Does Employer Branding Influence Retention? Mediating Role of Engagement among Young-Gen Worker in Jakarta

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Abstract: *In an increasingly competitive employment landscape, retaining young generation employees has become a growing challenge for organizations, particularly as younger workers demonstrate higher mobility and changing workplace expectations. This study examines the relationship between employer branding, employee engagement, and employee retention among young generation formal workers in the Jakarta area. The study investigates the mediating role of employee engagement in the relationship between employer branding and employee retention. A quantitative approach was employed using primary data collected through self-administered questionnaires distributed to 244 respondents selected through purposive sampling. The data were analyzed using PLS-SEM. The findings reveal that employer branding significantly enhances employee engagement, indicating that young employees tend to feel more emotionally connected and actively involved when organizations are perceived as attractive and supportive workplaces. Employee engagement also significantly influences employee retention. However, employer branding does not directly influence employee retention. Instead, employee engagement fully mediates the relationship between employer branding and employee retention. These findings suggest that organizations should focus not only on building a strong employer image but also on creating meaningful work experiences that strengthen employees' emotional attachment and commitment to remain within the organization.*

INTRODUCTION

The increasingly competitive global labor market has encouraged organizations to focus not only on attracting qualified employees but also on maintaining their long-term commitment. In modern organizations, human capital is considered one of the most valuable strategic assets, making employee retention an essential component of organizational sustainability and competitive advantage (Aripah & Azzuhri, 2025). High employee turnover may result in considerable financial burdens, disruption of organizational knowledge, and declining productivity, thereby creating significant challenges for human resource management. Consequently, retaining employees has become a strategic concern that strongly affects organizational effectiveness and long-term performance (Khan et al., 2021).

To address these challenges, many organizations have adopted employer branding as a strategic approach to strengthen their attractiveness and retain talented employees (Ekhsan et al., 2022). Employer branding refers to organizational efforts to establish and communicate a unique employer value proposition that appeals to both prospective and existing employees. This concept includes organizational values, workplace culture, and employee experiences that collectively shape perceptions of the organization as a place to work. Previous studies indicate that effective employer branding can strengthen employees' emotional attachment and sense of identification with the organization, which ultimately supports employee retention (Chopra et al., 2023; Tanwar & Kumar, 2019). As a result, employer branding is no longer viewed solely as a recruitment strategy but also as a broader organizational mechanism that influences employee attitudes and workplace behavior.

Although numerous studies have reported a positive relationship between employer branding and employee retention, the relationship may not occur directly. Existing literature suggests that organizational practices often influence employee outcomes through various psychological processes rather than through immediate effects alone (Aripah & Azzuhri, 2025; Chopra et al., 2023; R & Baral, 2019). This condition highlights the importance of identifying mediating variables that can explain how employer branding contributes to employees' decisions to remain within an organization, particularly within increasingly dynamic workforce environments.

One important psychological mechanism that may explain this relationship is employee engagement. Employee engagement is commonly described as a positive and fulfilling work-related condition characterized by enthusiasm, dedication, and full involvement in work activities. Based on the Job Demands-Resources (JD-R) theory, organizational resources such as a positive employer brand can encourage stronger employee engagement, which subsequently generates favorable organizational outcomes, including lower turnover intentions (Bakker et al., 2023). Recent empirical findings also demonstrate that employees with higher engagement levels are more likely to maintain long-term relationships with their organizations because they develop stronger emotional and psychological connections (Bakker et al., 2023; Jordan & Desiana, 2024; Rahman et al., 2023).

The relevance of employee engagement becomes increasingly significant when discussing Generation Z employees, who are rapidly becoming a dominant segment of the workforce and influencing organizational dynamics. Generation Z tends to prioritize meaningful work, opportunities for personal development, and alignment between personal and organizational values. Compared with previous generations, they are generally more willing to leave organizations that fail to fulfill these expectations. Recent research reveals that younger employees often demonstrate lower organizational loyalty and higher turnover intentions, emphasizing the importance of engagement in retaining this generation (Vieira et al., 2024).

