



Employer Branding to Improve Employee Loyalty after a Business Merger in PT Pelindo Terminal Petikemas

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ABSTRACT: In today's world, solid employer branding is important for any company or organization. Ambler & Barrow (1996) defined employer branding as the process of building and promoting a company's reputation as an employer. Ilyas et al. (2020) stated that employer branding has a strong positive relationship with employee loyalty and the extent to which employees are committed to their organization and its goals. When a business goes through a merger, employee loyalty becomes an important factor in ensuring the company's productivity, which is something that PT Pelindo Terminal Petikemas and some other Indonesian State-Owned Enterprises have gone through in recent years. The primary research objective of this study is to identify the specific aspects of employer branding that can be prioritized by PT Pelindo Terminal Petikemas to enhance employee loyalty. The methodology used is primarily quantitative research with correlational analysis as the statistical model, however, additional qualitative data was also collected and analyzed. The primary data were acquired through an online questionnaire given to the employees of PT Pelindo Terminal Petikemas. This study concludes that employer branding and employee loyalty have a strong positive significant correlation. Furthermore, it was also found that the employer branding dimensions with the strongest correlation with employee loyalty are organizational culture, ethics and corporate social responsibility, and diversity. PT Pelindo Terminal Petikemas can focus on improving the organizational culture, ethics and corporate social responsibility, and diversity aspects of employer branding to improve employee loyalty. The research also provides actionable solutions for PT Pelindo Terminal Petikemas to further strengthen its employer branding and improve employee loyalty.

KEYWORDS: Business Merger, Employer Branding, Employee Loyalty, Organizational Culture, Stat-Owned Enterprises

INTRODUCTION

In today's competitive business environment, businesses all over the world are starting to realize the value of recruiting and retaining skilled employees. As a company has grown over the years, acquiring and maintaining the best talents is crucial for its survival. Employer branding and employee loyalty have become the two key components that companies wishing to build a motivated and dedicated workforce should focus on.

The Indonesian job market has witnessed increased competition among organizations to attract and retain top talent, making it essential for organizations to develop a strong employer brand and foster high levels of employee loyalty. In less than ten years from now, according to the Asian Development Bank (2016, in Purusottama and Ardianto, 2019), Indonesian human resources will still not be able to fill entry-level jobs, particularly in large companies, because there aren't enough qualified applicants. Employer branding tactics have been implemented by businesses to address this issue.

The term "employer branding" was initially used by Ambler and Barrow in 1996 (Ambler and Barrow, 1996). According to them, employer branding refers to "the package of functional, economic, and psychological benefits provided by employment and identified with the employing company.". On the other hand, Sullivan (2004) defines employer branding as "a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm" (Sullivan, 2004; Backhaus and Tikoo, 2004).

Employer branding refers to the systematic effort of establishing and advertising a company's reputation as an employer (Ambler and Barrow, 1996). The objective of employer branding is to foster a favorable perception of the company among potential and existing employees. The significance of employer branding is in its ability to facilitate the acquisition and retention of exceptional personnel, establish a robust company image, and enhance productivity and contentment among employees (Backhaus and Tikoo, 2004). The six aspects of employer branding encompass training and development, diversity, work-life balance, reputation, organizational

culture, ethics and corporate social responsibility. Each of these criteria influences how employees perceive an organization's workplace branding.

Beginning in 2017, the Indonesian government laid the legal groundwork for the consolidation of the country's more than 100 state-owned companies. In 2021, PT Pelindo I, II, III, and IV merged to become PT Pelabuhan Indonesia (Persero). The complete company profile and explanation can be found in the company profile section. Mergers have become a prevalent trend in the Indonesian business landscape, with state-owned enterprises (SOEs) increasingly involved in the process. The trend of company mergers in Indonesia, particularly among SOEs, is driven by a mix of strategic and policy objectives. Aside from the economic and financial effects, mergers can also have effects on the employees of the company.

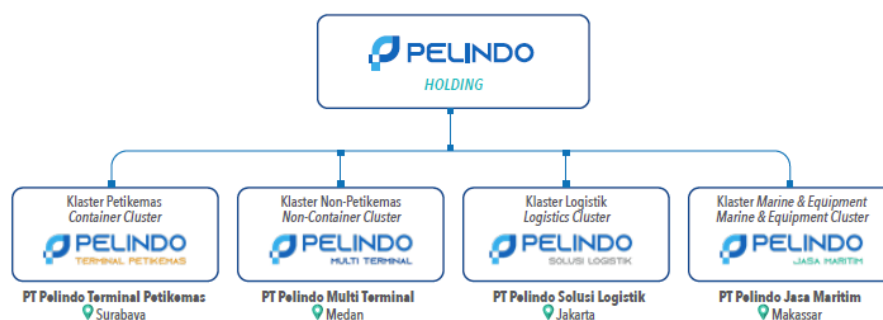


Figure I. PT Pelindo Company Structure (Source: PT Pelindo Annual Report 2022)

