

The Role of Organizational Trust on the Influence of Employer Branding on Employee Performance

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ABSTRACT

Employer branding is a concept that can be applied within a company to make employees feel comfortable and feel that the company is a good place to work. The goal of employer branding is for the new employee selection process to make it easier to find the best candidates and retain existing employees. By utilizing employer branding, the company will be better in the eyes of employees as well as there will be many prospective new employees who are interested in working at the company. The purpose of this study was to determine the effect of employer branding on employee performance mediated by organizational trust. This study used 95 respondents as the sample. The instrument testing method uses the SmartPLS. The results of this study are employer branding has a significant effect on employee performance, employer branding has a significant effect on organizational trust, organizational trust has a significant effect on employee performance, Organizational trust is able to mediate employer branding influence on employee performance.

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1. INTRODUCTION

In the current era of globalization, the development of the manufacturing industry continues to develop every year, this causes competition in the business world, especially in the economic sector, to increase, therefore every country is demanded to progress and develop so that the welfare of its population is evenly distributed. To maintain the continuity of the company so that it can compete in the business world, it is necessary to handle, manage, and improve the performance of the company's resources effectively and efficiently.

Employee performance is very influential for the success of a company. Good employee performance or performance will be directly proportional to good results in the company's business development. Conversely, poor performance will also have a bad impact on the company [1], [2]. The results of employee performance can be seen from the aspects of quality, quantity, working time, and cooperation to achieve the goals set by the company. It all depends on the quantity and time employees spend on tasks. Employee performance factors can also be assessed from working time, absences, tardiness, and length of work tenure.

The role of employees is very important for the success of the company. In this case, the company needs to monitor the performance of each employee to see if they are carrying out the expected tasks. Performance evaluation is very important to do to find out whether the company will continue to work with employees (if the employee's performance is good) and vice versa, and vice versa if the employee's performance is not as expected.

The research conducted was taken from one of the major music companies in Indonesia, namely PT Yamaha Music Manufacturing Asia, which is located in the MM2100 Industrial Town area. The company has been around for more than twenty years. Japanese companies engaged in the manufacturing of electronic musical instruments and pro audio have already had a competitive edge making it to an international level. YMMA has the number 1 competitiveness in the world. The level of maturity in the management and

procedures of the company is very well made. Every rule of law in manpower in Indonesia is applied in detail within the company.

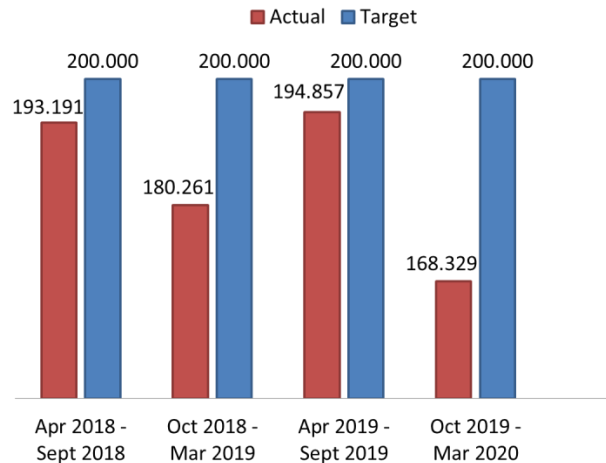


Figure 1. Production Target Data of PT YMMA : Source: Admin Data of PT.YMMA Final Assy Production Department

The picture above is a realization of the Clavinova electronic piano production produced by PT. Yamaha Music Manufacturing Asia in the last 4 periods, the target for each period is 200,000. Production results from October 2019 to March 2020 decreased significantly compared to the previous period. This was caused by a pandemic situation covid-19 and causes a decrease in employee performance. The Covid-19 pandemic poses an unusual and unprecedented challenge for companies in charge of the national food safety monitoring system to continue to carry out daily functions and activities by following national regulations and international recommendations. To maintain the health and safety of employees, every competent authority needs to prioritize important services during the Covid-19 pandemic. For example, Yamaha has been running a work from homework system for approximately 3 months, thus failing to maximize efficiency targets. One of the keys to improving employee performance is to build a company's reputation through the employer's brand [3]. The concept of employer branding is derived from the concept of brand marketing developed from a human resource management perspective [4]. Employer Branding is the process of establishing a company's unique identity and values that differentiate a company from its competitors [5], [6].