Despite the growing body of literature on employer branding and employee retention, limited research has specifically examined the mediating role of employee engagement within this relationship, particularly in emerging economies and non-Western settings. Prior studies suggest that employer branding can create positive employee perceptions, while employee engagement functions as a mechanism that transforms those perceptions into behavioral outcomes such as retention (R & Baral, 2019; Rahman et al., 2023). Nevertheless, empirical studies integrating these variables into a comprehensive framework among Generation Z employees in Indonesia remain limited.

Therefore, this study seeks to analyze the influence of employer branding on employee retention through the mediating role of employee engagement among Generation Z employees in the Jakarta area. By combining employer branding and employee engagement within a single analytical model, this research contributes to the development of human resource management literature, particularly through the extension of the Job Demands-Resources theory in an emerging market context. In practical terms, the findings are expected to assist organizations in developing strategies to retain young employees by creating not only a strong employer image but also a more engaging and meaningful work environment. Ultimately, this study aims to understand employee retention from a deeper human perspective, where employees choose to remain in an organization not merely because they are required to, but because they genuinely feel connected to and valued by the organization.

LITERATURE REVIEW

Employee Retention

Employee retention refers to an organization's capability to preserve a stable workforce by reducing employee turnover and maintaining long-term employment relationships. It is regarded as an important organizational outcome because it reflects not only employees' willingness to remain within the organization but also their emotional and psychological connection to it. In the current competitive employment environment, retaining employees has become increasingly difficult, especially as workers are exposed to broader career opportunities and greater job mobility. High turnover can create significant challenges for organizations, including increased recruitment and training costs, loss of organizational expertise, and interruptions to operational effectiveness (Chopra et al., 2023; Khan et al., 2021).

From a theoretical standpoint, employee retention can be understood through the Job Demands-Resources (JD-R) Theory (Bakker et al., 2023). This theory explains that employee outcomes are influenced by the interaction between job demands and job resources. Job resources include physical, psychological, and organizational factors that assist employees in achieving work goals, supporting professional development, and enhancing personal growth. The availability of these resources plays an essential role in strengthening employee motivation and minimizing withdrawal behavior. Employees who perceive sufficient organizational support and resources are generally more likely to develop positive attitudes toward their work and demonstrate stronger intentions to remain with the organization. In contrast, inadequate resources may contribute to disengagement and increased turnover intentions.

Recent empirical studies further emphasize the importance of organizational resources in influencing employee retention. Research findings indicate that organizational practices that enhance employees' perceptions of support and value can significantly reduce turnover intentions while simultaneously strengthening organizational commitment (Khan et al., 2021; Rahman et al., 2023; Vieira et al., 2024). Nevertheless, recent literature also suggests that the influence of organizational resources on retention is often indirect and operates through motivational and psychological mechanisms. This perspective highlights the importance of examining mediating variables that explain how organizational practices are translated into employee retention outcomes..

Employer Branding

Employer branding can be understood as a strategic organizational effort to establish an attractive identity as an employer through the communication of organizational values, culture, and employee value propositions. This concept influences not only how potential employees perceive the organization but also how current employees experience and evaluate their workplace. A well-developed employer brand can strengthen employees' feelings of pride, belonging, and compatibility with organizational values, which subsequently affect their attitudes and behavioral intentions at work (Backhaus & Tikoo, 2004; Tanwar & Kumar, 2019). In increasingly competitive labor markets, organizations rely on employer branding not only to attract talented individuals but also to maintain existing employees by enhancing organizational identification and employees' perceptions of value within the organization.

