

## EMPLOYER BRANDING-DIMENSIONS OF EMPLOYER ATTRACTIVENESS AT GENERATION Y AND Z

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**Abstract:** *In today's global economic context, in order to be market competitive, organizations need to differentiate themselves from their competitors not only through products and services, but especially by developing an attractive employer brand. The employer brand gives an organization a competitive advantage to attract and retain the employees it needs. Through employer branding, considered a strategic tool for human resources management, organizations can highlight internally and externally what makes them attractive and desirable in a context of recruitment and retention. The objective of this study is to identify the attributes (dimensions) of an employer's attractiveness (employer branding) seen from the perspective of generations Y and Z. The research question is whether or not there are significant differences between generations Y and Z regarding the perception of these attributes. A quantitative research method (online survey) was used for data collection. Descriptive statistics (means and standard deviations), T-test and a rank-ordered of dimensions of employer attractiveness were used to analyze the data. The results show there are no statistically significant differences between the two generations regarding the perception of the dimensions of an employer's attractiveness. Both generations place the attributes management value and the social value (of integration) in first places. This study may offer some recommendations in order to attract, recruit and retain youth generations Y and Z.*

**Keywords:** *Employer branding; Employer attractiveness; Generation Y; Generation Z; Youth recruitment and retention.*

### 1. Introduction

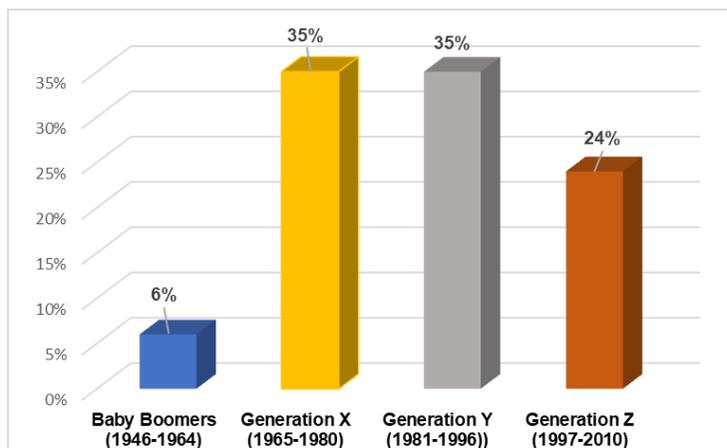
In today's global economic and technological environment, where change is rapid and the need for adaptation is essential, organizations need to differentiate themselves from their competitors and be considered attractive employers for potential or current employees (Lievens and Highhouse, 2003). Most organizations are looking for talent or employees with specific or rare skills, in order to remain competitive in the marketplace. By talented employees, organizations refer to those employees who have the necessary skills to lead the organization to success and performance (motivated, creative, adaptable, proactive, etc.). Human resources bring value to the company and through skillful investments in human capital, organizational performance is obtained (Backhaus and Tikoo, 2004). A global study conducted in 2014 by ManpowerGroup 2014 on 37,000 employers in over 42 countries shows that over a third of these companies face an acute shortage of talent. In the context of the development of online communication and the widespread use of social networks, companies have begun to use adapted recruitment methods, especially online recruitment or e-recruitment (Brandao, Silva and Vieira dos Santos 2018; Țîru and Mohorăta, 2020). Differentiating organizations in this *war for talent* (Michaels, Handfiels-Jones and Axelrod, 2001) is absolutely necessary in order to be seen as attractive employers. Thus, the efforts of the organizations are focused on uniqueness

and emphasizing the benefits offered to employees or potential employees and the development of an employer brand.

Through the employer brand, organizations build a unique and easily recognizable identity as an employer. Thus, a tool available to specialists and managers in human resources is employer branding. The application of branding principles to human resources management has been termed as “employer branding” (Backhaus and Tikoo, 2004). By effectively communicating an employer’s unique and positive aspects regarding working experience, employer branding strategies and initiatives contribute to increase employer attractiveness in the labor market as a whole and, more specifically, among potential skilled candidates (Backhaus and Tikoo, 2004; Edwards 2010). Creating a strong Employer Brand not only reduces the cost of employee acquisition, but also enhances employee engagement and retention. By applying effective employer branding strategies, organizations can increase their organizational attractiveness as employers. Organizational attractiveness is defined as the sum of the benefits seen by employees or potential employees of a specific organization (Berthon, Ewing and Hah, 2005).

