Proposed Employee Retention Strategy as the Form of Employer Branding in an Educational Startup (Case: Vokraf)

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ABSTRACT: The fast-changing of technology and the impact of COVID-19 pandemic has changed a lot of aspects in the world, one of them is in the field of HRM. Thus, some adjustments are needed to be done by the companies so they can keep up with the industrial trend and demand. Vokraf is one of the educational startups in Indonesia established in 2019 and their products are selling online digital classes. Based on the interview result with the Vokraf’s HR department, there was a great resignation phenomenon happening from 2022 until mid-2023. In 2022 the employee resignation was 24 from 61 employees while per mid-2023, the employee resignation was 18 from 50 employees. This employee resignation somehow has impacted the company’s performance and should be overcome immediately. The author uses some factors that affecting the turnover intention from the previous research to identify what factors that triggering the employee turnover intention at Vokraf. The secondary data and primary data are being used to help the author in mapping and finding out those factors. Secondary data is sourced from 12 exit interview data while primary data is sourced from semi-structured interview with 9 Vokraf’s key informants. The key informants are chosen by using purposive sampling with snowball sampling technique. All the collected data are being analysed using the Interactive Model Analysis by Miles and Huberman (2014). The employee retention strategy will be proposed as the final step and the recommendation to the company to overcome this issue. There are five factors found that affecting the employee turnover intention at Vokraf, they are about career path, job stress, employee compensation, leader-member exchange, and supportive work environment issues. The author makes the employee retention strategy in the form of implementation plan & implication timeline starts from June 2023 – June 2024.

KEYWORDS: Employee Retention, Employer Branding, Employee Turnover, Educational Startup, Retention Strategy.

1. INTRODUCTION
The rapid development of technology has impacted various aspects of human life, including Human Resource Management (HRM). Technological advancements have brought significant impacts to HRM, such as improving service delivery, enhancing management, streamlining recruitment process, facilitating data management and analysis, increasing efficiency, and supporting career development and HRM (Niaz, 2020; Tyagi, 2019). Furthermore, the growth of technology in HRM has intensified to competition for digital talents, leading to talent war among technology-based companies (Chamber et al., 1998; Clinten, 2022). To address this issue, companies need to develop effective employer branding strategies to attract and retain top talents (Aldousari et al., 2018; R.P. Singh, 2021).

Vokraf is one of the educational startups in Indonesia which is proven to have notable milestones and actively participated in strategic digital training initiatives. However, the company still has not defined the concept of employer branding yet and has faced challenges with a high rate of employee turnover. The evolving trends in employer branding due to technological advancement and pandemic COVID-19 have necessitated a reevaluation the concept of employee retention strategy (Patnaik, 2021). Thus, it is feared the result of previous research about the relationship between employer branding and employee retention may no longer be applicable as employee perceptions and values continue to evolve (Lund et al.m 2021; Khonsheiv & Gholipur, 2017; Gupta et al., 2018).

Considering the tight competition and the adverse effects of high employee turnover on company, it becomes essential for Vokraf to prioritize finding out the employee value proposition (EVP) and employee retention strategies to improve employee retention and foster a positive employee experience (R.P. Singh, 2021). The objective of this research is to identify EVP of Vokraf’s employees and develop employee retention strategy to retain the existing employees.

Business Issue
Vokraf is an educational startup technology providing online classes for enhancing digital skills. Recently, the main product that Vokraf selling is the Prakerja class, a collaboration project with the Indonesian government. Based on the interview conducted with the HR & General Affairs of Vokraf, in 2022 there was a great resignation with about 24 per 61 employee who left the company. The great resignation is still happening until the mid of 2023, with about 18 per 50 employee who left the company.

2. LITERATURE REVIEW

**Employee Turnover** Employee turnover is a common phenomenon in HRM that significantly impacts a company’s performance and employee morale. Employee turnover often described as the percentage of employee that join and depart a company in a period of time (Alla & Rajaa, 2019). Griffith & Hom (2001) divided employee turnover into two main types: voluntary and involuntary. Voluntary turnover happens when employees choose to leave the company based on their own choice, often due to reasons like pursuing new opportunities or experiencing job dissatisfaction (Vulpen, 2023). Vulpen (2023) also stated that voluntary turnover further can be categorized as functional turnover which involving the underperforming employees leaving the company, and dysfunctional turnover, where top performers decide to depart. Functional turnover is desirable for maintaining performance, while dysfunctional turnover should be avoided. Involuntary turnover occurs when employees are terminated by the employer due to poor performance, serious misconduct, economic, or technological reason (Armstrong, 2012).