From a theoretical perspective, employer branding is closely associated with the Job Demands-Resources (JD-R) Theory (Demerouti & Bakker, 2016). According to the JD-R framework, workplace characteristics are generally classified into job demands and job resources. Job demands require continuous physical or psychological effort, whereas job resources such as organizational support, career development opportunities, and a positive work environment help employees accomplish work objectives and encourage personal growth (Demerouti & Bakker, 2016; W. B. Schaufeli & Taris, 2014). Within this framework, internal employer branding can be viewed as an important organizational resource because it communicates a distinctive Employee Value Proposition (EVP) to employees. Through the development of organizational identity and perceived support, employer branding provides employees with psychological resources that assist them in adapting to demanding work environments.

Furthermore, these organizational resources initiate a motivational process that encourages stronger intrinsic motivation, increased work engagement, and greater organizational commitment, while simultaneously reducing the negative impact of excessive job demands (Chopra et al., 2023; Ekhsan et al., 2022; Xanthopoulou et al., 2007). In this sense, employer branding serves not only as a communication strategy but also as a mechanism that shapes employee experiences and workplace attitudes. Empirical studies provide evidence supporting the relationship between employer branding and positive employee outcomes. Previous research has shown that organizations with strong employer brands tend to experience higher levels of organizational commitment and stronger employee intentions to remain within the organization (Tanwar & Kumar, 2019). However, recent findings also indicate that the relationship between employer branding and employee retention is often indirect, operating through psychological factors such as employee engagement (Rahman et al., 2023). This suggests that employer branding should be viewed not merely as a symbolic organizational image, but as a meaningful organizational resource that influences employee outcomes through internal motivational and psychological processes.

Employee Engagement

Employee engagement is defined as a positive, fulfilling, and work-related psychological condition that is characterized by vigor, dedication, and absorption (Demerouti & Bakker, 2016). Instead of being viewed as a temporary emotional state, employee engagement reflects employees' continuous affective and cognitive involvement in their work activities. High levels of energy, mental resilience, and a strong sense of meaning and challenge are demonstrated by engaged employees, making employee engagement an important factor influencing organizational performance and long-term employee retention (Albrecht et al., 2015). Within the Job Demands-Resources (JD-R) framework, the motivational process is centered on employee engagement. This theory explains that job resources such as autonomy, feedback, and social support possess intrinsic motivational value that encourage employees to become more engaged, which subsequently promotes positive organizational behaviors (Bakker et al., 2023; Demerouti & Bakker, 2016).

Therefore, organizational resources are transformed into measurable behavioral outcomes through employee engagement as an important psychological mechanism. Christian et al. (2011) argue that the availability of organizational resources alone does not automatically guarantee improved performance outcomes. Employees must cognitively and emotionally internalize these resources through engagement before stronger effort, commitment, and loyalty can be expressed. Recent empirical findings further support the mediating role of employee engagement. Several studies have found that retention outcomes are significantly influenced through engagement as the primary mechanism linking high-performance work practices to employee behavior (Aripah & Azzuhri, 2025; R & Baral, 2019).

By functioning as an intermediary process, employee engagement enables employees to develop emotional attachment and normative commitment, both of which contribute to lower turnover intentions. Consequently, employee engagement should not merely be regarded as a static organizational outcome. Instead, strategic human resource practices are translated into sustainable employee retention through employee engagement as a dynamic and functional driving force (Ekhsan et al., 2022).

Relationship between Employer Branding, Employee Engagement, and Retention

The relationship among employer branding, employee engagement, and employee retention can be explained through the motivational mechanism proposed in the Job Demands-Resources (JD-R) Theory (Bakker et al., 2023; Demerouti & Bakker, 2016). Within this theoretical perspective, employer branding is regarded as an organizational resource that influences employees' perceptions regarding organizational support and value. Higher levels of employee engagement are stimulated by these positive perceptions, which subsequently contribute to favorable behavioral outcomes, including stronger intentions to remain within the organization (Khan et al., 2021; R & Baral, 2019; Rahman et al., 2023).

