Article

Employer Branding and Employee Retention in the Banking Sector in Saudi Arabia: Mediating Effect of Relational Psychological Contracts

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Abstract: The main purpose of this study is to examine the impact of employer branding on employee retention and the mediating effect of the relational psychological contract between employer branding and employee retention among employees of the banking sector in Saudi Arabia. A cross-sectional survey is used to gather data from 459 employees working in the banking sector. The study findings reveal that employer branding is positively and significantly related to relational psychological contracts and employee retention. Furthermore, a relational psychological contract significantly mediates the relationship between employer branding and employee retention. The current study is considered the first to provide empirical evidence of the role of the relational psychological contract as a mediator between employer branding and employee retention. As a result, the current study will extend the employer branding literature by recognizing a new way through which employer branding impacts employee retention. Theoretical and practical implications are discussed.

Keywords: employer branding; relational psychological contract; employee retention; banking sector; Saudi Arabia

1. Introduction

Due to the rapid advancement in digitization and technological innovation, organizations and HR professionals have become more attentive to the importance of Human Resources (HR) to the long-term sustainability of their business. Mena, Kunisch [1] stated that firms that employ a skilled workforce with decision-making capabilities and authority have a significant role in human capital with respect to corporate competitive advantages. Indeed, employees with the required skills become an intangible source of sustainable competitive advantage [2]. However, attracting and retaining a talented workforce becomes one of the most critical problems for business sustainability [3,4]. According to Sadovi [5], in 2022, the struggle to hire talent topped the list of risks that executive managers anticipated facing, with 48% naming talent acquisition and retention challenges as their top concern, followed by supply chain disruptions and vulnerabilities (32%) and new COVID-19 mutations (29%), including Omicron, based on a survey of 678 executives conducted by PwC. Losing talented employees can lead to losing intellectual capital, putting an organization's capacity to compete in a dangerous situation [6]. Accordingly, organizations have made concerted efforts to attract experienced and skilled employees and prevent them from quitting [7]. The existing literature has emphasized that, for many organizations, attracting and retaining talented employees has become a primary HR strategy for gaining and obtaining a sustainable competitive advantage [6,8,9]. One HR strategy that has attracted HR practitioners and academics' interest is employer branding.

The idea of using branding is no longer limited to marketing strategies to promote products and services to customers. Nowadays, it is also used by many organizations to

enhance employees' loyalty as well as productivity [10]. Employer branding is a combination of branding and human resources management that is characterized by unique, distinctive, powerful, and relevant aspects [11]. Employer branding, as a talent and attraction tool, refers to a strategy used to attract and retain talented employees by developing a distinguished employment image of the organization among other competitors [12,13]. The literature categorizes employer branding into two classifications: external and internal employer branding [14,15]. External employer branding is built around attracting prospective candidates to whom the organization is willing to assign jobs and responsibilities [16]. Related studies are mainly limited to employer branding's impact on organizational attractiveness [6,17–20]. On the other hand, internal employer branding focuses on retaining current employees who act as brand ambassadors for the organization [15,16]. Tanwar and Prasad [10] have highlighted the positive influence of internal employer branding on retaining, engaging, and motivating talented employees, which, in turn, increases productivity. However, the prior literature has paid more attention to examining external employer branding impacts on prospective employees' attractiveness rather than the role of internal employer branding in enhancing positive employee attitudes and behaviors, including job performance, engagement, and retention [14,21]. Accordingly, the present study seeks to carry out research that highlights the positive linkage between employees' perceptions of employer brand and work-related behavior.

Furthermore, although several studies have examined the impact of employer branding on certain behavioral and attitudinal outcomes, such as job satisfaction, organizational identification, and person–organization fit [2,8,9,14,22], limited studies have been performed to understand the employee behavioral outcome mechanism through which employer branding impacts employee retention [10]. Accordingly, Tanwar and Prasad [10] introduced an employer branding model that acknowledges the psychological contract's role in influencing employee retention. Prior studies have asserted the influence of HRM practices that aim at retaining talented employees in psychological contracts that in turn affect employee retention [23,24]. However, researchers have noted a lack of evidence about the mechanism through which employer branding enhances employee retention under the influence of psychological contracts [7,9]. Hence, in line with social exchange theory, the present study allows for a greater understanding of the role of relational psychological contracts as a mediator variable between employer branding and employee retention.

