

## Employer Branding and Employee Value Proposition for Generation Z in Digital Economy

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**Abstract:** Every generation of people has needs, incentives, desires, intentions, attitudes and values that make it distinguishable, specific and unique. Generation Z is entering the labour market and beginning its search for an ideal employer in order to obtain outstanding experience and optimal employee value proposition. Members of Generation Z have specific traits and characteristics that set them apart from other generations. In order to build a brand as a successful and desirable employer in digital economy, one should take into account these specific traits and characteristics in order to attract and retain members of Generation Z in the long term. This paper points out the key factors of employer branding and employee value proposition that influence Generation Z's decision-making regarding employment. The results of an empirical research, which included 339 members of Generation Z from the Republic of Serbia, indicated the following three key factors that influence their choice of an employer: the opportunity for career advancement, a pleasant and interesting work environment, and the opportunity for personal development (acquiring new knowledge and skills). The conducted research provides important information on the basis of which employers can better conceptualize value proposition for members of Generation Z and establish their branding of a desired employer.

**Keywords:** *employer branding, generation Z, motivation, employee experience, digital economy*

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### INTRODUCTION

The basis of the functioning of any organization are employees, who want successful careers, and over time, many of them become emotionally related to work, colleagues, and management (Autor, 2013). For decades, workplace has not only been considered a place where employees come to receive a salary at the end of the month, but rather a place that provides meaning and purpose, a sense of fulfilment, pride, satisfaction and happiness. In digital economy, those factors hold tremendous importance when choosing an employer. Therefore, when applying for a job, potential candidates from the labour market try to be well informed about the employer, consider its reputation, working conditions, salary, and experiences of current and former employees. They use various sources (company website, social and professional networks, employment platforms, etc.) to collect information about potential employer. Consequently, employers who want to attract, hire and retain the best candidates from the labour market are beginning to apply the concept of employer branding.

Employer branding requires a proactive approach in the process of building value proposition for employees who already work in the organization, but also for all those candidates from the labour market who are looking for employment. It is a complex process with a set of carefully selected elements through which the employer will present itself to current and potential employees in the best possible way. An additional specificity of employer branding stems from the fact that today's workforce consists of members of four different generations: baby boomers (born between 1946 and 1964), generation X (born between 1965 and 1979), generation Y/millennials (born between 1980 and 1994) and Generation Z/post-millennials (born between 1995 and 2010). A generation is a group of people of similar age who share identical years of experiential maturation and education, historical, political and technological environment, and therefore possess unique values and attitudes that distinguish them from other generations (Benson & Brown, 2011). Each

generation has different needs, motivators, desires, values and attitudes that need to be taken into consideration when building employer branding. Therefore, employers must be prepared in order to attract and retain members from different generations. More and more baby boomers are going into retirement, and Generation Z will take their place in the workforce (Gomez, Mawhinney & Betts, 2020). The joining of every new generation to the workforce requires investigation and analysis of its key characteristics. The first step is to conduct comparison to the previous generation and to find out similarities and differences between the two. Although Generation Z has many similarities with Generation Y, there are certain specifics and differences that need to be considered in the employer branding process.

The aim of this paper is to identify the key factors that affect the choice of employer among members of Generation Z and, based on the results, to point out to employers some options in the employer branding process. After the introduction, the first part of the paper underlines the key characteristics and specifics of Generation Z that make it unique and different. The second part is dedicated to the experience of employees, value proposition and the process of employer branding in digital economy with an emphasis on the specific traits of Generation Z. The third part of the paper presents the methodology of empirical research and sample description, while the fourth part is dedicated to research results and discussion. The key recommendations for employer branding based on obtained results from the conducted research are presented in the fifth part of the paper. At the end of the paper, the key conclusions, significance and contribution of the paper are presented, as well as its limitations and suggested directions for future research.

## 1. KEY CHARACTERISTICS AND SPECIFIC TRAITS OF GENERATION Z

Literature review shows that the terminology used to denote different generations is not standardized - different authors have allocated different terms (epithets) to generations, which is why there are a large number of different terms that denote a generation. Additionally, there are certain differences in the time span between generations, i.e. the range of years that a certain generation encompasses. According to most authors, Generation Z represents people born between 1995 and 2010 (Patel, 2017; Twenge, 2018), although there are classifications according to which Generation

Z dates from 1997 to 2000 (Bresman & Rao, 2017; American Psychological Association, 2018). For this reason, it should be kept in mind that individuals born at the beginning or the end of the time span of one generation may have general characteristics of the previous or next generation (Autor, 2021).

