

The Effect of E-Recruitment Effectiveness, Compensation, and Career Development on Job Application Interest Among Generation Z in Medan, with Company Reputation as an Intervening Variable

Wanda Anisya Putri^{1*}, Yeni Absah², Beby Karina Fawzee Sembiring³
Master of Management Science, Faculty of Economics and Business
Universitas Sumatera Utara

Corresponding Author: Wanda Anisya Putri wandaanisyap@gmail.com

ARTICLE INFO

Keywords: E-Recruitment, Compensation, Career Development, Corporate Reputation, Job Application Interest

Received : 4, March

Revised : 26, March

Accepted: 27, April

©2025 Putri, Absah, Sembiring: This is an open-access article distributed under the terms of the [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

Unemployment among Generation Z has become a critical issue requiring special attention. According to the National Labor Force Survey as of February 2024, approximately 3.6 million Generation Z were unemployed. Compared to Indonesia's total open unemployment of 7.2 million people, Generation Z accounts for about 50% of the total unemployment. This study analyzes the effect of E-recruitment, compensation, and career development on job application interest among Generation Z in Medan, with company reputation as an intervening variable. A quantitative approach was employed, involving 398 final-year students from public universities in Medan. Data were collected through questionnaires and analyzed using SEM-PLS. The results indicate that the most influential variable is company reputation, followed by career development, E-recruitment, and, lastly, compensation. Additionally, company reputation mediates the relationship between E-recruitment, compensation, and career development with job application interest. This study provides recommendations for enhancing the effectiveness of E-recruitment, compensation, career development, and company reputation.

INTRODUCTION

Unemployment among Generation Z has become an important issue that requires special attention. Many new graduates from this generation face significant challenges in entering the job market. According to data from the National Labor Force Survey as of February 2024, there were 3.6 million Gen Z individuals aged 15 to 24 who were unemployed. When compared to the total number of people living in open poverty in Indonesia, which reached 7.2 million, Gen Z represents around 50 percent of the total open poverty rate in the country. According to Shalahuddin et al. (2022), one of the factors contributing to the rise in the unemployment rate is the interest in applying to companies. The rise of Generation Z poses new challenges to organizational management practices, one of which is the process of attracting Gen Z to apply for jobs and work at their companies. Therefore, it's crucial for companies to understand what motivates candidates to apply, especially among Generation Z.

As the first generation to grow up in the digital era, Gen Z is known for being more creative and innovative compared to previous generations. They have a high ability to adapt to technology, strong social awareness, and great concern for environmental issues and mental well-being. These advantages present great potential for their contribution to national development, particularly in supporting Indonesia's vision of "Indonesia Emas 2045."

Based on interviews with 10 job seekers regarding the factors influencing their decision to apply for a job, 9 out of 10 respondents stated that they were interested in applying for a job with a competitive offer, 8 out of 10 indicated that they were interested in applying to a company that provides opportunities for employee development, 5 out of 10 stated that they were interested in a company with a good work environment, 3 out of 10 expressed interest in a company with an efficient process, and 1 out of 10 said that they would apply to a company that cares about the surrounding environment.

The purpose of this study was to analyze the factors that influence the job application interest of Generation Z in Medan City.

LITERATURE REVIEW

E-Recruitment

The purpose of this study was to analyze the factors that influence the job application interest of Generation Z in Medan City. According to Shalahuddin et al. (2022), online recruitment refers to the online-based advertisement of job vacancies and the use of an online-based recruitment process to attract potential applicants. Purnomo, as cited in the journal by Alhamad et al. (2022), states that E-recruitment is recognized as a product of technological advancement that has significantly enhanced organizational recruitment practices. When implemented appropriately, this system has the potential to be effectively adopted by organizations of all types, challenging the presumption that its advantages are limited to certain kinds of companies. Accordingly, the following hypotheses are formulated: hypotheses 1: Online recruitment has a positive and significant effect on job application interest ; hypotheses 5: Online recruitment has a positive and significant effect on company reputation ; hypotheses 8: Online recruitment has

a positive and significant effect on job application interest through company reputation.