The scope of this paper is to identify the attributes of attractiveness in employer branding and their relative importance in two new generations on the labor market, so called generation Y and Z. The arrival of the new generations of professionals in organizations has the potential to promote challenges to the policies and practices related to the management of people. Taking into consideration that Millennials and Generation Z will represent the largest generation in the workplace (60% of global workforce according to Statista 2021) organizations really need to know and understand how they can attract these generations in order to engage, retain and motivate them. In this study we aim to track the differences between generations Y and Z and to identify the similarities and contrasts in dimensions of attractiveness in employer branding.

**Figure 1. Global workforce 2021**



Source: Statista 2021

## **2. Employer Brand. Employer branding**

The Employer Brand has emerged as a natural need for companies to respond to the challenges they have faced in the labor market since the 1990s, in terms of recruiting and retaining talent in organizations. In 1995, Ambler and Borrow, in their established work, "The Employer Brand", defined the employer brand as "a package of functional, economic and psychological benefits offered by an employment experience and identified with the employer company". In 2003 The Economist observed an awareness of the employer brand of 61% among the management of organizations. Employer brand refers to a company's efforts to promote, internally and externally, a clear vision of what makes it different and desirable as an employer" (Lievens 2007). "A strong employer brand should include rewards, salary, benefits, career progress and value-added opportunities" (Lievens and Highhouse, 2003). Edwards (2010) sees the employer brand as a "unique and particular employment experience" and Michington (2001) as the "image of the organization as a wonderful place to work in the minds of employees, active and passive candidates, customers and other interested parties".

The process of building and communicating an Employer Brand has been called Employer Branding. The term was taken from marketing, from branding theory and refers to "the application of branding principles in human resource management" (Backhaus and Tikoo, 2004). "Employer branding represents an organization's reputation as an employer and the value of employment it offers to employees" (Barrow and Mosley, 2011). Through employer branding, the organization develops an image of a potential employer that can attract future employees and retain current employees.

## **3. Organizational attractiveness (employer attractiveness)**

Employer branding was operationalized by measuring organizational attractiveness. An organization is considered attractive to existing and potential employees if their perception and image of the company brand (employer brand) is associated with a positive one. "The more attractive an organization is perceived by potential employees, the stronger the employer's brand of that company will be" (Berthon et al., 2005). Organizational attractiveness refers to "the expected benefits that a potential employee sees in working for a specific organization" (Berthon et al., 2005; Alniacik et al., 2014). Organizational attractiveness is also considered the power that motivates an applicant to apply to a particular company and existing employees to stay in the company (Bakanauskiene, Bendaravičienė and Barkauskė, 2017).

Organizational attractiveness was first measured using the EmpAt Scale developed by Berthon et al. (2005) and which derives from the dimensions of psychological, functional and economic benefits developed by Ambler and Barrow (1996) when he defined the concept of employer brand. Berthon et al. (2005) show that the value of the employer brand is given by a multidimensional construct of attributes of its attractiveness. These dimensions reflect five types of values offered by a company to potential employees and which characterize the employer brand: economic value, interest value, social value, development value and application value. Economic value captures economic benefits: above average salary, attractive compensation package, job security, promotion opportunities, value of interest refers to an exciting work environment, new work practices, encouraging employee creativity

to produce innovative products/services and quality, social value in a pleasant work environment, "fun", good collegial relationships, good team atmosphere, development value at recognition, self-esteem and confidence, career development, development for the future and application value to the opportunity to apply what was learned and teach others, customer-oriented and humanitarian organization. The value of interest and social value capture the psychological benefits while the development value and the applicative value capture the functional benefits.