Generation Z is described by a large number of different terms: Technological Generation, Digital Natives, Born Digital, Online Generation, Internet Generation, Facebook Generation, Constant Clicking Generation, Post-Millennials, C-generation (C - Connect), R-generation (R - Responsibility) (Csobanka, 2016). This generation is the first true digital generation that has had access to the Internet and digital technologies since its birth, which positioned it in the place of the most networked generation (so far) (Sidorcuka & Chesnovicka, 2017; ICAEW, 2019). In recent years, Generation Z has positioned itself in the focus of the interest and attention of different stakeholders – decision makers, leaders, entrepreneurs, human resource practitioners, and especially employers (Chillakuri, 2020).

Members of Generation Z are careerists, i.e. professionally they belong to a very ambitious generation that is achievement-oriented (Bencsik, Horváth-Csikós & Juhász, 2016). They seek to have a meaningful and interesting job in industries that have a connection to their private lives and choose a career that truly interests them, regardless of the existing and assessed labour market needs (McCrindle & Fell, 2019). Members of this generation want to build their personal brand and to be recognizable and unique (Larkin, Jancourt & Hendrix, 2018). They are characterized by agility, constant search for challenges, courage, initiative, entrepreneurial spirit, and desire to leave their mark and contribution to the overall society (McCrindle & Fell, 2019). Also, members of Generation Z do not form an opinion about the company only on the basis of the quality of its products/services, but on the basis of ethical principles, socially responsible behaviour and social influence (Dabića, Bejan & Puşcaş, 2020). In digital economy, a large number of Generation Z members refuse to get a job with a company if they find negative comments about the employer on social networks and/or employment platforms, while they especially value employers that are oriented towards solving environmental problems.

Members of Generation Z give maximum effort when they know that their ideas, proposals and contributions are valued and that they will make a significant impact to achieving organizational goals (Workplace Institute at Kronos Incorporated, 2019).

This generation is ready to constantly improve itself and upgrade its knowledge and skills which is of tremendous importance in digital economy (Schwieger & Ladwig, 2018). An important factor when choosing an employer for members of Generation Z is the flexibility of working hours. For them, flexibility is not an „added value“ offered by the employer, but something that is mandatory (Workplace Institute at Kronor Incorporated, 2019). Generation Z wants to independently manage its working time, and for that purpose it predominantly uses modern software tools and technologies with which it organizes work tasks and activities. Therefore, one third of the members of Generation Z expect their employer to provide the latest technology and tools for work (Workplace Institute at Kronor Incorporated, 2019).

When deciding about employment, members of Generation Z mostly prefer traditional employee benefits (health insurance, paid leave, private pension fund, life insurance) compared to some contemporary benefits such as free meals, paid gym, and parking lot. They want to work for employers who offer a fair reward system, who treat employees with respect, and nurture open and transparent communication (Schwieger & Ladwig, 2018).

Members of Generation Z are adorned with integrity, justice, loyalty, empathy, kindness, care, perseverance, determination, competitive spirit, initiative, openness to new ideas, creativity, curiosity and tolerance (Seemiller & Grace, 2019). However, some studies have shown that members of Generation Z face difficulties due to reduced concentration, attention and memory (Csobanka, 2016), as well as lack of cognitive skills including critical thinking, problem solving, interpersonal relationships and real world (face-to-face) communication (O'Boyle, Atack & Monahan, 2017). During the implementation of human resource management activities, this leads to various difficulties that are particularly noticeable in the field of transferring tacit, specific knowledge from older colleagues who are retiring and which is difficult to share, transfer and adopt digitally (Kick, Contacos-Sawyer & Thomas, 2015). Constant use of the Internet accustoms the brain to short-term, superficial reception of information, without delving into the problem and its essence, while constant multitasking and notifications lead to poor focus on the job, longer time needed for performing tasks and frequent mistakes (Kacer, 2019).

