



Attracting Talent: The Role of Employer Prestige in the Green Employee Relation and Job Pursuit Intention Relationship

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Article Info:

Article history:

Received: May 23, 2026

Revised: June 18, 2026

Accepted: June 24, 2026

Available Online: September 10,
2026

Keywords:

Employers Prestige; Green
Employee Relations; Job Pursuit
Intention; Talent Acquisition



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Abstract

Background: The global job market is increasingly shaped by environmental values and generational expectations. Organizations are compelled to adopt Green Human Resource Management (GHRM) practices, particularly Green Employee Relations (GER), to meet the sustainability-oriented aspirations of Generation Z job seekers.

Objective: This study examines the impact of Green Employee Relations practices on undergraduate students' Job Pursuit Intention, with Employer Prestige acting as a mediating factor.

Methods: Using a quantitative, cross-sectional design and Partial Least Squares Structural Equation Modeling (PLS-SEM), data were collected from students at a private university in Yogyakarta.

Results: The findings indicate that while Green Employee Relations does not directly influence Job Pursuit Intention, it significantly affects Employer Prestige, which in turn positively influences Job Pursuit Intention. Consequently, Employer Prestige mediates the relationship between Green Employee Relations and Job Pursuit Intention. These results suggest that sustainability-driven initiatives enhance organizational reputation among environmentally conscious Generation Z job seekers.

Conclusion: This study contributes to the literature on green organizational behavior and provides practical insights for employers and higher education institutions. By aligning human resource policies with the global green transition, organizations can improve employer prestige and more effectively attract future talent within a competitive labor market.

To cite this article: Pramusiwi, A. D., Handoko, D. W., Wardhana, D. Y., & Setiadi, N. S. (2026). Attracting talent: The role of employer prestige in the green employee relation and job pursuit intention. *INKUBIS: Jurnal Ekonomi dan Bisnis*, 8(2), 1748-1755. <https://doi.org/10.59261/inkubis.v8i2.319>

INTRODUCTION

The global job market is shifting, with job seekers increasingly valuing organizational reputation and environmental commitment alongside financial compensation (Epstein, 2018). Sustainability has become a key recruitment factor, especially for Generation Z, who prioritize meaningful work aligned with personal values such as sustainability and social responsibility (Kim et al., 2025). Employer prestige plays a crucial role in attracting qualified graduates, as it enhances a company's attractiveness and influences job seekers' decisions. According to Schaarschmidt (2021), a company's reputation not only strengthens its image but also significantly impacts job pursuit intentions and employee retention decisions.

Sustainability is increasingly crucial in HRM practices, with organizations now expected to demonstrate commitment to green management. Human resources play a key role in driving

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business transformation, and green human resource management (GHRM) practices offer a strategic tool for gaining a sustainable competitive advantage (Faisal, 2020; Shrotryia & Dhanda, 2019). GHRM emphasizes the importance of employee involvement in sustainability efforts, with green employee relations promoting active participation in decision-making for environmental solutions. Employee engagement in environmental management is vital for strengthening GHRM and achieving sustainability goals (Ahmad, 2015; Mukherjee et al., 2020).

This study explores the link between green employee relations and job pursuit intention among Generation Z, addressing a gap in the literature. While previous research has focused on the impact of green human resource management on internal performance, little attention has been given to how GHRM and employer prestige influence Generation Z's job interest. This study aims to fill this gap by examining how green employee relations enhance employers' prestige and increase job pursuit intention, particularly for Generation Z, who prioritize environmental and social responsibility.

This study examines how green employee relations influence job pursuit intention among Generation Z, with employer prestige as a mediator. It explores how sustainability concerns shape recruitment, as Generation Z expects organizations to integrate Green Human Resource Management (GHRM) practices and involve employees in sustainability decisions. Employer prestige, strengthened by green employee relations, plays a crucial role in attracting job applicants. This research fills a gap in literature by connecting GHRM and job pursuit intention, an area that has been underexplored. It highlights employer prestige as a psychological mediator and offers practical insights for organizations to align their recruitment strategies with the values of Generation Z.

