

The Relationships among Perceived Employer Branding, Employee Engagement, and Discretionary Effort

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ABSTRACT

The purpose of this study was to test the relationships among perceived employer branding, and discretionary effort via the effect of employee engagement. A survey was completed by 1,349 current employees working in Thai petroleum industry. The results indicated that there were strong positive relationships between employer branding and employee engagement, employee engagement and discretionary effort, and employer branding and discretionary effort. The results further indicated that there was a partial mediate effect of employee engagement on the relationship between employer branding and discretionary effort. Therefore, this is the first study to investigate the simultaneous relationships among employer branding, employee engagement, and discretionary effort by empirical study. Moreover, the relationship between employer branding and discretionary effort was explained towards employee engagement.

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วัตถุประสงค์ของการศึกษาเพื่อทดสอบความสัมพันธ์ระหว่างแบรนด์นາอย่างและความพยาญในการตัดสินใจอย่างอิสระส่งผ่านผลกระทบจากความมุ่งพั้นพักงาน ศึกษาจากพนักงานปัจจุบันที่ทำงานในบริษัทปิโตรเลียมในประเทศไทย จำนวน 1,349 คน ผลการศึกษาพบว่ามีความสัมพันธ์เชิงบวกนิความสัมพันธ์ระหว่างความมุ่งพั้นพักงานและความพยาญในการตัดสินใจอย่างอิสระ และมีความสัมพันธ์เชิงบวกนิความสัมพันธ์ระหว่างแบรนด์นາอย่างและความพยาญในการตัดสินใจอย่างอิสระ นอกจากนี้ ผลการศึกษายังบ่งชี้ความมุ่งพั้นพักงานเป็นัวแปรกลางที่ส่งผ่านความสัมพันธ์บางส่วนระหว่างแบรนด์นາอย่างและความพยาญในการตัดสินใจอย่างอิสระ ดังนั้นการศึกษานี้เป็นการทดสอบเชิงประจักษ์ครั้งแรกที่ทดสอบความสัมพันธ์ที่เกิดขึ้นในเวลาเดียวกันระหว่างแบรนด์นາอย่าง ความมุ่งพั้นพักงานและความพยาญในการตัดสินใจอย่างอิสระ นอกเหนือนี้การศึกษานี้เป็นการศึกษาครั้งแรกที่อธิบายความสัมพันธ์ระหว่างแบรนด์นາอย่างและความพยาญในการตัดสินใจอย่างอิสระส่งผ่านผลกระทบจากความมุ่งพั้นพักงาน

Introduction

In recent years, the economy has been in a slowdown caused by a major credit crisis resulting in a significant increase of unemployment all over the world. In contrast, many CEOs and managers believe that the talent pool has not significantly grown, and they have difficulty to get the right employees. The war for talent is still on, and the competition is high in everyday. Besides, Thai work aging population is expected to be slightly decreasing (Chalamwong & Amorntham, 2005). Consistently, Thailand's economy is expected to be increasingly growing although it has the shortage of crude oil and labor as

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well as and also higher labor wages in comparison with ASEAN. This is a result of an establishment of AEC (ASEAN Economic Community) in 2015, which is likely to make an investment by the free movement of capital, materials, and labor. Therefore, the labor market is likely to have a fierce competition, especially for skilled and talented workers (Chalamwong & Amorntham, 2005).

Employees are the most valuable assets in any organization. The organization with strong employer branding differentiating from rivals could better attract prospective employees and retain existing employees, leading to a success of a sustainable competitive advantage through their employees. Many researchers strongly supported the advantages of being the best employers could reduce the costs of recruitment, staff turnover, and sickness-absence while improving employee engagement and commitment at the same time (Harter et al., 2002; Towers Perrin, 2003; Baumruk, 2004; Bates, 2004; Richman, 2006; Gallup, 2006; Robertson & Markwick, 2009; Aon Hewitt, 2011). Moreover, best employers are differentiated from competitors by a high level of employee engagement which links to high discretionary effort and leads to high revenues, profits, and overall returns on investment resulting in a sustainable competitive company (Gatewood et al., 1993; Grönroos, 2000; Backhaus & Tikoo, 2004; Barrow & Mosley, 2005).

Employee engagement has a significant impact on an organization's profitability such as positive relations on productivity, customer satisfaction and employee retention, and negative relation on employee voluntary turnover (Harter et al., 2002; Towers Perrin, 2003; Baumruk, 2004; Bates, 2004; Richman, 2006; Gallup, 2006; Robertson & Markwick, 2009; Aon Hewitt, 2011). The empirical study by Gallup in 2005 reported that engaged employees in Thailand is accounted for only 12 percent of total employee population, whereas not engaged and actively disengaged employees are accounted for 82 and 6 percent, respectively. Moreover, the study further estimated that actively disengaged employees who are the main reason of lower productivity make the Thai economy costs each year as much as 98.8 billion Thai baht (\$2.5 billion U.S.) (Gallup, 2005).

Yankelovich and Immerwahr (1983) found that 23 percent of workers said they worked at full potential while 44 percent said that their work effort was at level to keep their jobs, and 75 percent said that they could be better than current working. Corresponding to the report from the Blessing White in 2006, it showed that employees, consisting of 12 percent in North America, 10 percent in Europe, and 22 percent in Asia-Pacific (including Thailand), said that they liked their work and did what was expected (Blessing White, 2006). In summary, discretionary effort is an important organizational variable (Lloyd, 2008), and several studies supported that discretionary effort is an outcome of employee engagement (Corporate Leadership Council, 2004a; Kular et al., 2008; Towers Perrin, 2003).

