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The Employer Branding of Cultural Heritage Hotel's Impact on Electronic Word of Mouth

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Abstract: This study aims to determine the effect of employer branding on electronic word of mouth in one of the cultural heritage hotels. Data were collected through a survey distributed to 121 employees population of one of the hotels in Bandung. In this study, the independent variable employer branding uses four dimensions, namely work culture, salary and incentives, diversity and ethics, and CSR. As for the dependent variable electronic word of mouth, the dimensions used are volume and valance. These dimensions were adopted from previous studies that used employer branding and electronic word of mouth as the main focus of research. Hypothesis testing, validity, and reliability were tested using PLS-SEM as the analysis method. The research results that have been stated, show that employer branding affects electronic word of mouth in employees and the effect of employer branding on electronic word of mouth is positive and significant.

Keyword: Employer Branding, Electronic Word of Mouth, eWOM.

INTRODUCTION

Branding has emerged as a crucial business priority over the past few decades, driven by the realization that brands are one of the most valuable intangible assets for companies (Cid et al., 2022). Brands exist as tangible entities and branding serves as the dominant conceptual framework and perspective for effectively creating and projecting value (Chakraborty et al., 2023). Branding has become an important task for marketers and entrepreneurs seeking strategies to differentiate products or services effectively (Borne, 2023). Although companies often concentrate their branding efforts on building products and company brands, branding can also be applied in the realm of human resource management, one of which is the approach to attracting or retaining a quality workforce with employer branding.

Employer branding is defined as a strategic instrument in human resource management to attract and retain a potential workforce (Grigore et al., 2023). Employer branding emerged due to the application of marketing strategies in human resource management (Basha et al., 2020; Goyal and Kaur, 2023). Based on the results of a global survey on employer brand research conducted by Randstad (2023), there are 163,000 of the respondents proving that there are five main reasons for employees to choose a company, namely first from attractive salaries

and benefits, work-life balance, long-term job security, a comfortable workplace atmosphere, and finally financially healthy. When companies succeed in creating strong employer branding as an attractive workplace and supporting career development, employees will provide good performance and tend to trigger Electronic Word of Mouth (hereinafter abbreviated to eWOM) behavior.

eWOM is the behavior of providing or discussing experiences, opinions, and knowledge about certain topics on the internet (Liao et al., 2023). Employee eWOM communication occurs when they talk to coworkers and superiors in their company, as well as their friends on personal social media (Zhang et al., 2022). From an employer's perspective, there is a reciprocal relationship between good employer branding and eWOM provided by employees. According to Ruge et al. (2020), effective and economical eWOM provided by employees can be a powerful tool in building employer branding, creating a positive cycle where strong employer branding supports increased eWOM.

On the other hand, there are unfortunate risks in eWOM behavior. One of them is when employees experience negative events, it can trigger the spread of negative information outside the company (Lee & Suh, 2020). However, it is important to remember that there is an employee code of conduct that often prohibits providing information that could harm the company or damage the company's image. To reduce or eliminate this risk, managers must actively monitor the spread of information and encourage the spread of positive information (Keeling et al., 2013; Ruge et al., 2020). Therefore, it is important to build strong employer branding so that positive eWOM can be created. Based on the phenomena described above, the purpose of this study is to determine the effect of employer branding on electronic word of mouth in one of the cultural heritage hotels.

LITERATURE REVIEW

Employer Branding

Employer branding has been defined by many experts with various explanations even though the definition is the same. Based on other research, employer branding is a benefit provided by an organization or company to its employees in the form of a combination of economic, psychological, and functional values (Salameh et al, 2023). Employer branding emerged as a result of the application of marketing strategies in human resource management (Basha et al, 2020; Goyal and Kaur, 2023). Another different definition reveals employer branding is a strategic concept in differentiating an organization and its competitors in building an attractive image in the work environment by employees (Bharadwaj, 2023). Employer branding is defined as a strategic instrument in human resource management to attract and retain a potential workforce (Grigore et al., 2023).