Hypothesis Development

Green Employee Relation

Green Employee Relation (GER) concept demonstrates how employers facilitate employees' involvement, participation, and interaction in supporting the development of an accurate understanding of sustainability issues (Ahmad, 2015; Ramus, 2001; Renwick et al., 2008). Green Employee Relation is perceived as a practice that provides opportunities for sustainability. According to Ganesan (2023), the fundamental requirement for the adoption of GHRM practice is through the internalization of environmental issues among the organization members.

Employers Prestige

Employer prestige (PRE) is defined as a reflection of an organization's identity and culture. Employees are considered the primary agents in the process of building awareness of the company's image. Consequently, Backhaus (2004) agreed that symbolic benefits are associated with perceptions of the organization's prestige and the social approval that applicants anticipate they will receive if they are hired by the organization. Therefore, Damoah (2025) emphasizes that in the context of the intention to seek employment, prospective candidates will be interested in an organization based on the extent to which they believe that the organization possesses attributes related to prospective employees and the relative importance of those attributes.

Job Pursuit Intention

Job Pursuit Intention (ITP) is defined as an individual's behavioral intention, which demonstrates an active nature in seeking job opportunities. In other words, the term should be used to denote thinking that explicitly indicates further action in relation to choosing an organization (Ganesan, 2023; Highhouse et al., 2003; Wayne & Casper, 2012). Damoah (2025) defined the intention to apply for a job as an individual's decision either to register or remain on the list of applicants at the intended company.

Research Hypothesis

Previous studies have shown that Green Human Resource Management (GHRM) is a strong predictor of Job Pursuit Intention (ITP) (Chaudhary, 2019; Farag, 2024; Indria et al., 2025; Wang et al., 2023). Specifically, the Green Employee Relations (GER) factor in GHRM reflects an

organization's commitment to social and environmental responsibility, making it an attractive signal for prospective employees (Ganesan, 2022). Referring to Social Identity Theory Tajfel (2004), individuals tend to affiliate with organizations that offer a positive identity and self-image. Transparent and strong (Sekaran & Bougie, 2019). GER practices effectively enhance corporate image and reputation, which translates into employers' prestige (PRE). Thus, PRE is thought to play a central role in explaining GER's influence on ITP (Ganesan, 2022).

Based on this theoretical argument and empirical support, this study proposes the following four hypotheses:

H1: Green Employee Relations (GER) positively influences Job Pursuit Intention (ITP).

H2: Green Employee Relations (GER) positively influences Employer Prestige (PRE).

H3: Employer Prestige (PRE) positively influences Job Pursuit Intention (ITP).

H4: Employer Prestige (PRE) mediates the relationship between Green Employee Relations (GER) and Job Pursuit Intention (ITP).

METHOD

This study was a quantitative study using a cross-sectional method in which data were collected only once, after which several days, weeks, or months were required to answer the research questions (Sekaran & Bougie, 2019). Data collection was conducted over a four-week period, from October to November 2024. The sample used in this study consisted of students from the Faculty of Business and Economics at a private university in Yogyakarta who had taken the Sustainable and Green Management course, and therefore already had an understanding of sustainability issues. The sampling method used in this study was non-probability sampling with a purposive sampling technique. The criteria for respondents were students who had completed the Sustainable and Green Management course. A total of 202 valid responses were obtained.

Sample adequacy was verified using three approaches. First, following Hair (2021), the 10-times rule required a minimum of 60 respondents (based on six indicators for GER, which represented the highest number of indicators per construct), which was satisfied by the present sample of 202. Second, a G*Power analysis for a medium effect size ($f^2 = 0.15$), with $\alpha = 0.05$ and power = 0.80, indicated a minimum required sample size of 85, which was also exceeded. Third, the model with three predictors pointing to ITP required a minimum of 30 respondents, which was likewise met. This sample is consistent with prior PLS-SEM studies of comparable scope (Ganesan, 2022; Wang et al., 2023). However, it should be noted that the use of students from a single private university in Yogyakarta limited the generalizability of the findings beyond this specific population.

