Generation Z's Employer Branding and Their Correlation to The Intention to Apply for a Company

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ABSTRACT

Generation Z is currently entering the workforce and continually takes a significant role in companies. This contemporary era, more or less, affects Generation Z's work preferences. There should be a different approach to attracting Generation Z's top talent. Thus, organizations need to better understand Generation Z and design the most suitable employer branding dimensions. It distinguishes the company and its competitor and increases its competitive advantage in the market. The recruitment process is substantial because the success of attracting the best talent impacts the company's performance. This primary research objective is to generate an employer branding framework for Generation Z and seek the correlation to apply to a particular company in the Indonesian context. The Exploratory Factor Analysis (EFA) is employed to examine employer branding's dimensions for Generation Z, followed by Covariance-Based Structural Equation Modelling (CB-SEM) for theory testing and confirming the proposed research framework. The EFA involved 53 respondents, while 220 respondents participated in CB-SEM. This research revealed that the employer branding dimensions for Generation Z consist of economic, social, working culture, and environmental, and sustainability values. However, not all elements influence the intention to apply; economic and social values are the only two significant factors. *Demographic and pandemic factors can influence the results. This research contributes to defining Generation Z's employer branding, especially in developing countries.*

KEYWORDS: *generation Z, employer branding, intention to apply, exploratory factor analysis (EFA), covariance-based structural equation modelling (CB-SEM)*

JEL CLASSIFICATION: *J20, M37*

1. INTRODUCTION

Generation Z is projected to surpass millennials and represents around one-third of the workforce by 2030 (Deloitte, 2018). They will account for the predominant majority of the incoming force in the upcoming years. Generation Z dominates the demography in Indonesia with 26.46% (BPS, 2020). This data shows a demographic bonus for Indonesia, where the number of productive generations is greater than that of the nonproductive people (Hinduan et al., 2020). We cannot overlook this generation, since their huge number will determine the company and nation's future.

Generation Z has different characteristics from the previous generations. They live every day in combination with technology in every aspect of their life. They are also the most educated

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generation in history, affecting their point of view. In addition, the workforce of their generation is evolving. With the development and enhancement of the technology, the employer requires more high-level skills, not just manual and repetitive tasks (Deloitte, 2018). It leads to making the talent competition tighter.

The root theory of employer branding was established long ago and needed a refresh. The first employer branding concept is defined as functional, psychological, and economic dimensions (Ambler & Barrow, 1996). It was developed by Berthon et al. (2005) by adding two additional variables regarding interest and application value. This concept is known as the Employer Attractiveness Scale (EmpAt Scale), the most popular employer branding theory. However, this concept needs to be updated to the current generation. The EmpAt scale cannot be generally applicable since contextual and demographic characteristics influence it (Mukherjee et al., 2018; Reis et al., 2017; Rzemieniak & Wawer, 2021; Tanwar & Kumar, 2019). Berthon et al. (2005) mentioned that it could not be globally extended due to cross-cultural differences. There is some prior research on employer branding for different age group (Bejtkovský, 2018; Karácsony et al., 2020; Mičík & Mičudová, 2018; Reis & Braga, 2016; Rzemieniak & Wawer, 2021). The study on employer branding for generation Z is still limited, especially in developing nations. Therefore, this research aims to fill the gap.

Many organizations compete to attract potential employees over other organizations. Organizations must develop, implement, and communicate authentic and attractive employer brands to make the recruitment process effective and efficient. Talent acquisition is the most salient activity in the employee journey (Mičík & Mičudová, 2018). It is essential since the employee is the most valuable capital of the company. Companies put a significant effort into attracting "the best and the brightest" candidates. Applying employer branding may ensure the person-organization fit in the recruitment (Tanwar & Kumar, 2019) and improve employee motivation, well-being, and loyalty (Alves et al., 2020; Behrends et al., 2020; Benraïss-Noailles & Viot, 2021). Thus, this research aims to identify whether the generated employer branding dimensions influence the best candidate from generation Z to apply for the job.

However, this research has limitations. As stated in the research objective, the sample only focuses on generation Z. This research may not be generalized due to the small number of samples and the specific region where this study takes place. This research is conducted cross-sectional. The result may be different if it is done longitudinally, as their preference may change over time.

The content of the paper is as follows. First, this paper presents the literature on employer branding and generation Z. The next section discusses the methodology. Then is followed by results, discussion, conclusion, and suggestions for future research.

2. LITERATURE REVIEW
There is extensive literature on employer branding. However, this literature review will touch on Berthon Models (the EmpAt Scale) as the most popular employer branding framework and generation Z.