Compensation

According to Candra & Rahmat (2022), compensation refers to the financial rewards received by individuals through their employment relationship with an organization. Compensation is a form of added value for individuals who demonstrate good performance by continuously improving the quality and quantity of work (Septiani et al., 2024). Accordingly, the following hypotheses are formulated: hypotheses 2: Compensation has a positive and significant effect on job application interest. hypotheses 6: Compensation has a positive and significant effect on company reputation; hypotheses 9: Compensation has a positive and significant effect on job application interest through company reputation.

Career Development

According to research by Rinadra et al. (2023), career development is a process aimed at improving employee skills and encouraging them to achieve better performance in pursuing their desired career. Career development is also a process that manages individual growth through learning that takes place in the workplace (Hulu, 2024). Accordingly, the following hypotheses are formulated: hypotheses 3: Career development has a positive and significant effect on job application interest ; hypotheses 7: Career development has a positive and significant effect on company reputation. hypotheses 10: Career development has a positive and significant effect on job application interest through company reputation.

Corporate Reputation

According to Maaloul et al. (2023), Company reputation functions as a key indicator for evaluating a firm's perceived credibility, accountability, trustworthiness, and reliability. It reflects the collective perception shaped by the company's past actions, serving as a meaningful predictor of its future performance relative to its competitors (Singh & Misra, 2021). Drawing on these considerations, the researcher formulates the following hypothesis: hypothesis 4: Company reputation has a positive and significant effect on job application interest.

Based on the literature review and prior research, a conceptual framework has been developed to illustrate the relationships among the variables in this study. The framework consists of three independent variables, E-recruitment (X1), compensation (X2), and career development (X3). The dependent variable is job application intention, while company reputation (Y) serves as the intervening variable.

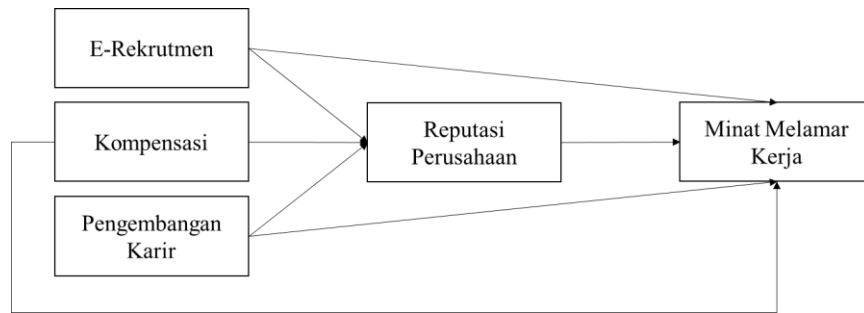


Figure 1. Conceptual Framework

METHODOLOGY

The population in this study consisted of students from state universities in Medan City, totaling 109,656. To determine the sample size from the population of 109,656 students, the Slovin formula was applied. A total of 398 samples were selected from the entire population. Since the population in this study was heterogeneous, the Quota Sampling technique was used. The data analysis used was SEM-PLS Version 4.1.

RESEARCH RESULT

Descriptive Analysis Results

According to Sugiyono (2019), descriptive statistics are employed to provide a comprehensive overview of the data utilized in the study, primarily through the analysis of mean values. This statistical approach facilitates clearer and more accessible interpretation of the data. The table presents a range of frequency-related information, including percentages, as well as minimum, maximum, and average values, all derived from the responses collected from participants.

Table 1. Mean RangeScore

Interval Mean	Category
1,00-1,79	Very Low
1,80-2,59	Low
2,60-3,39	Moderate
3,40-4,19	High
4,2-0-5,00	Very High

The presentation of the respondents' answers illustrates the distribution of their responses to the questions posed in the questionnaire. The following section outlines how respondents' answers are distributed across the examined variables. The subsequent section presents the distribution of respondents' responses in relation to the variables under study is E-Recruitment (X1), Compensation (X2), Career Development (X3), Corporate Reputation (Z), and Intention to apply a job (Y). The frequency of respondents' answers can be seen in the table as follows:

Table 2. Descriptive Analysis

No	Variable	Mean	Category
1	E-Recruitment	2.91	Moderate
2	Compensation	3	Moderate
3	Career Development	3.10	Moderate
4	Corporate Reputation	3.14	Moderate
5	Intention to apply a job	3.13	Moderate

The E-Recruitment variable has an overall mean score of 2.91, which falls within the "moderate" category. Similarly, the Compensation variable recorded a mean score of 3.00, also categorized as "moderate". The Career Development variable yielded an overall mean of 3.10, while the Company Reputation variable reached a mean of 3.14 – both of which are considered "moderate." Lastly, the Job Application Intention variable achieved a mean score of 3.13, likewise falling into the "moderate" category.