Another definition, employer branding is a human resource strategy implemented by organizations to attract and retain a workforce (Tanwar and Kumar, 2019). In their research, Tanwar and Kumar (2019) revealed that there are four dimensions, namely work culture includes the beliefs, thoughts, ideologies, and attitudes of an organization, salary and Incentives refer to the form of providing attractive salaries and reward systems that can motivate, diversity relates to the varied backgrounds of the workforce so that they can contribute to a variety of skills, insights, strengths to the organization and the types of tasks performed in the organization. and ethics and CSR which allow organizations to build a good reputation in the environment with prospective and current employees. Based on previous research, it can be seen that employer branding is a marketing strategy used in HR management involving economic, psychological, and functional values and has the aim of differentiating the organization from competitors, building an attractive image in the workplace, and retaining employees and attracting new employees who have good performance.

eWOM

eWOM is the behavior of providing or discussing experiences, opinions, and knowledge about certain topics on the internet (Liao et al., 2023). Other research states that eWOM plays a significant role in shaping the nature of consumer behavior and views (Fachrurazi et al., 2022). eWOM is generally considered advantageous because it can be accessed efficiently and can be available to various groups that have internet access (Siddiqui et al., 2021). eWOM is an influential factor in increasing sales because it can reduce hesitation in choosing, increase trust, and encourage intentions from consumers, eWOM itself has two dimensions, namely eWOM volume reflects how often an individual shares or communicates about eWOM and eWOM valence refers to the type of message shared by an individual that can be positive or negative (Anastasiei and Dospinescu, 2019).

Employee eWOM communication occurs when they talk to coworkers and superiors in their company, as well as their friends on personal social media (Zhang et al., 2022). This behavior has differences compared to eWOM by consumers on social media and knowledge sharing by employees. In the context of recruitment, eWOM refers to the dissemination of independent information about a company, employer, or job over the internet, shared by individuals interpersonally (Kaur and Kaur, 2023). Based on previous research, it appears that eWOM is a phenomenon where individuals electronically provide and discuss experiences, opinions, and knowledge about a topic, playing a crucial role in shaping consumer views, influencing purchasing behavior, and facilitating informational communication between employees in the work environment as well as in the recruitment process.

Employer Branding towards eWOM

When companies succeed in building strong employer branding, employees who are satisfied with the work environment and corporate culture will have the potential to trigger eWOM behavior where this is proven by Ruge et al., (2020) in their research mentioning that happier employees with work they do, the higher the likelihood of sharing their work experience with individuals outside the company. Based on research conducted by Penz et al., (2023) also states that effective employer branding will produce positive eWOM so that the company is considered a good place to work. Conversely, negative eWOM can cause employees not to recommend the company as a good workplace choice. So we know that strong employer branding can trigger eWOM behavior among employees. Based on the previously analyzed theory, it is formulated that employer branding can influence eWOM.

H1: Employer branding has a positive and significant influence on eWOM

RESEARCH METHODS

The research method used in this research is quantitative method and the type of quantitative research used is a survey method using a questionnaire with a Likert scale. The research was conducted on employees at one of Bandung's heritage hotels, using saturated sampling, which involves selecting all members of the population as a sample which is commonly called a census (Sugiyono, 2020). So research was conducted on all hotel employees totaling 121 people. The research variable used for the independent variable is employer branding with measurements that have been replicated based on research by Tanwar and Kumar (2019) which consists of four dimensions, namely work culture, salary and Incentives, diversity, ethics, and CSR while for the dependent variable is eWOM where the measurements are replicated from Anastasiei and Dospinescu's research (2019) which has two dimensions in the form of volume and valance. Data analysis includes validity, reliability, and hypothesis testing using PLS-SEM analysis. In this study, researchers used an embedded two-stage approach by entering repeated indicators at stage one, the latent variable score value generated

from stage one will be used as an indicator in the high-level construct at stage two, and after that, it can proceed with structural measurement (inner model) (Sarstedt et al., 2019).

