

Research Article

Effects of Employer Branding on Employee Retention: The Mediating Roles of Organizational Commitment, Career Development Opportunities and Employee Engagement Among Educational Staff

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ABSTRACT

Employee retention has become an important issue in higher education institutions due to increasing employee turnover and competition for qualified human resources. This study aims to analyze the effect of employer branding on employee retention through the mediating roles of organizational commitment, career development opportunities, and employee engagement at Tunas Pembangunan University Surakarta (UTP). This research employed a quantitative explanatory approach using Structural Equation Modeling–Partial Least Squares (SEM-PLS). Data were collected from 50 educational staff members through questionnaires using a Likert scale. The results indicate that employer branding significantly influences organizational commitment, career development opportunities, and employee engagement. However, employer branding does not directly influence employee retention. Career development opportunities and employee engagement significantly affect employee retention, while organizational commitment does not significantly influence employee retention. Furthermore, employee engagement and career development opportunities significantly mediate the relationship between employer branding and employee retention, whereas organizational commitment does not serve as a significant mediator. These findings suggest that employer branding strategies in higher education institutions should be integrated with employee development and engagement programs to improve employee retention.

Keywords: Employer branding; Employee retention; Organizational commitment; Career development opportunities; Employee engagement

1. INTRODUCTION

In the era of global competition, organizations are required to maintain qualified human resources through effective human resource management strategies. One strategic approach that has attracted increasing attention is employer branding, which refers to organizational efforts to build a positive image as an attractive workplace for current and prospective employees. Employer branding not only influences potential employees but also strengthens employee loyalty and retention (Goyal, R., & Kaur, G., 2023).

Employee retention is one of the major challenges in human resource management because organizational success depends on the ability to retain competent employees. High turnover rates may lead to recruitment costs, training expenses, and reduced organizational productivity (Rahman, A., et al., 2023). In the context of private higher education institutions such as Tunas Pembangunan University of Surakarta (UTP), retaining educational staff is essential to maintain academic quality and institutional performance.

Employer branding is considered a multidimensional concept that helps organizations manage employee perceptions internally and externally (Reis, G. G. et.al., 2021). Strong employer branding creates positive employee experiences, psychological attachment, and loyalty toward organizations (Thao, P., et. al., 2024). In addition, employee engagement also plays a significant role in strengthening employee retention because engaged employees demonstrate emotional attachment, enthusiasm, and dedication to their work (Ahmed et al., 2022).

Several previous studies have found that employer branding positively influences employee retention in various sectors such as healthcare, banking, tourism, and information technology (Goyal, R., & Kaur, G., 2023). However, studies focusing on higher education institutions remain limited, especially in Indonesia. Furthermore, previous findings

regarding the relationship between employer branding and employee retention remain inconsistent. Some studies emphasize employer branding only as an external attraction mechanism, while its impact on internal employees has not been sufficiently explored (Thang, N., & Trang, T., 2024).

In recent years, higher education institutions have faced increasing pressure to maintain organizational sustainability while competing for qualified human resources. Educational staff represent a critical component of university operations because they support administrative services, student affairs, financial management, and institutional governance. The effectiveness of these functions directly influences institutional performance and service quality. Consequently, employee retention among educational staff has become a strategic concern for university management (Aman-Ullah, A. et.al., 2021).

The growing mobility of skilled employees has made retention increasingly challenging. Employees are more likely to leave organizations when they perceive limited opportunities for professional growth, insufficient recognition, or weak organizational support. In this context, employer branding serves as a strategic mechanism that enables institutions to communicate organizational values, create positive employee experiences, and strengthen employees' emotional attachment to the institution. A strong employer brand may therefore enhance employees' intention to remain within the organization for a longer period (Kashyap, V., & Verma, N., 2021).