PT Pelabuhan Indonesia (Pelindo) is a government-owned corporation tasked with the management and operation of seaports in Indonesia. The company's operations involve a wide range of port services, such as managing terminals, handling cargo, operating containers, managing logistics, and providing related additional services. PT Pelindo has undergone a merger as a result of strategic initiatives by the Indonesian government, in order to achieve national connection and establish a more robust logistics ecosystem network. In October 2021, PT Pelabuhan Indonesia I, PT Pelabuhan Indonesia III, and PT Pelabuhan Indonesia IV consolidated into PT Pelabuhan Indonesia II, forming a single entity known as PT Pelabuhan Indonesia (Pelindo). The integration of PT Pelindo is fragmented into four sub-holdings, namely: PT Pelindo Multi Terminal, PT Pelindo Solusi Logistik, PT Pelindo Terminal Petikemas, and PT Pelindo Jasa Maritim.

According to PT Pelindo's Annual and Sustainability Report, in 2022, PT Pelindo managed to record a net profit of IDR 3.9 trillion (audited) throughout 2022, growing 23 percent compared to 2021 (YOY). This performance is one of the indicators of the results of the merger in October 2021, which allows for synergy within the Pelindo Group entities through consolidation and optimization of financial, operational, commercial, and human resource capacities so that they become stronger and more integrated (PT Pelindo 2022 Annual Report). Supported by better strategic management and greater financial capability, PT Pelindo's business operations will be more coordinated, standardized, and efficient to deliver benefits to the community, especially to the users of PT Pelindo's services.

PT Pelindo Terminal Petikemas is one of the four sub-holdings of PT Pelindo. PT Pelindo Terminal Petikemas is primarily responsible for managing and operating container terminals in several strategic ports across Indonesia. The company handles the loading, unloading, and storage of containers, as well as providing ancillary services such as container inspection, maintenance, repair, and customs clearance.

Whittle stated in 2002 that after a merger, there is a risk of losing employee loyalty. He stated that the changes in leadership and organizational structure may affect the existing workforce after a merger. Chun (2009) suggested that following a merger, a business has to provide its workers with more attention in order to reduce the possibility that they may experience low morale, discontent, and uncertainty, which might result in low employee loyalty and eventually an organizational crisis. During a merger, it's crucial to reassure and involve staff members through a successful communication program, especially if the company is going through a difficult moment. Change ensues with every merger. In order to move through the stages of change with the least amount of loss and disruption, organizations should provide leaders as well as employees with change management knowledge, procedures, and tools.



By using these organizational change tools and processes to better support themselves and their peers in situations where disruption is unavoidable, employees can feel less victimized and more in control of their work environment (Whittle, 2002). This is where the value of employer branding lies.

During and after the merger, the human capital of PT Pelindo, along with their subsidiaries, experienced an optimization. In 2022, the human capital program focused on the organizational restructuring, integration, and alignment of HR system management after the merger. All of the human resources activity of all subsidiaries has to be conducted according to the direction provided by the parent company (PT Pelindo).

Until December 2022, there was no recruitment implemented at PT Pelindo Terminal Petikemas and its business groups, following the parent company's policy of "minus growth" (for both Pelindo organic employees, organic subsidiaries, PKWT, outsourced personnel, and other shareholders). As a result, PT Pelindo Terminal Petikemas will optimize its human resources through the improvement of employee competencies and motivation, simplification of business processes, job enrichment, and job enlargement (PT Pelindo Terminal Petikemas 2022 Annual Report).

As of December 31st, 2022, the number of employees at PT Pelindo Terminal Petikemas was recorded at 8,660. The employees referred to are organic employees of Pelindo at the Head Office of PT Pelindo Terminal Petikemas, the terminals, as well as its subsidiaries and business groups. This number represents a 2,917 percent increase compared to the number of employees in 2021. The increase in the number of employees occurred because in 2021, the Head Office of PT Pelindo Terminal Petikemas had not yet managed the Container Terminal and its subsidiaries in the container sector, so the number of employees at the terminal in 2021 had not been recorded as employees in the PT Pelindo Terminal Petikemas Group (PT Pelindo Terminal Petikemas 2022 Annual Report).

What this means for the employee is that there are a lot of changes happening all at once. From the organizational structure to their career paths. These changes, brought about by the merger, might lead to a decrease in employees' loyalty. The need to re-adapt and the general anxiety surrounding those changes are big factors contributing to the decrease. However, there is no data regarding Pelindo's employee loyalty after the merger. Usually, Pelindo and all its subsidiaries conduct a yearly assessment of their employee engagement and satisfaction. However, since the merger in 2021, the result of the assessment has not been published.