#### **4. Generations**

The demographic generation or cohort represents a group of people born every 20 years. This division proposed by Strauss and Howe (2007), takes into account 4 significant periods of life: youth / childhood, maturity, middle age and old age / old age. Generations have three criteria in common: an age location in history (the same historical events and crucial social trends in the period when they are in the same phase of life), they are sustainably shaped by the eras they encounter in childhood, and of adult youth and they share certain common beliefs and behaviors (about family, culture, values, risk, civic engagement, etc.), (Strauss and Howe, 2007). Thus, there is a sense of common belonging perceived in that generation. "As a social category, a generation probably provides a safer basis for generalizing personality than other social categories such as sex, race, religion, or age" (Strauss and Howe, 1991: 63).

The names of the generations and the age ranges (approx. 16-20 years) differ depending on the researchers / research institutes (there are different arguments about the influence of the events from the analyzed periods) but also depending on the country and / or region. The active generations in the labor market considered global are: Baby Boomers Generation (1946–1964), Generation X (1965–1980), Generation Y (Millennials) (1981-1996), Generation Z (after 1996-approx. 2010). More recently, the Alpha Generation (born after 2010-present) is also discussed. Studies show that there are significant differences between generations, which can create conflicts in the workplace and the need to rethink human resource management practices. The literature has reported that different generations tend to prioritize different elements in the workplace (Tejesen, Vinnicombe and Freeman, 2007). Different expectations regarding potential employers, different preferences and motivations of generations can have a significant impact in building companies' employer branding strategy. Most generational studies have focused on issues such as personality traits (Twenge and Campbell, 2008), values at work, and career expectations. However, there are quite a few studies that have investigated the dimensions of employer branding for both generations Y and Z. Reis and Braga (2016) have shown that to attract people from Generation Y, the rewards package is very relevant, as well as the development opportunities and a positive workplace.

## 5. Generation Y (Millennials) (born 1981-1996)

Figure 2. Generation Y (Millennials)



Source: VectorStock

Born at a time when the world has enjoyed relative peace and growing prosperity, Howe and Strauss (2007) called them the "Millennials" generation because they entered college in the 2000s. Their distinct connection to technology led some authors to call them digital natives, while Generation X (1965–1980) is known as digital immigrants (Hershatler and Epstein, 2010). „Millennials use their digital skills to build and maintain close connections between colleagues” (Howe and Strauss, 2007). Unlike the Baby Boomer generation considered individualistic or the X generation (their parents) seen as pessimistic, millennials are team-oriented, confident and optimistic, more learnable at work than their Boomer and X generation colleagues, while sometimes they are viewed as “spoiled and addicted” (Howe and Strauss, 2007). They tend to be very career-oriented and expect rapid advancement and benefits.

Millennials appreciate organizations with meaningful missions, they are motivated to help their peers and they contribute to preserving the environment and making the world a better place to live. Because of their education and intense focus on lifelong learning, millennials are likely to appreciate opportunities for lifelong learning. Millennials expect a lot of feedback and clear directions for their work, but at the same time the freedom to do their job the way they want. They want both a career and a personal life and expect flexible working hours to maintain a work-life balance (Luscombe et al. 2013). In addition, they expect to be rewarded and valued for their contribution, they want to be part of the decision-making process and they expect a high level of recognition from the organization (Luscombe, Lewis and Biggs 2013).

## 6. Generation Z (1997-approx. 2010)

**Figure 3. Generation Z**



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*Source: VectorStock*

Generation Z is considered to be formed of those young people who are "highly educated, technologically savvy, innovative and creative". (www.ey.com). They have encountered political, social, technological and economic changes in their brief lifetimes. Born into a digital world (born digital), they live online, integrate and become virtually involved with their favorite brands and are great users of technology but see it only as a tool. They have hypercognitive skills, are comfortable with the cross-use of multiple sources of information and with the integration of virtual and direct experiences (McKinsey 2018). They have higher expectations from employers than Generation Y, they are less loyal to brands than Generation Y and they care more about experience. McKinsey (2018) labeled this generation as having basic behaviors anchored in a single element: "seeking the truth". Generation Z appreciates individual expression and avoids labels. It mobilizes for a variety of causes. They deeply believe in the effectiveness of dialogue in resolving conflicts and improving the world. Finally, they make decisions and relate to institutions in an extremely analytical and pragmatic way (McKinsey, 2018). At work waiting for face-to-face discussions with the manager, flexible career opportunities, want to simultaneously explore more roles and competitive industries and salaries (Tysiac, 2017).

