

Millennial's Job Choice: An Empirical Study on Employer Branding

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ABSTRACT

The purpose of this research is to analyze the role of Employer Branding on millennial's intention to apply for a job. Employer Branding consist of work environment, compensation and benefits, corporate reputation, corporate vision and leadership, and corporate social and environmental. Research population is the final-year college students. Purposive sampling technique was applied with two specific sample's criterias that are have a desire to apply for a job and born between year 1995-2000. The hypothesis testing method used descriptive analysis techniques and moderation regression analysis with SPSS program. The results showed that Work Environment, Compensation and Benefits, Corporate Reputation, Corporate Social and Environmental Responsibility, had a positive and significant effect on millennial talent's intention to apply for a job. Meanwhile, corporate vision and leadership had no effect.

Keywords: Employer Branding, Intention to Apply for a Job

1. Introduction

This study looked at the factors that would attract employees towards an 'Employer of Choice'. As the baby boomer generation begins to retire, the arrival of a new workforce within the organization has brought challenges for employers. This factor leads to competition from both job applicants and job providers. Intense competition requires qualified human resources. From here, the company is again faced with competition for rare talent. Millennials are entering the job applicant force, companies need to understand beforehand the unique characteristics of millennials and make improvements, using Employer Branding (EB) as an instrument of organizational competitiveness to get quality workforce which is currently dominated by Millennials.

Attracting potential candidates is a significant issue in the recruitment process (Reis & Braga, 2015). Companies face the scarce skills in the labor market often in competing, meeting the needs of the workforce in the near future requires organizations to immediately improve themselves and use Employer Branding (EB) as an instrument in organization competitiveness. Employer branding is the representation of an organization to the external potential employees as well as how the organization will appear to the current existing employees (Mohamed, 2016). Companies find this

rather hard to attract a talented pool of people to work and makes Employer Branding become one way to attract the pool of talent. EB is important to obtain a qualified workforce which is currently dominated by Millennial.

In Indonesia, the concept of Employer Branding (EB) is still relatively new. Given the stereotypes inherent in Millennials, this study wants to explore the most suitable career options between government agencies and private services for Millennials according to their performance, career goals, and work / life choices. Especially as a developing country, Purusottama, Ambara and Ari Ardianto (2019) said that currently the quality of university graduates in Indonesia is still not high enough to be able to occupy the desired position. Employer branding conceptually provides companies with a strategic thinking framework where there is a collaboration between marketing and human resource management (Maxwell & Knox, 2009). The importance of employer branding is also applied to maintain company competition. Employer branding is a representation of the company's image as workplace that can create high demand by creating talented candidates (Tikson, Hamid, & Mardiana, 2018). These statements lead the writer to research more about "The Effect of Employer Branding towards Intention Millennial's Intention to apply for a job".

2. Literature Review

4 Employer Branding

Employer branding conceptually provides companies with a strategic thinking framework where there is a collaboration between marketing and human resource management (Maxwell & Knox, 2009). Employer branding has been the unity of the behavior identity that is born or has been owned by the organization itself (Lew, 2009). Viewing the potential candidates as "internal customer". As a "brand", by borrowing marketing tools, the organization apply it for HR fuction in the need to develop and maintain a long-term relationship with their "internal customer". Employer branding is a way for the company, or organization to create and communicate their own identity to a targeted group of targeted talented candidates or workforce. According to Purusottama and Ardianto (2019), employer branding can be a solution to anticipate the challenges caused by lack of talented employees. Their study has five variables that influence on talent's intention to apply for a job, namely:

- Working Environment (CWE)
- Compensation and Benefit (CCB)
- Corporate Reputation (CCR)
- Corporate Vision and Leadership (CVL)
- Corporate Social and Responsibility (CSR)

5 Recruitment

Human resource management organize a mechanism or system whereby company is able to hire desired candidate for the success of business achievement. The process of obtaining candidates according to the needs of the organization is called recruitment (Azmy, 2018). Dessler (2013) explains that recruitment is the process of collecting relevant information about work-related tasks

and human characteristics needed to do the work so as to help managers determine the qualifications and types of skills needed in the recruitment process.

6 *Millennial's Workforce*

Based in Smith and Nichol (2015)'s study, Millennial is identified as individuals born between 1980 and 2000. They are called Millennial because of their closeness to the new millennium and being raised in a more digital age (Kaifi et al., 2012). This shape them into having their unique traits, value, and behaviors.

7 *Intention to Apply*

The literature confirms a positive relationship between employer attractiveness and the candidate's intention to apply to the organization (Saini et al., 2013). Employer branding has been considered as a strategic way to attract the talents. The ability of Employer Branding to attract future employees expresses an organization's position in the minds of candidate. The stronger the attractiveness of Employer Branding, the stronger the perceived value of EB at perception of the candidate (Santiago, 2019).