Research indicates that employee satisfaction and engagement may suffer after a merger, which may then have an impact on employee loyalty. The overall performance of employees may be affected by a decline in their level of engagement, satisfaction, and loyalty. Klehe et al. (2011) found that employees frequently experience concern and job dissatisfaction during organizational reorganization and downsizing. Consequently, employees frequently respond with low loyalty and a high rate of voluntary departure from the company in question. Chun (2009) stated that following a merger, a business needs to provide its workers more attention in order to reduce the possibility that they may experience low morale, dissatisfaction, and uncertainty, all of which could result in low employee loyalty and ultimately an organizational crisis. In response, workers frequently exhibit low levels of loyalty to the company and a high rate of voluntary turnover.

This is where employer branding comes into play. A strong company branding strategy helps mitigate the effects of mergers while also increasing employee loyalty. Employer branding has the potential to improve communication and reduce employee concern. According to Ilyas et al. (2020), there is a significant connection between employee loyalty and employer branding. Ilyas et al. (2020) assert that organizations with a strong employer brand are more likely to attract and retain top talent. Furthermore, companies that possess these attributes are more likely to have workers that demonstrate high levels of motivation, engagement, and productivity (Ilyas et al., 2020). Employer branding, according to Backhaus and Tikoo (2004), has a significant and advantageous effect on organizational culture and firm identity, which in turn affects employee loyalty.

Employer branding has a major impact on business identity and culture, which in turn affects employee loyalty (Backhaus and Tikoo, 2004). Even in less-than-ideal circumstances, loyal employees do not intend to leave their positions (Backhaus and Tikoo, 2004). After examining the literature on fostering employee loyalty for retention (Backhaus and Tikoo, 2004; Gozukara and Hatipoglu, 2016; Kucherov and Samokish, 2016; Jain and Bhatt, 2015; Leekha and Sharma, 2014, in Ilyas et al., 2020), it was determined that employer branding was appropriate for preserving long-term relationships between employee and employer.



Employee loyalty can be defined as the degree to which employees are dedicated to their organization and its objectives (Ilyas et al., 2020). It is distinguished by a positive attitude towards the company, a readiness to exert additional effort, and an aspiration to remain with the company for an extended duration (Logan, 1984). Employee loyalty reflects an inclination to stay with a company, which helps to keep talented employees on board. Employees who are committed to their company's brand and firmly believe they can help it succeed are the ones who are eager to remain and promote their employer positively. Researchers generally agree that two key components of employee loyalty are positive word of mouth and intentions to stay with the organization. Low loyalty among employees is essentially indicated by a high employee turnover tendency (Bloemer and Schroder, 2006; Lee, Kim, and Kim, 2014; Ahmad and Daud, 2016, in Ilyas et al., 2019).

Several research studies have indicated a beneficial relationship between different types of performance and employee loyalty. Employee loyalty, for instance, has been shown in studies to considerably improve individual and organizational performance (Asha and Jyothi, 2013; Kim and Kim, 2014; Punjaisri and Wilson, 2011; Punjaisri et al., 2009, in Ilyas et al., 2019). However, Rampl (2014) pointed out that a large percentage of the body of research on employee brand loyalty and employer branding focuses on prospective employees rather than current employees. According to Tanwar and Prasad (2016), there hasn't been much research done on employer branding campaigns targeted to the situations of present or potential employees.

Employer branding has two purposes: firstly, it acts as a means to recruit new employees, and secondly, it acts as a means to motivate current employees to remain with the employer for an extended period of time (Theurer et al., 2018; Deepa and Baral, 2019 in Ahmed et al., 2022). Therefore, individuals who are considering applying for a job and those who are already working for a company are both stakeholders in employer branding. The two functions yielded two primary categories of employer branding initiatives, namely internal and external employer branding.

External employer branding refers to a company's systematic efforts to develop and control its image as an employer in the eyes of prospective employees (Kalinska-Kula and Staniec, 2021). The aim is to foster positive perceptions of the company in the eyes of potential employees. Through a variety of platforms, external employer branding initiatives seek to connect with professionals, students, graduates, and other stakeholders. These platforms facilitate the dissemination of trustworthy and relevant communications to the targeted talent markets by offering insights into the company's culture.

Internal employer branding refers to the systematic development and management of the company's reputation as an employer within its existing workforce (Kalinska-Kula and Staniec, 2021). The objective is to establish a favorable work atmosphere and enhance the employee experience, hence fostering staff retention and productivity. Internal company branding is crucial as it can enhance staff engagement, minimize employee attrition, boost employee efficiency, and enhance customer satisfaction (Staniec and Kalińska-Kula, 2021). The organization facilitates self-definition, enhances qualifications, and effectively motivates individuals to work efficiently through appropriate measures. The desired outcome should be a positive atmosphere in interpersonal interactions and employees' alignment with the organizational objectives. The concept of employer branding is currently still undergoing continuous evolution and development. The current body of research on employer branding is limited and predominantly centered on the perspective of prospective employees rather than current employees.

Therefore, this research aims to evaluate the employer branding of PT Pelindo Terminal Petikemas by exploring the employees' perception regarding the practices, how employer branding practices influence employee loyalty levels within the company and seeks to uncover the aspect of employer branding that can contribute to the improvement of PT Pelindo Terminal Petikemas's employee loyalty.

