

## Attracting Generation Z: How Employer Attractiveness and Prestige Affect Application Decisions

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### ABSTRACT

This study was conducted to investigate the influence of employer attractiveness and prestige on job intention to apply for higher education students in Yogyakarta. Data in this study was obtained through online questionnaires distributed to students, with a total of 78 validated answers. The multiple regression analysis used as the research methods using the SPSS software. The hypothesis results showed that there was no positive and significant influence between employer attractiveness on intention to apply. However, there is a positive and significant influence between employer prestige on the intention to apply.

### Introduction

In this modern business environment, organizations struggle with difficult challenges in securing competent human resources that align with their company expectations. According to human resource management perspective, talent represents the foundation of organizational success. Talents perform as the pivotal asset that drives strategic planning, facilitates goal accomplishment, and ultimately provides a competitive advantage for the company[1]. The relentless pursuit of this talent, often referred to as the "war for talent," emphasizes the scarcity of high-quality and suitably qualified individuals within the labor market who meet the exacting standards set by companies.

In this context, businesses need to look at multidimensional factors that make people interested in applying for jobs. The growth of the industrial revolution 4.0 makes it more essential to do this exploration. As technology becomes a pivotal part of how companies operate, they are looking more for people who have special skills, especially in terms of technology. Consequently, it is very important to understand what drives people to want to apply. Having quality employees helps a company operate more efficiently and helps maintain a good reputation within society[2]. A good reputation makes others trust and think positively of the company. As the company becomes more reputable and respected, it stands out more in the competitive job market. Furthermore, in 2021, ILO stated that the Covid-19 pandemic has significantly hampered the global labor market's recovery and obstructed its progress, particularly in the creation of job opportunities for the younger generation. Besides, the pandemic has accelerated the digital transformation and the growth of e-commerce, which, in turn, has beneficially influenced the expansion of the digital workforce platform.

A noticeable cause of raised unemployment rates in Indonesia is attributed to the demand by companies for skilled human resources, a requirement that is not met due to the relatively low level of labor education within the country. This educational disparity reduces the Indonesian workforce less competitive compared to its counterparts in neighboring nations. Data from the Indonesian Central Statistics Agency (BPS) in 2022 confirms this issue, revealing that among the working-age population of 208.54 million, there are 8,402,153 unemployed individuals, which represents 5.83% of the total. Particularly, this includes 884,769 university graduates, emphasizing the great impact of educational success on unemployment rates. The major issue is related to the scarcity of employment opportunities, where organizations increasingly require graduates to acquire applicable skills and relevant educational backgrounds for their job profiles. The organization's failure to attract high-performing candidates who meet the required criteria is impacting its overall performance [3].

In general, several factors are evaluated by potential job candidates while applying to a company, a noticeable factor is the company attractiveness. Accordingly, Various organizations implementing specific approach to retain their current employees and attract individuals to join the organization that known as employer branding[4]. Employer branding illustrates that there is interaction in the aspects of marketing and human resources in an organization. Employer branding is an extension of an organization's image and reputation that can strengthen organizational values related to organizational capabilities, performance, and experience. It serves as a value proposition to people inside and outside the company [5].The more appealing the company, the stronger the desire of job seekers to apply.

Previous study by [6] show that companies must strive to endure in a competitive business environment by achieving dominance to increased profits, therefore, human resources contribute significantly to attaining a company's competitive advantages by offering their knowledge, skills, and competencies. A company with high attractiveness will be more capable of attracting talented human resources that align with its preferred values. The motivation to apply to a company emerges when a company is perceived as attractive by prospective applicants [7]. Currently, it is believed that company must increasingly focus on how to identify and communicate benefits demanded by candidates functionally, economically, and psychologically so they can attract the best candidates and retain them [8].

There are five factors that identified contribute to employer attractiveness [9]. The first factor is interest value, which assesses an individual's attraction to an employer that provides an appealing work environment, practices, and encourages employee creativity. The second factor is social value, which focuses on an individual's attraction to an employer that provides a pleasant and positive work environment, good colleague relationships, and a friendly atmosphere. Next is economic value, which is more about how an individual is attracted to an employer that offers above-average remuneration packages, job security, and opportunities for promotion. Development value is the next factor that identifies how an individual is attracted to an employer who provides recognition, self-esteem, and confidence, as well as experience to enhance a career in the future. Finally, the application value focuses on how an individual is attracted to an

employer who provides opportunities for employees to apply what they have learned and teach others in a sustainable environment.