2.1 Employer Branding

Employer branding concepts were established a long time ago and continue to develop. Ambler and Barrow (1996) first introduced the employer branding concept as the benefits that the employer offers defined by three variables such as functional, economic, and

psychological. The theory then developed the employer branding definition as image building in front of the future employee that the company is a fantastic put to work (Ewing et al., 2002). It continued to develop and is known as the employer attractiveness scale (EmpAt Scale), becoming the most popular employer branding theory (Berthon et al., 2005). Berthon defined it as what prospective employees perceive about the benefits they get while working in a particular company. In other words, the more appealing an employer is in front of potential workers, the more substantial the employer branding equity.

The EmpAt Scale consists of 25 items from five dimensions: interest, social, economic, development, and application values. This scale has a limitation in which cross-cultural and demographic characteristics are contextual. The dimensions are different across countries, such as Brazil (Reis & Braga, 2016) and India (Tanwar & Kumar, 2019), explaining that this model is sensitive to cross-cultural differences. Some research shows that gender results in different dimensions (Rzemieniak & Wawer, 2021), while another indicates that the dimensions remain the same (Bejtkovský, 2018). Moreover, the measurements are different among Baby Boomers, Generation X, and Generation Y (Reis & Braga, 2016). Gen Z employer branding is still lacking, which becomes the call to conduct this study.

To some extent, the EmpAt scale is adjusted to contextual and demographic characteristics. Tanwar & Kumar (2019) add diversity, ethics & CSR as the critical factor for brand building in the Indian context. It considers that India is a diverse country with indicators such as caste, beliefs, accent, dialect, age, and physical disability. It implies that potential employees in India are looking for an organization that is open to diversity and has diverse human resources. Ethics & CSR are added as the employees feel attracted to the company with positive impacts on society. Work-life balance is also becoming a significant value for employer branding (Kashive et al., 2020). According to text analysis, it becomes the expectation of future employees in addition to social and interest value. Also, Rzemieniak & Wamer (2021) add sustainability as the primary variable in the employer branding context. They define sustainability as the best way to achieve organizational and business objectives by respecting the natural environment and improving life quality. It is added to suit the characteristic of generation Z as the primary research sample.

There are two types of employer branding (Sivertzen et al., 2013). Employer branding has external and internal benefits for the company to attract potential talent and retain outstanding employees. Internal branding was the organization's beliefs communicated to and understood by the employee. It will help engage & retain potential talent and enhance their motivation and commitment (Alves et al., 2020; Behrends et al., 2020; Benraïss-Noailles & Viot, 2021). External branding aims to attract externals by displaying their company branding. In this case, the organization needs to ensure the conformity of internal and external branding with a solid corporate value. There are various ways to express employer branding. Employee influencers can be one of the employer branding tools (Arief et al., 2022). Organizations choose and manage them to ensure effectiveness. It will attract future employees to apply for the job and help the company select the person-organization fit (Tanwar & Kumar, 2019).

2.2 Generation Z

Generation Z is the youth born from 1995 to 2012 (Deloitte, 2018). Some people perceive them as internet-dependent and experts in the digital things. This generation lives online and offline simultaneously and can absorb information from various sources. They are acceptable to work with digital technology and prefer to communicate online (Karácsony et al., 2020).

More or less, it also influences their preference for the workplace. Most of them prefer to work in the tech industry. Hence, they should equip themselves with four critical skills: digital skills & tech skills, business & management skills, data analytics, and design & creative skills (Deloitte, 2018).

Generation Z emphasizes the importance of money and salary when selecting a job. They prioritize financial over personal fulfillment. For them, compensation is the most crucial part of deciding on a job (Deloitte, 2018). As they are educated talent, investment in learning and skill development can become attractive to them, too (Deloitte, 2018). Generation Z usually wants a short career onward movement (Rzemieniak & Wawer, 2021).

However, having the same value as the company matters too. They are concerned with sustainability, diversity, purpose, ethics, practices, and positive value/social impact (Rzemieniak & Wawer, 2021; Deloitte, 2018). Diversity includes race, gender, identity, and orientation. They do not accept the traditional stereotype about social structure or gender. They have no problem working across generations, as they are given independence, authority, and freedom to share their ideas.

Related to the work environment, most of them select corporate office space as their top work environment, followed by co-working space and a home office (Ozkan & Solmaz, 2015). They prefer working individually and value physical connection in the way they work. Regarding the work culture, they want work-life balance and flexible working hours to have family time and do their hobbies (Ozkan & Solmaz, 2015; Deloitte, 2018).