Hypothesis Test Results

The path model serves as a visual tool to depict the proposed hypotheses and the interrelationships among variables within the framework of Structural Equation Modeling (SEM) (Hair et al., 2021). Hypothesis testing is carried out using the Partial Least Squares (PLS) method, which includes the assessment of both direct and indirect effects. The outcomes of this analysis are detailed in the table below.

Table 3. Summary of Hypotheses

Hypotheses		Finding	Types
H1	Online recruitment has a positive and significant impact on the interest in applying for jobs among Generation Z in companies.	Accepted	-
H2	Compensation has a positive and significant effect on the interest in applying for work among Generation Z in the company.	Accepted	-
H3	Career development has a positive and significant effect on the interest in applying for work among Generation Z in the company.	Accepted	-
H4	Corporate Reputation has a positive and significant effect on the interest in applying for work among Generation Z in the company.	Accepted	-
H5	Online recruitment has a positive and significant impact on company reputation.	Accepted	-
H6	Compensation has a positive and significant impact on company reputation.	Accepted	-

H7	Career Development has a positive and significant impact on company reputation.	Accepted	-
H8	Online recruitment has a positive and significant effect on the interest in applying for jobs among Generation Z in companies through company reputation.	Accepted	Partial mediation
H9	Compensation has a positive and significant effect on the interest in applying for jobs among Generation Z in companies through company reputation.	Accepted	Partial mediation
H10	Career development has a positive and significant effect on the interest in applying for jobs among Generation Z in companies through company reputation.	Accepted	Partial mediation

DISCUSSION

The Influence of E-Recruitment on Job Application Interest

The results of the study show that online recruitment has a positive and significant effect on job application interest, with a path coefficient value of 0.219, a p-value of 0.002 (<0.05), and an F-Square value of 0.139. This indicates that the online recruitment variable significantly affects job application interest.

A company's ability to attract exceptional workers has become crucial to its success (Chi et al., 2018). As society continues to evolve, marked by technological growth, the recruitment process has shifted from conventional methods to digital methods, now referred to as online recruitment (Kaur & Kaur, 2022). By leveraging technological advancements in the recruitment process, companies gain a competitive edge in acquiring potential employees. Perceived usefulness and perceived ease of use of a technology directly impact the decision to adopt a specific technology-based application (Budhijana, 2022). According to Handi and Safitri (2023), Shalahuddin et al. (2022), and Junaedi et al. (2024), online recruitment influences job application interest.

The Influence of Compensation on Job Application Interest

The results of the study indicate that compensation has a positive and significant effect on job application interest, with a path coefficient value of 0.135, a p-value of 0.002 (<0.05), and an F-Square value of 0.026. While the results are relatively small, they suggest a meaningful relationship between the two variables in online recruitment. Based on the findings, companies that offer compensation increase job application interest, particularly among Generation Z.

Gerhart & Rynes (1991) state that elements of the salary negotiation process ultimately influence prospective employees' decisions to accept or reject job offers. It can be concluded that compensation is a key factor influencing an individual's interest in applying for a job at a company. This is consistent with the research of Makrufa and Saibat (2024) and Fatimah et al. (2021), which found that compensation influences job application interest.

The Influence of Career Development on Job Application Interest

The results of the study show that career development has a positive and significant effect on company reputation, with a path coefficient value of 0.223, a p-value of 0.005 (<0.05), and an F-Square value of 0.241. The findings demonstrate a significant association between the two variables

According to Elbendary et al. (2024), one of the organizational attributes that differentiates companies in the minds of prospective employees is offering career development opportunities, which provide both economic and psychological benefits. Similarly, research by Gandasari et al. (2024) found that Generation Z is interested in companies that offer promising career prospects, as they see joining a particular organization as an opportunity to accelerate their career advancement. This is an important consideration in their decision-making process.