3. Research Methodology

This research is quantitative with survey method by using questionnaire as a tool to obtain the data, means that collecting the data and investigate the casual relationship and hypothesis testing to give an overview of research object. The subject of this research are college students who have intention to apply for a job and the object of this research are Working Environment, Compensation and Benefit, Corporate Reputation, Corporate Vision and Leadership, and Corporate Social and Responsibility.

For sampling technique, this research uses the interval estimate method applied to determine the minimum sample size because the amount of population cannot be known in exact number. Based on the calculation, if the confidence level is 90%, the confident value at the level is 1.96 and the probability of error is set at 10% then the minimum size of this research can be calculated as follows:

$$n \left(\frac{1,96^2}{4(0,10^2)} \right)^2 = 96.04 = 96 \quad (1)$$

From the calculation above, the minimum sample size using interval estimate is 96 respondents. This research will take a sample of 100 respondents because the author believe that the level of the questionnaire fill well as much as 90%, to avoid 4 questionnaires will be added. So this research will distribute questionnaires to 100 sample respondents.

4. Results

Product moment is used to test validity of each questionnaire in this research the questionnaire included Working Environment (X1), Compensation and Benefit (X2), Corporate Reputation (X3), Corporate Vision and Leadership (X4), Corporate Social and Responsibility (X5) and Intention to

apply for a job (Y). Based on the results of the questionnaire validity test output (Appendix 3), the output of this research where r arithmetic $>$ r table, the formula of validity is $(df) = (101-2)$ with a significance level of 95%, and r table was 0.1956. base on the result of validity test all items of the statement of all the variables are declared valid and can be used as a measurement tool.

Table 1. Validity Test

Variable	R Count	R Table	Result
X1.1	0,768	0,1956	Valid
X1.2	0,902	0,1956	Valid
X2.1	0,784	0,1956	Valid
X2.2	0,739	0,1956	Valid
X2.3	0,602	0,1956	Valid
X3.1	0,634	0,1956	Valid
X3.2	0,726	0,1956	Valid
X3.3	0,695	0,1956	Valid
X4.1	0,739	0,1956	Valid
X4.2	0,763	0,1956	Valid
X4.3	0,776	0,1956	Valid
X5.1	0,848	0,1956	Valid
X5.2	0,876	0,1956	Valid
X5.3	0,845	0,1956	Valid
Y1.1	0,776	0,1956	Valid
Y1.2	0,855	0,1956	Valid
Y1.3	0,796	0,1956	Valid

Source: Processed Primary Data.

The instrument that has been declared valid is subsequently examined for reliability after it has passed the validity test. The reliability test was conducted to measure a consistent and reliable measurement tool for further research. Cronbach's Alpha is used for this kind of reliability evaluation. The following are the results of the calculation of the reliability of each research variable:

Table 2. Reliability Test

Variable	Cronbach's Alpha	Cut Off Value	Result
X1	0,759	0,60	Reliable
X2	0,709	0,60	Reliable
X3	0,813	0,60	Reliable
X4	0,633	0,60	Reliable
X5	0,818	0,60	Reliable
Y1	0,722	0,60	Reliable

Source : Processed Primary Data

The data shows that each variable has a total reliability coefficient (R total) with a reliability value greater than 0.60 on each variable, so the calculation results show that all claims on each variable are declared reliable, so that they can be declared reliable.

After being tested for validity and reliability, the classical assumptions were then tested. Normality test is done by the Kolmogorov Smirnov test, with the criteria if the asymptotic significant > alpha value ($\alpha = 0.05$) then the data are normally distributed with the following results:

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test

Asymp. Sig. (2-tailed)	Result
0,09	Normal

Source : Processed Primary Data

According to Table 3, the value of Asymp. Sig. is 0,09 that is higher than 0.05 which means that the data are normally distributed. So it can be concluded that the data is normally distributed. Multicollinearity test was tested using Tolerance Value and Variance Inflation Factor (VIF). with the condition that if the tolerance value is more than 0.10 and the VIF value is less than 10.0, then there are no symptoms of multicollinearity.

Table 4. Multicollinearity Test

Variable	Tolerance	VIF	Result
Working Environment	0,863	1,159	No multicollinearity
Compensation and Benefits	0,710	1,409	No multicollinearity
Reputation	0,745	1,341	No multicollinearity
Vision and Leadership	0,642	1,558	No multicollinearity
Responsibility and Social	0,753	1,328	No multicollinearity

Source : Processed Primary Data

Table 4 shows that each collinearity tolerance value of each variable are higher than 0.1 and the VIF values of each variable are lower than 10 which means that there are no multicollinearity on the data. Multicollinearity testing is to examine whether there is an existence of a high correlation between the independent variables. Table 5 shows the result of heteroscedasticity test.