Some research was conducted to understand Generation Z in Indonesia. Indonesia's youth considers job security and money essential. They are a realistic and confident generation, hardworking, and willing to be reallocated. They do this to get higher salaries, occupational security, and a better career (Dwidienawati & Gandasari, 2018). Most choose a company based on their culture, social environment, and company aims. Thus, organizations need to show their beliefs, culture, and the opportunity to have a work-life balance. Once they feel comfortable with the organization, they will stay long and loyal to that company for a certain amount of time (Hinduan et al., 2020). In addition, they also perceived family, spirituality, and materialism as their primary source of happiness. For that reason, they expect a work-life balance and flexible working hours to earn more family time and do their hobbies (Hinduan et al., 2020). Furthermore, they prefer face-to-face contact for their interaction and feedback session (Dwidienawati & Gandasari, 2018).

Generation Z in Indonesia was identified as socially responsible. They are willing to donate time and money for social intention and have a purpose in life. Therefore, they seek a company with the same value and social responsibility to the community. They are known as global citizens due to the dynamic technological development and rapid information spread. Thus, they are exposed to what happens globally, and tend to have a more prominent role in society (Dwidienawati & Gandasari, 2018).

Understanding this generation is necessary because their huge number will dominate the workforce and determine the company's fate. In this research, translating generation Z's characteristics to the employer branding dimensions will help the company to attract young future talent. Hopefully, when implemented in the application process, it will ease the process, minimize the gap between person and organization values, and retain them.

3. RESEARCH METHODOLOGY

The methodology contains two steps. First, the factors were identified using an exploratory factor analysis (EFA). Generation Z's characteristic is different from the older generations. Thus, exploratory research is needed. EFA is selected to define the employer branding dimensions for generation Z. The items of each variable were generated from the literature review according to generation Z characteristics.

After that, it will be followed by a second data collection and analysis using the structural equation modelling (SEM) method. SEM is commonly used in social science research. This method is conducted for confirmatory and theory-testing purposes. This method is well-known as the covariance-based structural equation modelling (CB-SEM) technique (Hair et al., 2011). It includes the confirmatory factor analysis (CFA) technique. Its significant contribution is to test and analyze the relationships of theoretical frameworks consisting of multiple latent independent/exogenous variables and dependent/endogenous variables. It also investigates the various variables' direct, indirect, and moderating effects in the complex models (Shaheen et al., 2017). As the data achieves the minimum sample size and the distributional assumption, the CB-SEM technique can be employed.

3.1 Data Collection

The data collection is done using an online assessment tool with a five-point Likert scale. This online questionnaire is preferable when physical restriction contact occurs in this pandemic situation. The questionnaire is distributed by email or personally approached by the researcher. According to research ethics, this research asked for their willingness to fill out the questionnaire at the beginning. It also mentioned that all the data are confidential and appropriately used for this research's purpose.

Generation Z demography is between 1995 and 2012. The respondents come from diverse backgrounds. Some of them are already entering the workforce with limited years of work experience, and the rest are college students. However, to ensure this research effectiveness, the respondents were asked about their ideal employer branding preferences when applying for the job.

The pilot study requires a small sample to produce the initial employer branding dimensions. It is essential to test the validity of the early research framework. It needs a minimum of fifty questionnaires. Even if the larger sample represents a better result, it considers adequate even if the more respondents will mean a better outcome (Winter, Dodou & Wieringa, 2009).

The second phase employs the CB-SEM technique to confirm the research study design. In the second phase, this study acquired 220 Indonesian youth. It is an adequate sample. Muthén and Muthén (2002) mentioned that if the data follows a normal distribution and has no missing data, 150 data is enough. Otherwise, if it contains missing data, it needs a minimum of 175 data. Other references said that there is no one absolute size for all. For SEM, the required sample sizes ranged from 30 to 460 (Wolf et al., 2013).
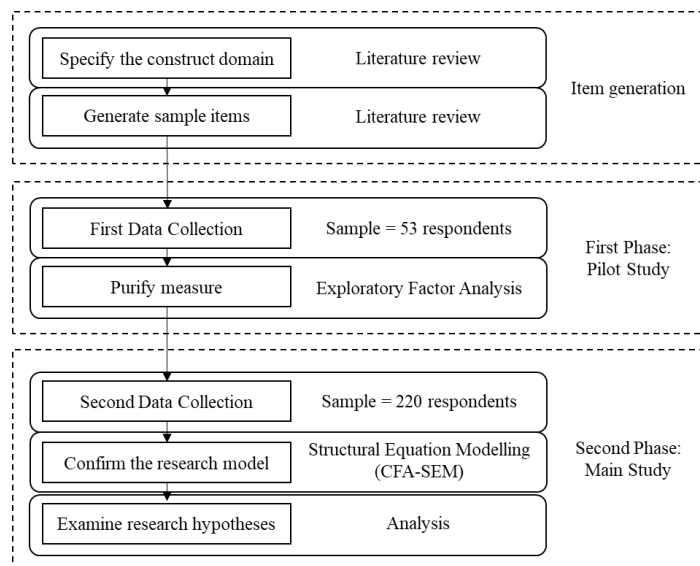
Figure 1. Research Methodology
Sources: Made by authors