METHODS

In order to provide a thorough knowledge of employer branding and its effect on employee loyalty following the corporate merger in PT Pelindo Terminal Petikemas, this study will apply primarily quantitative methodologies, with additional data from qualitative open-ended questions. Creswell (2022) defines quantitative research as a type of research that focuses on collecting and analyzing numerical data. It is frequently used to examine correlations between variables, test hypotheses, and generalize results to a broader population. Data can be gathered from a range of sources using quantitative research methods, such as surveys, experiments, and observational studies. After that, statistical techniques are applied to the data in order to find trends and patterns.



The primary target population includes organic employees of PT Pelindo Terminal Petikemas who have been directly affected by the business merger. This encompasses employees from various departments, roles, and levels within the organization. The population will include employees with different lengths of employment, positions, and responsibilities, as these factors could influence their perceptions of the employer branding strategy and their loyalty. The sampling method used is purposive sampling combined with the convenience sampling method, which is non-probability sampling.

The quantitative method will target a wide participant pool to achieve a representative sample. The target population represents the individuals directly impacted by the merger and the subsequent employer branding strategy, totaling 1.823 employees. Using The Slovin formula, with confidence level of 90 percent, and 8 percent margin of error, the minimum sample size was determined to be 101 people, representing a cross-section of departments and hierarchical strata within PT Pelindo Terminal Petikemas. The target population's experiences and perceptions are critical to understanding the effectiveness of the strategy in enhancing employee loyalty. Including employees from diverse backgrounds and roles helps ensure that the findings are comprehensive and applicable to a wide range of situations within the organization.

This research employed nonprobability sampling, namely a combination of purposive sampling and convenience sampling. Due to limitations in time and manpower, implementing probability sampling methods was found to be challenging. Nonprobability sampling provided a practical alternative to gather data. It's important to acknowledge that convenience sampling may not result in a representative sample of the target population. This, in turn, can limit the generalizability of the findings. By acknowledging its limitations and implementing mitigating strategies, this research can still generate valuable insights and inform future studies.

Utilizing questionnaires derived from pertinent literature, primary data was gathered. To assess employee opinions of the employer branding strategy and loyalty, the questionnaire includes closed-ended questions with a 7-point Likert scale response format (from strongly disagree to strongly agree). Because the workforce is geographically spread, online administration of the surveys will assure efficiency and broad participation. Potential volunteers will get an invitation letter outlining the goal of the study and including a link to the online survey. A total of 107 data points were gathered between November 20, 2023, and December 12, 2023.

This research employed two distinct questionnaires: one to assess employer branding and another to evaluate employee loyalty, along with a section about respondent identity, one additional questionnaire to assess the employee's perspective about the communication effort regarding the merger process, and the open-ended questions. Both instruments were developed specifically for this research, drawing upon established definitions from relevant literature. While existing questionnaires on employer branding exist, they often lack the specific focus on post-merger scenarios and PT Pelindo Terminal Petikemas' unique context. Therefore, newly developed questionnaires are tailored to capture the nuances of employee perceptions in this specific situation, potentially yielding more accurate and meaningful data for our research. This original instrument also contributes to the broader field by offering a valuable tool for future studies on employer branding within merged organizations.

Employee perceptions and comprehension of the employer brand itself serve as a basis for measuring the success of employer branding. Employer branding has been effectively implemented if employee perceptions align with the brand that the employer has developed. The six dimensions—training and development, reputation, diversity, organizational culture, work-life balance, and corporate social responsibility (CSR)—that Tanwar and Prasad (2016) identified served as the foundation for the Employer Branding Questionnaire. The purpose of the questionnaire was to evaluate several aspects of employer branding and how they are perceived to impact employees. A series of carefully constructed questions was used to operationalize each dimension and determine how respondents felt about the employer branding efforts.

The Employee Loyalty Questionnaire was built upon the four dimensions identified by Ilyas et al., (2020) namely: Intentions to Stay with The Organization, Positive Word of Mouth, Psychological Commitment, and Attitudinal Loyalty. The questionnaire aimed to assess the level of Loyalty of Employees. Each dimension was operationalized through a set of carefully crafted questions designed to gauge respondents' perceptions of the employer branding efforts.

Along with the Employer Branding and Employee Loyalty Questionnaires, the researcher also included a section of additional data. The additional data assessed in this survey was separated into two sections. The first section was closed-ended Likert scale questions, focusing on assessing the employee's perspective on the communication effort done by PT Pelindo Terminal Petikemas, especially



regarding the merger process. The second section was open-ended questions to gain a deeper understanding of the company’s communication effort.