A significant mediating function is performed by employee engagement in connecting employer branding with employee retention. Employees are more likely to experience feelings of appreciation and organizational connection when a strong employer brand is perceived, and these feelings increase employee engagement. As engagement becomes stronger, emotional attachment to the organization is reinforced and turnover intentions are reduced (Backhaus & Tikoo, 2004; Chopra et al., 2023; Tanwar & Kumar, 2019). Conversely, the influence of employer branding on retention may become less effective if organizational values are not psychologically internalized by employees through engagement. This relationship becomes particularly relevant when younger generation employees are considered, as they tend to prioritize meaningful work experiences, authenticity, and alignment with organizational values. For this generation, retention cannot be achieved solely through employer branding unless meaningful engagement is also experienced within the workplace.

Therefore, understanding the mediating role of employee engagement is important for explaining how employer branding contributes to employee retention, especially within highly dynamic and competitive labor market conditions (Aripah & Azzuhri, 2025; Chopra et al., 2023; Kristianto & Handoyo, 2020). Based on the theoretical framework and previous empirical findings, the following hypotheses are proposed to examine both the direct and indirect relationships among the variables:

H1: Employer branding positively affects employee retention**.**
H2: Employer branding positively affects employee engagement.
H3: Employee engagement positively affects employee retention**.**
H4: Employee engagement mediates the relationship between employer branding and employee retention.

METHOD

This research applies a quantitative methodological framework to investigate how employer branding contributes to employee retention through the role of employee engagement among Generation Z employees located in Jakarta. Quantitative inquiry was selected because it provides a structured means of examining relationships among variables and allows theoretical assumptions to be tested objectively through statistical analysis (Creswell, 2014). The investigation uses a cross-sectional research design, meaning information was gathered only once during the study period in order to capture participants' current perceptions and experiences regarding the examined constructs. Data collection relied on primary data obtained through an online questionnaire completed directly by respondents. Because participants answered independently without researcher intervention, the approach helped reduce interviewer influence while encouraging more accurate and unbiased responses (Sekaran & Bougie, 2016).

To maintain measurement accuracy, all indicators used in the questionnaire were derived from instruments that had previously demonstrated acceptable validity and reliability in earlier academic studies. The target population consisted of Generation Z employees working within formal organizations in Jakarta. Individuals categorized as Generation Z are generally those born between 1997 and 2012 and are commonly associated with strong digital orientation, greater preference for meaningful employment, and a higher tendency to change jobs compared with earlier generations (Dimock, 2019). Since no complete population list was available, purposive sampling was implemented as the sampling strategy. Respondents were included only if they met several predetermined requirements: they belonged to Generation Z, were actively employed in the formal employment sector, and possessed at least one year of work experience. These qualifications were established to ensure that participants had sufficient familiarity with organizational practices related to employer branding and employee engagement.

A total of 300 respondents participated in the study, a number considered sufficient for analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM). Hair et al. (2024) explain that PLS-SEM is particularly effective for predictive studies involving multiple constructs and relatively sophisticated research models, especially when compared with covariance-based SEM approaches that often require larger samples. The number of collected responses exceeded the recommended minimum threshold, thereby providing adequate statistical strength for evaluating structural relationships and mediation effects. The employer branding construct was measured using seven indicators adapted from Chopra, Sahoo, and Patel (2023). Employee engagement was assessed through the Utrecht Work Engagement Scale (UWES-9) developed by Schaufeli and Salanova (2006), which evaluates vigor, dedication, and absorption through nine measurement items. Meanwhile, employee retention was examined using seven indicators adapted from Kyndt et al. (2009) that focus on employees' willingness to remain within their organizations.

Responses for all variables were recorded using a five-point Likert scale ranging from strongly disagree to strongly agree. Prior research has shown that this measurement format produces strong reliability and construct validity, reflected in satisfactory composite reliability, Average Variance Extracted (AVE), and Fornell–Larcker criterion results (Obon et al., 2025).