3.2 Instrument Development

The instrument is initially adopted from the Berthon scale. Social, economic, and development values were used. In this study, the interest and application values were neglected. Some researchers argued interest and application value were less critical in Employer Branding (Jiang & Iles, 2011; Reis & Braga, 2016; Tanwar & Kumar, 2019). The multidimensional research shows that the interest value gets less significant to the younger generation (Reis & Braga, 2016). Furthermore, the application value of the youngest age got the lowest score among other older generations. The decision to eliminate interest and application values is in line with the first study by Ambler & Barrow (1996), which mentions that primary employer branding values are functional, psychological, and economical. Furthermore, sustainability and diversity values were added to reflect Generation Z's characteristics in employer branding (Ozkan & Solmaz, 2015; Prajapati & Patel, 2017; Rzemieniak & Wawer, 2021).

Based on the literature review, employer branding's initial concept comprised five dimensions and twenty-eight items of employer branding. This research uses Berthon's model's social, economic, and development values (Berthon et al., 2005). Some adjustments are made to depict Generation Z's characteristics in the employer branding concept. Work-life balance, flexible working hours, and the value of physical connection were added to the social value. Hence, learning & capabilities development and entrepreneurial opportunities were attached to development value to provide Generation Z's desire (Ozkan & Solmaz, 2015; Deloitte, 2018).

Sustainability value consists of five items. It was adopted by Rzemieniak & Wawer (2021) and Tanwar & Kumar (2019) to provide Generation Z's concern with sustainability values. It is related to care for the environment and ecology, charity contribution, responsible investing, treating employees fairly, and having an ethical organizational culture.

Furthermore, the diversity value comprises four items. It was adopted and modified from the Employer Branding concept of Tanwar & Kumar (2019). It reflects cultural diversity and

diverse work activities. According to the literature review (Rzemieniak & Wawer, 2021; Deloitte, 2018), it was added with gender diversity and personalized career experience.

This research also adds the desire to apply the items to achieve the second objective. Intention to apply for a job will be measured using the preference toward the future company (Highhouse et al., 2003). It consists of five items designed to assess prospective employees' intentions according to their behavioural intention. This measurement is widely used in most research that aims to measure the choice to apply for a job.

This initial framework will be extracted from the employer branding dimensions using EFA. CFA will verify these factors. Last is the relevancy test between employer branding dimensions to the intention to apply using SEM. The data results and analysis will be presented in the following sections.

4. RESULT

4.1 Demographic Sample

In the EFA step, 53 samples fill in the questionnaire. The respondents are 62.3% females and 37.7% males. The samples are from youth born between 1995 and 2005, with the majority born in 1997 (26.4%) and 1998 (18.9%). According to the study background, the majority are from Business & Management (39.6%), followed by Engineering (16.98%) and Communication (11.3%). Most of the respondents study in public universities (65%) and few in private universities (35%).

In the second phase, most of the respondents are female (71.2%), while others are male (28.8%). The range of birth years is broad; 1995 (26.5%), 1996 (15.9%), 2000 (15.9%) and the rest are varied between 2001-2005. Most of the respondents are from Business Management (32.3%), Engineering (18.63%), Economics (10.2%), Communication (8.6%), Data Analytics (5.35%), and others. Sixty-five per cent of the respondents are from public universities, while the rest are from private universities. The information about their economic background is missing.

4.2 Exploratory Factor Analysis

The tool used for the EFA process is SPSS. Validity and reliability test were conducted before doing the EFA. A validity test aims to check the truth of the measurement. The significant score of each item is below 0.05, which indicates that each item is valid. The reliability test was done to measure the constancy of the measurement using coefficient α. The questionnaire is considered reliable if the Cronbach's alpha > 0.6. A Cronbach's alpha's value is 0.905, and all construct's values range 0.895-0.905. Hence, this study is considered valid and reliable.

Initial employer branding of generation Z's factors and items is verified using EFA. EFA grouped each item into the group of variables according to its similarities. Kaiser-Meyer-Olkin Measure of sampling sufficiency is equal to 0.724. This number is greater than 0.6 and indicates that the sample used in this study is adequate. The correlation of each variable is strong enough. It is reflected by the P-value of Bartlett's Test of Sphericity in this research is 0.000 (<0.05). Thus, the factor analysis can be continued.