Generation Z preferences are primarily studied in the United Kingdom and the United States. The McKinsey survey conducted on 25,062 Americans includ-

ed 1,763 members of Generation Z. The key findings regarding this generation are that they prefer to work multiple and independent jobs (Dua, Ellingrud, Lazar, Luby & Pemberton, 2022). The Deloitte Global Gen Z and Millennial Survey included 14,808 members of Generation Z from 46 countries across North America, Latin America, Western Europe, Eastern Europe, the Middle East, Africa, and Asia-Pacific. According to the findings, Generation Z members chose to work for their current employer for the following reasons: good work-life balance, opportunities for learning and development, high salary and other financial benefits (Deloitte Global, 2022). Flexibility, peer coaching, teamwork, diversity, work-life balance, development, growth, environmental awareness, strong mentorship, and job rotations are the most important factors for Generation Z when choosing a job, according to the Society for Human Resource Management - SHRM (Horovitz, 2021). Diversity, equality, inclusion, fair and transparent compensation, mental health and mental wellbeing, supportive and flexible organizational culture, and strong work ethics are all important factors for attracting and retaining Generation Z members, according to the Talent Management Institute (2022). Furthermore, more than 90% of Generation Z believes in equality and prefers employers who promote diversity, equity, and inclusion (Schroth, 2019). According to a survey conducted in 2022 among 1,205 Generation Z respondents from the United States, the following factors play an important role when making a decision about employment: salary, work-life balance, significant and challenging work, career promotion opportunities, remote work possibilities, and learning opportunities (Casic, Panselina, Lionatos & Fay, 2022). According to the findings of a survey conducted among 298 members of Generation Z, mostly from Italy, the most important factors when selecting a job are job security, good relationships with colleagues, opportunities for learning and development, trust, and autonomy (Meret, Fioravanti, Iannotta & Gatti, 2018). The World Economic Forum pointed out that Generation Z appreciates the following elements in the workplace: autonomy, creative and entrepreneurial culture, flexibility, diversity (not just race and gender, but also identity and sexual orientation), inclusion, adherence to globally-guided principles, and training for future skills (Bloomgarden, 2022).

Knowledge of the key characteristics, specific traits and affinities of Generation Z is of great importance for employers in order to prepare an appropriate value proposition and build a desirable and attractive employer branding. If employers applied the same value

proposition to all generations of employees, their efforts would not give satisfactory results. In order to position themselves in the right way in the market that will enable to attract and retain talented members of Generation Z in the long term, employers must build and nurture value propositions that will satisfy the needs of this generation.

## **2. EMPLOYER BRANDING, EMPLOYEE VALUE PROPOSITION AND EXPERIENCE OF GENERATION Z IN DIGITAL ECONOMY**

Employers have become aware that members of Generation Z are increasingly active in the labour market and that the future of work is dependent on them. If the characteristics and specifics of this generation are not taken into account when building a successful and desirable employer branding, companies may face numerous difficulties in attracting and retaining talented individuals. By 2030, 20% of the workforce will be members of Generation Z (Larkin et al., 2018).

The fifth industrial revolution (Industry 5.0) and technologies such as the Internet of Things, the Internet of Everything, Big Data, Blockchain, Robotics, Artificial Intelligence, Quantum Computing, Cognitive Technologies, Distributed Cloud etc. lead to digitalization in all spheres of our work and life. Digital economy is changing the overall functioning of any company, enabling employers to build and nurture strong relationship with their target audiences – talented candidates from the labour market and employees (Hess, Matt, Benlian & Wiesböck, 2016). Companies that seek to attract, employ and retain the best candidates in digital economy must prepare an outstanding value proposition and build their employer branding that will create unique employee experience. Modern technology - digital technology, has become the foundation and supporting pillar of all companies operating in today's environment. Companies that apply digital technologies can better understand their customers, employees, business processes, partners, and more easily identify all the areas of improvement (Siderska, 2020). This segment is especially important in the field of employee experience and employer branding.

Employer branding is a set of activities that an employer implements in order to convey a message to current and potential employees that this company is a desirable workplace (Lloyd, 2002). Through

the branding process, the employer strives to achieve better rating in comparison to other employers in the labour market and to create conditions in which existing employees will be satisfied, committed and engaged (Backhaus, 2016). Therefore, employer branding refers to the integration of various elements of the brand into human resource management and requires joint effort of experts from marketing and human resources department.