In addition, the overall development of a country is contingent upon the banking sector's positive contribution [25]. In Saudi Arabia, the banking sector is rapidly growing, leading to a competitive and dynamic environment [26]. As a result, banking companies in Saudi Arabia are increasing the demand for talented employees [27]. According to Nalband and Awadh [27], the Saudi banking sector must recognize the significance of employer branding in retaining and attracting employees. However, while various studies have investigated the influence of employer branding on employee retention across several contexts [28], to the best of the authors' knowledge, research linking employer branding to employee retention in the context of Saudi Arabia is relatively scarce. Therefore, to fill the research gap, the present study aims to examine the impact of employer branding on employee retention and the mediating effect of relational psychological contracts between employer branding and employee retention among employees of the banking sector in Saudi Arabia.

The rest of the article is structured as follows. The first section is a literature review of employer branding, employee retention, and psychological contracts, followed by hypotheses building. The next section presents the study methodology and results, followed by a discussion and the implications of the findings.

2. Literature Review and Hypotheses Development

2.1. Employer Branding

The concept of employer branding was first defined by Ambler and Barrow [29] as "the package of functional, economic and psychological benefits provided by employment

and identified with the employing company" (p. 187). Since the emergence of the "employer branding" term, which came from applying branding principles to human resource management to attract and retain current and potential employees [14,30], the concept has evolved over time from a basic description of the features provided by an organization to a process of identifying what makes the company unique. According to Backhaus and Tikoo [30], employer branding is a process of promoting a unique and distinctive organization's characteristics to differentiate itself as an employer from other competitors. Additionally, Edwards [31] argued that employer branding involves building an image and identity for the organization as the "best place to work" among existing rivals by promoting and managing the unique aspects of the organization, such as the tangible and intangible offerings. Further, Wahba and Elmanadily [32] stated that employer branding is a strategy of externally and internally communicating the organization's unique attributes, which define its identity as an employer, to attract and retain potential and current employees.

Following Ambler and Barrow's [29] definition of employer branding, various researchers have attempted to explore and identify the dimensions of employer branding. For instance, Berthon, Ewing [33] proposed five value dimensions of employer branding that the organization can offer: social value, development value, application value, economic value, and interest value. However, their study identified and tested the employer branding dimensions from the perspective of potential employees. Researchers have argued that the view of prospective employees of the employer's brand differs from the current employees' perspective [34,35]. Consequently, to provide more comprehensive employer branding dimensions for current employees, Tanwar and Prasad [36] identified five dimensions of employer branding, including work environment, compensation, work–life balance, corporate social responsibility (CSR), and training and development. CSR assesses the effect of an organization that takes into account society's interests in terms of how its activities impact its stakeholders [9,37]. A healthy work environment reflects a positive and welcoming team spirit, as well as decent and respectful relationships between colleagues [38]. The training and development of the employees represent the development value of employer branding, as proposed by Berthon et al. [33]. Furthermore, the competitiveness of the compensation packages offered to employees helps the organization remain competitive in the market and attract and retain talent [36]. The present study adopts Tanwar and Prasad's [36] five dimensions, as they consider a comprehensive measurement for employer branding [39].

2.2. Employer Branding and Employee Retention

In the highly competitive labor market, where employees encounter boundless job offers, organizations have acknowledged the need to distinguish themselves from competitors by investing a considerable amount of time and effort into designing employer branding strategies to attract and retain skilled employees [9]. Das and Baruah [40] defined employee retention as maintaining or encouraging employees to stay in the organization for the longest time. Hadi and Ahmed [38] argued that a strong employer brand allows employers to retain their talented employees by building a positive image for the organization as a preferred place to work. Bharadwaj et al. [2] argued that an employer branding strategy with unique features enables employers to gain a competitive advantage in terms of high retention levels. Furthermore, according to Easa and Bazzi [38], organizations that want to retain skilled employees need to focus on employee retention enhancers that are reflected in employer branding characteristics and attributes.

