

CHAPTER I

INTRODUCTION

1.1 Research Background

Creativity and innovation are now key factors in helping companies maintain long-term competitive advantages. Employee ideas, particularly from those who interact directly with customers, have been recognized as a significant source of innovation (Ek Styvén et al., 2022). Consequently, employers continually aim to recruit and retain a creative workforce capable of driving innovation within the company. They employ various methods to attract and retain such talent.

Retaining current employees is viewed as more cost-effective than hiring new ones. Recruitment involves expenses for job postings, managing the entire hiring process, and training new employees (Hadi & Ahmed, 2018). It seems like there is a “War for Talent” as companies try to attract better skilled workers from their competitors. It becomes another reason for employers to offer value that will make their skilled workers stay.

A growing challenge in today’s labor market is what Qian & Balwi (2024) define as the War for Talent a competitive climate where companies must actively compete to attract and retain highly skilled workers. As an example, Gojek’s efforts to develop employees and build its culture brand have become a guide for other companies to keep digital-era talent. Also, Lion Parcel and SiCepat are now including innovation, training and internal recognition as part of their efforts to attract and keep employees.

Employer branding has become a central element in employee retention strategies, enabling companies to boost their appeal and reduce turnover (Sharma, 2019; Qian & Balwi, 2024).

Employer branding strategies have been widely adopted by recruiters and are regarded as a key driving force in retention efforts (Ito et al., 2013). Companies are

making significant investments to enhance their appeal and position themselves as the "Best Employer" (Hadi & Ahmed, 2018). Companies value intellectual assets just as much as physical ones, recognizing their employees' intelligence, experience, and skills as valuable resources. It is important for companies to appear as the best of the best for potential candidates and their current employees.

Employers aiming to retain employees through employer branding should focus on offering a range of benefits, not solely on economic benefits (Ek Styvén et al., 2022). These values, which include economic, functional, and psychological benefits, will be explored in this research. These benefits contribute to what makes an employer appealing, referred to as employer attractiveness.

Intention to stay is an essential concept in human resource management because it serves as a leading indicator of actual employee retention. Unlike turnover, which can only be observed after employees resign, intention to stay reflects employees' current attitudes and future commitment (Milliman et al., 2018; Qian & Balwi, 2024). High levels of intention to stay signal that employees feel satisfied, valued, and aligned with the organization's goals, which in turn reduces the risks and costs associated with turnover. Retention is not only about saving on recruitment and training expenses but also about maintaining organizational knowledge, service quality, and customer trust (George, 2015). For industries such as transportation and logistics, where employees directly affect safety and operational reliability, strong intention to stay ensures stability in the workforce and continuity of service delivery. Thus, understanding and fostering employees' intention to stay is critical for building long-term organizational competitiveness and resilience.

Limited research has been conducted on how employer attractiveness influences employees' intention to stay within transport and logistics companies. A study by Sugak et al. (2021) on a Russian railway company found that when employers focus on their branding, they achieve a stronger position in the job market and are more successful in retaining skilled employees. Thang & Trang (2024) identified a correlation between employer branding and the enhancement of the company's image, which in turn increases the intention to apply to the company. To date, there

has been little to no research on this topic in Indonesia, making it a key area of interest for the researcher to explore.

PT Asih Tunggal Jati, a fuel transport company based in Sorong, Southwest

Papua, plays a critical role in the logistics chain, particularly for Pertamina, a major fuel distributor in Indonesia. The company is essential for ensuring the smooth distribution of fuel in the region, but it faces a unique set of challenges in recruiting and retaining skilled employees. In the logistics and fuel transport sector, where there is high competition for qualified workers, PT Asih Tunggal Jati is struggling with its limited presence and engagement on the internet, as well as with the relatively underdeveloped employer branding strategies compared to more prominent companies in urban areas.

Addressing this research gap, the majority of research done on employer branding has been about big companies or urban businesses with well-organized HR teams and clear employer value propositions. Yet, PT Asih Tunggal Jati which is based in Sorong, Southwest Papua, is an example of a company that operates differently. As a fuel transporter for Pertamina, it is very important logistically, but the company does not have much of a presence on the internet or in its employer branding.