A strong employer branding leads to increased satisfaction of the existing employees, their commitment and loyalty, desire to spend their entire working life in the given company, while in the recruitment process it facilitates attracting the best candidates from the labour market (Autors, 2019). Candidates from the labour market want to have a unique and unrepeatable experience at their work, good salaries, benefits, a positive work environment, joy and sense of pride and satisfaction. On the other hand, those who are already employed want a sense of “unique journey” through the company starting from the moment they submit their job application to the moment when they leave the company (Morgan, 2017). From the employee perspective, experience is a realistic picture of what it is like to work in a company, while from the employer perspective, experience is everything the company has prepared for employees. Therefore, each company carefully conceives and prepares employee value proposition as a unique set of benefits that employees receive for the knowledge, skills and abilities that they bring to the company. Many companies have positioned employees in the first place, before clients, emphasizing that they are the greatest potential and that satisfied employees are the ones who create satisfied clients (Falcone, 2016; Nayar, 2010). These companies have become aware that in digital economy, individual development and opportunities for advancement, significance of work, stimulating and creative work environment, and trust in leadership are becoming important factors that impact employee experience (World Economic Forum, 2019). Some companies go even further and provide opportunities for job rotation programs during which employees can spend some time at a variety of organizational departments. For example, Boeing offers rotational programs in business, engineering, human resources and information technology where each job rotation provides opportunities for learning, development and networking (Stillman & Stillman, 2017).

Every year, several institutions and organizations publish a list of the best employers. The best employers are those companies that establish trust, open and

pleasant working atmosphere and that have special emphasis on human resource management practices. One of the most important lists is that of “100 Best Employers”, published by the Fortune magazine. According to this list, in 2019 and 2020, the first place was taken by Hilton. The key benefits that Hilton provides to its employees are: work from home, shared work, caring for employees’ children, compressed work week, fitness centre, gym and health centre within the company, non-discriminatory employment policies, health insurance for part-time employees, etc. The management of this company believes that employees will treat customers in the same way as Hilton (as an employer) treats them, which will consequently lead to good business results. In 2021 year, the Cisco Systems took the first place on the list of the best employers. This company paid a special emphasis on employee well-being during Covid-19 and put awareness of employee mental health (Fortune, 2021). The HR Lab and Poslovi.Infostud deal with the examination of branding elements and employer attractiveness in the Republic of Serbia. The Talent X survey from 2022, which included 10,887 participants, revealed that the best employers for job seekers are those that provide financially stable operations, a friendly and pleasant work environment, leaders who respect their colleagues, work-life balance, the possibility for advancement, and a transparent and fair reward system (Poslovi Infostud, 2022).

Understanding and applying the concept of employer branding provides companies with a potential to attract the best talent and enables them to express their full potential, while achieving the company’s goals. Employees who are satisfied with the experience with their employer have a positive impact on their branding - they are the brand ambassadors of the company, they leave positive reviews and recommend their friends and/or family to apply for advertised jobs, etc. In digital economy, employees are encouraged and willing to communicate their work-related experience with others over social media. In that way, employees are becoming co-creators in the process of employer branding.

When designing a value proposition for Generation Z, it is important to point out what makes a company a desirable employer and emphasize what its key values are. In underlining the elements that impact employees’ experience, it is necessary to be guided by the principles of sincerity, openness, simplicity, informality and highlight the key words that members of Generation Z especially value: dynamism, innovation, growth, ambition, friendship, inclusion, diversity and

excitement (ICAEW, 2019). Employers in digital economy will need to understand the behaviour of Generation Z and prepare unique value proposition for it. In recent years, short videos have proven to be a particularly popular method of attracting the attention of generation Z (Perić, Mamula Nikolić & Delić, 2020). For this reason, more and more employers are using short videos on various employment portals, and social and professional networks in which they present their work atmosphere, key values, and culture. Given that this generation is inseparable from their mobile phones, many employers create job advertisements that are optimized and customized for mobile devices and have simple application procedure (ICAEW, 2019). Some employers have gone a step further and have employees who spend full time on employment portals (e.g. Glassdoor) - review comments, respond to them and provide feedback in order to strengthen the employer’s branding and increase its attractiveness (Fromm, 2018). The key challenge for employers is to satisfy the need and expectation of Generation Z regarding customization. Starting from job titles to clear and individualised career path to appraisal and rewarding and much more, Generation Z expects customization according to its preferences (Stillman & Stillman, 2017).

### 3. RESEARCH METHODOLOGY AND SAMPLE DESCRIPTION

This paper poses the following research question (RQ): Which factors impact Generation Z’s decision-making regarding employment?