Moreover, according to the social exchange theory, when reciprocal behaviors occur between two parties, employers and employees build deeper social relationships over time that produce positive feelings, including trust, loyalty, and commitment [41]. The theory is based on the assumption of giving and taking cognition, which can lead to mutually beneficial social exchanges [8]. Researchers have argued that, in exchange for attributes and facilities provided by the organization, employee intentions to leave are reduced. For instance, the organizational characteristics of CSR and work–life balance

have been affirmed as strong predictors of employee retention [7,10]. Furthermore, a study conducted by Hadi and Ahmed [38] found that the branding attributes of training and development significantly predict employee retention in educational institutes in Pakistan. Additionally, the employer branding attribute of reward strategy significantly predicts employee retention [42].

While the relationship between employer branding and employee retention has been investigated in a Western context [10,38,42], there are no studies examining the link between employer branding and employee retention in the Saudi context, especially in the banking sector. Therefore, considering employer branding's impact on employee retention, the following hypothesis is proposed:

H1. *Employer branding has a positive and significant relationship with employee retention.*

2.3. Employer Branding and Relational Psychological Contract

A psychological contract is known as an unwritten set of expectations based on an exchangeable relationship between the employee and employer [43]. Ever since the term was introduced by Argyris [44], scholars and researchers have shown increased interest in exploring the antecedents and outcomes of the psychological contract [45]. Rousseau [46] defined a psychological contract as "an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between that focal person and another party" (p. 123). According to Rousseau [46]), a psychological contract comprises expectations and beliefs in fulfilling reciprocal obligations in the employment relationship. Employer obligations toward employees may include organizational practices such as training, career development, fair payment, rewards, and a sense of belonging [47,48].

Two widely used classifications of psychological contracts in the existing literature are transactional and relational psychological contracts [47]. The transactional psychological contract is a short-term relationship based on economic values and tangible rewards; the relational psychological contract, on the other hand, is a long-term interpersonal relationship based on both economic and socioemotional benefits [49,50]. According to Festing and Schäfer [23], organizations that show engagement in investing in HRM practices that focus on attracting and retaining employees could fulfill relational psychological contracts by meeting their talented employees' expectations. Such HR practices can be reflected through an employer branding strategy with a set of unique attributes offered by the employer [10]. Moreover, Ruchika and Prasad [51] noted that employee expectations and beliefs, which are the basis of forming the psychological contract [46], can be formed through organizational branding attributes. However, in contrast to the transactional psychological contract, which involves short and limited involvement between the parties, the relational psychological contract focuses on ongoing involvement as well as employee expectations regarding stability within the organization and their personal well-being [50,52]. Therefore, when the current employee perception is induced by the organization's branding attributes, which are distinguished by enduring, distinctive, and key characteristics [35], the relational psychological contract can be fulfilled as a result of meeting the current employee's expectations in regard to these characteristics [23]. However, little evidence has been found associating employer branding with the psychological contract. A recent study conducted by Pimentel et al. [48] examined the differences between employee perceptions of employer branding in family and non-family firms and its relationship with the relational dimension of the psychological contract; the study revealed that family firms' employees' perceptions of employer branding are more positively associated with psychological contract levels than those of non-family firms' employees.

The social exchange theory can provide a theoretical basis to establish a positive link between employer branding and relational psychological contracts. According to the social exchange theory, employees show positive behavior as a result of positive acts offered by the employer and vice versa [45]. Hence, this present study proposes the following hypothesis:

H2. *Employer branding has a positive and significant relationship with the relational psychological contract.*

2.4. The Mediating Role of the Psychological Contract in the Relationship between Employer Branding and Employee Retention

Researchers have shown an increasing interest in understanding the mediating role of psychological contracts between employer branding and employee retention. Tanwar and Prasad [10] conducted a qualitative study to explore the antecedents of employer branding from the perspective of current employees of an IT giant in India. The study revealed that employer branding dimensions, including work environment, work–life balance, CSR, and training and development, positively impact employees' psychological contracts, which, in turn, impact employee retention. However, there is no known research has been conducted to assess the impact of psychological contracts on the relationship between employer branding and employee retention.