Social exchange theory is the relationship between parties into trusting, loyal, and mutual commitment that evolve over time as well as parties dwell by certain reciprocity rule which is best known as an exchange rule (Crapanzano & Mitchell, 2005). Reciprocity as interdependent exchanges is associated with interpersonal transactions; therefore, one party acts or gives something leading to a response or returns something by another party. For instance, when employees receive economic and socio-emotional outcomes from their company, they feel obliged to well respond and repay whereas the company insufficiently supports these outcomes leading to the high level of disengaged employees (Crapanzano & Mitchell, 2005).

According to Thailand's less capacity in crude oil, it is then dependent on foreign countries by importing crude oil for approximately 14.4% of GDP in order to be used in the petroleum refining industry whereas exporting petroleum products for about 4.4% of GDP in 2011, ranking the fifth position followed from computer, automotive, rubber, and gem, respectively (Thailand Trading Report, 2011). Thai petroleum companies could apply the notion of employer branding to increase the level of employee engagement and discretionary effort, in turn, leading to high performance. As a result, Thailand could reduce imported crude oil and increase exported petroleum products which later lead to reduce the deficit. Moreover, six of nine organizations are invested in the stock exchange market that a reputation of the good company could attract investors which leads to financial performance and competitiveness success.

Both academic researchers and practitioners are intensifying the level of interest in employees' relation with employers. Some studies revealed the relationship between employer branding and employee engagement while some studies revealed the relationship between employee engagement and discretionary effort. However, these relationships are regardless of the theories that engender these relationships. In addition, the study which confirmed the simultaneous relationships among employer branding, employee engagement, and discretionary effort is scarce, especially in academic approach. Therefore, this study proposed to investigate the simultaneous relationships among employer branding, employee engagement, and discretionary effort which were explained by the expectancy and social exchange theory.

Literature Review

Employer Branding

Brands are crucial for both marketing and business strategies. In traditional marketing, consumers received three benefits from purchased the goods or services which were function, scarcity or market

price, and psychological benefits (San Bernardino of Siena, c. 1420). On the other hand, in recent years brand management was popularly applied to human resource management called as employer branding (Berthon, et al., 2005; Backhaus & Tikoo, 2004). The theoretical foundation of employer branding is related to the assumption that employees are the most valuable assets in any organization, and employers who have expertise in human capital investment would benefit from higher performance, which consists of resource-based view, psychological contract, brand equity, person-organization fit, and social identity theory.

Ambler and Barrow (1996) were credited as the creators of the term “employer brand” which was defined as “the package of functional, economic, and psychological benefits provided by employment and identified with the employing company” (Ambler & Barrow, 1996, p.187). The authors used semi-structured depth interviews with top executives of 27 UK companies and later found the relevance between branding and employment. By comparing with conventional brand, the authors further explained functional benefit as employee development and job roles, economic benefit as material or financial rewards, and psychological benefit as feeling such as satisfaction and recognition.

Many authors proposed different views by describing employer branding as a strategy to build an image in the minds of the potential employees to be “a great place to work” or to become an employer of choice (Ewing et al., 2002). Meanwhile, some researchers argued that only a strategy of becoming an employee of choice is improbable to deliver the brand promise to customer (Barrow & Mosley, 2005; Maxwell & Knox, 2009).

Employee Engagement

Recently, employee engagement has become a hot topic and been widely used in business firms by practitioners whereas few academic and empirical researches were conducted by researchers (Robinson et al., 2004; Saks, 2006; Rurkkhum, 2010). The theoretical foundation of employee engagement is related to the assumption that an individual consciously selects particular courses of action based on an individual’s perception, attitudes, and beliefs on desired consequences that increase pleasure and avoid pain (Vroom, 1964). Employees receive economic and socio-emotional outcomes from their company, and they feel obliged to well respond and repay (Cropanzano & Mitchell, 2005) whereas the company insufficiently supports these outcomes leading to the high level of disengaged employees, which comprise expectancy and social exchange theory.

The definition of employee engagement is inconsistent and separated into many different directions. Considering academic literature, there are four notions of employee engagement. Due to the first notion, Kahn (1990) was the first researcher who applied the concept of engagement to work.

Personal engagement was defined as “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances” whereas personal disengagement was defined as “the uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively or emotionally during role performances” (Kahn, 1990, p.694). The second notion, Maslach and Leiter (1997) defined burnout as an erosion of job engagement. Maslach et al. (2001) further explained that burnout was associated with the low levels of enjoyment and motivation whereas engagement was associated with the high levels of enjoyment and motivation. According to Maslach et al. (2001), there were six antecedents of burnout relating to work-life areas which comprised workload, control, reward, community, fairness, and values. Regarding the third notion, Harter et al. (2002) studied based on meta-analysis by using samples of 7,939 business units from 36 firms using Gallup Workplace Audit, and the researchers defined employee engagement as “an individual’s involvement and satisfaction with as well as enthusiasm for work” (p. 269). In addition, engaged employees were categorized into three levels. First of all, engaged employees referred to employees who want to know their role’s desired expectations and the organization’s policies or situations that they are willing to apply their competence consistent with the organization’s goals. Second, not-engaged employees referred to employees who concentrate to finish their tasks while disregarding the organization’s outcomes and goals. Finally, actively disengaged employees referred to employees who are unhappy at work, busy acting out their unhappiness, consistently against everything, and undermine their colleagues accomplish (Gallup, 2006). Finally, the notion came from the multidimensional perspective of employee engagement. Saks (2006) was the first researcher separated engagement into job engagement and organizational engagement which explained through the social exchange theory. Moreover, Saks (2006) defined engagement as “a distinct and unique construct that consists of cognitive, emotional, and behavioral components associated with individual role performance” (p.602).