In order to answer the question, an empirical research was conducted using a specially designed questionnaire consisting of six questions. The first five questions were of demographic nature and related to age, gender, education, employment status, previous experience in volunteer activities and professional practices. The sixth question was formulated in the form of a five-point Likert scale named “Factors influencing the choice of employer” which consisted of 12 factors for which the respondents indicated the extent to which they influence their decision when selecting an employer. Those factors were referring to *economic value* (salary, benefits - paid parking, gym, private health insurance), *development value* (career advancement opportunities, opportunities for personal development, an interesting, significant and challenging job, working with modern technology), *working conditions* (pleasant and interesting working

environment, possibility to work from home, easily accessible company location, work time flexibility), *reputation value* (company reputation - comments on social and professional networks, corporate social responsibility).

Given the fact that the respondents are members of Generation Z, belonging to the most networked generation that predominantly uses mobile phones, tablets and computers, the survey was conducted online. In the period from June 2020 to October 2021, a total of 345 respondents from the Republic of Serbia completed the questionnaire. A review of the completed questionnaires revealed that six of them were not valid because the respondents answered the first few questions of the demographic type. These questionnaires were eliminated from further analysis, leaving 339 valid responses.

The collected responses were analysed using the Statistical Package for Social Sciences - SPSS 21.0. (Armonk, NY: IBM Corporation). The normality of data distribution was tested by reviewing histograms, asymmetry (skewness), flatness (kurtosis), the normal probability curve (Normal Q-Q plot) and rectangular diagrams (boxplot). As the requirements about the normality of data distribution for statistical analyses within the measurement scale were met, parametric statistical techniques were applied. A t-test of different groups was used to examine the differences between the two groups within the measurement scales. In all tests that compared differences between groups, Levene's test for assessing the homogeneity of variance was applied. In all cases, the homogeneity of variance was satisfied ( $p > 0.05$ ).

All respondents who participated in research were from the Republic of Serbia and attended some of the faculties in the field of economy, management, marketing and tourism. Regarding gender, female respondents were dominant, 77.9%, while 22.1% of respondents were male. The youngest respondents who participated in the research were born in 2003, while the oldest respondents were born in 1995. The largest number of respondents was born in 2001 (22.4%), followed by the respondents born in 2000 (21.2%). Out of the total number of respondents, the largest number was unemployed (68.7%), while 14.6% of respondents worked for less than a year, and 9.7% of respondents worked for less than three years. Only 7% of respondents had over three years of work experience. The largest number of respondents volunteered or did internships (59.6%), while 40.4% of respondents did not participate in these activities. When it comes to unemployed respondents (233 of them), 59.7% volunteered and did internships, while 40.3% did not.

#### 4. RESEARCH RESULTS AND DISCUSSION

The five-point Likert scale „Factors influencing the choice of employer“ consisted of 12 factors for which respondents answered from 1 (no influence at all) to 5 (decisive influence) depending on the amount of influence that these factors have on their choice of employer. The Cronbach's Alpha coefficient for the statements given in the Likert scale was 0.89 which

**TABLE 1.** Descriptive statistical analysis for the measurement scale „Factors influencing the choice of employer“

| Factors   | Arithmetic Mean (M) | Standard Deviation (SD) |
|---|---------------------|-------------------------|
| Career advancement opportunities  | 4.64                | 0.73                    |
| Pleasant and interesting working environment  | 4.53                | 0.77                    |
| Opportunities for personal development (continuous improvement and acquisition of new knowledge and skills) | 4.52                | 0.80                    |
| Interesting, significant and challenging job  | 4.45                | 0.85                    |
| Salary amount   | 4.30                | 0.82                    |
| Flexible working hours  | 4.06                | 1.00                    |
| Corporate social responsibility   | 3.94                | 1.07                    |
| Using modern technology at work   | 3.81                | 0.99                    |
| Benefits (paid parking, gym, private health insurance)  | 3.76                | 1.10                    |
| Company reputation (comments on social and professional networks)   | 3.67                | 1.06                    |
| Easily accessible company location  | 3.63                | 1.04                    |
| Possibility to work from home   | 3.44                | 1.21                    |

SOURCE: Authors

indicates a high degree of reliability of the scale and justifies its application.

Table 1 shows descriptive statistics based on the values of arithmetic mean (M) and standard deviation (SD) for each of the offered factors that influence members of Generation Z when choosing an employer.