Data processing and hypothesis testing were carried out using SmartPLS 4 software. The decision to apply PLS-SEM was based on its suitability for predictive-oriented research, its flexibility in handling complex structural models, and its ability to analyze datasets that do not necessarily satisfy strict normality assumptions (Hair et al., 2019). The analytical procedure was divided into two major phases. The first phase focused on assessing the measurement model through reliability and validity evaluations, while the second phase examined the structural relationships among variables and tested the mediating role of employee engagement within the proposed framework. Drawing upon the theoretical foundation of the Job Demands-Resources (JD-R) Theory and supported by prior empirical findings, this study develops a conceptual framework linking employer branding, employee engagement, and employee retention. The proposed model seeks to explain the mechanism through which employer branding influences employees' intention to remain in the organization by strengthening engagement. The overall conceptual framework of the study is illustrated in Figure 1.

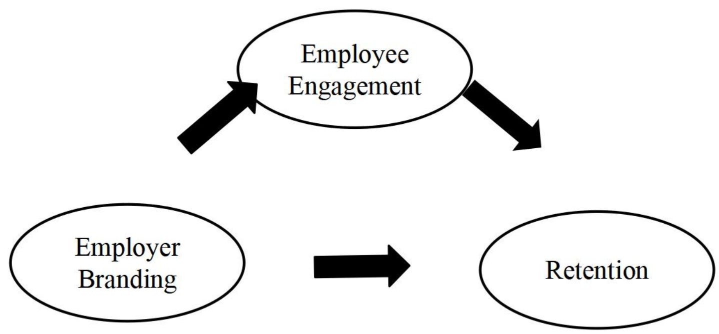

Figure 1. Research Model

RESULT AND DISCUSSION

Descriptive Analysis

The study involved 244 participants, with women forming the dominant proportion of the sample. Most individuals belonged to the 21–25 age category, while participants aged 26–30 represented a smaller but still substantial segment. Only a limited number of respondents were within the 15–20 age range, indicating that the sample was largely concentrated among young adults entering or developing their professional careers. Educational attainment among respondents was varied, although undergraduate degree holders constituted the largest group. Participants with vocational education backgrounds also represented a notable portion of the sample, whereas those whose highest qualification was senior high school formed a comparatively smaller percentage.

Respondents holding postgraduate qualifications, including master's and doctoral degrees, appeared only in limited numbers. These findings suggest that the participant pool was primarily composed of individuals with higher education credentials at the undergraduate level. Employment characteristics further revealed that permanent or full-time employment dominated the sample composition. By contrast, relatively few respondents reported working under contractual arrangements. In relation to organizational tenure, most participants had accumulated between one and three years of work experience within their current organizations, reflecting a workforce that was still in the earlier stages of organizational attachment. Employees with four to seven years of tenure represented a moderate proportion, while only a very small segment had remained in their organizations for more than eight years.

Regarding occupational position, staff-level employees made up the majority of respondents, considerably outnumbering supervisory personnel and managerial employees. Individuals occupying higher managerial roles represented only a minor share of the sample. Overall, the respondent profile illustrates a workforce that was predominantly composed of young female employees working full-time, generally educated at the bachelor's level, occupying non-managerial positions, and possessing relatively limited organizational tenure.

Table 1. Profile of Respondents

Category		Amount	Percentage
Gender	Male	79	32%
	Female	165	68%
Age Category	15 - 20	8	3%
	21 - 25	149	61%
	26 - 30	87	36%
Education Background	High School	23	9%
	Vocational	57	23%
	Bachelor's degree	132	54%
	Master's degree	10	4%
	Doctoral Degree	2	1%
Employment Status	Full time Employee	204	84%
	Contract Worker	20	8%
Tenure (years)	1 - 3 years	145	59%
	4 - 7 years	89	36%
	> 8 years	10	4%
Job position	Staff	170	70%
	Supervisor	45	18%
	Managerial level	9	4%

Validity and Reliability Test

To verify whether each latent variable represented a distinct concept within the structural model, discriminant validity testing was conducted through the Fornell–Larcker approach (Afthanorhan et al., 2021). The evaluation focused on ensuring that the constructs used in the analysis were sufficiently independent from one another. In assessing the measurement model, benchmark values commonly suggested in the literature were applied, where Composite Reliability (CR) should surpass 0.70 and Average Variance Extracted (AVE) should exceed 0.50. In addition, indicator reliability was examined through outer loading values, with values above 0.70 considered ideal.