RESULTS AND DISCUSSION

Respondent Characteristics

Based on the questionnaire survey that has been distributed, the characteristics of the respondents are presented in Table 2. Overall, 59.5% of the respondents in this study were male, while 40.5% were female. The dominant age of respondents ranged from 20 to 30 years (45.5%). Almost 47.9% of respondents have worked in the range of 1 to 5 with a monthly income of more than Rp 2 million to Rp 8 million (66.9%).

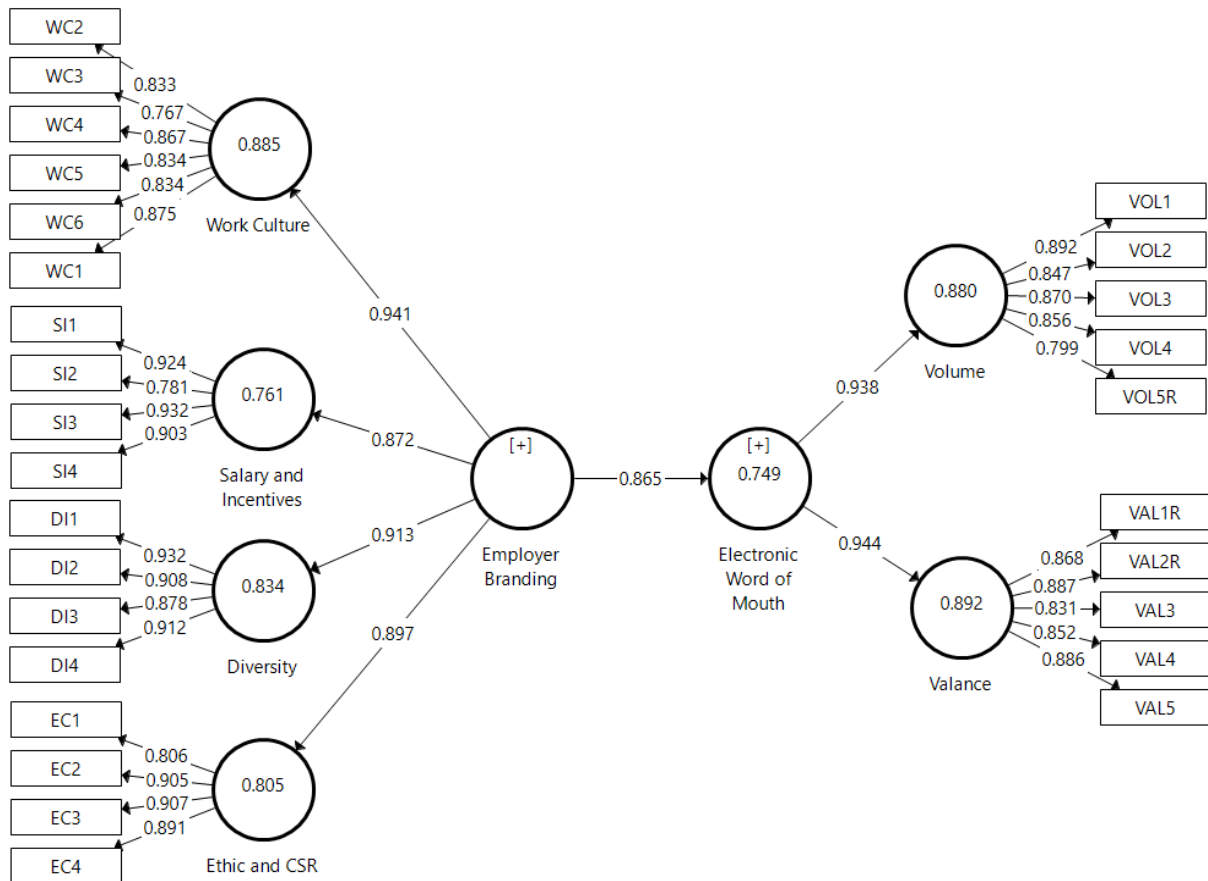
Table 2. Recap of Validity Test and Reliability Test