Research has shown that job seekers' perceptions of a company's reputation can significantly influence their decision-making process. Applicants often consider the prestige of an employer when deciding where to apply. The level of respect a company commands can strongly influence an applicant's decision. This concept, known as employer prestige, is a key factor in attracting applicants to a particular company [10]. Employer prestige is determined by internal aspects of the company that are subject to social influence, such as reputation, popularity, and status [6]

In line with the stated background, this study aims to empirically validate the contribution of employer attractiveness and prestige particularly on generation Z intention to apply, especially in Daerah Istimewa Yogyakarta Province, that is considered as the center of higher education in Indonesia. Another purpose for conducting research on generation Z is because it is estimated that this generation will dominate 20% of the proportion of workplaces starting in 2020 [11]. Hence, companies must understand things that can attract prospective job seekers, especially generation Z to get talented employees. Following is the framework proposed on this research, that adapted from [12].

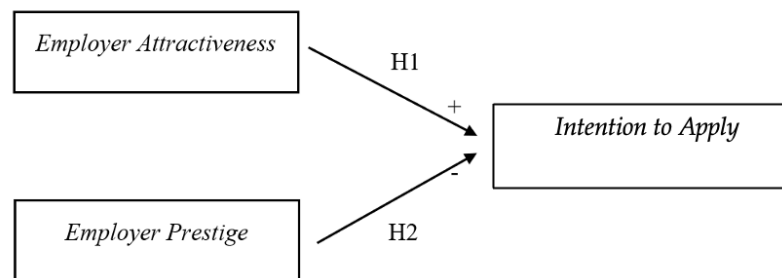


Figure 1. Research Framework  
Source: *Nejati & Ahmad (2015)*

According to previous discussion and the research framework, the hypothesis formed in this research stated below:

H1: The employer's attractiveness has a significant effect on intention to apply for jobs.

H2: The influence of employer has significant effect prestige on intention to apply for jobs.

### Research Methods

The following section discussed the research methods, population and sample, sampling methods, data collection and data measurement methods, research instrument testing methods and data analysis techniques. This study used purposive sampling method and according to [13], the sample size should preferably be 100 or more and as a principal rule, the minimum number of samples should be at least 5 to 10 for each variable indicator. In this study, there are 15 indicators, therefore, the sample size required in this study is at least 75 respondents. The data collection technique used is

the distribution of questionnaires in the form of Google forms. The item on employer attractiveness is taken from [9], the item on employer prestige is taken from [10] and the intention to apply for a job is adapted from [14].

Based on the test results of the instrument all items used in the questionnaire are valid, with all r values > 0.2227. To determine the reliability of the instrument, the value of the Cronbach Alpha coefficient > 0.6 is used. The test results showed that the three variables were declared reliable with the value of Cronbach Alpha employer attractiveness = 0.636, employer prestige = 0.768 and intention to apply for jobs = 0.774.

Multiple regression analysis was performed to measure the strength between two or more variables and showing the direction of the relationship between the dependent and independent variables, as described in the formula below:

$$Y = a + b_1X_1 + b_2X_2 + e$$

- Y : Intention to apply for job
- a : Constanta
- b<sub>1</sub>,b<sub>2</sub> : Coefficient Regression
- X<sub>1</sub> : *Employer Attractiveness*
- X<sub>2</sub> : *Employer Prestige*
- e : *Error*

**Result and Discussion**

Based on the results of the analysis, the total number of respondents consisted of 38 males (48.7%) and 40 females (51.3%). In terms of age, 23 people (29.5%) were less than or equal to 21 years old, 27 people (24.6%) were 22 years old and 28 people (35.9%) were equal to or more than 23 years old. Tabel 1. shows the data analysis results to validate the research hypotheses, performed using multiple linier regression.