The social exchange theory can be used to explain the mediating role of the relational psychological contract between employer branding and employee retention. Scholars have argued that the psychological contract is grounded in the social exchange theory [41,53]. The social exchange theory assumes that a positive relationship between two parties is formed as a result of a reciprocal process that is based on economic and socio-emotional exchanges [54,55]. Accordingly, as relational contracts establish an ongoing relationship between the employer and employee that involves monetary and nonmonetary benefits, employees will remain loyal to their employer in return for long-term gains such as job security, valuing the employer–employee relationship, and career development [50].

Furthermore, the literature has several examples concerning the positive effect of relational psychological contracts on employee behaviors and attitudes, including employees' contextual performance and job satisfaction [56], work engagement [57], and employee retention [58]. Moreover, a relational psychological contract is formed when the employee perceives positive organizational behavior, such as autonomy, compensation, organizational support, trust, and a challenging and supportive working environment [45,58]. As a result, relational contracts can be very important when it comes to retaining talented employees [4,59]. Therefore, drawing on the social exchange theory, this study proposes the following hypotheses:

H3. *The relational psychological contract has a positive and significant relationship with employee retention.*

H4. *The relational psychological contract mediates the relationship between employer branding and employee retention.*

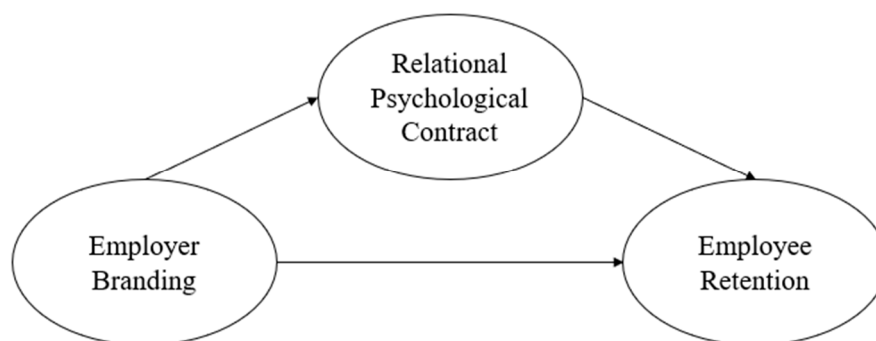Figure 1 shows the proposed model.

Figure 1. The proposed model.

3. Methodology

3.1. Study Design and Sample

This is a cross-sectional research study. A cross-sectional research design is a study that involves analyzing data collected from a representative cross-section or subset at a specific point in time [60,61]. The data were collected from 459 employees working in the banking sector in Saudi Arabia during the period March 2022–June 2022.

According to the Saudi Arabia Monetary Agency [62], there are currently 30 commercial banks in Saudi Arabia, including 13 local banks and 17 foreign banks. Additionally, the banking sector in Saudi Arabia plays a major role in the labor market, with a total of 45,577 employees in 2021 [62]. With the increased need to develop a positive employer brand among Saudi banks [27], Saudi banks have started to make noticeable efforts to become employers of choice. In the annual "Forbes' World's Best Employers 2021" list, six companies in Saudi Arabia were featured, including three Saudi banks; thus, these three Saudi banks were selected to represent the study sample.

The present study used a convenient sampling method to recruit the participants. A web-based survey using a Google Form was used to distribute the questionnaire among the participants. Moreover, the original questionnaire was translated into Arabic following the back-translation method [63]. The questions were translated into an Arabic version of the scale; then, an independent translator translated the scale back into English. Participants were assured that all the data will be used for academic purposes only to eliminate the social desirability bias.