**Employee Retention** Employee retention plays a vital role in determining a company’s success by impacting both employee and overall organizational performance. Employee retention refers to the willingness of employees to stay loyal to a company and actively utilize their skill and talents (Khoshvenis & Gholipour, 2017; Koostanto, 2021; Thanasisisate et al., 2016). To ensure the long-term employee retention, it is crucial to identify the factors that can contribute to employee satisfaction and implement appropriate strategies to foster loyalty and engagement.

Employee retention and turnover are two interconnected aspects that explain staffing stability and employee mobility (Holiday, 2021). While employee turnover focuses on the condition when the employee leaving the company voluntarily or involuntarily, employee retention focused on creating a positive work environment to make the employee remain (Sherman, 2020). Employee retention has the objective of actively engaging employee, acknowledging their contributions, and providing growth (Tanwar & Prasad, 2016). Identifying retention factors such as growth opportunities, job security, recognition, CSR, work-life balance, and compensation can help to shape effective retention strategies (Sokro, 2012; Tanwar & Prasad, 2016; Khoshvenis & Gholipour, 2017).

Implementing a retention strategy is crucial to minimize the employee turnover rate, increase employee engagement, and retain highly skilled talents (Tanwar, 2016). Effective strategies may involve cultivating employee commitment, introducing career development programs, establishing SOP, conducting leadership programs, recognizing employee achievements, and organizing regular family gathering (Hartika Pratiiwi, 2018). By understanding the factors influencing retention and implementing effective strategies, it is hoped the companies can create a supportive work environment and retain valuable employees.

**Employer Branding**

In marketing, branding plays a crucial role in introducing product to the market. In the context of HRM, branding serves as a strategy to attract and retain employees by establishing a positive employer image and positioning the company as an appealing place to work (Backhaus & Tikoo, 2004; Lovita, 2022). Employer branding entails a favorable image and promoting the company as an ideal place to work, aiding in the recruitment and retention of top talent in the competitive job market (Mosley & Schmidt, 2017; Backhaus & Tikoo, 2004). Effective implementation of employer branding can effectively deliver a unique and positive image of the employer to the eye of public and also both for the existing and the potential employees.

Employer branding provides advantages both internally and externally for the company. Externally, it contributes to brand recognition, familiarity, and a positive market image, reducing talent hiring cost, and integrating HR activities (Backhaus & Tikoo, 2004; John & Raj, 2020). Internally, it contributes to retain the existing employees and foster their loyalty toward the company. In this fast-changing era, employer branding is vital for attracting and fostering sense of belonging and loyalty among employees (Jiang
The appeal of employer branding enhances its perceived value among potential employees to join to work in the company, making it essential to be adopted as one of the HR strategies in this digital era (Soeling et al., 2022).

Bethon’s (2005) five dimensions are well-established for employer branding measurement. These five dimensions consist of interest value, social value, economic value, development value, and application value. However, due to recent changes like COVID-19 pandemic, some adjustments are necessary to ensure the effective measurement of the current employer branding trend.

### Employer Branding Impact on Employee Retention

Employer branding is closely associated with employee retention and has been shown that employer branding has a positive impact on employee retention. Employer branding can be used as a strategic tool to attract top talent, enhance employee engagement, and improve employee retention rates (Cascio, 2014; Tanwar & Prasad, 2016; John & Raj V.P., 2020). Companies that are implementing employer branding are believed to have higher retention levels and greater employee satisfaction (Sokro, 2012; Kucherov & Zarvalora, 2011). Employer branding contributes to the creation of a positive work environment, reducing voluntary turnover, and fostering employee loyalty (Sulikkan, 2010; Sokro, 2012). Sokro (2012) also stated that having a strong brand name and reputation is essential for retaining the existing employees.

### Conceptual Framework

Conceptual framework is used to help the author in mapping the problems faced by the company with the suitable solutions. According to Antomenko (2014), a conceptual framework is a tool used to structure research and develop persuasive arguments which are supported by relevant theory and data. Conceptual framework is also used to help the author in generating the business solution that is matched with the business issues found. In constructing the conceptual framework, the author is using the result from the previous research in the same topics about the usage of employer branding as the retention strategy to overcome the employee turnover issue. Eleven factors are finally chosen as the conceptual framework.