The three key factors that had the highest arithmetic mean values and the lowest standard deviation values (which indicates that the attitudes of respondents regarding these factors agree the most) are: (1) career advancement opportunities (M=4.64; SD=0.73); (2) pleasant and interesting working environment (M=4.53; SD=0.77); and (3) opportunities for personal development (continuous improvement and acquisition of new knowledge and skills) (M=4.52; SD=0.80). These results are in line with those of other studies. According to Iorgulescu (2016), almost all members of Generation Z underlined career advancement opportunities as their top priority and long term goal. Members of this generation are self-assured, and they have clear expectations from their career goals and desired promotions (Barhate & Dirani, 2022). One respondent from Generation Z stated in a recent study that he „highly appreciates development opportunities and career plans“ that employers offer, and that he „would not mind switching jobs“ until he finds such employer (Nguyen Ngoc, Viet Dung, Rowley & Peji Bach, 2022, p. 7). Those results are not surprising having in mind the fact that members of Generation Z are at the beginning of their career. Their answers are logical because they indicate desire of Generation Z for learning and promotion to better positions. Moreover, the results of a previous similar study conducted among 319 students in the Republic of Serbia showed that students faced the fact that the skills they acquired during studies were not perfectly matched with the skills sought in the labour market. A large number of students (60%) stated that they lacked skills regarding critical thinking, creativity and research (Savić, Drašković, Lazarević & Marković, 2020). Other studies indicated that members of Generation Z want to start from elementary levels in the company with the aim to learn how the company functions overall (Gomez et al., 2020). However, there are also authors who point out that members of Generation Z want rapid progress, and that they are often unrealistic and impatient in that desire (Rzemieniak & Wawer, 2021).

Arithmetic mean greater than 4 was given to factors related to: interesting, significant and challenging job (M=4.45; SD=0.85), salary amount (M=4.30; SD=0.82), and flexible working hours (M=4.06;

SD=1.00). The findings are consistent with findings from other studies that show Generation Z prefers jobs that provide an interesting and friendly work environment, good salary, and flexible working hours (Barhate & Dirani, 2022; Nguyen Ngoc et al., 2022). Furthermore, other studies have found that Generation Z prefers autonomy, skill variety, and meaningful tasks, and that there is a strong likelihood that this generation will retain these jobs in the long term (Popaitoon, 2022). It is interesting to point out that salary amount occupies the fifth position (according to arithmetic mean). Considering the key characteristics of Generation Z, this result is not surprising. Generation Z is not primarily oriented to money and material values, it prefers opportunities for personal development and progress. According to other studies, salary is not the primary motivator for Generation Z to accept or remain in a job if other conditions are not met (Barhate & Dirani, 2022). For example, if members of Generation Z have the choice between a better salary for a boring job or an interesting job with not such a high salary, they will prefer the second option (Gomez et al., 2020). The sixth position in terms of the arithmetic mean value is occupied by flexible working hours. Members of Generation Z tend to be the owners of their time and to manage their working hours in accordance with other obligations and affinities. They do not want to be tied to strictly defined working hours and they want to be able to work from any location at any time. In digital economy, modern technologies and tools provide a lot of possibilities for flexible working hours and remote work. As a result, Generation Z will be able to establish and nurture work-life balance and low level of stress (Evans-Reber, 2021).

Other factors to consider include corporate social responsibility activities, which are becoming increasingly important for members of Generation Z when making employment decisions (Bielen & Kubiczek, 2020). Organizations that engage in corporate social responsibility have a greater chance of positively influencing Generation Z's intention to apply for jobs (Nguyen Ngoc et al., 2022). Working with modern technologies is another important consideration of Generation Z when choosing a job. Other studies that involved Generation Z had similar findings, demonstrating that this generation dominantly relies on technology for work, learning and socialization (Barhate & Dirani, 2022).

The research findings of this paper are consistent with those of other studies conducted in the region. According to a study of 235 Generation Z students

in Slovakia, the most important motivators are enjoyment at work, good relationships with co-workers, and achievement of goals, followed by work-life balance, flexibility of working hours, and job security (Kirchmayer & Fratirová, 2020). A study which involved 212 Slovenian and 159 Lithuanian students from Generation Z revealed that this generation prefers self-direction, hedonistic satisfaction of their needs, and is highly oriented to achieve the greatest accomplishments at the workplace (Nedelko, Peleckien, Peleckis, Peleckis, Lapinskien & Potocan, 2022). Some studies on the expectations of Generation Z at work were also conducted in Croatia. According to their findings, students value work conditions and challenging jobs that have a positive impact on the society (Wüst & Šimić, 2017). In the Czech Republic, members of Generation Z value autonomy in their work, independence, and the development of their individual competencies (Kubátová, 2016).