3.2. Measures

The scale developed by Tanwar and Prasad [36] was adopted to measure employer branding. The scale comprises five domains, including healthy work atmosphere, training and development, work–life balance, ethics and CSR, and compensation and benefits. Sample items include, "My organization offers opportunities to work from home" and "My organization has a fair attitude toward employees".

Employee retention was measured using a 7-item scale developed by Kyndt, Dochy, Michielsen, and Moeyaert [64]. A sample item is "I see a future for myself within this company".

To measure the relational psychological contract, a 13-item scale was adopted from Millward and Hopkins (1998) [50]. A sample item is "I expect to grow in this organization".

The scales used in this study are measured using a 5-point Likert scale ranging from 1—"Strongly disagree" to 5—"Strongly Agree". Please check Appendix A.

3.3. Demographic Characteristics of the Study

The general characteristics of the respondents are presented in Table 1. Out of 459 respondents, most of the respondents were male, $n = 262$, 57.1%, while the female respondents had a value of $n = 197$, 42.9%. The majority of the respondents are under the group age of 25–39: $n = 223$, 48.6%. The majority of employees were in non-managerial positions: $n = 277$, 60.3%. Moreover, the majority of respondents had work experience of 1–5 years with their organization: $n = 204$, 44.4%.

3.4. Data Analysis

Statistical Product and Service Solutions (SPSS) version 22 was used to conduct the descriptive data analysis. Confirmatory factor analysis (CFA) was performed using Mplus version 8 to estimate the parameters in the model [65]. Finally, the study hypotheses were tested using structural equational modeling (SEM) in Mplus version 8 [65]. A *p*-value of <0.05 was used to identify the level of significance.

3.4.1. Descriptive Analytics

Preliminary data analysis shows no issue of multicollinearity since all variance inflation factors (VIF) values were lower than the threshold of 10 [66]. Table 2 depicts the means, standard deviations, intercorrelations, and reliability values of the proposed variables. The

values of bivariate correlations indicate that there is a strong positive association between employer branding and employee retention (r = 0.74, *p* < 0.01), employer branding and relational psychological contract (r = 0.78, *p* < 0.01), and the relational psychological contract and employee retention (r = 0.79, *p* < 0.01). Moreover, the study used reliability analysis using Cronbach's α coefficient as an indicator of the internal consistency and stability of the measuring instrument. Table 2 shows that all Cronbach's α values were larger than the recommended level of 0.70 [67,68].

Table 1. Demographic information, *n* = 459.

Variables	Subgroups	Frequency	Per Cen
Gender	Male	262	57.1
	Female	197	42.9
Years with the organization	Less than 1 year	86	18.7
	1–5 years	204	44.4
	More than 5 years	169	36.8
Age	Less than 25	62	13.5
	25–39	223	48.6
	40–54	144	31.4
	55 or more	30	6.5
Position	Managerial	182	39.7
	Non-Managerial	277	60.3

Table 2. Mean, standard deviation (SD), and correlation statistics.

Variables	Mean	SD	EB	ER	RPC
EB	3.63	0.904	**0.96**		
ER	3.39	0.938	0.749 **	**0.85**	
RPC	3.51	0.966	0.788 **	0.797 **	**0.93**

Note: The value of Cronbach's alpha is shown in bold in the matrix; ** *p* < 0.01 (two-tailed), SD = standard deviation, EB = employer branding, ER = employee retention, RPC = relational psychological contract.

3.4.2. Measurement Model

Confirmatory factor analysis (CFA) was applied to test the validity of the hypothesized model of the factors and their relationship with the observed variables [69]. CFA results revealed that there is a good fit to the data [69], as depicted in Table 3. In addition, as presented in Table 4, the factor loading of employer branding, relational psychological contract, and employee retention are sufficiently high and statistically significant [70,71]. Table 4 also shows that composite reliability (CR) and average variance extracted (AVE) exceeded the recommended values of 0.70 and 0.50, respectively [66]. Further, according to Hair et al. [66], the CR value should exceed the AVE value. Therefore, the convergent validity of the construct is confirmed.

Table 3. Model fit of confirmatory factor analysis.