Descriptive statistics will be used to provide an overview of employee perceptions, while correlational analysis will be used to assess the relationships between variables. The results of the questionnaire data are interval scales, so a normality test is carried out to determine the degree of relationship. The normality testing was done with the Saphiro-Wilk test. The data was found to be not normally distributed. Therefore, the Pearson correlation test was not able to be performed, instead, Spearman’s correlation was used to measure the degree of relationship between the two variables. The statistical analysis was done three times to answer all three research questions:

1. What is the employees' perception of the employer branding in PT Pelindo Terminal Petikemas?
This will be answered by analyzing the descriptive statistics of the Employer Branding Questionnaire.
2. How does employer branding influence employee loyalty in PT Pelindo Terminal Petikemas?
This will be answered by running Spearman’s correlation test between the total score of the Employer Branding Questionnaire and the Employee Loyalty Questionnaire. Because the data is not normally distributed, regression analysis can not be performed. The Statistical hypothesis is as such:
H0: $\rho = 0$, There is no statistically significant relationship between employer branding and employee loyalty at PT Pelindo Terminal Petikemas.
H1: $\rho \neq 0$, There is a statistically significant relationship between employer branding and employee loyalty at PT Pelindo Terminal Petikemas.
3. Which aspect of employer branding can PT Pelindo Terminal Petikemas focus on to improve employee loyalty?
This will be answered by running Spearman’s correlation test between the total score of the dimensions of the Employer Branding Questionnaire and the total score of the Employee Loyalty Questionnaire. Because the data is not normally distributed, regression analysis can not be performed. The Statistical hypothesis is as such:
H0: $\rho = 0$, There is no statistically significant relationship between employer branding dimensions and employee loyalty at PT Pelindo Terminal Petikemas.
H1: $\rho \neq 0$, There is a statistically significant relationship between employer branding dimensions and employee loyalty at PT Pelindo Terminal Petikemas.

RESULTS AND DISCUSSION

There are a total of 107 respondents in this research. There are limited respondent demographics data collected in this research, as the respondent identity data that was collected only focuses on the work divisions, roles, and work durations. 28% of the employees (30 people) were employees working at head office at management divisions such as HR, finance, legal, and corporate secretary, while 72% (77 people) were employees in field operations divisions such as operations, HSSE, engineering, etc. The roles of respondents also vary from VP, Manager, Assistant Manager, Supervisor, Senior and Junior Officer, Staff, and Operators. Figure II. shows the number of respondents according to the work duration and the number of respondents. The majority of respondents (73%) have been working for 5 to 10 years, followed by more than 10 years (17%), 3 to 5 years (6%), and less than 3 years (4%).

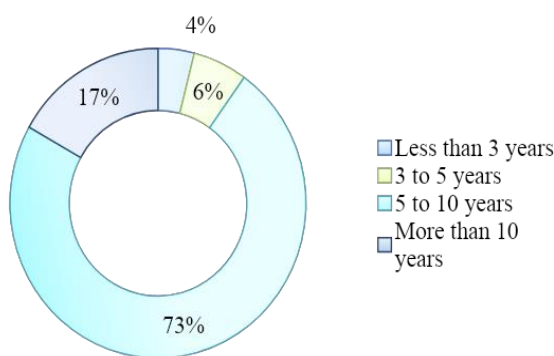


Figure II. Respondents’ Demographic



The analysis of the data was done by first score the raw data. The data was then tested for normality, using the Saphiro-Wilk test. The data was found to be not normally distributed. Then reliability and validity testing were performed. Lastly, correlational analysis was done using Spearman's Correlation test.

The Employer Branding Questionnaire and Employee Loyalty Questionnaire consist of closed-ended questions with a 7-point Likert scale response format (from strongly disagree to strongly agree). The scores given for each choice in this measurement tool are values with an interval dimension. The Employee Loyalty Questionnaire has both positive and negative items, while the Employer Branding Questionnaire only has positive items. The scores were then categorized into three categories low, middle, and high, according to group norms. Categorizing using group norms refers to the process of dividing individual scores into groups based on their relative position within a larger population or reference group. This process involves comparing individual scores to a set of norms, derived from the score range of the entire group. The categorization was done to both questionnaires and also to the dimensions within the questionnaire.

The Employer Branding Questionnaire was then tested for reliability and validity. The validity and reliability testing were done using the 107 participants' data that was collected. The reliability testing focused on establishing the internal consistency of the questionnaire, meaning that items within each dimension and the overall scale were measuring a single construct effectively. SPSS 26 was utilized to conduct this analysis, utilizing Cronbach's alpha as the key metric. The result was then interpreted using Gulford's reliability criteria.

It can be concluded that the Employer Branding Questionnaire and Employee Loyalty Questionnaire is a very reliable measure of employer branding and employee loyalty. The overall Cronbach's Alpha score of 0.938 for EBQ and 0.844 for ELQ is considered to be high, and all of the individual dimensions of the questionnaire have Cronbach's Alpha scores above 0.6, which is considered to be acceptable. This suggests that the questionnaire can be used to accurately and consistently measure employee perceptions of their employer brand and employees' loyalty level.