Table 1. Rotated Component Matrix

Item	Component			
	SDV	**SV**	**WCE**	**EV**
Item 1	**0.799**			
Item 2	**0.760**			
Item 3	**0.707**	0.462		
Item 4	**0.699**			
Item 5	**0.681**			
Item 6	**0.552**		0.431	
Item 7		**0.850**		
Item 8		**0.811**		
Item 9		**0.683**		
Item 10		**0.682**	0.412	
Item 11		**0.557**	0.497	
Item 12			**0.735**	
Item 13			**0.731**	
Item 14			**0.729**	
Item 15			**0.522**	
Item 16				**0.899**
Item 17				**0.744**
Item 18				**0.736**
Item 19	0.473			**0.552**
Item 20	0.436			**0.469**

Source: IBM SPSS Statistics 25

From the five proposed values, four dimensions are generated from this process. Each is categorized according to a correlation score greater than 0.4 (Hair et al., 2010). The result shows that all the factor loading is higher than 0.4 and divided into four factors. Four groups are labeled as Economic Value (EV), Social Value (SV), Sustainability & Diversity Value (SDV), and Working Culture & Environment Value (WCE). These four components explain 65.74% of the variance. The categorization can be seen in Table 1. These dimensions are then to be tested further for the research framework.

4.3 Covariance Based Structural Equation Modeling (CB-SEM)

A confirmatory analysis was needed to confirm the generated dimensions and ensure the research model. For this purpose, CB-SEM was administered. It is a statistical methodology to test a theory by determining a model using latent variables (Kline, 2016). This proposed model comprises five latent variables: economic value, social value, sustainability & diverse value, work culture & environment value, and intention to apply for a job. There are some applications for processing SEM. In this research, AMOS is performed.

First of all, test the presence of outliers. The detection of outliers can be done by calculating the squared Mahalanobis distance. The level of statistical significance for this test is p1, with a value less than .001 (Kline, 2016). It is up to the researcher what to do with the outlier. Some recommend deleting the outlier, as it may have deleterious effects on statistical analysis (Osborne & Overbay, 2014). Some suggest keeping them in the investigation since they may give interesting meanings (Pervan et al., 2018). Therefore, this research keeps them (11 cases out of 220 / 5% of outliers).

During the data processing, the researcher has carefully erased some items to achieve the model's goodness-of-fit and fulfil some assumptions' criteria. First, the diversity in the SDV is shrinking to sustainable value (SV). Thus, in the following discussion, it will be mentioned as SV. Second, it shows that the data follows a normal distribution. The standard assessment for normality is through skewness and kurtosis. Skewness above three and kurtosis between 8 – 20 indicate severe deviation from normality (Kline, 2016). The normality test can be seen in Table 2. Almost all numbers are under eight. However, there is one item where the skewness and kurtosis values are 13.64 and 41.30. For that reason, bootstrapping is conducted. The result shows a Bollen-Stine bootstrap p-value of 0.733. The p-value is above 0.05, indicating accepting null hypotheses that the model is correct. So, we can continue the process.

Table 2. Normality Test

Variable	min	max	skew	c.r.	kurtosis	c.r.
IA1	3.000	5.000	-.926	-5.609	-.141	-.427
IA2	3.000	5.000	-.709	-4.292	-.548	-1.660
IA3	3.000	5.000	-1.550	-9.387	1.485	4.496
IA4	3.000	5.000	-1.580	-9.570	1.587	4.806
IA5	2.000	5.000	-1.305	-7.902	1.283	3.883
EV1	2.000	5.000	-1.759	-10.650	2.929	8.869
EV2	1.000	5.000	-1.647	-9.971	3.249	9.837
EV3	3.000	5.000	-2.352	-14.241	4.822	14.599
EV4	2.000	5.000	-1.631	-9.877	2.419	7.324
WCE1	1.000	5.000	-1.999	-12.102	4.889	14.801
WCE2	3.000	5.000	-1.683	-10.193	1.907	5.773
WCE3	1.000	5.000	-.590	-3.571	-.272	-.825
SS1	1.000	5.000	-3.125	-18.920	13.643	41.305
SS2	3.000	5.000	-1.886	-11.418	2.729	8.261
SS3	3.000	5.000	-1.901	-11.509	2.584	7.824
SS4	3.000	5.000	-1.932	-11.698	2.940	8.901
SV1	1.000	5.000	-.940	-5.694	.877	2.654
SV2	1.000	5.000	-1.130	-6.842	1.364	4.130
SV3	2.000	5.000	-1.334	-8.077	1.011	3.060
Multivariate					170.112	44.660

Source: IBM SPSS AMOS 26

Before going further, we need to assess the reliability and validity of the measurement model. Factor loadings values measure the construct reliability. It was considered good when the number was above 0.70 and at least achieved a minimum of 0.50. However, 0.40 is still acceptable (Yong A & Pearce, 2013). All of the factor loadings in Table 3 are above the minimum criteria. Thus, we can conclude that the model is reliable.