The Influence of Corporate Reputation on Job Application Interest

The results of the study show that company reputation has a positive and significant effect on job application interest, with a path coefficient value of 0.615, a p-value of 0.000 (<0.05), and an F-Square value of 0.282. These results indicate a meaningful relationship between the two variables.

This finding aligns with research by Junça Silva & Dias (2022), which states that the perception candidates form about a company's image or reputation, based on available organizational information, influences their decision to apply. Corporate reputation is a crucial concern for companies, as it contributes to improved performance, competitive advantage, and alignment with company policies (Wang, 2006; Lewis, 2001). According to the research by Komadi et al. (2015), company reputation, compensation, and work environment partially have a positive and significant influence on job application interest

Online Recruitment Has a Positive and Significant Influence on Company Reputation

The results of the study show that online recruitment has a positive and significant influence on company reputation, with a path coefficient value of 0.298, a p-value of 0.000 (<0.05), and an F-Square value of 0.205. Although the influence is relatively small, these results indicate a meaningful relationship between the two variables. According to research by Nikmah et al. (2018), online recruitment reflects the company's adaptation to changing recruitment trends, combining the principles of marketing, human resource management, and branding to achieve full effectiveness in the recruitment process.

Companies that implement a strong recruitment system gain a competitive advantage, as they are able to recruit prospective employees who align well with their needs (Ekhsan, 2022). Research by Lyas et al. (2022) suggests that a competitive advantage can improve a company's reputation. The better the online recruitment process within the company, the greater the competitive advantage, which in turn positively impacts the company's reputation.

Compensation Has a Positive and Significant Influence on Company Reputation

The results of the study show that compensation has a positive and significant influence on company reputation, with a path coefficient value of 0.241, a p-value of 0.000 (<0.05), and an F-Square value of 0.223. These results indicate a meaningful relationship between the two variables. A number of contextual elements that affect how Generation Z perceives a company's reputation can be blamed for the comparatively low path coefficient value.

According to Pratama & Rahyuda (2018), one of the factors that can enhance a company's reputation is salary negotiation. Moran (2019) asserts that salary increases for employees influence positive public attitudes, leading to an improved company reputation. When companies offer fair, competitive compensation that aligns with employee contributions, it increases loyalty, motivation, and job satisfaction, thereby fostering a positive work environment.

Career Development Has a Positive and Significant Influence on Company Reputation

The results of the study show that career development has a positive and significant influence on company reputation, with a path coefficient value of 0.709, a p-value of 0.000 (<0.05), and an F-Square value of 0.251. These results indicate a meaningful relationship between the two variables. Career development is a key factor in building a company's reputation, especially in the eyes of Generation Z. For this young generation, aspects of personal and professional development are highly valued, and companies that provide clear career opportunities and ongoing development programs will be viewed more positively. Generation Z tends to seek jobs that not only offer competitive salaries but also opportunities to learn, develop, and achieve long-term career goals.

Generation Z is a generation motivated by career development. According to research by Ma & Fang (2023), it is crucial for companies to enhance their understanding of career development for Gen Z. Companies that offer opportunities for employees to develop through training, development programs, and clear career paths demonstrate their commitment to individual and professional growth. This not only increases employee loyalty and satisfaction but also creates a positive image in the job market, attracting quality talent eager to join a company that cares about their career future. Similarly, research by Dai et al. (2022) emphasizes that career development is an important factor influencing a company's reputation.

The Partial Mediation Role of Company Reputation in the Influence of Online Recruitment on Generation Z Job Application Interest in Medan City

With a path coefficient value of 0.183 and a p-value of 0.000, the study's findings show that online hiring significantly and favorably influences Generation Z's interest in applying for jobs in Medan City through firm reputation. Corporate reputation plays a partial mediating function in this relationship, which means that while the direct impact of online hiring on Generation Z's interest in applying for jobs is still substantial, some of the effect is also mediated by the improvement of corporate reputation. This finding is consistent with study by Allden & Harris (2013), which claims that online hiring

is crucial for improving a company's reputation as well as drawing in prospects by making the process enjoyable. Similarly, Ekanayaka & Gamage (2018) assert that online recruitment offers numerous benefits, not only in terms of cost efficiency but also in improving the company's image, thereby attracting competent candidates.