### Table 1. List of Conceptual Framework

<table>
<thead>
<tr>
<th>No</th>
<th>Factors</th>
<th>Sources</th>
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<tbody>
<tr>
<td>1</td>
<td>Employer Brand &amp; Reputation</td>
<td>Khoshnevis &amp; Gholipour, 2017</td>
</tr>
<tr>
<td>2</td>
<td>Career Path</td>
<td>Khoshnevis &amp; Gholipour, 2017</td>
</tr>
<tr>
<td>3</td>
<td>Training &amp; Career Development</td>
<td>Kesen, 2016, Robbins &amp; Judge, 2010</td>
</tr>
<tr>
<td>4</td>
<td>Employee Compensation</td>
<td>Dr. Dasan, N. Barathi, 2022</td>
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<tr>
<td>5</td>
<td>Work-Life Balance</td>
<td>Dr. Dasan, N. Barathi, 2022</td>
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<tr>
<td>6</td>
<td>Employer Culture</td>
<td>Gupta, Ritika et al., 2018</td>
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<td>7</td>
<td>Supportive Work Environment</td>
<td>Gupta, Ritika et al., 2018</td>
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<td>8</td>
<td>Job Stress</td>
<td>Ongori, 2007</td>
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<td>9</td>
<td>Leader-Member Exchange (LMX)</td>
<td>Krishnan, 2005, Saeed et al., 2004</td>
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<tr>
<td>10</td>
<td>Flexible Working Hours</td>
<td>Khoshnevis &amp; Gholipour, 2017</td>
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<td>11</td>
<td>Corporate Social Responsibility</td>
<td>Khoshnevis &amp; Gholipour, 2017</td>
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Several factors are used from previous research related to what factors that have impact on employee retention. In this research, there are total 11 factors that are going to be tested. Those 11 factors are grouped into 4 based on their similarities, which are **Group 1: Employee Experience & Well-Being**, **Group 2: Career Attraction & Retention**, **Group 3: Organizational Culture & Leadership**, and **Group 4 Social Impact & Engagement**. Those 11 factors then also will be used as the basis to construct the interview questions for the key informants.
3. METHODOLOGY
The author is using both primary data and secondary data. For the primary data, data collection was done through a semi-structured interview. There are nine keys of Vokraf’s informants involved, consisting of one HR department lead, one senior employee, one employee who about to resign (under one month notice), four regular employees varied from many divisions, one CEO, and one president commissioner. The key informants were being chosen by using a purposive sampling technique with snowball sampling through this research. All the questions asked are based on the conceptual framework related to employee turnover intention and employee retention intention. In addition to collect the primary data, the author is also doing a direct observation about the employee behavior while working, the observation was done directly in the Vokraf’s office in Jakarta. For the secondary data, the author is using the exit interview data from the HR department about the reasons why the previous employees left the company. There is total 12 exit interview data; 8 exit interview data from 2022 and 4 exit interview data from 2023.

For the data analysis, the author is using the Interactive Model Analysis by Miles & Huberman (2014), which consist of four main steps: data collection, data condensation, data display, and conclusion (drawing/verifying).

4. RESULT AND DISCUSSION
Research result will combine the finding from primary data analysis and secondary data analysis. The author will highlight all the key words said by the respondents which then will be grouped into the factors already defined in conceptual framework.

Exit Interview Analysis
From the exit interview analysis ranged from 2022 until mid-2023, the author finally can find out what are the reasons that caused the employee left the company. The first most frequent reason stated by the employees is related to career path which is said 7 times (27%). The second reason was due to job stress which is said 6 times (23%). The third reason was due to flexible working hours which is said 4 times (15%). The fourth reason was due to work life balance and leader-member exchange (LMX) which are said 3
times for each (11%). The last reason was due to employer brand & reputation, supportive work environment, and employee compensation which are said once (4%).

Table 2. Exit Interview Analysis Result

<table>
<thead>
<tr>
<th>Exit Interview 1</th>
<th>Career Path</th>
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<td></td>
<td>Flexible Working Hours</td>
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<td>Exit Interview 2</td>
<td>Career Path</td>
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<td>Job Stress</td>
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<td>Flexible Working Hours</td>
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<td>Exit Interview 3</td>
<td>Work Life Balance</td>
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<td>Career Path</td>
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<td>Exit Interview 4</td>
<td>Flexible Working Hours</td>
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<td>Exit Interview 5</td>
<td>Leader-Member Exchange (LMX)</td>
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<td></td>
<td>Job Stress</td>
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<tr>
<td>Exit Interview 6</td>
<td>Leader-Member Exchange (LMX)</td>
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<td></td>
<td>Employer Brand &amp; Reputation</td>
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<td></td>
<td>Supportive Working Environment</td>
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<td>Exit Interview 7</td>
<td>Career Path</td>
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<td></td>
<td>Employee Compensation</td>
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<td>Exit Interview 8</td>
<td>Job Stress</td>
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<td></td>
<td>Leader-Member Exchange (LMX)</td>
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<td></td>
<td>Career Path</td>
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<tr>
<td>Exit Interview 9</td>
<td>Flexible Working Hours</td>
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<td>Exit Interview 10</td>
<td>Job Stress</td>
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<td>Exit Interview 11</td>
<td>Job Stress</td>
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<td></td>
<td>Work Life Balance</td>
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<td>Exit Interview 12</td>
<td>Career Path</td>
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</tbody>
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Interview Analysis