This factor loading also means that items with a score above 0.4 belong to particular variables. It confirms the EFA process that the employer branding dimensions comprise four elements: Sustainable Value, Social Value, Working Culture & Environment Value, and Economic Value.

Table 3. Standardized Regression Weights

			Estimate
SV3	<---	SV	.781
SV2	<---	SV	.826
SV1	<---	SV	.695
SS4	<---	SS	.819
SS3	<---	SS	.611
SS2	<---	SS	.692
SS1	<---	SS	.638
WCE3	<---	WCE	.421
WCE2	<---	WCE	.734
WCE1	<---	WCE	.552
EV4	<---	EV	.636
EV3	<---	EV	.757
EV2	<---	EV	.622
EV1	<---	EV	.799
IA5	<---	IA	.481
IA4	<---	IA	.733
IA3	<---	IA	.763
IA2	<---	IA	.686
IA1	<---	IA	.704

Source: IBM SPSS AMOS 26

The model validity can be examined by assessing the convergent and discriminant validity. The convergent validity can be investigated through the number of average variances extracted (AVE) and composite reliability (CR). Composite reliability (CR) is assessed for every construct with a minimum value of 0.6. The CR values for SV, SS, EV, WCE, and IA are 0.87, 0.94, 0.91, 0.73 and 0.92 respectively. The average variance extracted (AVE) is also examined for every construct with the minimum criteria of 0.5. Nevertheless, AVE below 0.5 is still accepted if the composite reliability is beyond 0.6 (Fornell & Larcker, 1981). The AVE values for SV, SS, EV, WCE, and IA are 0.59, 0.48, 0.50, 0.34 and 0.46. Considering both calculations, we can state that the model satisfies the convergent validity criteria.

**Table 4. Average Variance Extracted and Composite Reliability**

Variables	AVE	CR
SV	0.59	0.87
SS	0.48	0.94
EV	0.5	0.91
WCE	0.34	0.73
IA	0.46	0.92

Source: Calculated by the authors

Model test statistics are conducted. The chi-square test determines whether there is a significant deviation between the research data and the proposed conceptual model. The chi-square test defines as an accept-support test where the null hypothesis speaks of whether there is a considerable deviation or not. Hence, it is a failure to dismiss the null hypothesis when the p-value is above 0.05 (Kline, 2016). In this research, the p-value is 0.097, which supports no significant differences between the data and the proposed model.

Approximate fit indexes are not binary options for rejecting or keeping the null hypothesis. Instead, these indexes are continuous measures where some are scaled as "badness of fit" or "goodness-of-fit". Most goodness-of-fit indexes are standardized in 0-1.0, where 1.0 indicates the best result. There are four categories of approximate fit indices: absolute fit indexes, incremental fit indexes, parsimony-adjusted indexes, and predictive fit indexes.

As there are many criteria in each fit index, Kline (2016) mentions the minimum set of approximate fit indexes to be assessed. RMSEA scaled as badness-of-fit statistics where zero demonstrates a good result. The universal threshold is 0.05. Thus, in this research, the RMSEA is 0.027, indicating a good fit. CFI indexed a goodness-of-fit with the range of 0-1.0, where 1.0 is the perfect score. The CFI score is 0.985, which means that the proposed model is 98.5% better than the baseline model. The combination rule is CFI > 0.95 and SRMR < 0.08 (Kline, 2016). This research fulfils those criteria, which show an acceptable fit. One more assessment is SRMR. SRMR measures the mean absolute covariance residual. The zero value indicates a perfect model fit, and the higher values indicate a worse fit. The SRMR value is 0.019, which expresses an excellent model fit. In conclusion, all the calculations support the goodness-of-fit of the proposed model. It means that the proposed model is a good model fit.
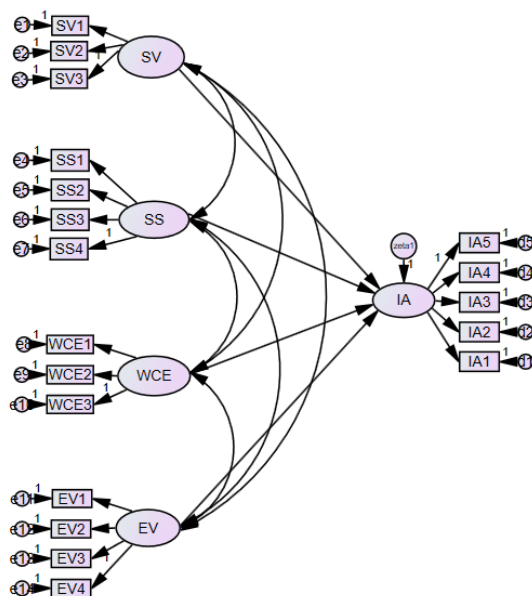
Figure 2. Proposed Research Framework
Source: IBM SPSS AMOS 26