The Partial Mediation Role of Company Reputation in the Influence of Compensation on Generation Z's Job Application Interest in Medan City

The study's results indicate that compensation has a positive and significant impact on Generation Z's job application intention in Medan City through the intermediary of company reputation, with a path coefficient of 0.025 and a p-value of 0.000. The role of company reputation as a mediator in this relationship is partial, meaning that part of the influence of compensation on Generation Z's job application intention is channeled through the enhancement of company reputation, while the direct effect remains statistically significant. This finding aligns with the research by Lesmono & Widhianto (2024), which proposes that a stronger company reputation can mediate the effect of compensation on Generation Z's job application intention. Furthermore, compensation plays a vital role in attracting, retaining, and motivating both potential and current employees (Fatimah et al., 2021).

The Partial Mediation Role of Company Reputation in the Influence of Career Development on Generation Z's Job Application Interest in Medan City

With a path coefficient of 0.435 and a p-value of 0.000, the study's results show that career growth significantly and favorably affects Generation Z's intention to apply for jobs in Medan City by way of corporate reputation. In this relationship, company reputation serves as a partial mediator, which means that while the direct influence of career development on Generation Z's intention to apply for jobs is still significant, some of the impact is mediated through the improvement of corporate reputation. This finding is in line with study by Lesmono & Widhianto (2024), which contends that the relationship between career development and Generation Z's inclination to apply for jobs is mediated by business reputation.

CONCLUSIONS AND RECOMMENDATIONS

The results of the analysis indicate that all examined variables, E-recruitment, compensation, career development, and company reputation significantly influence job application intention. Among these, company reputation emerges as the most influential factor, suggesting that applicants place high value on the perceived image and credibility of a company when deciding whether to apply. This is followed by career development opportunities, E-recruitment practices, and, lastly, compensation. Furthermore, in examining the factors that influence company reputation itself, the findings reveal that career development plays the most prominent role, followed by E-recruitment, with compensation exerting the least influence. These results highlight the importance of strategic investment in career development

initiatives and employer branding to enhance both organizational reputation and applicant interest.

ADVANCED RESEARCH

Exploring contextual factors such as e-recruitment, compensation and career development that influence the relationship between job application intention and company reputation.

REFERENCES

- Allden, N., & Harris, L. (2013). Building a positive candidate experience: towards a networked model of e-recruitment. *Journal of Business Strategy*, 34(5), 36–47. <https://doi.org/10.1108/JBS-11-2012-0072>
- Ekanayaka, E., & Gamage, P. (2018). The Effect of Value Creation on Student Satisfaction in Higher Education Institutions in Lebanon. *International Journal of Managerial Studies and Research*, 6(6). <https://doi.org/10.20431/2349-0349.0606003>
- Ekhsan, M. (n.d.). *The Effect of E-recruitment on Interest in Applying for Jobs with Company Reputation as a Mediation Variable*. <http://e-journal.stie-kusumanegara.ac.id>
- Elbendary, I., Elsetouhi, A. M., Marie, M., & Aljafari, A. M. (2024). A mixed-methods approach for the relationship between organizational attributes, reputation, employer brand and intention to apply for a job vacancy. *Personnel Review*, 53(5), 1244–1268. <https://doi.org/10.1108/PR-03-2021-0188>
- Fatimah, S., Kusniawati, A., & Abdul Kader, M. (2021). *Pengaruh Reputasi Perusahaan Dan Kompensasi Terhadap Minat Melamar Kerja (Studi pada PT. Gojek Indonesia Cabang Tasikmalaya)* (Vol. 3, Issue 2).
- Gandasari, D., Tjahjana, D., Dwidienawati, D., & Ichsan, M. (2024). How to attract talents? The role of CSR, employer brand, benefits and career development. *Cogent Business & Management*, 11(1). <https://doi.org/10.1080/23311975.2024.2323774>
- Gerhart, B., & Rynes, S. (1991). Determinants and Consequences of Salary Negotiations by Male and Female MBA Graduates. *Journal of Applied Psychology*, 76(2), 256–262. <https://doi.org/10.1037/0021-9010.76.2.256>
- Hulu, F., Z. Y., W. M. H., O. M., & A. P. F. (2024). Pengaruh Pengembangan Karir, Hubungan Kerja Dan Motivasi Kerja Terhadap Kepuasan Kerja Karyawan. *Jurnal Ilmiah Edunomika*, 8(2).