According to Christian and Slaughter (2007), they stated that no single approach overwhelms in both definition and methodology; it is therefore difficult to develop relevant research hypotheses, design surveys, and develop organization interventions. However, for this study employee engagement was defined as a distinct and unique construct that consists of cognitive, emotional, and behavioral components associated with individual role performance influencing an individual to apply additional effort to an individual’s work. Cognitive dimensions were associated with commitment and satisfaction such as the value of a work goal or purpose, judge in a relation to an individual’s own ideals or standards, job enrichment, and work role fit. The latter, emotional dimensions were associated

with feeling about the relationship with managers and coworkers, feeling able to show and employ one's self without fear of negative consequences to self-image, status, or career, feeling pride and valued. Lastly, behavioral dimensions were associated with an adaptive behavior such as behaviors that support organizational effectiveness and aim to encourage an innovation and change, discretionary effort, and retention.

Although there was little empirical research on the factors that predicted employee engagement, it was possible to identify a number of potential antecedents such as individual characteristics and personalities, job characteristics, rewards and recognition, perceived organizational support, supervisor support, distributive and procedural justice, coworker and supervisor relations, coworker norms, self-consciousness, human resource practice, leadership, empowerment, and organization reputation. On the other hand, many researchers and practitioners asserted that the consequences of employee engagement were both employee outcome and organizational success such as employee efficiency, job satisfaction, organizational commitment, organizational citizenship behavior, discretionary effort, intention to quit, customer satisfaction, and financial performance (Harter et al., 2002; Towers Perrin, 2003; Baumruk, 2004; Bates, 2004; Richman, 2006; Gallup, 2006; Robertson & Markwick, 2009; Aon Hewitt, 2011).

Discretionary Effort

Discretionary effort is both a theoretically and practically important construct because it is known to affect individual job performance as well as organizational efficiency and effectiveness (Morris, 2009). Locke and Latham (2004) argued that the reluctance of organizational behavior (OB) researchers has obstructed the advancement of the study in discretionary effort area. Thus, to a boundary-less science of work motivation, discretionary effort is recommended in the recent calls for new directions in work motivation research (Locke & Latham, 2004). The theoretical foundation of discretionary effort is related to the Mayo's (1933) motivation, Maslow's (1943) hierarchy, McGregor's (1960) Theory X and Theory Y, and Vroom's (1964) expectancy theory.

The notion of discretionary effort appears in both the economic and organizational behavior literature. Discretionary effort (DE) was defined by Yankelovich and Immerwahr (1983) as "the difference between the maximum amount of effort and care an individual could bring to his or her job and the minimum amount of effort required to avoid being fired or penalized; in short, the portion of one's effort over which a job holder has the greatest control" (p.1). The researchers further explained that three basic components of productivity are knowledge and skills, tools, and effort, where effort is an essential.

Despite, discretionary effort in organizational behavior has emphasized extra-role behavior. Entwistle (2001) stated that it represents only one element of discretionary effort. Some researchers critiqued the narrow scope of discretionary effort in organizational behavior emphasizing the direction component or extra-role behavior (Entwistle, 2001). In addition, Entwistle (2001) replicated the study of Yankelovich and Immerwahr (1983) that discretionary effort scale was measured in two categories which were in-role and extra-role discretionary efforts. In-role discretionary effort referred to an effort that an individual is exerting directed toward the end of fully performing role requirement. In contrast, extra-role discretionary effort referred to an effort beyond the level required to fully meet role requirements. The results supported Yankelovich and Immerwahr's (1983) study that 48 percent of the respondents were investing into their job little-to-no effort beyond what was absolutely required of them, while more than 75 percent of all respondents acknowledged that there was an opportunity to perform their jobs more effectively, and 15 percent were working at full capacity.

Meanwhile, discretionary effort moves beyond the employee decision about remain or leave, beyond effort above minimal requirement to maintain a membership, and links to both employee and organization performance. Moreover, discretionary effort is the greatest control holding by employee. Entwistle (2001) critiqued that the redundancy of research on organizational commitment has obstructed the advancement of the research on discretionary effort area. Entwistle (2001) further suggested that considering only at the evaluations of organizational commitment limits the success of an organization and one solution by better understand discretionary effort and apply to the workplace. Due to the lack of current research on discretionary effort to compare with the earlier finding of Yankelovich and Immerwahr in 1983, it therefore presents a challenge for this study to make current data for comparison and to enhance the contribution on this area.

Employer Branding, Employee Engagement, and Discretionary Effort

Best employer is differentiated the high-level of engaged employee, which results in higher retention, lower turnover, larger talent employees, and better financial performance (Aon Hewitt, 2011). Drizin (2005) found that the most significant drivers of engagement are job satisfaction, reputation of management team and company, and effectiveness of senior leadership while the study of the Aon Hewitt (2011) revealed that top five drivers of a global engagement are career opportunities, brand alignment, recognition, people or human resource practice, and organizational reputation. Regarding the concepts above, the research hypotheses were thus developed.

H1: There is a positive relationship between employer branding and employee engagement for current employees.

Considering the relationship between employee engagement and discretionary effort, several studies supported that discretionary effort is an outcome of employee engagement (Kular et al., 2008). The global study of the Aon Hewitt (2011) revealed that engaged employees delivered the discretionary effort while Shuck (2010) supported that all of three engagement dimensions, including meaningfulness, availability, and safety are strongly correlated to discretionary effort. In addition, Anand and Banu (2011) confirmed that there are positive relationships between employee engagement variables and discretionary effort. Based on the concepts above, the research hypotheses were thus conducted as follows.