Last but not least, a regression test is conducted. The correlation between employer branding dimensions to intention to apply is presented in Table 5. The relationship is significant when the p-value is <0.05. As mentioned in Table 5, economic value (EV) is the most significant toward intention to apply with the p-value of 0.002. Social value (SS) might also be crucial. The p-value is 0.052, a bit higher than 0.05. It still is significant if we use the alpha of 0.10.

On the contrary, sustainability & diversity (SD) and working culture & environment (WCE) are not substantial. The p-value is successively 0.987 and 0.319. To summarize, economic and social values are the only factors strongly correlated to the intention to apply. Sustainable & diversity and working culture & environment are not influencing generation Z's desire to apply for a job.

Table 5. Regression Weights

			Estimate	SE.	CR.	P	Label
IA	<---	SD	.001	.050	.016	.987	par_21
IA	<---	SS	.598	.308	1.945	.052	par_22
IA	<---	WCE	-.391	.392	-.996	.319	par_23
IA	<---	EV	.415	.136	3.046	.002	par_24

Source: IBM SPSS AMOS 26

5. DISCUSSION

This research defines employer branding dimensions for generation Z, especially in developing countries. Employer branding for generation Z is designed according to their characteristics and preferences for their dream company. This framework aims to renew the initial popular employer branding concept from Berthon (2005), as it is not generally applicable to a different context, demographic, and culture (Mukherjee et al., 2018; Reis et al., 2017; Rzemieniak & Wawer, 2021; Tanwar & Kumar, 2019). From this survey, employer branding dimensions consist of four dimensions: sustainability, social, working culture & environment, and economic values.

Based on the literature review, generation Z is concerned about sustainability and diversity issues (Rzemieniak & Wawer, 2021, Tanwar & Kumar, 2019, Deloitte, 2018). However, in this research, the diversity premise cannot be verified. From the EFA and CFA process, sustainability is one of the employer branding dimensions for generation Z. It is depicted as employers contributing to charity activities, responsible investment, and care for the environment and sustainability. Sustainability has been an essential value for them (Rzemieniak & Wawer, 2021). As they are equipped with better education, they truly understand the importance of caring for the environment and thinking sustainable. It influences their work preferences. They are looking for a company with the same values as them.

This research reveals quite an interesting fact that diversity does not influence generation Z's interest in Indonesia to a specific company. Diverse races, cultures, and gender do not seem as important to them. It contrasts with other developing countries, for example, India, which values diversity the most (Tanwar & Kumar, 2019). India has similar characteristics to Indonesia in the diversity of races (or casts), religions, and languages. What might contribute to the differences between the two countries should be explored more in the future survey.

Regarding gender issues, previous research mentioned that Generation Z does not follow traditional beliefs (Ozkan & Solmaz, 2015). Gender equality matters for them (*Deloitte*, 2018). However, this research results show the opposite, where Indonesian Generation Z is interested in companies that strive for gender equality. This finding is in line with the findings of previous research. The perception that women should prioritize staying at home, being a good wife and mother, and taking care of the family remains (Andajani, 2016). In addition, based on Islamic teaching, the largest religion in Indonesia, earning a living is the men's responsibility. There are also many barriers to women pursuing their careers.

The second dimension is social value. Generation Z prefers an organization that guarantees social comfort. It is defined as having a good relationship with colleagues and seniors, providing a happy work environment, and respecting ethical values. They do not have problems working across generations. In this element, they need to be given a chance to speak

their thoughts and ideas (Deloitte, 2018). Team bonding also influences their happiness in the workplace. The organization can build social culture, such as more chatty and hearty relations to form team bonding (Ozkan & Solmaz, 2015). Companies should expose this happy environment to attract generation Z's best talent.