							90% CI for RMSEA	
X^2	*df*	*p*	CFI	TLI	SRMR	RMSEA	LL	UL
3152.271	852	0.000	0.914	0.909	0.05	0.000	0.074	0.080

Notes: CFI = comparative fit index; TLI = Tucker–Lewis index; SRMR = standardized root mean square residual; RMSEA = root mean square error of approximation; CI = confidence interval; LL = lower limit; UL = upper limit.

Table 4. Confirmatory factor analysis.

Construct	Items	Factor Loading	CR	AVE
Healthy work environment (HWE)	HWE1	0.914	0.953	0.774
	HWE2	0.931		
	HWE3	0.880		
	HWE4	0.876		
	HWE5	0.784		
	HWE6	0.886		
Training and development (TD)	TD1	0.844	0.939	0.721
	TD2	0.858		
	TD3	0.751		
	TD4	0.894		
	TD5	0.895		
	TD6	0.846		
Work–Life Balance (WLB)	WLB1	0.938	0.800	0.585
	WLB2	0.781		
	WLB3	0.515		
Corporate Social Responsibility (CSR)	CSR1	0.793	0.910	0.718
	CSR2	0.845		
	CSR3	0.898		
	CSR4	0.850		
Compensation and Benefits (CB)	CB1	0.772	0.889	0.668
	CB2	0.772		
	CB3	0.832		
	CB4	0.888		
Employer Retention (ER)	ER1	0.791	0.897	0.562
	ER2	0.671		
	ER3	0.790		
	ER4	0.754		
	ER5	0.469		
	ER6	0.833		
	ER7	0.867		
Relational Psychological Contract (RPC)	RPC1	0.761	0.955	0.621
	RPC2	0.757		
	RPC3	0.795		
	RPC4	0.768		
	RPC5	0.816		
	RPC6	0.824		
	RPC7	0.806		
	RPC8	0.814		
	RPC9	0.787		
	RPC10	0.797		
	RPC11	0.799		
	RPC12	0.788		
	RPC13	0.727		

Note: CR = composite reliability, AVE = average variance extracted. The factor loadings of all items are sufficiently high (>0.40) and statistically significant ($p < 0.001$).

3.4.3. Hypotheses Testing

To test the structural model, control variables were included in the model. According to the literature, the demographic variables, namely, gender, age, educational qualification, and employment tenure, can be considered important predictors of employer branding, employee retention, and the psychological contract [2,49,72].

Table 5 shows the results of the direct, indirect, and total effects of the tested structural model. The results show that only age (r = −0.093, $p < 0.05$) and employment tenure (r = 0.110, $p < 0.05$) were correlated significantly with the underlying variables. In addition, the results indicate that employer branding has a positive and significant effect on employee retention (c = 0.848, $p < 0.00$). Hence, H1 is supported. Furthermore, the results revealed that there is a positive and significant relationship between employer branding and the

relational psychological contract, as well as the relational psychological contract and employee retention (b1 = 0.855 and b2 = 0.608, respectively; $p < 0.00$). Thus, H2 and H3 are supported. Finally, the mediation effect of the relational psychological contract in the relationship between employer branding and employee retention was found to be significantly positive (b1b2 = 0.520; $p < 0.00$) indicating a partial mediating effect. Thus, H4 was supported. Figure 2 depicts the results of the proposed structural model test.

Table 5. Structural model results.

Relationships	Standardized Coefficients	SE	95% CI	
			LL	UL
EB → RPC (b1)	0.855 **	0.081	0.765	0.946
RPC → ER (b2)	0.608 **	0.067	0.460	0.754
EB → RPC → ER (b1b2)	0.520 **	0.058	0.403	0.646
Direct effect: EB → ER (a)	0.328 **	0.068	0.191	0.470
Total effect: EB → ER (c)	0.848 **	0.021	0.768	0.942