H2: There is a positive relationship between employee engagement and discretionary effort for current employees.

The following research hypothesis was associated with the direct relationship between employer branding and discretionary effort which was asserted by both academic researchers and practitioners (Cushen, 2009; Aon Hewitt, 2012; Big Picture, 2012). For the study in academic approach, Cushen (2009) conducted six-month participant ethnography from 75 directors and managers in Ireland and found that the logic of branding was transferred from the value of the customers to the value of employees through the extra work functional and discretionary effort. On the other hand, in practitioner approach, the study was conducted from 165 organizations and 74,000 employees in Australia and New Zealand, and it was concluded that best employers are not only establishing a great place to work but also creating the conditions for their employees to exceed and encourage discretionary effort (Aon Hewitt, 2012). Based on the above concepts, the below hypothesis was thus conducted.

H3: There is a positive relationship between employer branding and discretionary effort for current employees.

The following research hypothesis was associated with the mediate effect of employee engagement on the relationship between employer branding and discretionary effort which was asserted by both academic researchers and practitioners (Hughes & Rog, 2008; Big Picture, 2012). Due to the study in academic approach, such as Hughes and Rog (2008) stated that engaged employees tend to positively say about their company, want to stay with the company, and provide a superior discretionary effort that advocated to a high level of employer brand. On the other hand, in practitioner approach, the study was conducted from HR professionals in North America, and the finding revealed that a well-defined employer brand links to highly employee engagement, while low employer brand leads to low engagement which, in turn, results in dysfunctional work relationships, lower productivity, and no discretionary effort (Big Picture, 2012). The following hypothesis was conducted based on

the concepts mentioned.

H4: There is an effect of employer branding on discretionary effort through employee engagement for current employees.

Research Methodology

Samples and Procedure

The study of the Positioning Magazine in 2007 revealed that PTT Public Co., Ltd. was the best company for both men and women. Moreover, Esso (Thailand) Public Co., Ltd. was ranked the 10th place for women (Positioning Magazine, 2007). Therefore, the population for the study consisted of current employees of nine organizations in Thai petroleum industry (Petroleum Institute of Thailand, 2013) comprising PTT Public Company Limited (PTT), Thai Oil Public Company Limited (TOP), IRPC Public Company Limited (IRPC), Star Petroleum Refining Company Limited (SPRC), Bangchak Petroleum Public Company Limited (BCP), Esso (Thailand) Public Company Limited (ESSO), Rayong Purifier Public Company Limited (RPC), Chevron (Thailand) Limited (Chevron), and Shell Company of Thailand Limited (Shell).

The main study was designed to conduct by quota sampling method which the heads of HR department of the nine companies were contacted accompanying with the letters authorized by the Rajamangala University of Technology Thanyaburi (RMUTT) to describe the purpose, the importance, and the benefits of the study. Permissions to send the paper survey to their employees were definitely asked. According to the letters authorized to nine companies, there was one company permitted the researcher to collect data which was IRPC. According to low level of response rate for quota sampling thus simple random sampling and snowball sampling was conducted. The simple random sampling method was an interview method where the respondents were interviewed and asked by highly experienced interviewers. As a result of restrict area, cafeteria inside, and transportation employees, therefore, difficult to access and interview the respondents. The last method was a snowball method which after observing the initial subject, the researcher asked for assistance from the subject to help identify people with a similar trait of interest. The main study was collected by using three sampling methods, which were quota sampling, simple random sampling, and snowball sampling, and data collection was made from February to April, 2013. According to 2,746 questionnaires distributed, there were 1,349 questionnaires returned to the researcher, the response rate was thus 49.13 percent. The majority of the respondents were male accounted for 56.1 percent with age between 30-35 years old accounted for 26.5 percent, and marital status was single accounted for 55.7 percent. The level of

education was mostly Bachelor's degree which was accounted for 54.4 percent while working experience was above 10 years accounted for 40.3 percent, and most of them were operation employees accounted for 70.0 percent, work in the engineering department accounted for 16.5 percent, In the next three years the respondents plan to work with current company which was accounted for 80.5 percent.

Instruments

The first questionnaire was the employer branding questionnaire which was developed from the survey of Berthon et al. (2005) as well as survey of Ngakhoopathipat et al. (2007). For this study, the final questionnaire was composed of 29 items based 5 dimensions including employment, development and application, organizational reputation, economic, and senior management measured on a 7-point Likert-scale. The Cronbach's alpha scales were 0.932, 0.909, 0.920, 0.861, and 0.836, respectively. Meanwhile, the composite reliability scales were 0.930, 0.877, 0.917, 0.866, and 0.843, respectively. Considering p-value, the results indicated that all p-values associated with each loading were significant and above 0.6 while all average variance extracted (AVE) of five dimensions were above 0.5 (0.575, 0.589, 0.612, 0.686, and 0.644). Moreover, the discriminant validity (DV) scales were above 1.0 (1.019, 1.132, 1.043, 1.353, and 1.098). Due to the above results, it could be thus concluded that this instrument is reliable scale for the measurement of employer branding and is best represented by five unique dimensions.

The second questionnaire was the employee engagement questionnaire which was developed from Saks (2006)'s employee engagement survey. For this study, the final questionnaire was composed of 9 items based on 2 dimensions including job engagement and organization engagement measured on a 5-pointed Likert-scale. The Cronbach's alpha scales were 0.825 and 0.917, respectively whereas the composite reliability scales were 0.819 and 0.909, respectively. Considering p-value, the results found that all p-values associated with each loading were significant, and all of factor loading values were above 0.6. Besides, AVE scales were also above 0.5 (0.534 and 0.667), and DV scales were above 1.0 (1.307 and 1.633). Based on the above results it can be thus concluded that this instrument is reliable scale for the measurement employee engagement and is best represented by two unique dimensions.