Table 5. Heteroscedasticity Test

Variable	SIG	Result
Working Environment	0.077	No Heteroscedasticity
Compensation and Benefits	0.073	No Heteroscedasticity
Reputation	0.538	No Heteroscedasticity
Vision and Leadership	0.794	No Heteroscedasticity
Responsibility and Social	0,623	No Heteroscedasticity

Source : Processed Primary Data

Table 5 shows that all significance value of each variable are higher than 0.05, which means that there is no heteroscedasticity problem on the data.

4 Determinant Coefficient Analysis

The coefficient of determination (R²) test is to analyze the regression line to describe the relationship between the independent variables and dependent variable. Table 7 shows the coefficient of determination (R²) result.

Table 6. Determinat Coefficient Analysis

Model	R	R Square	Adjusted R Square
1	0,720	0,518	0,493

Source : Processed Primary Data

From Table 7 it can be conclude that the variable of Working Environment, Compensation and Benefits, Reputation, Vision and Leadership, Responsibility and Social explain the Intention to apply for a job by 0.518 or 51.8%, while 0.482 or 48.2% are explained by other variables not included in the model.

5 T Test

Table 7. T Test Result

No	Hypotheses	T	t - table	Significance	Result
1	Working Environment → Intention to apply	3,183	1,652	0,002	Accepted
2	Compensation and Benefits → Intention	4,492	1,652	0,000	Accepted

	to apply					
3	Reputation → Intention to apply	3,789	1,652	0,000	Accepted	
	Vision and					
4	Leadership → Intention to apply	-0,248	1,652	0,804	Rejected	
	Responsibility and					
5	Social → Intention to apply	1,217	1,652	0,227	Rejected	

Source : Processed Primary Data

Based on Table 8 shows that the t-statistic of Working Environment (3,183) towards Intention to apply for a job is lower than the value of t – table (1.652) and the value of error probability (0,002) is lower than 0.05, which means that H0 hypothesis accepted. The t – statistic of Compensation and Benefits (4,492) towards Intention to apply for a job is higher than the value of t – table (1.652) and the value of error probability (0.000) is lower than 0.05, which means that H0 hypothesis accepted. The t - statistic of Reputation (3,789) towards Intention to apply for a job is higher than the value of t – table (1,652) and the value of error probability (0.000) is lower than 0.05, which makes H0 hypothesis accepted. The t - statistic of Vision and Leadership (-0,248) towards Intention to apply for a job is lower than the value of t – table (1,652) and the value of error probability (0,804) is higher than 0.05, which means that the H0 hypothesis rejected. The t - statistic of Responsibility and Social (1,217) towards Intention to apply for a job is higher than the value of t – table (1,652) and the value of error probability (0,227) is higher than 0.05, means that H0 hypothesis rejected. Through the test result above, we can see the t – statistic of Compensation and Benefits (4,492) towards Intention to apply for a job is the highest among other accepted variables, means that Compensation and Benefits as the strongest variable that correlate with talent’s intention to apply for a job.

5. Discussion

Based on the result on this research and discussion of the results of data processing, the authors obtain conclusion that can be drawn from research on the effect of work environment, compensation and benefits, reputation, vision and leadership, and responsibility and social on intention to apply for a job that from these variables, only three out of five have a positive effect on intention to apply for a job, which are work environment, compensation and benefits, and reputation. Through this research and discussion, the author find from variable vision and leadership has different view point from the respondent where they see the company’s leadership as a factor which may provide them to develop their career in the workplace and don’t see the company’s vision related with their career goals. For the variable responsibility and social, based on the result it has no positive effect on intention to apply for a job. This is followed with the factor of Millennial’s characteristics where they lack concern of environmental responsibility and don’t see their ideal workplace as an organization that have a focus on environmentally responsibility.

6. Conclusion

There are some implication that can be given as follows: (1) Based on the research, whether its social or private company, they have to build supportive work environment among their employee

as work environment has an important role for maintaining organization. Having a culture to build the work environment may takes time. Refer to the open question, from the perspective of the respondents, they argue that a workplace where the employee can develop their career and let their employee have a space to grow whether with themselves or their co-workers. Supportive work environment can increase the productivity of the company. (2) Compensation and benefits has been a factor that attract the talent to join the company. Refer to the open question that the company can give compensation and benefits to their employee in order to increase their dedication to work for the company. From compensation and benefits can create a long-term partnership between the company and employees, as the employee are willing to dedicate themselves more doing their job. (3) For the reputable variable, the average respondent said company reputation is an important thing to consider when applying for work. The company's reputation is a consideration in choosing the desired job because the company's reputation will determine the quality of a company. For the talents, reputation of the company is important for considering their future careers. Refers to open question, the respondents agree that when they apply for a job, they will find out how is the company. Workplace reputation is critical to build branding and career development. The company's reputation will determine how the company maintains and creates a good work environment so that the company's reputation can be maintained.

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