The employer's brand is not only related to the recruitment process but also affects the existence of existing employees. Based on the above understanding, it can be concluded that employer branding is a method provided by the company to form an identity that meets the conditions of the company to attract and retain talented employees [7]. An organization with a good employer brand can attract talented employees, and when the organization has the most talented employees and has the same values as the organization, performance will increase, which in turn will lead to increased product and organizational competitiveness.

The main principle of building a strong employer brand is to create a work environment that allows employees to realize their vision. The company must be a place where employees achieve organizational goals and development, not just a place where they do their day-to-day work. The company's employees are the best and most loyal brand ambassadors. The main purpose of employer branding to build a corporate image that cares about the interests and needs of employees [8]. Therefore, employees trust in the organization is also needed to improve its performance.

Shockley's definition of trust is as follows: "Organizational will is based on its culture and communication behavior in relationships and transactions, if other people, groups, or organizations are considered capable, open, honest, caring, reliable, and have the same goals, norms, and values. same [9]. Also besides, from the definition above, it can be seen that the main aspects of trust include integrity, competence, consistency, and loyalty, title, and openness. [10]. Compared to the behavior of anyone in the organization, the behavior of the leader is also the most important, this can determine the level of trust in the team or organization. For example, in a company, the supervisor is responsible for directing the daily work of subordinates, implementing organizational policies, and working with subordinates to achieve organizational goals.

2. RESEARCH METHOD

This quantitative descriptive study was followed by an inductive research approach and a survey-based research strategy [11]. The methodology chosen for this research is quantitative. The survey is collected through the required quantitative information and the data is collected through a structured questionnaire. A literature review was conducted to identify Employer Branding, Organizational Trust, and Employee Performance variables. The questionnaire was developed based on variable identification. The

sampling technique in this study used the Slovin formula, with a total of 95 respondents from the production department at a music instrument company in the Cikarang area. Sampling techniques through Google Forms in filling out online surveys, further strengthening the research results with descriptive analysis, direct interviews in the form of a Forum Group. Discussion. The method used is a quantitative method with SEM Smart PLS software as an analysis tool. To analyze the influence of employer branding on employee performance, the influence of employer branding on organizational trust, the influence of organizational trust on employee performance, the influence of employer branding on the performance of employees mediating organizational trust.

H1: Employer Branding affects employee performance

H2: Employer Branding affects organizational trust

H3: Organizational trust affects employee performance

H4: Employer branding affects employee performance mediated by Organizational trust

3. RESULTS AND ANALYSIS

3.1 R Square Test Results

Table 1. R Square

Variable	R Square
Employee Performance	0.728
Organizational Trust	0.512

Source: Smart PLS 3.0 (2020)

Model *employer branding* performance gives an R-square value of 0.722 which can be interpreted that the variability of the employee performance construct can be explained by the employer branding construct variable of 72.2% while 27.8% is explained by other variables outside of this study. Another influence model is on variable organizational trust with a value shown that is 0.507 so that it can be interpreted that 50.7% of organizational trust constructs with the dependent variable are employer branding and employee performance. Meanwhile, 49.3% is explained by other variables not included in this study.

3.2 Test results Path Coefficients

Estimated values for the path relationships in the structural model should be evaluated from the perspective of the strength and significance of the relationships. The significance of the relationship can be obtained by doing a Bootstrapping test. The confidence level used is 95% with an inaccuracy limit of (α) = 5%, where the t-statistic value used is 1.96. The following are the results of the research Structural.

Table 2. Path Coefficient

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O / STDEV)	P Values
Employer Branding -> Employee Performance	0.533	0.523	0.109	4,883	0.000
Employer Branding -> Organizational Trust	0.716	0.726	0.043	16,715	0.000
Organizational Trust -> Employee Performance	0.386	0.402	0.124	3,126	0.002

Source: Smart PLS 3.0 (2020)

Based on table 2. The path coefficient explains the direct effect, then table 3 specific indirect explains the indirect effect.