The final questionnaire was discretionary effort questionnaire which was developed from Entwistle's (2001) discretionary effort scale (DES). For this study, the final scale was composed

of 7 items based 2 dimensions including in-role discretionary effort and extra-role discretionary effort measured on a 7-point Likert-scale. The Cronbach's alpha scales were 0.871 and 0.851, respectively whereas the composite reliability scales were 0.856 and 0.848, respectively. Considering p-value, the results indicated that all p-values associated with each loading were significant, and all of factor loading values were above 0.6. Moreover, AVE scales were above 0.5 (0.666 and 0.878) and DV scales were above 1.0 (2.037 and 2.685). According to the above results, it can be thus concluded that this instrument is reliable scale for the measurement of discretionary effort and is best represented by two unique dimensions.

In addition, the results from both 100 employees from the automobile industry and 100 employees from the banking industry showed that all p-values associated with each loading were significant which have similar results with the petroleum industry. Therefore, it could be concluded that all four instruments are supported the concurrent criterion validity.

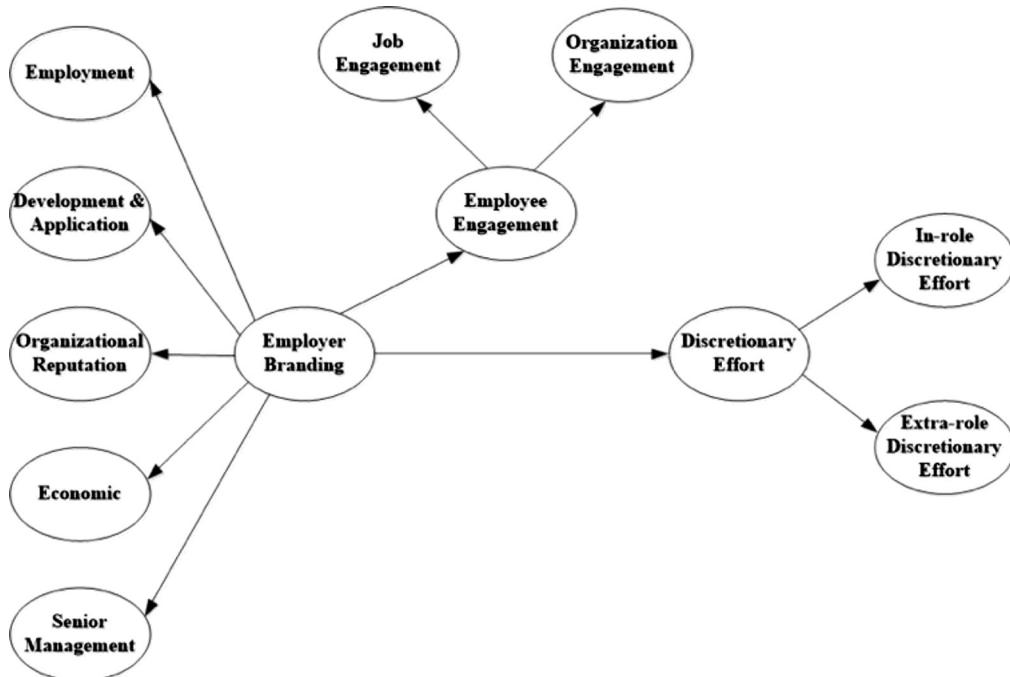


Figure 1: The competing model (based on literature review from the previous study)