Data collection was carried out by distributing online questionnaires. The independent, mediator, and dependent variables were measured using a five-point Likert scale. The independent variable, Green Employee Relations, was measured using six items adapted. The mediating variable, Employer Prestige, was measured using five items adapted from (Highhouse et al., 2003). The dependent variable, Job Pursuit Intention, was also measured using five items adapted from (Highhouse et al., 2003). To address potential common method variance (CMV) arising from the cross-sectional single-source design, two post-hoc statistical tests were employed. Harman's single-factor test was conducted in SPSS, revealing that a single factor accounted for only 36.72% of the total variance, well below the 50% threshold, suggesting that CMV was not a significant concern. Additionally, a full collinearity Variance Inflation Factor (VIF) assessment was performed, with all VIF values below 3.3, confirming the absence of common method bias.

The data gathered through this survey were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS). According to Hair (2021), the criteria for validity and reliability include AVE values greater than 0.5 for convergent validity; discriminant validity assessed through cross-loadings and the Fornell-Larcker criterion, where each construct shows higher values compared to other latent variables; and Cronbach's Alpha and Composite Reliability values of at least 0.7 to be considered reliable. According to Hair (2021), in SEM-PLS analysis, the inner model represents the relationships between latent constructs.

This model is used to test the extent to which independent variables explain the variance in dependent variables and to measure the strength and direction of relationships between latent

constructs in the structural model. The model is evaluated using the R-square value to assess how well the independent variables explain the dependent variable in the research model. Furthermore, to test the significance of relationships between variables, bootstrapping is used to assess both direct and indirect effects. Indirect effects are analyzed to determine the extent to which independent variables influence dependent variables through one or more mediating variables. To evaluate the mediating effect, the classification proposed by (Zhao et al., 2010).

RESULTS AND DISCUSSION

Results

A total of 202 responses were gathered during the survey. The detailed demographic profile of the 202 respondents; 55.44% were male and 44.55% were female, indicating a relatively balanced gender distribution. Most respondents were aged 19-20 years (67.33%). Last, in terms of the field of study, Marketing (50.50%) and Human Resource Management (36.63%) were the dominant majors, followed by Finance (10.40%) and Operation and Innovation (2.48%).

Outer or Measurement Model Evaluation

Table 1 presents the results of discriminant validity and reliability analysis for each construct, namely Green Employee Relations (GER), Job Pursuit Intention (ITP), and Employer's Prestige (PRE). The reliability of the constructs was evaluated using Cronbach's Alpha and Composite Reliability. The results show that all constructs meet the reliability threshold, with Cronbach's Alpha values ranging from 0.837 to 0.881 and Composite Reliability values ranging from 0.884 to 0.913, exceeding the recommended minimum value of 0.70 (Hair et al., 2021). These findings indicate that the indicators within each construct are consistent and reliable in measuring their respective latent variables.

Convergent validity was assessed through the AVE values above the minimum threshold of 0.50. This suggests that more than 50% of the variance of each construct is explained by its indicators, confirming satisfactory convergent validity. Discriminant validity was examined using the Fornell-Larcker Criterion, where the square root of each construct's AVE should be higher than its correlations with other constructs. As shown in Table 1, the square roots of AVE for GER (0.777), ITP (0.824), and PRE (0.783) are greater than the corresponding inter-construct correlations. These results confirm that each construct is empirically distinct from the others, satisfying the criterion for discriminant validity. Overall, the measurement model demonstrates adequate levels of internal consistency reliability, convergent validity, and discriminant validity. Therefore, all constructs are considered valid and reliable for subsequent structural model analysis.

Inner or Structural Model Assessment

Table 2 shows the direct path from Green Employee Relations (GER) to Job Pursuit Intention (ITP) was not significant ($\beta = 0.061$, $p = 0.419$). However, GER significantly influenced Employer's Prestige (PRE) ($\beta = 0.446$, $p = 0.000$), and PRE, in turn, had a strong and significant effect on ITP ($\beta = 0.626$, $p = 0.000$). These findings suggest that GER shapes job pursuit intention indirectly through the enhancement of employer prestige. The R-square values indicate that GER and PRE explain 43% of the variance in ITP ($R^2 = 0.430$), while GER explains 19.9% of the variance in PRE ($R^2 = 0.199$), suggesting moderate predictive power for ITP and weak predictive power for PRE (Hair et al., 2021). Furthermore, Table 4 shows the indirect effect of GER on ITP through PRE was significant ($\beta = 0.280$, $t = 4.793$, $p = 0.000$). Following Zhao (2010), when the indirect effect is significant, but the direct effect is not, this indicates full mediation (indirect-only mediation). Therefore, Employer's Prestige fully mediates the relationship between Green Employee Relations and Job Pursuit Intention.