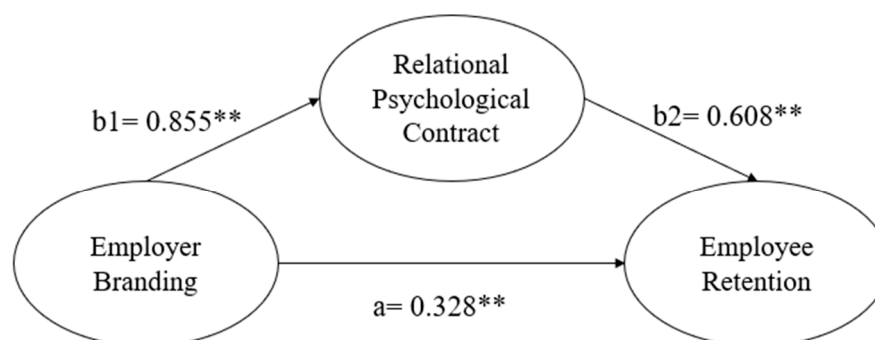Note: ** $p < 0.01$, SE = standard error.

Figure 2. Hypothesized model and standardized estimate. Note: ** $p < 0.001$.

4. Discussion

The primary objective of this study is to investigate the effect of employer branding on employee retention considering the mediating role of the relational psychological contract in the relationship between employer branding and employee retention among employees of the banking sector of Saudi Arabia. The present study argues that, to retain skilled employees, organizations need to focus on employee retention enhancers that reflect employer branding features and attributes [28]. As a result, employees that perceive their organizations as strong brands have more potential to stay longer in their organization [38]. The study results indicate that employer branding is a strong predictor of employee retention. The findings are in line with prior studies that hypothesized a positive impact of employer branding on employee retention [2,42,49]. Moreover, building on social exchange theory [41], it is confirmed that an employer branding strategy that includes a healthy work environment, compensation, work–life balance, CSR, and training and development can lead to a positive impact on employee retention [4,59]. Thus, building a strong organizational brand can support the employer's effort to retain their employees.

Furthermore, the results indicate that employer branding is positively related to the relational psychological contract. This result is similar to prior studies, which argued that the fulfillment of the relational psychological contract can be positively influenced by an organization's branding attributes [54,55]. The result supports the notion that employees exhibit positive behaviors in response to an employer's positive actions [45]. Therefore, an emotional connection can be demonstrated by the employees as a result of the employer's positive efforts.

The results also found that the relational psychological contract plays an important role as an antecedent to employee retention. As previously discussed, the prior literature

has argued that the relational phycological contract can influence employee retention [4,59]. These results are consistent with similar studies that found supporting evidence for the positive effect of relational psychological contracts on employees' positive behaviors and attitudes [56–58]. Thus, employees will exhibit a greater intention to stay with the organization in exchange for the employer fulfilling their relational psychological contract.

Moreover, the study results found that there is the relational psychological contract has a positive mediating role. The result supports the social exchange theory, which assumes that employees will form a positive and long-lasting relationship with their employers as a result of a reciprocal process that includes economic and socio-emotional exchanges [54,55]. The results also provide empirical evidence for [10]'s argument that employer branding can impact employee retention through psychological contracts with employees. Thus, expanding to the existing literature, the present study is among the first to provide empirical evidence of the mediating roles the relational psychological contract plays in the relationship between employer branding and employee retention.

5. Implications

The present study makes several theoretical contributions. First, the study investigated the role of employer branding on employee retention from the perspective of social exchange [2,38]. Several studies have focused on external employer branding impacts rather than internal employer branding in improving current employees' positive attitudes and behaviors [14,21]. The current study extends the existing literature by offering better insight into the benefits of employer branding features and characteristics in retaining employees, specifically in the context of the banking sector of Saudi Arabia.

Second, in an attempt to answer the call for future research by Bharadwaj and Yameen [7] and Tanwar and Prasad [10] to better understand the employee behavioral outcome mechanism through which employer branding impacts employee retention, the present study provides a novel framework by exploring the mechanism through which employer branding improves employee retention under the influence of psychological contract. The study analysis revealed the significant mediating role of the relational psychological contract in the relationship between employer branding and employee retention.