Table 1. Multiple Regression Results

Variable	Unstandardized		Standardized	t	Sig.
	B	Std.Error	Coefficients Beta		
<b>(constant)</b>	7.514	2.225		3.377	0.001
<b>Employer Attractiveness</b>	0.022	0.103	0.025	0.209	0.835
<b>Employer Prestige</b>	0.642	0.124	0.610	5.198	0.000
<b>Adj R-Square</b>	0,376				
<b>R-Square</b>	0.392				
<b>F</b>	24.171				
<b>Prob/Sig</b>	0.000				

(Source: Research Analysis)

With respect to the F test results it indicated the result of F = 24.171, p-value = 0.000 and α = 0.05 it can be assumed that that employer attractiveness (X1) and employer prestige (X2) simultaneously influenced interest in applying for a job (Y), therefore the

model is significant. Accordingly, it can be observed that the employer attractiveness has no significant influence on intention to apply for job, with  $t = 0.209$ ,  $p\text{-value} = 0.835$  and  $\alpha = 0.05$ . Based on this analysis, it can be concluded that H1 is rejected, In the second analysis, it can be observed that employer prestige has significant influence on intention to apply for job, with  $t = 5.198$ ,  $p\text{-value} = 0.000$  and  $\alpha = 0.05$ . Based on this analysis, it can be stated that H2 is accepted.

Employer attractiveness is the benefit that candidates want to get when working in a particular company while employee prestige is the extent to which a company is respected and considered a strong influence for candidates to apply for a job. In this study, the influence of the two variables can be seen in the following explanation.

The results of the hypothesis testing indicate that employer attractiveness does not have a significant influence on interest in applying for jobs. A negative correlation was found, suggesting that the higher the employer attractiveness of a company, the lower the interest in applying for jobs. These findings are consistent with [15] research finding, which also found that employer attractiveness is not a significant factor in influencing interest in job applications.

The first results indicate that job applicants may have a wider range of perceptions and preferences beyond the two variables presented in the research. It is important to note that these findings are subjective and may not be representative of all job seekers.

Secondly, the results of the testing indicate that employer prestige has a positive and significant impact on the intention to apply for jobs, meaning that when the employer prestige increases, the interest in applying for jobs also rises. It is likely that a reputable company will attract interest and retain competent employees. This finding aligns with previous research by [10] and [6] demonstrating a positive and significant influence between employer prestige and job application interest.

Based on the results, this study has implications that companies of any size must pay attention to how to maintain and increase their attractiveness. This is expected to be a priority along with maintaining the company's prestige. This research also provides a practical illustration for companies in the future to pay attention to aspects of employer branding to be able to attract potential candidates to want to work in their company.

However, this study has several limitations, among others, not providing examples of companies in the questionnaire, then the number of samples that can still be added and expanded, the last is that the respondents are still general and not specific to certain field backgrounds. Recommendations for future research are to be more specific in determining the company and the field of study of the respondents and increase the number of samples to minimize biases and provide more reliable data sources.

## Conclusion

According to the results it can be concluded that employer attractiveness does not have a significant impact on the interest of Generation Z in applying for jobs.

However, employer prestige has a positive and significant effect on the interest of Generation Z in applying for jobs. Therefore, it can be concluded that employer attractiveness is not the primary factor driving Generation Z's interest in applying for jobs. Furthermore, to attract more candidates, companies must improve the attractiveness of their brand. This can be achieved by reviewing and enhancing the company's value proposition.

The rapid changes in the workplace and labor market should be anticipated properly by the decision maker in every company to create the best approach and strategy to attract candidates from Generation Z. For instance, pay more interest on work life balance and wellbeing, diversity, equality, and collaboration. Also, even though employer attractiveness plays an important and influential role in the interest of prospective applicants to apply for jobs in a company, therefore, the results of this study may not be generalizable to all situations.

Overall, this research has been able to identify the influence of two essential aspects for generation Z related to their intention to apply for job, in particular the employer prestige that interestingly considered as an important aspect for this generation. Future research should address more broad variables and across generation to cover further aspect such as sustainability factors or corporate social responsibility in Indonesia.

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