From the interview analysis conducted from May – June 2023, the author finally can find out what are the reasons that can trigger the employee turnover intention at Vokraf from the existing employee’s insights. The first most frequent reason stated by the employees is related to job stress and career path which are said 6 times for each (33%). The second reason was due to employee compensation is said 4 times (22%). The third reason was due to leader-member exchange (LMX) and supportive working environment which are said once (5%).

Table 3. Interview Analysis Result

<table>
<thead>
<tr>
<th>Resp01</th>
<th>Job Stress</th>
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<tr>
<td></td>
<td>Career Path</td>
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<td></td>
<td>Employee Compensation</td>
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<tr>
<td>Resp02</td>
<td>Career Path</td>
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</tbody>
</table>
Conclusion of Business Analysis

Conclusion of business analysis is the final process of data analysis sources from the reduction of primary data gained from semistructured interview with the 7 Vokraf’s key informants and secondary data from 12 exit interview data ranged from 2022 – mid 2023. The data triangulation will be done through an interview with Vokraf’s HR and General Affairs Lead, CEO, and President Commissioner to verify the research finding from primary data and secondary data. According to Miles et al., (2014), the triangulation data for the qualitative research can be done by data source (persons, times, places, etc), by method (observation, interview document), by researcher (investigator A, B, etc), by theory, and by data type (e.g., qualitative texts, audio/video recording, quantitative data). On this research, the author is combing two data triangulation methods: data source (person: Vokraf’s HR & General Affairs Lead, Vokraf’s CEO and Vokraf’s President Commissioner) and by method (interview document).

After triangulating the data with the interview result from Vokraf’s HR & General Affairs Lead, CEO and President Commissioner, of the 11 factors sourced from the conceptual framework finally the factors can be narrowed into 5 factors which can trigger the employee turnover intention at Vokraf, which those 5 factors are related to (1) Career Path, (2) Job Stress, (3) Employee Compensation, (4) Leader-Member Exchange, (5) Supportive Work Environment.

![Diagram](https://via.placeholder.com/150)

**Figure 3.** Conclusion of Business Analysis
Career path becomes the most mentioned reason for employee leaving the company (36%). Job Stress becomes the second most mentioned reason (33.5%). Employee compensation becomes the third most mentioned reason (14%), LMX becomes the fourth most mentioned reason (11%). Supportive working environment becomes the least mentioned reason (5.5%).

Figure 4. Vokraf’s Employee Turnover Intention

5. BUSINESS SOLUTION

Business solution technically is constructed based on business analysis conclusion and the insight got from the 9 Vokraf’s key informants which were being interviewed by the author. At the end of the interview session, the author added the additional questions about asking the key informant’s suggestions toward the company, what things that can be improved from their point of view to increase the employee welfare and employee well-being while working at Vokraf.

Career Path Solution

Career path becomes the most frequent reason mentioned that employees are complaining about. This condition somehow can trigger the employee turnover intention and become their consideration to stay longer in the company. Therefore, as the form of business solution, the author is proposing some solution to overcome the career path issues found at Vokraf

• Creating a Clear Career Path for Each Position
  It is essential to establish a clear career path for each position. A lack of career path will drive and stimulate the employee turnover intention. Therefore, in order to address the issue of employee turnover, the company should prioritize addressing the main factor, which is the absence of well-defined career path.

• Generating Employee Development Program
  Employee development program is aimed to stimulate the growth and development of each employee within the company so they will be worthy and ready to earn a higher position. The company can provide various employee development program to boost the employee skills. By having a well-developed employee, somehow will affect the company’s performance.

• Scheduling Regular Employee Performance Appraisal
  In order to ensure the fairness and a systematic approach, it is necessary to conduct objective assessment through employee performance appraisal. This allows the company to establish a structured evaluation system that enables the development of career path for each position.