Nevertheless, indicators falling between 0.40 and 0.70 were reviewed carefully and retained only when their inclusion did not weaken the overall construct quality (Hair et al., 2024). During the purification stage of the model, several indicators were excluded because they did not satisfy the required AVE standards. Items with outer loading scores below 0.40 were removed in order to improve convergent validity and strengthen the AVE values of the constructs. After the refinement procedure had been completed, the employer branding variable was represented by five indicators, employee engagement by three indicators, and employee retention by five indicators. Reliability testing further demonstrated that all constructs achieved acceptable internal consistency, as both Composite Reliability and Cronbach's alpha coefficients exceeded the recommended threshold of 0.70 (Govindasamy et al., 2024). A complete summary of the validity and reliability analysis is provided in the following table.

Table 2. Result of Construct Validity

Constructs	**Items**	**Convergent Validity**		**Reliability**	
		Factor Loadings	**AVE**	**Composite Reliability**	**Cronbach's Alpha**
Employer Branding	EB2	0.835	0.644	0.876	0.863
	EB4	0.738			
	EB5	0.775			
	EB6	0.820			
	EB7	0.840			
Employee Engagement	EE4	0.910	0.764	0.850	0.845
	EE5	0.896			
	EE7	0.814			
Employee Retention	ER1	0.714	0.573	0.818	0.814
	ER2	0.794			
	ER3	0.769			
	ER4	0.721			
	ER5	0.783			

The distinctiveness of each construct was subsequently re-examined using the Fornell-Larcker discriminant validity criterion (Fornell & Larcker, 1981). The findings displayed in Table 3 reveal that the square root values of AVE for every construct were greater than the inter-construct correlation coefficients. This outcome confirms that the measurement model possesses satisfactory discriminant validity and that each construct captures a conceptually unique dimension within the study framework (Cheung et al., 2024; Farhana, 2021).

Table 3. Result of Discriminant Validity

	1	2	3
Employer Branding	**0.803**		

Employee Engagement	0.626	**0.874**	
Employee Retentiom	0.432	0.557	**0.757**

Structural Model

The structural model was assessed in accordance with the analytical procedures recommended by Hair et al. (2024). To determine the statistical significance of the relationships among variables, a bootstrapping procedure with 1,000 resamples was performed. The outcomes of the structural analysis are summarized in Table 4.

Table 4. Result of Path Coefficient

Path	Hypothesis	Path Coefficient	P-Value	Result
Employer Branding -> Employee Retention	H1	0.137	0.117	Not Supported
Employer Branding -> Employee Engagement	H2	0.626	0.000	Supported
Employee Engagement -> Employee Retention	H3	0.472	0.000	Supported
Employer Branding -> Employee Engagement -> Employee Retention	H4	0.295	0.000	Supported

The first hypothesis proposed a direct relationship between employer branding and employee retention. However, the statistical results did not provide sufficient evidence to support this assumption ($\beta = 0.137$; $p = 0.117$). This outcome indicates that the organization's employer branding practices alone were not capable of directly encouraging employees to remain with the company. Similar conclusions have been reported in earlier investigations, where employer branding showed no immediate influence on retention behavior (Aripah & Azzuhri, 2025; Ekhsan et al., 2022). Existing literature suggests that the effect of employer branding tends to emerge through intermediary psychological processes rather than through a direct pathway. In many cases, discrepancies between the organization's promoted image and employees' actual workplace experiences may weaken the credibility of the employer brand. Additionally, organizations with strong reputations may still experience retention difficulties when employees perceive compensation or career rewards as insufficient (Ekhsan et al., 2022).