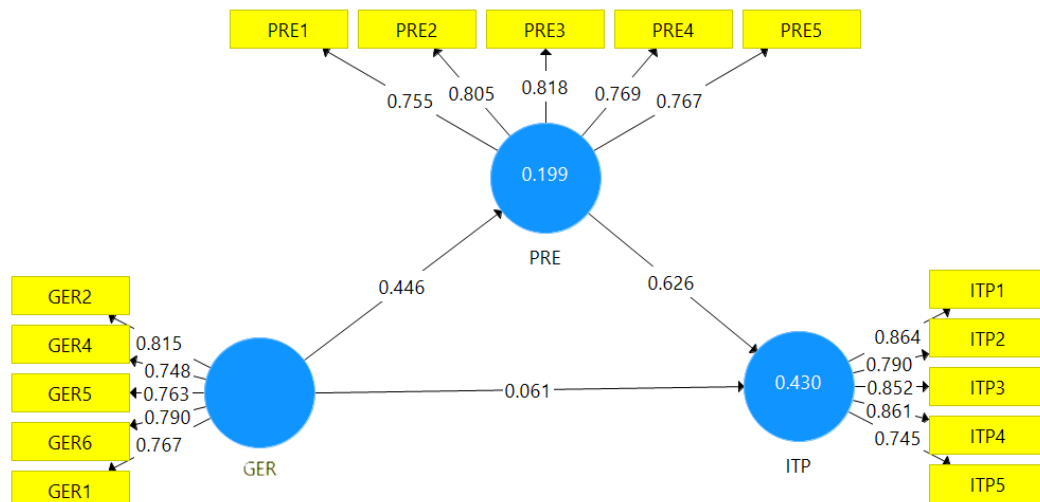


Figure 1. Estimate Result
Source: Authors (2025)

Table 1
Demographic Profile of Respondents (n = 202)

Category	Group	Percentage (%)
Gender	Male	55.44
	Female	44.55
Age	19–20 years	67.33
	> 20 years	32.67
Major	Marketing	50.50
	Human Resource Management	36.63
	Finance	10.40
	Operation and Innovation	2.48

Source: Processed Data (2024)

Table 2
Validity Test

Construct	Cronbach's Alpha*	Composite Reliability**	AVE***	Fornell-Lacker Criterion****		
				GER	ITP	PRE
GER	0.837	0.884	0.604	0.777		
ITP	0.881	0.913	0.679	0.341	0.824	
PRE	0.843	0.888	0.614	0.446	0.654	0.783

Source: Processed Data (2025)

*Cronbach's Alpha should be more than 0.7

**Composite reliability should be more than 0.7

*** AVE should be more than 0.5

****Fornell-Lacker Criterion should be more than the correlation value of that construct to another construct

Table 3
Path Coefficient (direct effect)

Hypothesis	Path	Beta	P Values	Decision
H1	GER -> ITP	0.061	0.419	Not Accepted
H2	GER -> PRE	0.446	0.000	Accepted
H3	PRE -> ITP	0.626	0.000	Accepted

Table 4

R Square

Endogenous Construct	R Square*	R Square Adjusted
ITP	0.430	0.425
PRE	0.199	0.195

*path with r-square less than 0.5 considered as weak predictive accuracy

Table 5

Specific Indirect Effect

Hypothesis	Effect	Estimate	Value	t-value	P Values
H4	GER -> PRE -> ITP	0.280		4.793	0.000

Discussion

H1 posited a direct relationship between Green Employee Relations (GER) and Job Pursuit Intention (ITP), but the result did not support this. This suggests that GER may not significantly directly influence job pursuit intentions. Generation Z job seekers may prioritize factors like employer prestige or work culture over green practices. H2 found a significant relationship between GER and Employer Prestige (PRE). This suggests that green employee relations enhance an organization's reputation, aligning with Generation Z's values of social responsibility and sustainability. Companies aiming to attract Gen Z should prioritize sustainability efforts.