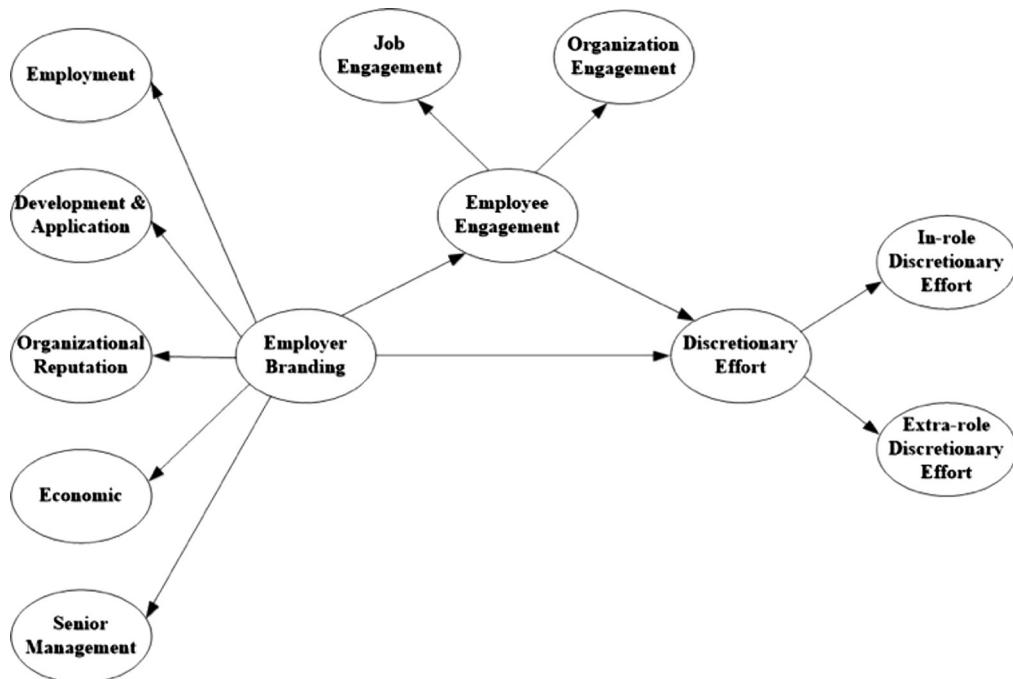


Figure 2: The proposed theoretical model

Results

Structural Model of the Competing model and the Proposed Theoretical Model

The model fit statistics of the competing model was χ^2 was 3748.471 at $p=0.000$, χ^2/df was 4.074, CFI was 0.939, IFI was 0.939, AGFI was 0.869, PGFI was 0.785, RMSEA was 0.048 (PCLOSE = 0.990), NFI was 0.921, and TLI was 0.935. Meanwhile, the model fit statistics of the proposed theoretical model was χ^2 was 3632.964 at $p=0.000$, χ^2/df was 3.953, CFI was 0.942, IFI was 0.942, AGFI was 0.871, PGFI was 0.786, RMSEA was 0.047 (PCLOSE = 1.000), NFI was 0.924, and TLI was 0.937. According to above results found that the model fit statistics of the proposed theoretical model was better than the competing model. Thus, it can be concluded that the relationships among employer branding, employee engagement, and discretionary effort greater explained by mediate effect of employee engagement on the relationship between employer branding and discretionary effort.

Hypotheses Testing

Hypothesis1

The value of *t*-test revealed that standardized estimated value was 0.746 while critical ratio (C.R.) was 21.511, and *p*-value was *** indicating that there is a significant positive relationship between employer branding and employee engagement at a significance level of 0.001. Therefore, it could be concluded that H1 was supported. The results showed that the standardized regression weights for employment, development and application, organizational reputation, economic, and senior management dimension were 0.917, 0.979, 0.879, 0.799, and 0.939, respectively. Consequently, it could be concluded that development and application is the most important dimension, followed by senior management, employment, organizational reputation, and economic, respectively.

Hypothesis2

The value of *t*-test revealed that standardized estimated value was 0.618 whereas critical ratio (C.R.) was 9.418, and *p*-value was *** indicating that there is a significant positive relationship between employee engagement and discretionary effort at a significance level of 0.001. Thus, it could be concluded that H2 was supported.

Hypothesis3

The value of *t*-test revealed that standardized estimated value was 0.166 while critical ratio (C.R.) was 3.144, and *p*-value was 0.002 indicating that there is a significant positive relationship between employer branding and discretionary effort at a significance level of 0.05. Therefore, it could be concluded that H3 was supported.

Hypothesis4

Due to the competing model, the standardized direct effect between employer branding and discretionary effort was 0.646. On the other hand, the results from the proposed theoretical model indicated that standardized direct effect between employer branding and discretionary effort was 0.166, and standardized indirect effect was 0.461, whereas standardized total effect was 0.627. Therefore, standardized direct effect of the proposed theoretical model was less than that of the competing model. Regarding the results, it was found that the model fit statistics of the proposed theoretical model was better than the competing model. Thus, the relationships among employer branding, employee engagement, and discretionary effort were greater explained by an effect of employer branding on discretionary effort through employee engagement for current employees. Consequently, it could be concluded that H4 was supported, and there is a partial mediate effect of employee engagement on the relationship between employer branding and discretionary effort.

Table 1: Model Fit Statistics of the Competing Model and the Proposed Theoretical Model

Model Fit Statistics	Competing Model	Proposed Theoretical Model
CMIN	3748.471	3632.964
p-value	0.000	0.000
df	920	919
CMIN/df	4.074	3.953
CFI	0.939	0.942
IFI	0.939	0.942
AGFI	0.869	0.871
PGFI	0.785	0.786
NFI	0.921	0.924
TLI	0.935	0.937
RMSEA	0.048	0.047
AIC (Default model)	3978.471	3864.964
AIC (Saturated model)	2070.000	2070.000
AIC (Independence model)	47716.532	47716.532

Table 2: Hypotheses Testing of the Proposed Theoretical Framework

			Estimate	S.E.	Standardized Estimate	C.R.	p-value	
H1	Employer branding	--->	Employee engagement	0.457	0.021	0.746	21.511	***
H2	Employee engagement	--->	Discretionary effort	0.586	0.062	0.618	9.418	***
H3	Employer branding	--->	Discretionary effort	0.096	0.031	0.166	3.144	0.002

*** p-value < 0.001 (p-value less than 0.001 was at the significant at 0.001 level)

Table 3: Standardized Direct, Indirect, and Total Effect among Variables of the Proposed Theoretical Model

			Standardized Direct effect	Standardized Indirect effect	Standardized Total effect
Employer branding	--->	Employment	0.917	0.000	0.917
Employer branding	--->	Development and application	0.979	0.000	0.979
Employer branding	--->	Organizational reputation	0.879	0.000	0.879
Employer branding	--->	Economic	0.799	0.000	0.799

Table 3: Standardized Direct, Indirect, and Total Effect among Variables of the Proposed Theoretical Model (con.)