- Ilyas, M. F., Zulkifli, Z., & Derriawan, D. (2022). Strategi Keunggulan Bersaing Dalam Meningkatkan Reputasi Perusahaan (Studi Kasus Kimia Farma Apotek Di Kota Depok Dan Bogor). *Jurnal Manajemen DIVERSIFIKASI*, 2(2), 529–549. <https://doi.org/10.24127/diversifikasi.v2i2.2002>
- Junça Silva, A., & Dias, H. (2022). The relationship between employer branding, corporate reputation and intention to apply to a job offer. *International Journal of Organizational Analysis*, 31(8), 1–16. <https://doi.org/10.1108/IJOA-01-2022-3129>
- Lesmono, P., & Widhianto, C. W. (2024). The influence of remuneration, work environment, and career development on Generation Z's job application intention mediated by company reputation. *Indonesian Journal of Multidisciplinary Science*, 3(12).
- Ma, K., & Fang, B. (2023). Exploring Generation Z's expectations at future work: the impact of digital technology on job searching. *European Journal of Training and Development*. <https://doi.org/10.1108/EJTD-05-2023-0076>
- Maaloul, A., Zéghal, D., Ben Amar, W., & Mansour, S. (2023). The Effect of Environmental, Social, and Governance (ESG) Performance and Disclosure on Cost of Debt: The Mediating Effect of Corporate Reputation. *Corporate Reputation Review*, 26(1), 1-18. <https://doi.org/10.1057/s41299-021-00130-8>
- Moran, N. (2019). Examining attitudes on pay for low level workers: do consumers care? *Journal of Consumer Marketing*, 36(1), 136–145. <https://doi.org/10.1108/JCM-03-2018-2593>
- Nikmah, F., Hasan, H., & Ainie, L. N. (2018). Analisis Prosedur Rekrutmen Dalam Upaya Pemenuhan Tenaga Kerja. *Adbis: Jurnal Administrasi Dan Bisnis*, 12(1), 46. <https://doi.org/10.33795/j-adbis.v12i1.40>
- Pratama, O. S., & Rahyuda, A. G. (2018). Pengaruh Keadilan Proses Seleksi Dan Negosiasi Gaji Terhadap Daya Tarik Organisasi Dengan Reputasi Perusahaan Sebagai Variabel Mediasi. *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*, 1135. <https://doi.org/10.24843/EEB.2018.v07.i04.p08>
- Rinadra, M., Fauzi, A., Galvanis, W. J., Unwalki, J., Satria, M. A. H., & Darmawan, I. (2023). Analisis Manajemen Talenta, Pengembangan Karir, dan Pengembangan Talenta Terhadap Kinerja Karyawan (Tinjauan Literatur). *Jurnal Ilmu Manajemen Terapan*, 4(6), 753–767.
- Septiani, S., Senoaji, F., Maghfirah, N., Martha, D., Agustina, A., Solihat, I., & Chandra, F. (2024). *Manajemen Kompensasi*. Sada Kurnia Pustaka.

- Shalahuddin, S., Sari, M. F., & Hidayat, N. (2022). Peran Kompensasi dan E-Recruitment: Analisis Minat Melamar Pekerjaan Pada Calon Karyawan/Pegawai Generasi Millennial. *At-Tadbir: Jurnal Ilmiah Manajemen*, 6(1), 66. <https://doi.org/10.31602/atd.v6i1.6088>
- Singh, K., & Misra, M. (2021). Linking Corporate Social Responsibility (CSR) and Organizational Performance: the moderating effect of corporate reputation. *European Research on Management and Business Economics*, 27(1), 100139. <https://doi.org/10.1016/j.iedeen.2020.100139>