Table 3. Specific Indirect Effects

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O / STDEV)	P Values
Employer Branding -> Organizational Trust -> Employee Performance	0.276	0.294	0.097	2,852	0.005

Source: Smart PLS 3.0 (2020)

3.3 DISCUSSION

Based on the results of testing and data processing that have been carried out, it can be seen that the results of hypothesis testing were carried out using SmartPLS. The following are the conclusions obtained for each hypothesis that has been proposed in this study:

3.3.1 Effect of Employer Branding on employee performance

This study shows that the Employer Branding variable has a positive and significant influence on the employee performance variable. So this means that the higher the Employer Branding variable at PT. Yamaha Music Mfg Asia, the higher the resulting employee performance will be. The hypothesis that has been proven in this study is in line which states that companies with strong employer branding can make the average employee have a high level of engagement and performance which of course can have effects better company finances [12]–[14]. Not only related to employee performance, but employer branding can also affect the existence of existing employees. If the branding that is built is very good, then existing employees will not turn to other companies so that they can reduce the resignation number. The branding strategy for existing employees can be done. For example, ensuring employee welfare, building a pleasant work culture, making mutually beneficial regulations, and so on.

3.3.2 Effect of Employer Branding on Organizational Trust

This study shows that the Employer Branding variable has a positive and significant effect on the Organizational Trust variable. This is in line with previous research which states that effective Employer Branding is the key to being able to get new talents and also retaining existing talents with the support of the trust of the leaders of a company [1], [15]. The impact of the perception of a good employer branding is not only felt by employees with lower-level positions but can also be felt by employees at the managerial level and above. This shows that high organizational trust tends to help increase the company's brand.

3.3.3 Effect of Organizational Trust on employee performance

This study shows that organizational trust variables have a positive and significant influence on employee performance variables. So this means that the higher the performance of employees at PT. Yamaha Music Mfg Asia, the higher the level of trust from the organization. The results of this hypothesis test are in line with the research with the result that trust has a significant effect on the integration strategy, the integration strategy affects performance [16], [17]. Perceptions of organizational support and trust can be formed by providing respect, compensation, promotion, and other forms of support that can enable employees to carry out their duties better. The higher the support and trust from the organization, the better the employee's performance or performance will be.

3.3.4 The influence of Employer Branding on employee performance mediating organizational trust

This study shows that the Employer Branding variable and the employee performance variable have a positive and significant influence on the Organizational Trust variable. So this means that the higher the Employer Branding and Employee Performance at PT. Yamaha Music Mfg Asia, the higher the Organizational Trust at PT. Yamaha Music Mfg Asia. This is in line with the results shows that employer branding has a significant influence on performance mediated by employees' trust in the leader [1], [18]. Organizational trust is an important mediation that affects the relationship between employer branding and employee performance.

4. CONCLUSION

Based on the results of testing, processing, and data analysis that have been carried out regarding the effect of Employer Branding on Employee Performance mediated by the Organizational Trust by testing the hypothesis using the smart PLS version of the analysis tool, it can be concluded that Employer branding has a significant positive effect on the performance of PT Yamaha employees. Music Manufacturing Asia. So it can be concluded that the increase in employer branding in companies will affect improving employee performance. Employer branding has a significant positive effect on organizational trust in PT Yamaha Music Manufacturing Asia. So it can be concluded that the higher the employer branding in the company will affect the level of trust of the leader in the company. Organizational trust has a significant positive effect on the performance of employees of PT Yamaha Music Manufacturing Asia. So it can be concluded that the higher the level of organizational trust, the increasing effect on employee performance. Employer branding has a significant positive effect on employee performance mediated by the organizational trust at PT Yamaha Music Manufacturing Asia. So it can be concluded that the implications of this study are expected to be used as material for organizational considerations in improving employee performance by paying attention to employer branding supported by organizational trust. So it can be concluded that the higher the level of organizational trust, the increasing effect on employee performance. Employer branding has a significant positive effect on employee performance mediated by the organizational trust at PT Yamaha Music Manufacturing Asia. So it can be concluded that the implications of this study are expected to be used as

material for organizational considerations in improving employee performance by paying attention to employer branding supported by organizational trust. So it can be concluded that the higher the level of organizational trust, the increasing effect on employee performance. Employer branding has a significant positive effect on employee performance mediated by the organizational trust at PT Yamaha Music Manufacturing Asia. So it can be concluded that the implications of this study are expected to be used as material for organizational considerations in improving employee performance by paying attention to employer branding supported by organizational trust.

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