In contrast, the second hypothesis examining the association between employer branding and employee engagement received strong empirical support ($\beta = 0.626$; $p < 0.001$). The findings indicate that employees are more likely to become psychologically connected and actively involved in their work when the organization successfully communicates a positive and compelling employer identity. This result reinforces prior empirical evidence demonstrating that employer branding contributes positively to engagement levels among employees (Burawat, 2015; Chopra et al., 2023; Druteikiene et al., 2023; Khan et al., 2021; Thang & Trang, 2024). Support was also obtained for the third hypothesis, which investigated the relationship between employee engagement and retention ($\beta = 0.472$; $p < 0.001$). Employees who exhibit stronger engagement were found to have a greater tendency to remain within the organization over time. This finding is consistent with previous studies emphasizing that engaged employees generally demonstrate higher organizational commitment and lower turnover intentions (Başar, 2024; Chopra et al., 2023; Jordan & Desiana, 2024; Presbitero et al., 2025; Wibaselppa et al., 2025). Engagement appears to strengthen the effectiveness of organizational initiatives by creating emotional attachment and reinforcing employees' connection with the organization. As a result, programs related to employee well-being, organizational support, and workplace development are more likely to contribute to long-term retention when employees experience high levels of engagement (Chopra et al., 2023; Jordan & Desiana, 2024).

Further analysis was conducted to evaluate the mediating role of employee engagement in the relationship between employer branding and employee retention. The results confirmed the significance of the indirect effect, thereby supporting the fourth hypothesis ($\beta = 0.295$; $p < 0.001$). This finding demonstrates that employer branding primarily represents organizational promises that include psychological, functional, and economic benefits offered to employees, whereas retention reflects employees' behavioral responses toward those promises. These organizational values are unlikely to influence employees' decisions to stay unless they are internalized through a sense of engagement (Aripah & Azzuhri, 2025; Başar, 2024; Ekhsan et al., 2022).

In this regard, employee engagement functions as an important psychological mechanism that converts organizational image and value propositions into employees' willingness to remain with the company (Presbitero et al., 2025; Rahman et al., 2023; Wibaselppa et al., 2025). The explanatory power of the structural model was subsequently evaluated using the coefficient of determination (R^2) for each endogenous construct, as presented in Table 5.

Table 5. Results from R^2 and Q^2

Endogenous Variable	**R^2**	**Q^2**
Employee Engagement	0.391	0,373
Employee Retention	0.322	0,158

The analysis showed that employer branding explained 39.1% of the variation in employee engagement. Meanwhile, the combined influence of employer branding and employee engagement accounted for 32.2% of the variance observed in employee retention. To further assess the predictive capability of the model, Stone-Geisser's predictive relevance (Q^2) was examined through the blindfolding procedure. According to Hair et al. (2024), predictive relevance is established when Q^2 values exceed zero. The results demonstrated positive Q^2 values for all endogenous variables, indicating that the exogenous constructs possessed adequate predictive relevance in explaining the endogenous variables within the model. A complete illustration of the SMART PLS 4 structural model is provided in Figure 2.