Characteristic	Items	Frequency	%
Gender	Male	72	50.5
	Female	49	40.5
Age	< 20 years	20	16.5
	20-30 years	55	45.5
	31-40 years	11	9.1
	41-50 years	20	16.5
	> 50 years	15	12.4
Working period	< 1 years	43	35.5
	1-5 years	58	47.9
	6-10 years	3	2.5
	> 10 years	17	14.1
Income	< IDR. 2.000.000	28	23.1
	IDR 2.000.000 – IDR 8.000.000	81	66.9
	IDR 8.000.000 – IDR 15.000.000	10	8.3
	> IDR 15.000.000	2	1.7

Source: Research data

Measurement Model Smart PLS

Figure 1 shows the research construct model, with two latent variables, namely employer branding as the independent variable with four dimensions and eWOM as the dependent variable with two dimensions. This research construct is reflective, where the way the indicators are measured is influenced by the latent variable. This construct model is then run using Smart PLS software. Based on the results of data processing, the path output at stage 1 is obtained as follows:



Source: Data Processed from SmartPLS

Figure 1. Output Path Stage 1

Measurement Model Analysis (Outer Model) Stage 1

The measurement model or outer model consists of two stages, namely the construct validity test stage consisting of convergent validity and discriminant validity and the reliability test stage (Hamid & Anwar, 2019). In convergent validity, an evaluation of the factor loadings value and the average variance extracted value is carried out. In discriminant validity, the Fornell-Larcker correlation criterion is examined. Meanwhile, the reliability test can be measured through Cronbach's alpha and composite reliability.

Table 3. Factor loading and indicators of internal consistency and reliability (First Order)

Variable	Items	Factor Loadings
Employer Branding (X)		
Work Culture (X1) CA=0.913 CR=0.933 AVE=0.698		
WC1	This hotel provides good in-house training opportunities.	0.875
WC2	There is a friendly relationship among coworkers.	0.833
WC3	This hotel provides the opportunity to work from home	0.767
WC4	The hotel appreciates employee performance	0.867
WC5	This hotel provides employment assurance	0.834
WC6	This hotel offers flexible working hours	0.834
Salary and Incentives (X2) CA=0.908 CR=0.937 AVE=0.788		
SI1	This hotel offers above-average compensation/benefits	0.924
SI2	This hotel offers additional benefits to motivate employees	0.781
SI3	The overall compensation offered by this hotel is attractive for you	0.932
SI4	This hotel provides good health benefits	0.903
Diversity (X3) CA=0.929 CR=0.949 AVE=0.824		

DI1	This hotel offers a wide variety of work that can hone your skills.	0.932
DI2	Employees from different cultures are well-accepted at this hotel	0.908
DI3	This hotel provides tasks that motivate employees to grow	0.878
DI4	This hotel provides opportunities to explore the diversity of activities undertaken	0.912
Ethics and CSR (X4) CA=0.900 CR=0.931 AVE=0.772		
EC1	This hotel has a fair attitude towards its employees	0.806
EC2	This hotel has rules and regulations that must be followed by all employees	0.905
EC3	This hotel contributes to humanitarian efforts in the community	0.907
EC4	This hotel contributes to charitable activities	0.891
Ewom (Y)		
Volume (Y1) CA=0.906 CR=0.930 AVE=0.728		
VOL1	I often share my experience working at this hotel on social media such as LinkedIn, Instagram, Tiktok	0.892
VOL2	I never miss an opportunity to share my experience working at this hotel on social media such as LinkedIn, Instagram, TikTok	0.847
VOL3	I share my experience working for this hotel on social media more often than any other workplace	0.87
VOL4	When I share information about this hotel, I will provide details that show its advantages on social media such as LinkedIn, Instagram, TikTok	0.856
VOL5R	I rarely share with my social media connections about my experience working at this hotel	0.799
Valance (Y2) CA=0.916 CR=0.937 AVE=0.748		
VAL1	Even though I work at this hotel, I would not recommend this hotel to my social media connections	0.868
VAL2	If I talk to my social media connections about working at this hotel, I will tell them not to work there	0.887
VAL3	I only have good things to share on social media about the experience of working at this hotel	0.831
VAL4	I would recommend working at this hotel to my social media connections	0.852
VAL5	I feel proud to tell my social media connections that I work at this hotel	0.886