The next phase was validity testing, focusing specifically on validity based on internal structure. Validity based on internal structure refers to the extent to which a research instrument captures the underlying structure of the construct it aims to measure (Messick, 1995). This type of validity ensures that the individual items of the instrument cohere together in a meaningful way, reflecting the core dimensions and relationships within the construct. Confirmatory factor analysis (CFA) serves as a powerful tool for evaluating internal structure validity, allowing researchers to statistically test whether the observed data (questionnaire responses) fit a hypothesized model of the latent variables (dimensions) representing the construct (Bollen, 1989). The CFA in this research was aimed to confirm the six-factor structure of the questionnaire, ensuring that the items accurately reflected the intended dimensions of employer branding as defined by Tanwar and Prasad (2016). Two software programs, JASP 0.16.0.0 and Jamovi 2.3.28 were utilized for this purpose.

The employer branding questionnaire is considered to be valid, as evidenced by the good model fit and strong factor loadings across all dimensions. This indicates that the questionnaire effectively measures the intended dimensions of employer branding. However, during the testing process for both validity and reliability, a few question items were found to be unreliable and unfit. Therefore, those questions were then exempted from further analysis. The items were TD5, R1, and OC1. So, the Employer Branding Questionnaire can be concluded to have both excellent reliability and validity, with 27 questions.

The employer branding questionnaire has excellent validity, as evidenced by the good model fit and strong factor loadings across all dimensions. Although some values fell below the cut-off, it can still be interpreted as a good fit if the number of good fit indicators was bigger than the bad fit indicator. Furthermore, TLI values below 0.80 are typically considered to indicate poor fit, but values above 0.70 are generally considered acceptable in some cases (e.g., when the RMSEA and CFI values are good) (Hu and Bentler, 1999). This indicates that the questionnaire effectively measures the intended dimensions and relationships within the construct of employee loyalty. Same with the Employer Branding Questionnaire, during the testing process for both validity and reliability, a few question items were found to be unreliable and unfit. Therefore, those questions were then exempted from further analysis. The items were ITS1, PWM5N, PC3N, AL3. So, the Employee Loyalty Questionnaire can be concluded to have both excellent reliability and validity, with 16 questions.

Employer Branding score describes the employee's perception of the company as an employer. The total employer branding score for each participant was sorted into three categories. Figure 4.2 below the percentage of each category. It can be seen that 35 percent of employees have a high employer branding score, meaning they perceive the company as a suitable employer. 49 percent of employees have a middle score, and 16 percent have a low score. This suggests that the company has a positive employer brand overall, but there is room for improvement. The company should focus on improving the perceptions of its employees who have a low or middle score.

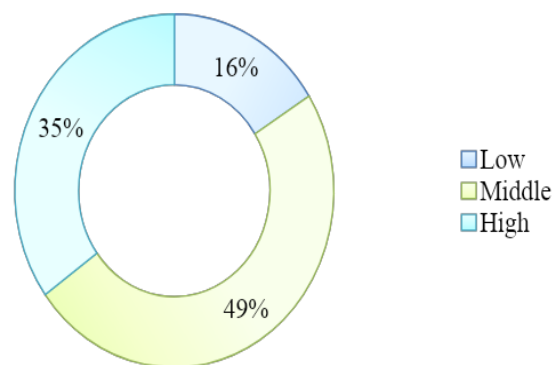


Figure III. Employer Branding Category Chart

Overall, it was found that employees have a generally positive view of the company's employer brand. The data shows that the majority of employees have a high score in reputation (58 percent) and organizational culture (48 percent), meaning they perceive the company as having a good reputation and a positive and supportive organizational culture. While the majority of employees have a middle score in training and development (46 percent), diversity (46 percent), work-life balance (56 percent), and ethics and corporate social responsibility (42 percent), meaning they perceive the company as providing average opportunities for those dimensions.

In conclusion, PT Pelindo Terminal Petikemas has a positive employer brand overall, but there are areas for improvement. The high employer branding score for 35 percent of employees indicates that a significant portion of the workforce perceives the company as a suitable employer. Along with strong scores in reputation (58 percent) and organizational culture (48 percent), meaning PT Pelindo Terminal Petikemas have positive company image and supportive culture as key strengths of their employer brand.

Employer Loyalty score describes the employee's level of commitment to the company as an employer. The total employer branding score for each participant was sorted into three categories. Overall, the figure suggests that the company has a good employee loyalty score, but there is still room for improvement. It can be seen that 18 percent of employees have a low loyalty score, 55 percent have a middle loyalty score, and 27 percent have a high loyalty score. This suggests that the majority of employees (82 percent) have at least an average level of commitment to the company. However, the fact that 18 percent of employees have a low loyalty score is something that the company may want to address.