For further analysis, it is useful to examine whether there are statistically significant differences in the responses given by employed and non-employed respondents, as well as among respondents who volunteered/performed internships and those who did not. T-test was used for this purpose. The results of the t-test did not show statistically significant differences between respondents who are employed and those who are not  $t_{(399)} = 0.367$ ;  $p = 0.714$ ;  $p < 0.01$ ; as well as between respondents who volunteered/performed internships and those who did not  $t_{(399)} = 1.543$ ;  $p = 0.124$ ;  $p < 0.01$ .

Furthermore, it is useful to examine the impact of gender on Generation Z's attitudes. Using t-test, it was found that there are statistically significant differences between male and female respondents  $t_{(399)} = 3.299$ ;  $p = 0.001$ ;  $p < 0.01$ . The magnitude of the impact ( $\eta^2$ ) is 0.0312 which is small impact and essentially means that 3.12% of the variance can be explained by gender. A more detailed analysis by the Mann-Whitney U test showed that statistically significant differences were present in factors related to easily accessible company location ( $M_{\text{male}} = 3.40$ ;  $M_{\text{female}} = 3.78$ ) and possibility to work from home ( $M_{\text{male}} = 3.29$ ;  $M_{\text{female}} = 3.53$ ). Female respondents have highlighted these factors as having greater importance when making a decision about employer. This result is not surprising given the fact that women predominantly take care of family and children and that these factors are of great importance for their work-life balance. According to the McK-insey survey, it is especially important to have easy access to transportation from home to work and vice versa (Dua et al., 2022). That way, members of Gen-

eration Z can easier manage their work-life balance. Furthermore, according to an Ernst and Young (2016) study, 65% of women want flexible working hours, while 63% of men do as well.

## 5. KEY RECOMMENDATIONS FOR EMPLOYER BRANDING

A scientific and professional consensus has not yet been reached on a universal set of desirable employer brand characteristics, despite the fact that the numerous studies presented in this paper have been conducted with the aim to identify employer branding factors that are valuable for the attraction and retention of Generation Z members (Barjaktarović, Cicvarić Kostić & Kostić-Stanković, 2022). The future of the labour market will undoubtedly be more dependent on this generation, which has unique and high expectations regarding employee experience (Staglin, 2022). For that reason, employers must be prepared to meet this generation's needs and interests. Based on the results obtained in this research, certain conclusions can be drawn for employers who are trying to attract the best talents of Generation Z from the labour market and retain them in the long term. Those conclusions can be summarized in the following:

- 1) Employers must be prepared to provide all the necessary assistance and support to members of Generation Z in their career progress. One of the most common recommendations for employers is to provide a clear and personalized career path plan for Generation Z. Career path plan is valuable because it lets members of Generation Z know what job requirements are for each position so they can make plans about their knowledge, skills, experience, promotion.
- 2) Employers must establish and nurture pleasant and interesting working environment in which members from Generation Z can freely express their opinions, show their creativity and leave their personal mark. Generation Z especially value the freedom to openly discuss some work related issues or problems, without fear and judgment.
- 3) Employers need to provide to Generation Z various opportunities for personal development through continuous improvement of the existing and the acquisition of new knowledge and skills. Digital economy requires from employees: new mental model which is oriented toward continuous learning, a culture of lifelong learning, digital-

ly oriented learning, and personalized approach to learning (World Economic Forum, 2019).

- 4) Employers need to design a job in such a way that will enable members of Generation Z to perform activities and tasks that are meaningful, significant, challenging and creative. Due to development and massive usage of new technological solutions, it is possible to automate all repetitive, monotonous, rule-based and standardised tasks and activities and free up employees to perform complex, non-routine and non-standardized tasks with more significance and added value.
- 5) Employers need to offer competitive salary to members of Generation Z and to fairly and transparently evaluate and reward their effort and results. Generation Z prefers transparent and fair evaluation and feedback, as well as rewarding system.
- 6) Employers need to provide flexible working hours to members of Generation Z, due to their key characteristics and needs to be the owners of their time and to successfully manage their private obligations and work.
- 7) Employers must take into consideration that Generation Z is highly aware of ecology and socially responsible behaviour. As a result, it is essential to build a reputation as an environmentally friendly and green employer in order to attract and retain members of this generation.
- 8) Employers need to provide to Generation Z modern technologies and tools for work. This generation is largely oriented toward new technological solutions and their usage to help them perform their work in the best possible way.

