

## **The Impact Employer Branding on Employee Retention Gen Z: A Systematic Literature Review**

**Muhammad Naufal Fakhruddin<sup>1\*</sup>, Intan Ratnawati<sup>1</sup>**

<sup>1</sup> Universitas Diponegoro, Semarang, Indonesia  
*naufalkhruddin01@gmail.com*

### **Abstract**

This study examines the relationship between employer branding and employee retention of Generation Z in Indonesia. As younger generations dominate the workforce, organizations face new challenges in attracting and retaining talent. Employer branding, which was originally part of the marketing function, has now evolved into a strategic component in human resource management that plays an important role in shaping employee perceptions, satisfaction and long-term commitment. This study uses the systematic literature review (SLR) method to analyze academic findings related to employer branding practices and their impact on employee behavior. Results show that employer branding elements such as authentic values communication, inclusive organizational culture, and career development opportunities have a significant influence on emotional attachment and retention, especially in Generation Z. In addition, this generation pays close attention to work-life balance, fairness, organizational ethics, and career growth opportunities in choosing a workplace. This study provides practical recommendations for organizations to strengthen employer branding strategies to retain young talent and promote sustainable organizational development.

### **Keywords**

*Growth Opportunities, Employee Retention, Employer Branding, Equality.*

## 1. Introduction

Transformation Rapid changes in the work environment characterized by uncertainty, complexity, and market dynamics have put immense pressure on organizations to retain top talent. Organizations today face a major challenge in managing the generational diversity in the workforce—from the Baby Boomer generation, Generation X, Generation Y (millennials), to Generation Z. The literature suggests that each generation has different characteristics and work expectations, so the approach to managing them is different. The literature states that each generation has different characteristics and work expectations, so human resource management approaches need to be tailored to specific generational characteristics.

In particular, Generation Z (born between 1997 and 2010) is now beginning to dominate the labor market. They grew up in the digital age, are accustomed to the speed of information, and have a high preference for flexibility, personal development, and work-life balance. However, data shows that Generation Z's loyalty to organizations is still relatively low. They tend to exhibit job hopping behavior if they do not fit the work culture or see no prospects for career growth. In Indonesia, according to a GoodStats survey (2023), 69% of Gen Z workers stated that they plan to resign from their current jobs. This condition confirms the importance of organizational strategies in retaining this generation through the right approach.

One strategic approach that stands out in answering this challenge is through employer branding. Employer branding is no longer just an external marketing tool to attract new talent, but has evolved into an overarching strategy that also aims to retain existing employees. According to Kaur and Shah (2021), employer branding is a set of actions that reflect a company's values, culture, and commitment to employee well-being. In the context of Generation Z, employer branding plays an important role as this generation considers company values, social reputation and life balance more when choosing a workplace. Research by Bou Hatoum and Nassereddine (2025) shows that work flexibility and work-life balance are key aspects in employer branding strategies that appeal to Gen Z. Research by Junianingrum (2024) and Prasetyo (2023) shows that an inclusive and supportive organizational culture not only increases emotional attachment, but also provides a much-needed sense of stability and recognition for young employees. Authentic communication of values is key in building trust and emotional attachment of Gen Z employees (Hendriana et al., 2023).

If employer branding is managed consistently and authentically, it can significantly increase employee retention. Employee retention refers to the organization's ability to retain employees to survive and thrive in the work environment. Strong employer branding can create a sense of belonging, loyalty, and high emotional attachment to the company. This is in accordance with self-congruence theory, where the congruence between individual self-image and corporate image will strengthen employees' psychological commitment. Conversely,

if employer branding is not aligned with the reality within the company, it will trigger disappointment and increase turnover intention.

This research aims to examine the correlation between employer branding and employee retention, with a focus on Generation Z in the context of sustainable organizational development in Indonesia. Employer branding not only serves to attract new talent, but is also an important strategy in increasing employee loyalty, emotional attachment and resilience to the dynamics of a changing work environment. In this context, understanding how employer branding can shape positive perceptions, increase job satisfaction, and reduce turnover becomes highly relevant for companies looking to retain a competitive and value-oriented young workforce.

This research used a systematic literature review method as the main approach. The purpose of this review is to analyze literature addressing the influence of employer branding on employee retention, particularly among Generation Z, that has been published between 2022 and 2025.

## **2. Literature Review**

Employer branding was first introduced by Ambler and Barrow (1996) as “the application of marketing principles to HR management, particularly in terms of attracting and retaining quality employees.” Since then, the concept has evolved into a holistic strategy that includes not only external attractiveness (external branding) but also the internal employee experience (internal employer branding). Employer branding is the process by which a company promotes itself as an attractive place to work for existing and potential employees, by highlighting the company's values, culture, and advantages as a place to grow and have a career (Kotler, 2016). Mosley and Schmidt (2017) state that employer branding is the process of creating an excellent workplace and promoting it to the talent the company needs, with the aim of supporting the achievement of business goals through a positive reputation as an employer.