The third employer branding component is working culture and environment. Generation Z prefers an employer who offers work-life balance, implements entrepreneurial values, and creates an atmosphere that boosts their self-confidence. Work-life balance is vital for Generation Z (Hinduan et al., 2020; Ozkan & Solmaz, 2015; *Deloitte*, 2018)Spending time with family and doing what they like is the main reason. They also need independence and authority in their job (Rzemieniak & Wawer, 2021, Deloitte, 2018). It is essential to improve their entrepreneurial skills and improve their self-confidence.

The point of flexible working arrangements (FWA) is being eliminated from the dimension in this study, as it can be in contrast to the work-life balance. As mentioned earlier, they seek flexible working arrangements, comprising flexible working hours and working from home (WFH). This research reveals that Generation Z does not consider FWA when looking for their future enterprise. One of the reasons is that this research was conducted during pandemics. A recent study revealed many challenges in implementing FWA during pandemics in Indonesia (Hilmi & Febriansyah, 2021). Sometimes, flexible working hours mean longer and blurred working time. In implementing working from home, there is a chance of distractions from family members. This research also mentioned that employees want WFH. However, they want it as an option between WFH and WFO (work from the office), not regularly.

Last is the economic value. Generation Z is looking for an employer that offers promotion opportunities, an attractive compensation package, career-enhancing experiences, and recognition from management. Above all, job security and salary are essential in selecting a job (Dwidienawati & Gandasari, 2018; *Deloitte*, 2018). They are keen to work hard to get better pay, job security, and a better career. Generation Z pursues professional and personal development because they want fast career advancement (Rzemieniak & Wawer, 2021). Their generation also seeks recognition. Organizations can use social media to do so (Karácsony et al., 2020). They like to share their social life. In this digital era, it can also improve their branding.

Among those four dimensions, only economic and social values attract generation Z to apply for a job. Economic value is the most crucial for them in the application intention. They are enthusiastic about signing in the recruitment process when the salary and career are promising. They are also seeking a working convenience, especially in their social life. They want to work in a company that provides a fun working environment, good interaction among employees and supervisors, and respect for ethics.

The other two, working culture and environment and sustainability values, are not among the main reasons for them to go on the recruitment. This finding may be due to the pandemic season, where working competition is becoming tighter as so many organizations start downsizing their structure and many people lose their job. The number of applicants remains high and the recruitment process is getting more challenging, so this younger generation, mostly in the early phase of their career, lowers their standards. As long as they get good pay and the social life is pleasant, they still want to try applying for the job.

Not all generation Z in Indonesia comes from middle- to high-income families. These research samples are also diverse in terms of economic background. Neither does all of them get the privilege of getting the best education. Only the best of the best talent will play hard to get. Organizations can implement these two dimensions to attract them. It will distinguish them from other companies, improve their competitive advantage, and attract the best talent to join them.

6. CONCLUSION AND FUTURE RESEARCH

This research contributes to defining employer branding dimensions for Generation Z. This output is an update to and renewal of prior employer branding concepts to better implement it for the younger generation. This study generated four dimensions of Generation Z's employer branding. The first is sustainability value. Generation Z is attracted to employers who contribute to charity activities, make responsible investments, and care for the environment and sustainability. The second is social value. Generation Z is interested in a company which offers a fun and happy social life. It consists of good relationships among colleagues, a good relationship with the senior, a comfortable work environment, and respect for ethics. The third is the work culture and environment. It defines an employer that offers work-life balance, entrepreneurial value, and an environment that increases self-confidence. The last dimension is the economic value. These young people are looking for an employer that provides promising promotion opportunities, an attractive compensation package, career-enhancing experiences, and recognition from management.

The second objective of this research is to seek the correlation between those dimensions and their desire to apply for a job. Out of four, only economic and social values drive them to sign in the recruitment process. This pandemic situation makes the recruitment process getting harder. It leads generation Z to ease off their criteria as the minimum basis. However, a company that employs sustainability and working environment values in its branding might increase its competitive advantage in acquiring the best talent.

Hopefully, by conducting this research, the company might understand generation Z better and know which factor they should offer to attract this young generation. It is very beneficial in the recruitment process. However, the benefit may be long-term, as it will ease them to achieve person-organization fit, retain the employee, and unleash their loyalty. The research's result also contributes to knowledge development. The output renews the employer branding concept, designed precisely for generation Z. The result may be suitable for developing countries. However, there is a need to adjust to the different contexts.

Future studies may limit the demographic sample, especially on economic background and gender, that might have different preferences. Upcoming studies can select respondents with the sought and shortage competencies in the market. It could help the employer to get the best of the best talent to acquire this specific target. Finally, future research might compare employer branding in pandemic and post-pandemic situations.

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