Furthermore, the study findings have several implications for practitioners. The results suggest that organizations need to pay more attention to building organizational brand characteristics, such as training and development, CSR, and healthy work environments. In addition, managers need to realize the importance of the socio-emotional relationship between the employee and employer, which has a significant influence on employee retention.

6. Limitations

The present study has several limitations. First, this study is based on a selection of banks in Saudi Arabia, which may not be representative of the entire banking sector in the kingdom. Second, the study's cross-sectional design could contribute to the underlying problem of common method bias. Therefore, conducting a longitudinal study can address the limited causation, with a more comprehensive point of view toward potential relations between the underlying variables. Third, the study employed only one type of psychological contract, namely, the relational contract. Thus, future studies can incorporate other psychological contract types to better understand their role in the relationship between employer branding and employee retention. Finally, the sample in this study was specific to the banking sector in Saudi Arabia. Broader, quantitative research examining other sectors such as telecommunications should be conducted to verify the findings of the present study, based on data from larger and more diverse sectors.

Conflicts of Interest: The authors declare no conflict of interest.

Appendix A Measures

Construct	Items	Rating Scale

Employer Branding	(1) Healthy work atmosphere: 6 items
	    1. My organization provides autonomy to its employees to make decisions;
	    2. My organization offers opportunities to enjoy a group atmosphere;
	    3. I have friends at work who are ready to share my responsibilities at work in my absence;
	    4. My organization recognizes me when I do good work;
	    5. My organization offers a relatively stress-free work environment;
	    6. My organization offers opportunities to work in teams.
	(2) Training and development: 6 items
	    1. My organization provides us with online training courses;
	    2. My organization organizes various conferences, workshops, and training programs on a regular basis;
	    3. My organization offers opportunities to work on foreign projects;
	    4. My organization invests heavily in the training and development of its employees;
	    5. Skill development is a continuous process in my organization;
	    6. My organization communicates a clear advancement path for its employees.
	(3) "Work–Life Balance" (WLB): 3 items
	    1. My organization provides flexible working hours;
	    2. My organization offers opportunities to work from home;
	    3. My organization provides an onsite sports facility.
	(4) Ethics and corporate social responsibility: 4 items
	    1. My organization has a fair attitude toward employees;
	    2. Employees are expected to follow all rules and regulations;
	    3. Humanitarian organization gives back to society;
	    4. There is a confidential procedure to report misconduct at work.
	(5) Compensation and benefits: (4 items)
	    1. In general, the salary offered by my organization is high;
	    2. My organization provides overtime pay;
	    3. My organization provides good health benefits;
	    4. My organization provides insurance coverage for employees and dependents.
		Five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree)

Employee Retention	1. I am planning on working for another company within a period of three years; 2. Within this company, my work gives me satisfaction; 3. If I wanted to do another job or function, I would look first at the possibilities within this company; 4. I see a future for myself within this company; 5. It does not matter if I am working for this company or another, as long as I have work; 6. If it were up to me, I would definitely be working for this company for the next five years; 7. If I could start over again, I would choose to work for another company; 8. If I received an attractive job offer from another company, I would take the job; 9. The work I am doing is very important to me;	Seven-point Likert scale, ranging from 1 (strongly disagree) to 7 (strongly agree)

Construct	Items	Rating Scale
	10. I love working for this company; 11. I have checked out a job at another company previously.	
Relational Psychological Contract	1. This job is a stepping stone in my career development; 2. I expect to develop my skills (via training) in this company; 3. I expect to gain a promotion at this company due to length of service and effort in achieving goals; 4. I expect to grow in this organization; 5. To me, working for this organization is like being a member of a family; 6. I feel part of a team in this organization; 7. I go out of my way for colleagues who I will call on at a later date to return the favor; 8. My job means more to me than just a means of paying the bills; 9. I feel this company reciprocates the effort put in by its employees; 10. The organization develops/rewards employees who work hard and exert themselves; 11. I am motivated to contribute 100% to this company in return for future employment benefits; 12. I have a reasonable chance of promotion if I work hard; 13. My career path in the organization is clearly mapped out.	Five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree)

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