According to Backhaus and Tikoo (2004), employer branding has two main dimensions: employer brand image and employer brand loyalty, both of which play an important role in shaping employee perceptions and attachment to the company. In the context of younger generations, particularly Gen Z, employer branding should reflect values such as work flexibility, innovation, diversity and social impact. A study by Kaur and Shah (2021) confirms that a well-designed EB will increase employees' positive perceptions of the organization, create higher job satisfaction, and reduce the intention to leave the job.

Strong employer branding requires organizations to deliver distinct and genuine messages to their employees, while also clearly conveying the company's values and unique career opportunities (Schlager et al., 2011). When employees perceive these messages as clear, credible, and consistent, they are more likely to internalize and

understand the brand. Furthermore, if employer branding is communicated effectively, it helps prevent confusion or misunderstandings among employees. By thoroughly communicating the company's values, rules, and objectives, organizations can address employees' doubts and concerns, which ultimately enhances employee satisfaction and commitment (Wilden et al., 2010). Employees gather information about the organization not only from internal sources, such as direct supervisors, but also from external sources like the company's reputation (Alshathry et al., 2017). Through this process of acquiring knowledge about the company, employees gain a deeper understanding of the organization and how it is perceived by others (Alshathry et al., 2017).

### 3. Methods

To understand the influence of employer branding on employee retention, especially among Generation Z, the use of Systematic Literature Review (SLR) technique in this research is considered very relevant. A thorough review of the academic literature in a particular field is essential to identify research questions and build a strong foundation for future research. This approach allows researchers to identify, evaluate, and interpret findings from relevant studies in a systematic and thorough manner (Amjad et al., 2023; Friska et al., 2023). Therefore, through this systematic literature review, researchers can explore more deeply aspects such as development and growth opportunities, sustainable human resource management, and equality and justice, and how these three factors interact with each other in employer branding that affects employer retention in companies.

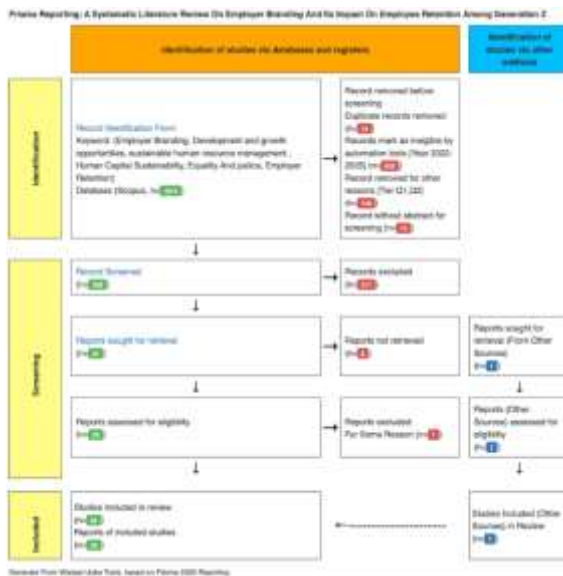


Figure 1: Prism Analysis Report

The data presented in Figure 1 is structured using the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) framework, which serves as a guideline to enhance the quality and consistency of systematic literature reviews. Data collection for the PRISMA analysis was carried out using the Watase Uake website, focusing on articles indexed in the Scopus database. The initial search employed the keywords Employer Branding and Employee Retention, which were further refined with additional terms such as Development and Growth Opportunities, Sustainable Human Resource Management, Human Capital Sustainability, and Equality and Justice. The selection criteria included Scopus-indexed articles ranked Q1 to Q2, published between 2020 and 2025. The purpose of this search was to gather relevant literature for a systematic review on women's empowerment. A total of 346 articles were identified through the keyword search. After applying the eligibility criteria, 31 articles were deemed relevant to the topic. However, 8 of these did not pass the screening process on the Watase Uake platform. As a result, 23 articles were considered eligible and will be further analyzed in this review

#### **4. Results**

Generation Z highly values authenticity and transparency in communication, including the values espoused by the companies they work for. Authentic communication of values is key in building trust and emotional attachment of Gen Z employees. Research by Hendriana et al. (2023) shows that 78% of Gen Z employees feel more loyal when company values are conveyed honestly and consistently, thus increasing their motivation to stay in the organization. This is in line with the characteristics of Gen Z that prioritize relevance and authenticity in various aspects of life, including the world of work

Generation Z is known as a generation that is very accepting of differences and upholds inclusivity and social justice. Therefore, an inclusive organizational culture that values diversity is an important factor in attracting and retaining Gen Z talent. Research by Junianingrum (2024) and Prasetyo (2023) shows that an inclusive and supportive organizational culture not only increases emotional attachment, but also provides a much-needed sense of stability and recognition for young employees, with 85% of respondents feeling more valued and motivated in an inclusive work environment. The progressive and open nature of Gen Z makes an inclusive culture a key requirement in effective employer branding.