Previous studies have demonstrated that employer branding contributes positively to various employee outcomes, including job satisfaction, organizational commitment, employee engagement, and retention. However, empirical findings regarding the direct effect of employer branding on employee retention remain inconclusive. Some studies report a significant direct relationship, while others suggest that the effect occurs indirectly through psychological and organizational mechanisms. This inconsistency indicates the need for further investigation, particularly in organizational contexts that have received limited scholarly attention (Reis, G. G. et.al., 2021).

Furthermore, studies examining employer branding within higher education institutions remain relatively scarce, especially in developing countries such as Indonesia. Most previous research has focused on sectors such as banking, healthcare, hospitality, and information technology. Therefore, examining the relationship between employer branding and employee retention among educational staff in higher education institutions contributes to extending the existing body of knowledge and provides practical implications for university human resource management (Alonderienė, R., & Urbelė, J., 2024).

This study addresses the research gap by examining the mediating roles of organizational commitment, career development opportunities, and employee engagement in the relationship between employer branding and employee retention among educational staff at Tunas Pembangunan University of Surakarta.

Based on Social Identity Theory, employees tend to remain in organizations that strengthen their social identity and self-esteem (Goyal, R., & Kaur, G., 2023). Meanwhile, Social Exchange Theory explains that employees maintain relationships with organizations when they perceive reciprocal benefits such as career opportunities and organizational support (Bharadwaj, S., et al., 2021).

This study offers several contributions to the existing literature. First, it extends employer branding research into the context of higher education institutions, particularly among educational staff, which remains underexplored compared to sectors such as healthcare, banking, hospitality, and information technology (Choudhary, S., & Joshi, R., 2024). Second, this study simultaneously examines three mediating variables—organizational commitment, career development opportunities, and employee engagement—in a single conceptual model to provide a more comprehensive understanding of the mechanisms through which employer branding influences employee retention. Third, the study contributes empirical evidence from Indonesia, where research on employer branding and employee retention in higher education institutions is still limited. The findings are expected to enrich human resource management literature and provide practical implications for university management in developing effective employee retention strategies.

Therefore, this study proposes the following hypotheses:

- H1: Employer branding positively affects employee retention.
- H2: Employer branding positively affects organizational commitment.
- H3: Employer branding positively affects career development opportunities.
- H4: Employer branding positively affects employee engagement.
- H5: Organizational commitment positively affects employee retention.
- H6: Career development opportunities positively affect employee retention.
- H7: Employee engagement positively affects employee retention.
- H8: Organizational commitment mediates the relationship between employer branding and employee retention.
- H9: Career development opportunities mediate the relationship between employer branding and employee retention.
- H10: Employee engagement mediates the relationship between employer branding and employee retention.

2. RESEARCH METHOD

This study employed a quantitative explanatory research design (Sugiyono, 2019) to examine causal relationships among variables. The research was conducted at Tunas Pembangunan University of Surakarta, Indonesia. The population consisted of permanent and contract educational staff members at UTP. The sampling technique used purposive random sampling with the following criteria: employees who had worked for at least three months, possessed a minimum educational qualification of senior high school, and were willing to participate voluntarily.

Data were collected using structured questionnaires distributed to 50 respondents. The questionnaire employed a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5).

The variables in this study consisted of:

- Employer Branding (independent variable)
- Organizational Commitment (mediator)
- Career Development Opportunities (mediator)
- Employee Engagement (mediator)
- Employee Retention (dependent variable)

The indicators for each variable were adapted from previous studies. Employer branding indicators included work-life balance, compensation, organizational reputation, career opportunities, and work facilities (Backhaus, K., & Tikoo, S., 2004) (Goyal, R., & Kaur, G., 2023). Organizational commitment indicators included affective, normative, and continuance commitment (Meyer, J. P., & Allen, N. J., 1991). Employee engagement indicators consisted of vigor, dedication, and absorption (Schaufeli, W. B., et al., 2002).

Data analysis used Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS software. The analysis consisted of outer model evaluation and inner model evaluation. Convergent validity, Average Variance Extracted (AVE), Composite Reliability, and Cronbach's Alpha were used to evaluate measurement validity and reliability.