			Standardized Direct effect	Standardized Indirect effect	Standardized Total effect	
Employer branding	--->	Senior Management	0.939	0.000	0.939	
Employer branding	--->	Employee engagement	0.746	0.000	0.746	
Employee engagement	--->	Discretionary effort	0.618	0.000	0.618	
H4	Employer branding	--->	Discretionary effort	0.166	0.461	0.627

Table 4: Summary of Hypotheses Testing of the Proposed Theoretical Model

Hypothesis and its description		Results
H1: There is a positive relationship between employer branding and employee engagement for current employees.		Supported
H2: There is a positive relationship between employee engagement and discretionary effort for current employees.		Supported
H3: There is a positive relationship between employer branding and discretionary effort for current employees.		Supported
H4: There is an effect of employer branding on discretionary effort through employee engagement for current employees.		Supported

Discussions and Conclusions

The results of the study revealed that all hypotheses were supported. In addition, the results of H1, H2, and H3 confirmed the results of the previous study. Regarding the result of H4, the mediate effect of employee engagement on the relationship between employer branding and discretionary effort was firstly explored by academic approach. Even though the previous study came from practitioner approach, the results were corresponding with the result of this study.

Based on the expectancy theory, employees expected employer branding composed of the attractive working tasks, high value work experience, good career development, community, feeling of friend and family, well known company reputation, corporate values, above average compensation, supportive supervisor, and caring supervisor. Besides, these employees compared their expected employer branding to perceived employer branding when the outcomes are more positive leading to high performance and engagement. On the other hand, when employees found that their outcomes

are less than expectation, they would feel depressed and decide not to work. Consistent with the result of this study, it was found that when employees judged their perceived employer branding is above than their expectation, they would thus intend to well respond and repay to their company by increasing performance and engagement, especially Thai culture which is normally sympathetic and considerate culture. Consequently, the results indicated the strong correlation between employer branding and employee engagement.

According to the social exchange theory, employees judged their outcomes based on what they received from the company. If the above average outcomes are made comparing to the other company, then they would feel obliged to well respond and repay by delivering the greater levels of engagement and voluntary decision to increase their discretionary effort to be above than a minimum level to maintain their job. Meanwhile, the notion of the expectancy theory proposed that an individual motivated to expand discretionary effort is influenced by three factors including performance, rewarded, and an attractiveness of the rewards or outcomes offered from the company. Employees believe that being highly engaged in both their job and organization would lead to a high level of discretionary effort, and higher performance occurring from an extra work effort would also be rewarded. Consistent with the result of this study, employees also believe that they would receive well support from their company when they put more engaged and extra effort. In contrast, employer would provide the attractiveness of the rewards or outcomes differently depending on the employee's needs and values to increase the level of engagement and extra effort, which in turn enhance an organizational success.

The result reported that employees evaluated that they worked with a strong employer brand consistent with the outsiders' evaluation. Moreover, employees agree with packages provided by their company in organizational reputation, economic, and development and application dimension whereas employment dimension was evaluated as slightly agree. Employees stated that there are good relationships among employees, whereas the relationship between employee and supervisor should be improved. Moreover, the results revealed employees need their company to improve its visionary and inspirational leadership and good governance. In addition, employees slightly agree with the company's performance assessment which should be more fair and tangible measurement. Besides, the work roles and responsibilities should be more challenging and empowering for making decisions as well as providing opportunities to promote career growth. The result revealed that employees need more work-life balance. Finally, employees indicated that the opportunity for overseas business travels was the lowest score which must be improved. Regarding employee engagement, most employees

stated that they engaged in both job and organization except employees from ESSO who proposed that they did not engage in both job and organization. . Meanwhile, due to an overview of the petroleum industry, employees evaluated that they slightly put both in-role and extra-role discretionary efforts while they were working. To increase employee engagement and discretionary effort levels employers need to understand more about their employees such as personality, interests, needs, values, inspirations and then improve employer branding packages such as challenging, diversity, valued, and empowering job which are appropriate to their employees. Even though the company provided many attractive packages, without appropriate and clear communications and interactions between management and employees could reduce feeling, enthusiastic, and dedication level that employees engaged to the company leading to the low level of discretionary effort as a result.

Implications for Future Research and Practice

Implications for Future Research

The findings provided several implications for researchers who are not only in a field of human resource development but also interested in the organization-related studies. The first area suggested for future research would be to investigate other potential antecedents and consequences of employer branding. Regarding the person-organization fit, it tends to be more attractive when employees perceived that the employer brand image is appropriate to their personalities, needs, and values (Schneider, 1987). Thus, demographic factors such as age, working experience, position, personality variables, organization identities as well as social identities and culture variables might influence the development of employer branding. Considering consequences, future research would be to examine other potential consequences of employer branding such as an individual's performance, financial performance, turnover, intention to leave, customer satisfaction, and customer loyalty. In addition, future research could include a broader range of consequences incurred from the particular dimensions of employer branding.

Due to the second area of the suggested future research, the study applied to the notion of employee engagement developed from Saks (2006). Nevertheless, there are other three notions including Kahn's (1990) need-satisfying notion, Maslach et al.'s (2001) burnout-antithesis notion, and Harter et al.'s (2002) satisfaction-engagement notion which might provide also better understanding about engagement in the complex organizational phenomena related to the employee's behavior and performance.

Regarding the fact that an individual possessed different characteristics and personalities that

might predict employee engagement, the future research might consider individual differences as the antecedents of employee engagement. For example, there are workaholic behavior, the need for achievement, hardness, self-esteem, self-efficacy, and locus of control. Considering the social exchange theory, employees with a strong exchange tradition are more likely to feel obliged to well respond when they receive well support. Thus, the relationship between various antecedents and engagement tend to be stronger for employees with a strong exchange tradition. As a result, the future research would be to test the moderate effects of exchange tradition on the relationship between antecedents and engagement.

The next area for the future research would be to investigate the potential effect of experimental interventions on employee engagement. There are some evidences that exchange-inducing interventions could raise a sense of obligation of employees who feel obliged to respond (Ganzach et al., 2002). Therefore, the future research might investigate the extent to which interventions could create a sense of obligation leading employees to respond with the higher engagement levels. For example, more supportive training managers might be effective for improving the perceptions of organizational support and caring. Job design interventions would provide employees with more autonomy and variety of their work, and career management interventions might also be effective.