## 7. Methodology and research results

The objective of this study is to identify the attributes of an employer's attractiveness from the perspective of generations Y and Z. The research question is whether or not there are significant differences between generations Y and Z regarding the perception of the dimensions (attributes) of an employer's attractiveness.

The research method is quantitative, using online survey. The study was conducted on a sample of 156 respondents, students in the final year at the Faculty of Sociology and Psychology of the West University of Timisoara, some of them already employed. They are part of Generations Y and Z, which have entered or are preparing

to enter the labor market soon. The study was conducted online at the end of 2019 by distributing in social networks and specific groups of the university. The sample includes 78.8% women and 21.2% men, generation Y represents 36% and generation Z 64% of the total respondents. 4 respondents were eliminated because they did not belong to the two types of generations studied.

In order to identify the most important aspects of an employer's attractiveness it was used Berthon et al. (2005) scale (EmpAt) to measure the dimensions of organizational attractiveness. The EmpAt scale was slightly improved with few questions related to the value of management, an aspect highlighted by some generational studies, as a relevant value attributed to the job, especially for these two generations. The statements were assessed using the Likert scale from 1 to 5, where 1 means "total disagreement" and 5 means "total agreement".

The results of the analysis (using the SPSS 20 software) show in general that there are no statistically significant differences between the two generations regarding the perception of the dimensions of an employer's attractiveness. The only exception is the items "Regular feedback offered by the manager" and "A manager who constantly motivates the team" which for generation Z are much more important than for generation Y (see Table 4). This may mean that for young people in generation Z the regular feedback provided by the manager and their constant motivation are significantly more important attributes compared to generation Z. What is interesting to mention is that these attributes are not mentioned as among the preferred ones for generation Z (see Table 2). This could also be explained by the fact that Generation Y does not yet have work experience compared to Generation Z and expectations in this regard may be different.

**Table 1. Descriptive Statistics for Employer Attractiveness Items in descending order**

<b>Employer Attractiveness Items (Attributes)</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
A competent and honest manager	152	4,81	,485
Having an open and clear communication with your manager	152	4,74	,546
A manager who appreciates employees 'merits	152	4,72	,542
Happy work environment	152	4,68	,592
Job security within the organization	152	4,66	,701
Having a good relationship with your colleagues	152	4,61	,719
A manager who constantly motivates the team	152	4,57	,668
Acceptance and belonging	152	4,53	,745
A fun working environment	152	4,50	,681
The organization both values and makes use of your creativity	152	4,43	,843
To be helped when I need it	152	4,43	,742
Training programs	152	4,41	,833
Other benefits (private medical insurance, sport allowance, meal tickets, etc.)	152	4,40	,824
Flexible schedule	152	4,39	,877

Extra - salary benefits (bonuses, performance bonuses, 13th salary, etc.)	152	4,37	,786
Regular feedback offered by the manager	152	4,33	,867
Innovative employer-novel work practices/forward-thinking	152	4,33	,828
The organization produces high-quality products and services	152	4,32	,843
The organization easily adapts to market changes	152	4,29	,881
Supporting and encouraging colleagues	152	4,20	,822
An above average basic salary	152	4,18	,833
Work from home / remote	152	3,88	1,173

Regarding the importance given to the attributes of organizational attractiveness (see Table 2), both generations pay approximately the same attention to certain aspects. (*A competent and honest manager*-rank1 for both generations, *A manager who appreciates employees’ merits*-rank 3 for both, *having an open and clear communication with your manager*-rank 4 for gen. Y and rank 6 for gen. Z, *Happy work environment*-rank 5 for gen. Y and rank 4 for gen. Z, *having a good relationship with your colleagues*-rank 6 for both) but there are differences in two attributes that are important only for that generation. Generation Y placed job security in 2nd place and Generation Z in 5th place motivated by the team manager. This shows that there are, however, some differences between the two generations in terms of job expectations, which can also be explained by the weight of education. Generation Y was raised by Generation X which put a lot of pressure on their children to succeed and be the best and thus they are more insecure about the future as opposed to Generation Z raised by other values and extremely protected by their parents who cannot motivate themselves. They are the so-called *bored* generation, hard to please and motivated in the long run.