Source: Data Processed from SmartPLS

Table 4. Discriminant Validity Fornell Larcker Criterion (First Order)

	DI	EC	SI	WC	VAL	VOL
Diversity	0.908					
Ethics and CSR	0.799	0.879				
Salary and Incentives	0.684	0.724	0.887			
Work Culture	0.821	0.76	0.786	0.836		
Valance	0.789	0.77	0.751	0.763	0.865	
Volume	0.808	0.699	0.591	0.721	0.771	0.853

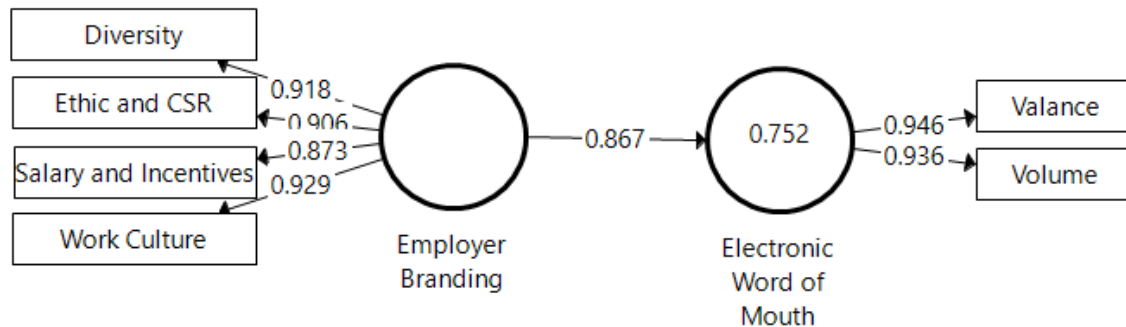
Source: Data Processed from SmartPLS

Indicators are said to be ideal if the loading factor value is above 0.70, indicators are said to be not ideal if the loading factor value is below 0.40, and if they are in the range of 0.40 - 0.69 with an average variance extracted (AVE) value below 0.50. In Table 3, factor loadings for 28 items are categorized as ideal because they are above 0.70. The calculation results in Table 3 also show that the overall average variance extracted value for employer branding and eWOM variables and their dimensions are above 0.50. This indicates that all variables and dimensions are categorized as valid.

Based on the calculations in Table 4, all constructs meet discriminant validity based on the Fornell-Larcker criteria because the correlation coefficient is smaller than the square root of the AVE for each dimension. Based on Table 3, it can be seen that all composite reliability values are above 0.70. This shows that the employer branding dimensions, namely work culture, salary and incentives, diversity and ethics, and CSR as well as the eWOM dimensions, namely volume and valance, have good reliability or are categorized as reliable.