According to many previous studies, this study confirmed that employer branding is an antecedent which has a high influence on employee engagement. However, some studies provided the different views. For example, Robinson et al. (2004) proposed that the relationship between employer and employee is reciprocal; therefore, the researchers proposed that the relationship of employer branding and employee engagement is a two-way relationship. Meanwhile, Martin et al. (2005) argued that engagement provides a key opportunity for human resources to earn greater voice in business, especially for increasingly rare and expensive knowledge workers. Therefore, becoming an employer of choice is a central human resources and business imperative. Consequently, the future research would be to test and confirm that employer branding is an antecedent of employee engagement. Besides, the future research pursues the questions on “Is there an influence of employee engagement on employer branding?” and “Is there a two-way relationship between employer branding and employee engagement?” which incur to explore the new conceptual framework.

Finally, the study used the quantitative method by conducting a survey which could explain concrete information. Nonetheless, the future research should apply qualitative method to understand more insight information so that the company could provide good benefits suitable for their employees and the organization context.

Implication for Practice

The findings provide have numerous implications for the organization, especially those who are working in human resource department and management. First of all, employer branding was a significant predictor of both employee engagement and discretionary effort; thus the organizations wishing to improve the levels of employee engagement and discretionary effort should focus on developing a strong employer branding. Recently, the most popular way was the employee value propositions (EVPs). The result showed that development and application is the most important dimension, followed by senior management, employment, organizational reputation, and economic, respectively. Thus, the organizations should emphasize more on emotional than economic drivers. For example, career advancement, personal growth, appropriate training, supportive management, caring support, working with smart colleagues, meaningfulness, feedback, autonomy, variety job, challenging job, forefront technology development, forefront product development, variety product development, above average compensations, health care, good working environment, enjoy life balance, and retirement benefits might be considered. Besides, the organizations should implement three steps to sustain employer brand image. First, the organizations create a concept of EVPs offered to both future and existing employees. The second step is to develop EVPs attractive to the external markets such as the targeted potential employees, recruiting agencies, and placement counselors. The last step is to deliver the brand promise offered to recruit onto the firm and embedded as a part of the organizational culture (Frook, 2001).

Considering the second implication for practice, employee expectation was a significant mediate effect on the relationship between employer branding and employee engagement. Thus, the organizations wishing to improve employee engagement should focus on the expectations of employees regarding the received offerings. Organizational programs that disclose employees' expectation such as surveys, focus groups, and 360-degree feedback might cause employers to get the insights of their employees leading to the higher levels of job and organization engagement.

Furthermore, the organizations should understand that employee engagement and discretionary effort are a long-term and continuous process requiring continued interactions over time to create the obligations and a state of mutual interdependence (Cropanzano & Mitchell, 2005).

Last, but not least, the result revealed that all items of the instruments have concurrent validity which means these instruments composed of employer branding, employee engagement, discretionary effort, and employee expectation could be applied to the context of current employees work in the other industry.

Limitations of the Study

Some noteworthy limitations of the study are addressed. The first limitation included the effect of extraneous variables which may affect employer branding, employee engagement, and discretionary effort such as macroeconomics and economic crisis. Second, the data collection of the study involved a snowballing approach rather than a random sampling method. As a result, some cautions are required in generalizing the results to the larger population. Moreover, since the study used cross-sectional and self-report data the conclusions could not only make causal inferences but also raises some concerns about common bias. Therefore, a longitudinal study is required to provide more definitive conclusions. The final limitation was the findings explaining behaviors and emotions of Thai employees which may not be corresponding with foreigner employees.

Summary

The major purpose of the study was to investigate the relationships among perceived employer branding, employee engagement, and discretionary effort. The data were collected from 1,349 current employees working in nine organizations in Thai petroleum industry. The results indicated strong positive relationships between employer branding and employee engagement, employer branding and discretionary effort, and employee engagement and discretionary effort which supported the previous studies. Moreover, the result revealed that 38.88 percent of the respondents said that their effort was above the level to keep their job. In contrast, 48.63 percent of the respondents said that their effort was at the level to keep their job which supported the previous studies of Yankelovich and Immerwahr (1983) and Entwistle (2001) at 44 percent and 48 percent, respectively.

Regarding the contribution of the study in academic approach, the result indicated the partial mediate effect of employee engagement on the relationship between employer branding and discretionary effort. Thus, this was the first time that the relationship between employer branding and discretionary effort was explained towards employee engagement by an empirical study. In addition, the simultaneous relationships among employer branding, employee engagement, and discretionary effort were examined through academic researches. On the other hand, the contribution to practitioners was that the survey was confirmed the concurrent validity where all items of the instruments could be applied to measure current employees' attitude work with other industry.

Even though employer branding is one of the most interested strategies in business firms and practitioners, an academic study is scarce (Backhaus & Tikoo, 2004) which is similar to employee engagement (Robinson et al., 2004) and discretionary effort (Entwistle, 2001). According to the lack

of current data of employer branding, employee engagement, and discretionary effort, it is likely to be a challenge for the future research to explore both independent and dependent variables which lead to better understandings of the concepts and applications. In addition, the future research should further continue to explore the possible variables into the model which could be moderators and/or mediators which could lead to a better understanding about the complex organizational phenomena related to employees' behavior and performance. Finally, the study and the other additional future researches may continue to explore how human resource management could enhance the well-being and productive behaviors of employees who are the most valuable asset of the organization, which lead to an organizational success as a result.

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