**Table 2. Most-Preferred and Last Preferred Employer Attractiveness Attributes by Generations**

Preferred Employer Attractiveness Attributes	GenY	GenZ
	<b>Most Preferred Attributes (in descending order)</b>	A competent and honest manager Job security within the organization A manager who appreciates employees’ merits Having an open and clear communication with your manager Happy work environment Having a good relationship with your colleagues
<b>Last Preferred Attributes (in descending order)</b>	Work from home / remote An above average basic salary	Work from home / remote Supporting and encouraging colleagues

<b>ascending order)</b>	Regular feedback offered by the manager	An above average basic salary
	Supporting and encouraging colleagues	The organization easily adapts to market changes
	The organization easily adapts to market changes	Innovative employer-novel work practices/forward-thinking
	Flexible schedule	The organization both values and makes use of your creativity

**Table 3. Paired T-Test: Significance of relations between Employer Attractiveness Items and Generations, Preferred type of Employer, Preference for Entrepreneurship and Gender**

Comparisons of Column Means <sup>a</sup>								
Employer Attractiveness Items	Generation		Preferred Type of Employer		Preference for Entrepreneurship		Gender	
	GenY	GenZ	Public	Private	Yes	No	F	M
	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)
Having a good relationship with your colleagues								
Happy work environment								
Supporting and encouraging colleagues							B	
A fun working environment								
Acceptance and belonging								
To be helped when I need it								
The organization both values and makes use of your creativity								
The organization produces high-quality products and services								
Innovative employer-novel work practices/forward-thinking				A				
The organization easily adapts to market changes								
Job security within the organization								

An above average basic salary								
Extra - salary benefits (bonuses, performance bonuses, 13th salary, etc.)				A				
Other benefits (private medical insurance, sport allowance, meal tickets, etc.)							B	
Flexible schedule				A				
Work from home / remote				A	B			
Training programs								
Having an open and clear communication with your manager								
Regular feedback offered by the manager		A					B	
A manager who constantly motivates the team		A					B	
A manager who appreciates employees' merits								
A competent and honest manager								
Empbrand				A				
<i>Results are based on two-sided tests assuming equal variances with significance level ,05. For each significant pair, the key of the smaller category appears under the category with larger mean.</i>								
<i>a. Tests are adjusted for all pairwise comparisons within a row of each innermost sub-table using the Bonferroni correction.</i>								

## 8. Conclusions

Both generations place the value given to management and the social value (of integration) in first places. In last places we can see the work at home / remote attribute that can be explained by the pre-pandemic context when this attribute was not so important and the salary, as well as the attribute *Supporting and encouraging colleagues* which correlated with the attribute *Having a good relationship with your colleagues* from the top of the most favorite can mean that these generations want a pleasant working environment and integration but do not place such a high value on solid relationships, but rather approach them on a more superficial level. If we correlate this with the results obtained by gender (see Table 3) we notice that the female gender considers this attribute more important (*Supporting and encouraging colleagues*) than the male. Also, in the gender analysis we notice that significant differences between genders appear in the provision of feedback by managers,

permanent motivation and other expected benefits (health insurance, sports, etc.) which are more important for women compared to men. In terms of significant attributes depending on the type of preferred employer (public or private) the attributes related to innovation, adjacent benefits (medical, sports, etc.), flexible hours and work from home are associated and considered more important in the private context than the public one (see Table 3). Also, the variable employer branding (average items) is considered more important for the private environment than for the public one, which is easy to intuit from practice.

A limitation of this study is its focus on Western Romania (Timisoara) and on a student population, thus it does not represent the reality of the workforce population as a whole; further studies may cover a more diversified sample, better representing the workforce population. Further research could also examine the impact of attractiveness attributes over time considering the actual pandemic context that changed the workplace expectations and the work values of new generations.

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