3. RESULTS AND DISCUSSION

3.1 Respondent Characteristics

The respondents consisted of 50 educational staff members at Universitas Tunas Pembangunan Surakarta. Based on gender, 60% were male and 40% were female. Most respondents were permanent employees (84%), while 16% were contract employees. In terms of working experience, 48% had worked for more than five years.

3.2 Measurement Model Evaluation

The convergent validity results indicated that most loading factors exceeded 0.60, indicating acceptable validity. The Average Variance Extracted (AVE) values for Career Development Opportunities (0.543), Employee Engagement (0.556), Organizational Commitment (0.507), and Employee Retention (0.623) met the recommended threshold above 0.50. Composite Reliability values ranged from 0.726 to 0.875, while Cronbach's Alpha values ranged from 0.716 to 0.846, indicating that all constructs were reliable.

3.3 Structural Model Evaluation

The R-square value for Employee Retention was 0.795, indicating that 79.5% of employee retention variance could be explained by employer branding, organizational commitment, career development opportunities, and employee engagement.

3.3.1 Direct Effects

The results of path coefficient analysis are presented below:

Table 1. Results of Hypothesis Testing

Relationship	Coefficient	T-Statistics	P-Values
Employer Branding → Employee Retention	0.124	0.676	0.499
Employer Branding → Organizational Commitment	0.692	8.426	0.000

Employer Branding → Career Development Opportunities	0.686	10.057	0.000
Employer Branding → Employee Engagement	0.762	10.970	0.000
Organizational Commitment → Employee Retention	0.109	0.586	0.558
Career Development Opportunities → Employee Retention	0.339	3.533	0.000
Employee Engagement → Employee Retention	0.418	2.294	0.022

The findings reveal that employer branding significantly influences organizational commitment, career development opportunities, and employee engagement. However, employer branding does not directly affect employee retention. Career development opportunities and employee engagement significantly influence employee retention. In contrast, organizational commitment does not significantly affect employee retention.

3.3.2 Indirect Effects

Table 2. Results of Indirect Effect Analysis

Indirect Relationship	Coefficient	T-Statistics	P-Values
Employer Branding → Organizational Commitment → Employee Retention	0.075	0.527	0.598
Employer Branding → Career Development Opportunities → Employee Retention	0.233	3.166	0.002
Employer Branding → Employee Engagement → Employee Retention	0.319	2.370	0.018

The results indicate that career development opportunities and employee engagement significantly mediate the relationship between employer branding and employee retention. However, organizational commitment does not significantly mediate the relationship.

The findings demonstrate that employer branding alone is insufficient to directly increase employee retention. This result supports previous studies by (Pandey, D. L., & Risal, N., 2024), which found that employer branding indirectly influences retention through mediating variables. Employer branding significantly influences organizational commitment, suggesting that employees who perceive positive organizational images tend to develop stronger emotional attachment toward the institution. This finding is consistent with (Alves, P., et al. , 2020). Employer branding also significantly influences career development opportunities and employee engagement. Employees who perceive better career prospects and organizational support are more likely to remain in the organization.

Employee engagement significantly affects employee retention. Engaged employees tend to show stronger loyalty and willingness to remain within the organization. Similarly, career development opportunities significantly contribute to employee retention because employees prefer organizations that provide clear career advancement. However, organizational commitment does not significantly affect employee retention in this study. This suggests that psychological attachment alone is insufficient to retain employees without practical career and engagement support.

4. CONCLUSION

This study concludes that employer branding significantly influences organizational commitment, career development opportunities, and employee engagement among educational staff at Universitas Tunas Pembangunan Surakarta. However, employer branding does not directly affect employee retention. Employee engagement and career development opportunities significantly influence employee retention and successfully mediate the relationship between employer branding and employee retention. In contrast, organizational commitment does not significantly influence employee retention and fails to mediate the relationship.

These findings suggest that higher education institutions should integrate employer branding strategies with employee engagement and career development programs to improve employee retention.

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