Job Stress Solution

• Creating a Clear Standard Operating Procedure (SOP)
  SOP offers employees a clear and detailed instructions to do their work. The HR division should immediately create a clear SOP to overcome the employee job stress at work. A clear SOP can minimize the ambiguity and uncertainty.
Creating a Clear Job Target
By creating a clear job target will enable employees to have a clear understanding of the objectives they need to achieve with their roles. The company should assess the capacity, capabilities, and working hours of its employees. With well-defined job targets, employees can effectively manage their time and efforts to complete their tasks. **Employee Compensation Solution**

- Providing Overtime Compensation
  Overtime compensation is mandatory to be given if an employee does an overtime work. Employees tend to stay with the company if the company is paying attention to the employee welfare, which somehow will impact the employee motivation and satisfaction toward the company.

- Providing End-Year Bonus
  Most of the employees are expecting to get an end-year bonus as one of the forms of employee reward that the company can give to their employee. If the company can provide the end-year bonus, somehow it will also affect the employee work performance because employee compensation is proven to boost the employee motivation in work.

- Awarding ‘Employee of the Month’
  The awarding event is aimed to motivate and appreciate those employees who performed well in every month. For the ‘Employee of The Month’, the HR department should announce the winner in the office’s wall magazine. The winner will get appreciation points which those points can be exchanged for a gift.

- Awarding ‘Employee of the Year’
  The awarding event is aimed to motivate and appreciate those employees who performed well in every year. For the ‘Employee of The Year’. The winner will get benefit such as additional day-off for the next year and appreciation points which can be exchanged for a gift later. This appreciation system can lead the employee to feel more appreciated and build the sense of belonging toward the company which eventually it will have a good impact toward the company’s performance.

**Leader-Member Exchange (LMX) Solution**

- Generating Regular Sharing Session
  The 1-on-1 session between superior and their staff will build, strengthen, flourish the chemistry in work and also planting the sense of belonging from one to another.

- Generating Weekly and Monthly Briefing
  Communication is the key for handling the issue between superior and their staff. By making this activity become regular, it is hoped can increase the sense of belonging among employees, especially between leader and their staffs.

**Supportive Work Environment Solution**

- Initiating Regular Sharing Session
  The sharing session is aimed to build the sense of belonging among the employees in the office and build the chemistry in work. The sharing session should be held among leaders, among managers, and among specialists.

- Adding Office Facilities
  Adding office facilities somehow will boost the employee motivation to work and increase their welfare and well-being. A simple action such as adding bean bag as the addition facility to keep being relax while working, adding a smaller room for 1-2 people only, and freeing lunch can be implemented shortly.

- Initiating Regular Outing
  As the starter point, the company can begin to initiate a simple event such as going to cinema, eating together, and having sport together routinely. These activities are hoped to build the sense of belonging among the employees in the company, so they will no talk about office stuff all day long, but can also have the outside activities together with the coworkers.

**6. CONCLUSION & RECOMMENDATION**

**Conclusion**
Conclusion will talk about finding out the employee turnover intention, employee retention intention, and the proposed employee retention strategy to overcome the employee turnover issue happened at Vokraf.
Career path, job stress, employee compensation, leader-member exchange (LMX), and supportive work environment are the factors that can become the five most factors that influencing the employee turnover intention at Vokraf. Supportive work environment, flexible working hours, employer culture, training & career development, leader-member exchange (LMX), employer brand & reputation, and work life balance are the factors that influencing the employee retention intention at Vokraf.

Proposed employee retention strategy is constructed based on the five factors found that influencing the employee turnover intention at Vokraf. Therefore, the author is proposing total 14 employee retention strategies as stated in the business solution.

**Recommendation**

Recommendation is divided into two parts which are recommendation for the company and recommendation for the further research in the same field.

For the company, the author is recommending the 14 employee retention strategies that can be applied to overcome the employee turnover issue at Vokraf. For the career path issue, the employee retention strategies in the form of creating a clear career path for each position, generating employee development program, and scheduling regular employee performance appraisal. For the job stress issue, the employee retention strategies in the form of creating a clear SOP and creating a clear job target. For the employee compensation, the employee retention strategies in the form of providing overtime compensation, providing end-year bonus, awarding ‘employee of the month’, and awarding ‘employee of the year’. For the leader-member exchange (LMX), the employee retention strategies in the form of generating 1-on-1 session and generating a weekly and monthly briefing. For the supportive working environment issue, the employee retention strategies in the form of initiating regular sharing session, adding office facilities, and initiating regular outing activities.

For the further research, the author is recommending to conduct a quantitative-research which involves bigger amounts of participants, so the findings are hoped can be implemented more general in many cases with the same issue about employee turnover. The result of quantitative-research will strengthen the finding of this research.

**REFERENCES**