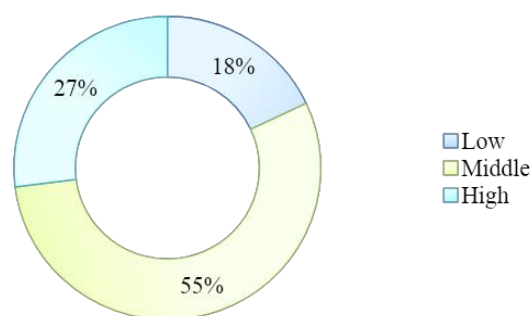


Figure IV. Employee Loyalty Category Chart



Overall, the company has good employee loyalty scores across all four dimensions. The data shows that the majority of respondents have a high score in positive word of mouth (56 percent), psychological commitment (54 percent), and attitudinal loyalty (56 percent), meaning they have a high level of commitment, reflected in those aspects. While the majority of respondents have a middle score in intentions to stay with the organization (46 percent). There is also 30 percent of respondents have low score in this aspect. Meaning that the majority of respondents might have low intention to stay with the organization in the future.

Next, we will answer the second research question which is “How does employer branding influence employee loyalty in PT Pelindo Terminal Petikemas?”. The Statistical hypothesis is as such:

H0: $\rho = 0$ □ There is no statistically significant relationship between employer branding and employee loyalty at PT Pelindo Terminal Petikemas.

H1: $\rho \neq 0$ □ There is a statistically significant relationship between employer branding and employee loyalty at PT Pelindo Terminal Petikemas.

To test the hypothesis, Spearman’s correlation analysis using SPSS 26 was performed to analyze the correlation between the Employer Branding and Employee Loyalty. This test will calculate the p-value and the correlation coefficient. Because the data is not normally distributed, regression analysis can not be performed.

The calculation yielded a p-value of 0.000 and correlation coefficient of 0.782. A p-value less than 0.05 is generally considered to be statistically significant. This means that we can reject the null hypothesis and conclude that there is a statistically significant relationship between employer branding and employee loyalty at PT Pelindo Terminal Petikemas.

A correlation coefficient of 0.782 is considered to be a strong positive correlation. This means that there is a strong relationship between employee branding and employee loyalty in PT Pelindo Terminal Petikemas. Therefore, we can conclude that there is a strong and statistically significant relationship between employee branding and employee loyalty in PT Pelindo Terminal Petikemas. This suggests that employees who have a positive perception of PT Pelindo Terminal Petikemas’s employer brand are more likely to be loyal to the company.

This next part will answer the third research question which is “Which aspect of employer branding can PT Pelindo Terminal Petikemas focus on to improve employee loyalty?”. The Statistical hypothesis is as such:

H0: $\rho = 0$ □ There is no statistically significant relationship between employer branding dimensions and employee loyalty at PT Pelindo Terminal Petikemas.

H1: $\rho \neq 0$ □ There is a statistically significant relationship between employer branding dimensions and employee loyalty at PT Pelindo Terminal Petikemas.

The calculation yielded p-value of 0.000 on all dimensions and correlation coefficient ranging from 0.591 to 0.787. A p-value less than 0.05 is generally considered to be statistically significant. This means that we can reject the null hypothesis and conclude that there is a statistically significant relationship between employer branding dimensions and employee loyalty at PT Pelindo Terminal Petikemas. A correlation coefficient above 0.4 is considered to be a moderate positive correlation and above 0.7 is considered to be a strong positive correlation. Figure 5 below visualizes the correlational strength of each employer branding dimension to employee loyalty.

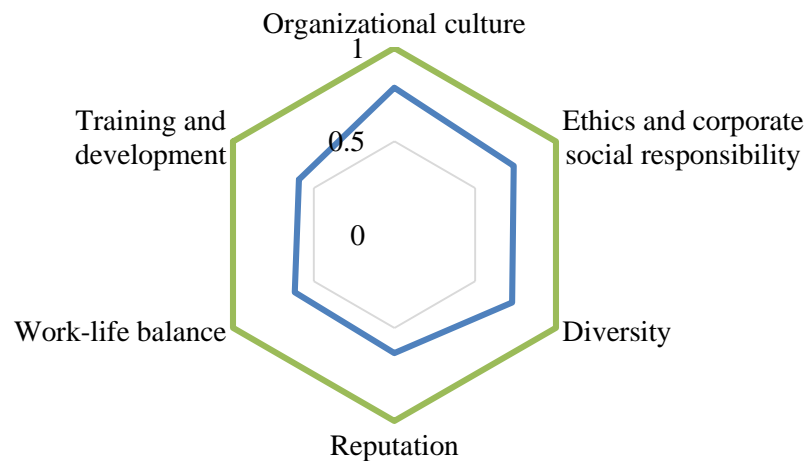


Figure V. The Employer Branding Dimensions Correlation with Employee Loyalty Chart

Based on the calculation, the employer branding dimensions with the highest correlation coefficients with employee loyalty are organizational culture (0.787), ethics and corporate social responsibility (0.738), and diversity (0.728). These dimensions are already considered to be strong areas for PT Pelindo Terminal Petikemas, as the correlation coefficients are all above 0.7. The employer branding dimensions with the lowest correlation coefficients with employee loyalty are training and development (0.591) and work-life balance (0.618). Therefore, the answer to the research question is that PT Pelindo Terminal Petikemas can focus on improving the organizational culture, ethics and corporate social responsibility, and diversity aspect of employer branding to improve employee loyalty. This is because those three aspects have a strong positive correlation with Employee loyalty, therefore, improvements on those three aspects will also help in improving the employee loyalty.