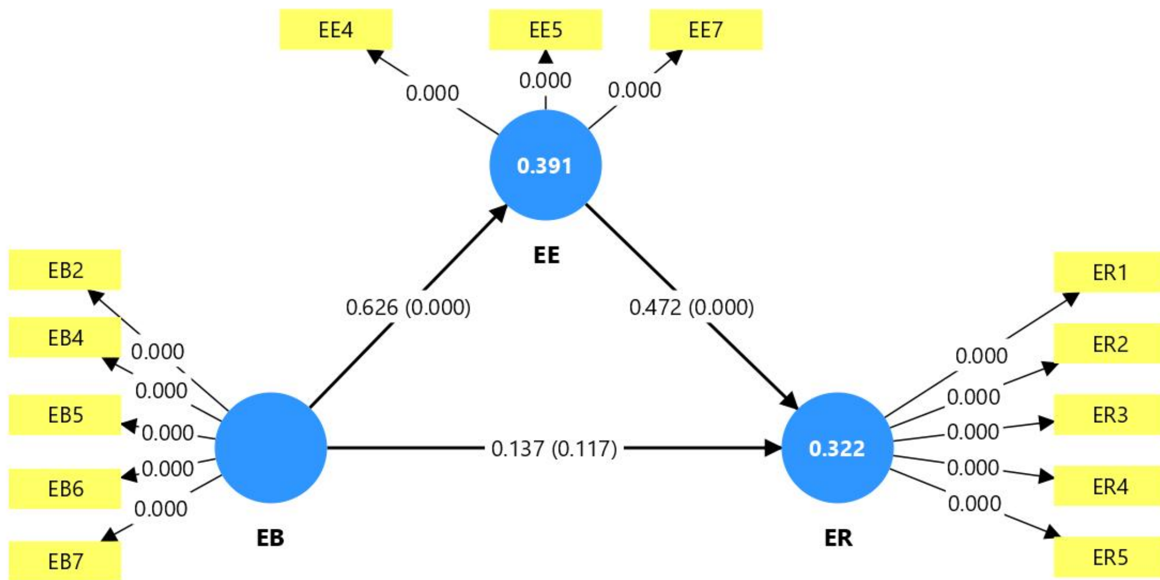

Figure 2. Final Result from Contruct Analysis

CONCLUSION

The present research investigated how employer branding, employee engagement, and employee retention are interconnected among younger employees. The analysis demonstrated that a favorable employer image substantially contributes to higher levels of employee engagement. When organizations are perceived as attractive and supportive workplaces, younger workers tend to become more emotionally invested in their roles and participate more actively in organizational activities. Despite this positive influence, employer branding was not found to directly determine employees' intentions to stay within the company. The findings imply that a strong organizational image alone cannot guarantee long-term retention of employees. Instead, retention is more strongly influenced through the presence of employee engagement, which acts as an intermediary mechanism linking employer branding with employees' willingness to remain in the organization.

The statistical evaluation of the structural model further confirmed these relationships. Employer branding accounted for 39.1% of the variation in employee engagement, whereas the combination of employer branding and employee engagement explained 32.2% of the variation in employee retention. Moreover, all Q^2 values exceeded zero, indicating that the proposed model possessed adequate predictive capability for the endogenous variables examined in the study.

Overall, the results emphasize the strategic importance of employer branding in cultivating employee engagement, which subsequently strengthens retention among younger employees. Workers are more likely to develop commitment and psychological attachment when they perceive their organization as credible, supportive, and aligned with their expectations. Nevertheless, the absence of a significant direct relationship between employer branding and retention highlights that branding initiatives cannot independently secure employee loyalty.

Retention is more likely to be achieved when positive organizational image is accompanied by meaningful workplace experiences, including opportunities for professional growth, recognition of contributions, managerial support, and a healthy work environment. Consequently, organizations should move beyond merely promoting an attractive employer reputation and place greater emphasis on developing engagement-oriented practices that reinforce employees' emotional connection with the organization. By integrating these strategies, companies may strengthen retention rates while minimizing turnover among younger members of the workforce. Several limitations should also be acknowledged when interpreting the findings of this study.

The research concentrated primarily on employer branding and employee engagement as predictors of retention among young employees in Jakarta. Other variables that may influence retention, such as job satisfaction, compensation, organizational commitment, leadership approaches, and work-life balance, were not incorporated into the proposed framework. In addition, the investigation was conducted within a limited organizational and geographical context, which may restrict the broader applicability of the findings across industries or regions. Future research is therefore encouraged to incorporate a wider range of explanatory variables and involve more diverse research settings to obtain a more comprehensive understanding of employee retention. Further studies may also adopt longitudinal or comparative approaches to examine how the relationships among employer branding, engagement, and retention evolve over time and across different organizational contexts.

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