While large companies and urban-based businesses with strong HR departments have been studied extensively, little research exists on smaller, less-prominent companies like PT Asih Tunggal Jati, especially those located in less-developed areas like Sorong. The challenges faced by PT Asih Tunggal Jati include attracting skilled workers in a region where there is a smaller talent pool, and retaining them with limited resources. Given these difficulties, understanding how employer attractiveness especially through dimensions like creativity, innovation, and employee benefits can influence employees' intention to stay is critical for the company's long-term success. This research will provide valuable insights for PT Asih Tunggal Jati and other companies in similar contexts on how they can enhance their employer branding and improve employee retention strategies.

1.2 Research Questions

As the research background stated, the interest of the researcher is to analyze the influence of five dimensions of employer attractiveness on employees' intention to stay. The author presents the following questions to be addressed in this study:

1. Does the interest value (creativity and innovation) positively influence the intention to stay of PT. Asih Tunggal Jati employees?
2. Does the economic value of employer attractiveness positively influence the intention to stay of PT. Asih Tunggal Jati employees?
3. Does the development value of employer attractiveness positively influence the intention to stay of PT. Asih Tunggal Jati employees?
4. Does the social value of employer attractiveness positively influence the intention to stay of PT. Asih Tunggal Jati employees?
5. Does the application value of employer attractiveness positively influence the intention to stay of PT. Asih Tunggal Jati employees?

1.3 Research Objective

Based on the research questions, this research aims:

1. To analyze the impact of the interest value (creativity and innovation) on the intention to stay of PT. Asih Tunggal Jati employees.
2. To analyze the influence the economic value of employer attractiveness on the intention to stay of PT. Asih Tunggal Jati employees.
3. To analyze the influence of the development value of employer attractiveness on the intention to stay of PT. Asih Tunggal Jati employees
4. To analyze the influence of the social value of employer attractiveness on the intention to stay of PT. Asih Tunggal Jati employees.
5. To analyze the influence of the application value of employer attractiveness on the intention to stay of PT. Asih Tunggal Jati employees

1.4 Research Benefits

1.4.1 Academic Benefits

This research will contribute to the human resources literature by exploring the role of employer branding in enhancing employee retention within business organizations. It also aims to address the research gap in HR studies on retention through employer branding, particularly in the logistics industry. Additionally, this study will offer new insights into the effects of employer branding in the Indonesian context, with a specific focus on Sorong, Southwest Papua

1.4.2 Practical Benefits

This research will offer valuable insights to PT Asih Tunggal Jati and other logistics companies regarding which aspects of employer attractiveness have the greatest impact on employee retention. With this knowledge, HR professionals can develop strategies to enhance the company's appeal, thereby improving employee retention. Additionally, companies in Sorong, Southwest Papua, may find the findings particularly relevant due to the shared cultural context. For employees and candidates, this research may offer insights into how the perceived attractiveness of a company influences their intention to stay. This information will help them make more informed decisions about whether to remain with the company.

1.5 Research Limitations

The study has set boundaries to help keep the research on track and meaningful. First, the study is limited to examining employer attractiveness as perceived through five dimensions interest value, economic value, development value, application value, and social value based on the EmpAt model as adapted by Ek Styvén et al. (2022).

Second, this study only considers employees' intention to stay, instead of their actual leaving or the overall outcomes for the organization.

Third, the study is focused on just one company, PT Asih Tunggal Jati, in a particular region which could make it hard to apply the results to other sectors or areas.

1.6 Writing Systematic

This research will be divided into 5 chapters. The following are the details:

CHAPTER I: INTRODUCTION

In this chapter, the researcher discusses about the background of the research, the objectives, and the benefits for employers and other researchers.

CHAPTER II: LITERATURE REVIEW

In this chapter, the researcher discusses about the theoretical foundation of the variables, a review of the related previous research, and the hypothesis development.

CHAPTER III: RESEARCH METHODOLOGY

In this chapter, the researcher explains the methods used to determine the sample, gather, and analyze the data.

CHAPTER IV: DATA ANALYSIS AND DISCUSSION

In this chapter, the researcher discusses about the result and the analyzes the output of the processed data.

CHAPTER V: CONCLUSION

In this chapter, the researcher delivers the conclusion of the research and its implication on HR managers. This chapter also discusses about the limitation of the research and suggestions for future research.