates the company's efforts to approach employees and retain employees

effectively. Every company definitely has its own employer branding to retain employees. If the employer branding is used correctly, then the company's employee retention will increase.

Likewise, what happened at the Bank Indonesia Representative Office, where the employer branding given to permanent employees was implemented correctly was able to keep employees working so that employee retention levels increased. KPwBI Jember provides an attractive work environment, a supportive and competitive team atmosphere, promising salaries and benefits, career paths for permanent employees, and opportunities to learn positively in the work environment. This encourages permanent employees to remain loyal to KPwBI Jember because permanent employees are also given training programs to support performance, freedom to complete work, and receive support from leadership in developing their careers.

The results of this research prove that employer branding has a significant effect on employee retention, and this result is in line with previous research conducted by Bussin & Mouton (2019), Kristianto & Handoyo (2020), Thal gaspitiya (2020), And Ekhsan et al. (2021).

#### The Influence of Employee Value Proposition on Employee Retention of Permanent Employees of KPwBI Jember

*Employee value proposition* The effect on employee retention is proven by the results of the t test which shows a significant value of 0.000 which is smaller than the specified significance level, namely 0.05. The relationship shown by the coefficient value is positive, this interprets that the better the employee value proposition given to employees, the more the company's employee retention will increase. According to Putri and Sugandi (2017:75) Employee value proposition is used by companies to attract employees to remain loyal to the company and stay for a long time.

Likewise what happened at the Regional Representative Office of Bank Indonesia, where the employee value proposition obtained by permanent employees was in accordance with the performance given to Bank Indonesia, so that permanent employees did not resign easily, but were able to stay working at KPwBI Jember for a long period of time. Permanent employees of KPwBI Jember have the opportunity to establish positive relationships with the leadership of KPwBI Jember, Bank Indonesia provides fair awards for each permanent employee's performance, permanent employees receive praise for satisfactory performance evaluations, permanent employees feel proud of their work and the company because of the reputation they have Bank Indonesia, employees still get jobs that suit their desires and abilities. This encourages permanent employees to remain loyal to KPwBI Jember because permanent employees are also given training programs to support performance, freedom to complete work, and receive support from leadership in developing their careers.

The results of this research prove that employee value proposition has a significant effect on employee retention, and this result is in line with previous research conducted by Kumar et al. (2021).

#### The Influence of Employee Engagement on Employee Retention of Permanent Employees of KPwBI Jember

*Employee engagement* The effect on employee retention is proven by the results of the t test which shows a significant value of 0.012 which is smaller than the specified significance level, namely 0.05. The relationship shown by the coefficient value is positive, this interprets that the higher the employee engagement that employees have with the company, the more the company's employee retention will increase. Employee engagement is a situation where employees experience involvement and attachment to the company and work. Employees who feel engaged with the company and the work they do, directly have the desire to stay working in the same place for a long time.

Like wise what happened at the Regional Representative Office of Bank Indonesia, where the employee engagement felt by permanent employees made permanent employees continuously contribute and dedicate themselves to Bank Indonesia, so that permanent employees did not resign easily, but were able to continue working at KPwBI Jember for a long period of time. which is old. Permanent employees who are enthusiastic in carrying out the work they are given, provide full and voluntary dedication, and often feel

that time passes very quickly when carrying out work are able to make permanent employees feel engaged at KPwBI Jember. This is what makes employees stay for a long period of time at KPwBI Jember, moreover employees still receive support from leadership in developing their careers, receive training to develop skills and abilities, and are given freedom in managing their time to complete work.

The results of this research prove that employee engagement has a significant effect on employee retention, and this result is in line with previous research conducted by Ratnawati and Subudi (2018), Ekhsan and Taopik (2020), Kristianto and Handoyo (2020), Srimulyani (2020), and Ekhsan et al. (2021).

#### The Influence of Employer Branding on Employee Retention through the mediation of Employee Engagement for Permanent Employees of KPwBI Jember

Based on the results of Path Analysis and t Test, the employer branding variable has a direct and indirect influence on employee retention. The direct influence that employer branding has on employee retention amounting to 0.199 or 19.9%, while the indirect influence that employer branding has on employee retention of 0.097 or 9.7%. When compared, the indirect influence is smaller than the direct influence or can be said to be decreasing, so partial mediation occurs. This is supported by research conducted by Kristianto and Handoyo (2020) which states employee engagement as partial mediation. The existence of employer branding in the Bank Indonesia Jember Regional Representative Office can influence employee engagement among permanent employees, so that employee retention at the Bank Indonesia Jember Regional Representative Office will increase.

The results of this research prove that employer branding has a significant effect on employee retention, mediated by employee engagement. These results are in line with previous research conducted by Kristianto and Handoyo (2020) and Ekhsan et al. (2021).

#### The Influence of Employee Value Proposition on Employee Retention through the mediation of Employee Engagement for Permanent Employees of KPwBI Jember

Based on the results of Path Analysis and t Test, the employee value proposition variable has a direct and indirect influence on employee retention. The direct influence that the employee value proposition has on employee retention amounted to 0.419 or 41.9%, while the indirect influence the employee value proposition had on employee retention of 0.100 or 10%. When compared, the indirect influence is smaller than the direct influence or can be said to be decreasing, so partial mediation occurs. This implements that the employee value proposition provided by the Bank Indonesia Jember Regional Representative Office can influence employee engagement among permanent employees, thereby increasing employee retention in the Bank Indonesia Jember Regional Representative Office.

The results of this research prove that employee value proposition has a significant effect on employee retention, with mediation from employee engagement. These results are in line with previous research conducted by Chen (2011) which states that employee engagement can act as a mediator in influencing employee value proposition on employee retention.

#### **4. Conclusion**

Based on the results of the analysis and discussion in this research, it can be concluded that the employee engagement variable acts as a partial mediator. The employee engagement variable can mediate the influence of employer branding and employee value proposition on employee retention. This indicates that the employer branding that is developed and the employee value proposition provided by the Bank Indonesia Jember Regional Representative Office can influence employee engagement among permanent employees, so that employee retention increases. The variables that are proven to have an influence are described as follows, there is a significant influence between employer branding on employee engagement, then employee value proposition has a significant influence on employee engagement, employer branding has a significant influence on employee retention, employee value proposition has a significant influence on employees retention, and employee engagement have a significant effect on employee retention.



Suggestions that researchers can convey regarding this researcher are because This research is limited by several previous studies which can be said to have not been updated or there are no researchers who have conducted further research on the same topic, resulting in few references to several hypotheses. Researchers recommend uFor future researchers, they can look for more references from previous research and pay attention to more precise indicators so that the research results obtained are accurate.

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