Along with the Employer Branding and Employee Loyalty Questionnaires, the researcher also included a section of additional data. The additional data assessed in this survey was separated into two sections. The first section was closed-ended Likert scale questions, focusing on assessing the employee's perception on the communication effort done by PT Pelindo Terminal Petikemas, especially regarding the merger process. The questions were sorted into 4 categories, general communications; and communications before, during, and after the merger regarding the merger process. Only 7 percent of respondents perceive the communication effort made by PT Pelindo Terminal Petikemas, especially regarding the merger process, as poor. It can be concluded that PT Pelindo Terminal Petikemas was able to do the right thing regarding their communications to their employees.

MANAGERIAL IMPLICATIONS

Based on the data and analysis above, it can be concluded that:

1. The strong positive correlation between employer branding and employee loyalty indicates that further investments in employer branding initiatives can significantly improve employee loyalty and retention. Therefore, focusing on improving employer branding practices can address key concerns and further strengthen employees' commitment to the company. PT Pelindo Terminal Petikemas can focus on improving these aspects:
 - a. Organizational culture: Conduct Regular Surveys and Focus Groups: Gather feedback from employees on their experience and suggestions for improvement. Utilize this feedback to continuously improve the organizational culture.
 - b. Ethics and corporate social responsibility: Clearly defining and communicating the company's values and ethical principles and CSR initiatives to employees, can improve employee's perception of the company's ethical standing.
 - c. Diversity: Create a diverse and inclusive workplace by promoting a culture of acceptance and respect and implementing diversity and inclusion training for all employees, can improve employees' perception of the company's commitment to diversity issues.



2. The overall good employee loyalty score suggests that PT Pelindo Terminal Petikemas has established a strong foundation of employee loyalty. PT Pelindo Terminal Petikemas also have a strong positive word of mouth, high psychological commitment, and high attitudinal loyalty levels. These indicate strong emotional ties and identification with the company. However, improvements need to be made regarding the intentions to stay with the organization aspect. Addressing factors influencing employees' desire to stay, such as career growth opportunities, compensation, and work environment, can improve retention and reduce turnover rate.
3. The overall good employer branding score suggests that PT Pelindo Terminal Petikemas has established a strong foundation of employer branding practices. It can also be concluded that the employees perceived PT Pelindo Terminal Petikemas as having a positive company image, and a supportive organizational culture. However, improvements need to be made in these areas:
 - a. Work-life balance: Encouraging a good work-life balance and providing flexible work schedules aid in helping employees manage their personal and professional obligations, which lowers stress and burnout.
 - b. Training and development: Investing in employee skills and career development demonstrates the company's commitment to their growth.
4. PT Pelindo Terminal Petikemas is already perceived as having effective communication during the merger process. This needs to be maintained by maintaining clear and consistent communication with employees regarding all company matters and addressing employee concerns promptly and transparently to build trust and confidence.

CONCLUSION

This research investigated the correlation between employer branding and employee loyalty in PT Pelindo Terminal Petikemas after the merger. The findings suggest that employer branding and employee loyalty have a strong positive significant correlation. This suggests that employees who have a positive perception of PT Pelindo Terminal Petikemas's employer brand are more likely to be loyal to the company. It was also found that the employer branding dimensions with the strongest correlation with employee loyalty are organizational culture, ethics and corporate social responsibility, and diversity. PT Pelindo Terminal Petikemas can focus on improving the organizational culture, ethics and corporate social responsibility, and diversity aspect of employer branding to improve employee loyalty.

The study finds that PT Pelindo Terminal Petikemas has a positive employer brand overall, but there is room for improvement. Several key strengths of PT Pelindo Terminal Petikemas's employer brand were also revealed, including its positive perception of reputation and supportive organizational culture among employees. However, areas for improvement were also identified, such as diversity, training and development opportunities and work-life balance. The Employee Loyalty of PT Pelindo Terminal Petikemas was also found to be excellent with the majority of employees having at least an average level of commitment to the company. However, it was found that the majority of respondents might have low intention to stay with the organization in the future.

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The scope of the research is to evaluate the influence of employer branding strategy on employee loyalty after a business merger in Indonesia, specifically in PT Pelindo Terminal Petikemas. However due to time constraints, probability sampling method can not be performed. Future research can carry out different methods such as qualitative research to gain deeper understanding about the issues. The sampling method and subsequently the demographic of respondents can also be improved by pre-selecting respondents to ensure a wider range of respondents' demographics. Future research directions could explore the long-term impact of mergers and acquisitions on employee loyalty and employer branding.

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