All of the aforementioned activities are interconnected and intertwined. With combined and coordinated approach, these activities can largely contribute to the branding of a desirable employer for Generation Z, not only in terms of their attraction, but also for the purpose of long term retention. The key message for employers who need to prepare adequate value propositions for Generation Z is to fully understand this generation's characteristics and its top employment priorities. However, each member of this generation is unique, and employer value proposition should be more personalized.

## 6. CONCLUSION

Every generation of employees has different needs and attitudes regarding working conditions and the employer they want to work for. The entry of Generation Z into the labour market in the time of the fifth industrial revolution and digital economy requires adequate preparation of employers and human resource management practices to meet their needs and expectations. This paper points out the key characteristics and traits of Generation Z, which is becoming increasingly active in the labour market. The results of the empirical study which included 339 members of Generation Z from the Republic of Serbia showed that the three key factors influencing the choice of an employer are: career advancement opportunities, pleasant and interesting working environment, and opportunities for personal development (continuous improvement and acquisition of new knowledge and skills).

The contribution of this paper lies in the fact that its research results may be valuable to those employers who are building their brand and who are focused on rejuvenating the structure of their employees. Studies on Generation Z up until now have focused mostly on their usage of various social networks and digital technologies, as well as their buying habits and preferences. For that reason, the contribution of this paper may be found in the key guidelines and directions that should be followed in attracting and retaining members of Generation Z in digital economy. Furthermore, the paper presents certain negative characteristics of this generation (reduced level of focus, attention and memory, insufficiently developed cognitive skills including critical thinking, problem solving, interpersonal relationships and face-to-face communication) which is a signal for employers to pay attention to these characteristics and to eliminate and/or reduce them through human resource management activities and practices.

The conducted research has certain limitations, primarily in terms of the sample size and the fact that the Covid-19 pandemic has greatly influenced the attitudes and values of Generation Z. In this regard, it is recommended that future studies on this topic include a larger number of respondents and take into account the effects of the Covid-19 pandemic, as well as a number of possible factors influencing the choice of their employer. Given the fact that this research shows statistically significant differences in individual responses between male and female respondents, it would be useful to examine and analyse this impact thoroughly in future research.

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## Apstrakt:

### Brendiranje poslodavaca i predlog vrednosti za generaciju Z u digitalnoj ekonomiji

Jelena Lukić Nikolić, Snežana Lazarević

Svaka generacija ima potrebe, motivatore, želje, nastojanja, stavove i vrednosti po kojima se razlikuje i koji je čine specifičnom i posebnom. Generacija Z sve više ulazi na tržište rada i počinje da traži za sebe idealnog poslodavca kod kojeg će imati jedinstveno iskustvo i optimalan predlog vrednosti. Pripadnici generacije Z imaju određene specifičnosti i karakteristike koje ih čine drugačijim u poređenju sa drugim generacijama. Poslodavci koji grade brend uspešnog i poželjnog poslodavca u doba digitalne ekonomije moraju da uzmu u obzir ove specifičnosti i karakteristike kako bi privukli i dugoročno zadržali pripadnike generacije Z. Rezultati empirijskog istraživanja u kojem je učes-

stvovalo 339 pripadnika generacije Z iz Republike Srbije pokazali su da su tri ključna faktora koja utiču na odluku o izboru poslodavca: mogućnost za napredovanje u karijeri, prijatno i interesantno radno okruženje i mogućnost za lični razvoj (stalno usavršavanje postojećih i sticanje novih znanja i veština). Sprovedeno istraživanje pruža značajne smernice na osnovu kojih poslodavci mogu na bolji način da koncipiraju predlog vrednosti za pripadnike generacije Z i grade brend poželjnog poslodavca.

**Ključne reči:** *brend poslodavca, generacija Z, motivacija, iskustvo zaposlenih, digitalna ekonomija*

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