Measurement Model Analysis (Outer Model) Stage 2

Based on the results of data processing after obtaining the latent variable values generated from stage one, a high-level construct measurement is carried out at stage two and the output path at stage 2 is obtained as follows:



Source: Data Processed from SmartPLS

Figure 2. Output Path Stage 2

Table 5. Factor loading and indicators of internal consistency and reliability (Second Order)

Dimension and Items	Factor Loadings
Employer Branding (X) CA=0.928 CR=0.949 AVE=0.828	
Work Culture	0.929
Salary and Incentives	0.873
Diversity	0.918
Ethics and CSR	0.906
eWOM (Y) CA=0.871 CR=0.939 AVE=0.886	
Volume	0.936
Valance	0.946

Source: Data Processed from SmartPLS

Table 6. Discriminant Validity Fornell Larcker Criterion (Second Order)

	eWOM	EB
eWOM	0.941	
Employer Branding	0.867	0.907

Source: Data Processed from SmartPLS

In Table 5, factor loadings for the dimensions of the employer branding and eWOM variables are categorized as ideal because they are above 0.70. The calculation results in Table 5 also show that the overall average variance extracted value for employer branding and eWOM variables is above 0.50. This indicates that all variables are categorized as valid.

Based on the calculations in Table 6, all variables meet discriminant validity based on the Fornell-Larcker criteria because the correlation coefficient is smaller than the square root of the AVE for each variable. Based on Table 3, it can be seen that all composite reliability values are above 0.70. This shows that the employer branding and eWOM variables already have good reliability or are categorized as reliable.

Structural Model Analysis (Inner Model)

The inner model is a structural model analysis, evaluation is done by looking at the Fit Model value, R-Square, and significance value (Hamid & Anwar, 2019).

Table 7. Path Coefficient and R-Square Values

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	R-square	SRMR	P values	Result
EB -> eWOM	0.867	0.867	0.030	29.328	0.752	0.055	0.000	Supported

Source: Data Processed from SmartPLS

Based on the fit model output in Table 7, it can be seen that the SRMR value of 0.055 is greater than 0.08, so the model is declared a good fit and feasible to use (Hair et al., 2022). Based on the R-square value output in Table 8, it is known that the employer branding variable has an R-square value of 0.752. This indicates that the employee behavior variable can explain the eWOM variable in the model by 0.752 or 75.2% while the rest, namely 0.248 or 24.8% can be explained by other factors not examined in this study. According to Hamid & Anwar (2019), the R Square value of 0.752 is high. Therefore, the R-square value in this study, namely 0.752, is in the high category.

Based on the path coefficients output in Table 7, it can be seen that the tested hypothesis is supported. Employer branding has a positive and significant effect on eWOM. This is indicated by the parameter coefficient which has a positive value of 0.867. Then, the significant value is 0.000 which is smaller than the 5% alpha level. Then, it is also known that the T-statistic value of 29.328 is greater than the t-table, which is 1.984. Companies that implement employer branding well can create positive eWOM, especially within the hospitality industry. This result is in line with previous research (Penz et al., 2023) regarding employer branding in startups stating that effective employer branding will generate positive eWOM so that the company is considered a good place to work. Therefore, the results of this study can be an input for companies to strengthen employer branding as a marketing and human resource management practice that has a long-term sustainability impact.

CONCLUSION AND SUGGESTIONS

The author has discussed the influence of employer branding with its forming dimensions of work culture, salary and incentives, diversity and ethics, and CSR on eWOM with its forming dimensions of volume and valance. This study examines how the influence of employer branding of one of the cultural heritage hotels in Bandung on eWOM from its employees. Based on the results of the research analysis, employer branding can influence eWOM and is positively significant. These results indicate that one of the cultural heritage hotels in Bandung has implemented employer branding well resulting in hotel employees sharing positive experiences on social media through eWOM.

Several things have not been discussed in this study due to time constraints and undiscovered phenomena. The variables used in this study are limited to employer branding and eWOM, it is hoped that further research can be explored by adding variables. In addition, the industry discussed in this study is related to hospitality, so it is possible to expand the discussion to other sectors, such as retail and startups. Future research can also test the relationship between dimensions directly using other testing methods such as the disjoint two-stage approach in smart PLS.

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