Meanwhile, research conducted by Azhar, Rehman, Majeed, and Bano (2024) revealed that employer branding (EB) plays a strategic role in improving organizational performance through several key mediating pathways, namely organizational commitment, loyalty to the employer brand, and employee retention. The EB dimensions examined in this study include work-life balance, healthy work environment, training and development, ethics and corporate social responsibility,

and compensation and benefits. Recent literature emphasizes that development and growth opportunities are crucial factors in Generation Z's decision to stay with a company. Research by Fadilah and Putranto (2023) shows that clear career development opportunities, such as training, mentoring, and a structured career path, have a significant influence on Generation Z's intention to apply and stay.

In addition to development and growth opportunities, equality and justice also emerged as an important element of employer branding that younger generations pay attention to. The study by Chopra et al. (2023) confirms that company practices that uphold fairness, inclusion and respect for diversity directly affect employee engagement and retention. When companies are able to create a fair, equitable and personal growth-oriented work environment, this will strengthen employer branding in the eyes of employees, while increasing emotional attachment and reducing the tendency to switch jobs. Overall, the results show that strong and authentic employer branding, which includes social values, career development, fairness, and work flexibility, can increase positive perceptions of the company, strengthen emotional attachment, and ultimately impact long-term employee retention. This is crucial in creating a sustainable workforce, especially in the face of generational dynamics and a changing job market.

## 5. Discussion

The findings of this systematic literature review reinforce the critical role of employer branding in enhancing employee retention, particularly among Generation Z in Indonesia. Several key themes emerge from the synthesis of recent studies. Employer branding has evolved beyond its traditional function as a recruitment tool to become a core strategy in retaining employees. The literature consistently demonstrates that authentic and consistent employer branding—reflected in transparent communication of values, a supportive and inclusive culture, and clear career development opportunities—significantly influences Gen Z's emotional attachment and loyalty to organizations. This aligns with the self-congruence theory, which posits that congruence between personal and organizational values strengthens psychological commitment and reduces turnover intention.

Generation Z places high importance on authenticity and transparency in employer communications. Hendriana et al. (2023) found that 78% of Gen Z employees are more loyal when company values are communicated honestly and consistently, highlighting the necessity for organizations to ensure that their employer branding accurately reflects internal realities. This authenticity is not only a matter of attracting talent but is crucial for sustaining engagement and retention over time. The review highlights that Gen Z values inclusivity and social justice, making an inclusive organizational culture a central component of effective employer branding. Studies by Junianingrum (2024) and Prasetyo (2023) show that such environments foster a sense of stability and recognition, with 85% of respondents

reporting higher motivation and a sense of being valued in inclusive workplaces. This suggests that organizations aiming to retain Gen Z talent must prioritize diversity, equity, and inclusion initiatives as part of their employer branding efforts.

Opportunities for personal and professional growth are decisive factors in Gen Z's decision to remain with an employer. Fadilah and Putranto (2023) found that structured career development programs, including training and mentoring, have a direct impact on retention intentions among Gen Z employees. This underscores the importance of integrating clear development pathways into employer branding strategies. Gen Z's preference for work-life balance and flexibility is another prominent theme. Research by Bou Hatoum and Nassereddine (2025) indicates that these factors are central to employer branding strategies that successfully attract and retain young talent. Organizations that offer flexible work arrangements and promote a healthy work-life balance are better positioned to maintain high retention rates among Gen Z employees.

Fairness and ethical practices are also highlighted as critical elements. Chopra et al. (2023) confirm that practices upholding fairness, inclusion, and respect for diversity directly impact employee engagement and retention. When organizations are perceived as fair and ethical, their employer branding is strengthened, leading to greater emotional attachment and lower turnover. Finally, the review suggests that strong employer branding not only benefits employee retention but also contributes to broader organizational sustainability. By aligning employer branding with values such as diversity, social justice, and sustainable development, organizations can foster a resilient and committed workforce capable of supporting long-term business goals.

## **6. Conclusion**

Employer branding plays a strategic role in creating meaningful work experiences for employees, especially for Generation Z, which now dominates the Indonesian labor market. Despite improvements in access to information, employment opportunities, and participation in organizations, challenges remain in the form of value mismatches between individuals and organizations, lack of clarity on career development paths, and limited flexibility and fairness in the work environment. These factors contribute to low loyalty and high turnover rates, especially among young employees.

In this context, employer branding serves not only as a tool to attract potential candidates, but also as an internal strategy that drives employee engagement and retention. Through strengthening an authentic corporate image, aligning organizational values with employee expectations, and providing an inclusive and supportive work environment, employer branding can increase employees' loyalty, sense of belonging, and long-term commitment to the company. In addition, consistent and relevant employer branding also supports employees' active participation in the organization's sustainability goals, including diversity, social

justice, and economic contribution. This strategy not only improves employee satisfaction and retention, but also has a positive impact on organizational stability and the sustainable achievement of the company's long-term goals.

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