H3 supports that PRE positively impacts ITP. A strong employer brand, especially in sustainability and social responsibility, attracts potential employees. Organizations should prioritize a positive reputation through consistent sustainability practices to appeal to environmentally conscious job seekers, particularly Gen Z. Individuals are motivated to associate with organizations that provide them with a prestigious and positively-valued social identity. For Generation Z, employer prestige derived from visible green commitment fulfils this need, reinforcing the role of organizational reputation as a psychological mechanism driving application intent. H4 shows a significant indirect effect of GER on ITP via PRE. This highlights Employer Prestige as a mediator, suggesting that GER influences job pursuit intentions by enhancing an organization's reputation. Organizations should leverage sustainability practices to boost their prestige and attract environmentally conscious candidates, especially from Gen Z.

This full mediation pattern corroborates the findings of Damoah (2025) in the Ghanaian context and Ganesan (2022) in the Malaysian context, suggesting cross-national validity of employer prestige as a mediating construct in green HRM-job pursuit intention relationships. The low R^2 value for PRE (0.199) suggests that, beyond GER, additional organizational factors (such as CSR reporting practices, organizational culture, and social media employer branding) likely contribute to shaping perceptions of employer prestige among Generation Z applicants. Future research should incorporate these variables to build more comprehensive models of green employer attractiveness.

These findings confirm that the implementation of green employee relations does not directly influence individuals' intention to apply for jobs, but it can create a more positive image of the organization from the perspective of prospective employees. A strong organizational reputation, which is formed through a commitment to environmentally oriented employment relations, is a major factor in increasing the interest of Gen Z in joining the organization.

CONCLUSION

In conclusion, this study shows that having Green Employee Relations (GER) does not directly motivate a person to apply for a job (Job Pursuit Intention). This result suggests that for today's job seekers, especially Generation Z, the existence of green practices is not the only factor that drives their decision to apply. However, we also highlight that the company's GER practices are highly effective because they significantly boost the organization's Employers' Prestige (PRE).

It enhances employers' reputations, which strongly predicts the candidate's job pursuit intention (ITP). Since our findings show that Green Employee Relations (GER) and Job Pursuit Intention (ITP) were not directly related, future research can investigate some moderator factors, such as the candidate's perception of the organization (Person-Organization Fit). Moreover, exploring the most effective organizational image elements would also provide more understanding of how green practices translate into talent acquisition success.

This study offers several practical implications. For HR managers, the findings underscore the importance of integrating green employee relations into talent attraction strategies, as these practices enhance employer prestige and subsequently drive job pursuit intention among Generation Z. HR managers should actively communicate environmental commitment through structured programmes such as employee sustainability task forces, green decision-making forums, and transparent environmental reporting. For employer branding practitioners, the results suggest that sustainability-oriented employer branding messages that highlight green workplace culture are likely to resonate with Generation Z applicants.

Branding efforts should leverage social media platforms and university career platforms to showcase organizational green initiatives and prestige signals. For universities and higher education institutions, the findings support the integration of sustainability and green business management into curricula, as students with prior knowledge of sustainability issues are better positioned to evaluate and respond to GER signals in the labour market. Curriculum designers should embed green HRM literacy as a core employability competency for business graduates. Regarding limitations, this study is cross-sectional, which precludes causal inference. The sample is limited to a single private university in Yogyakarta, Indonesia, restricting generalizability. Future studies should consider longitudinal designs, multi-institutional sampling, and the inclusion of additional boundary conditions such as individual environmental values, career stage, and industry type.

ACKNOWLEDGEMENT

The authors thank LPPM Universitas Atma Jaya Yogyakarta for supporting this research. We also highly appreciate the anonymous reviewers for their helpful and valuable comments and suggestions for this research and further studies in a similar area.

AUTHOR CONTRIBUTION STATEMENT

Aloysia Desy Pramusiwi: Conceptualization, methodology, investigation, data curation, formal analysis, writing original draft, and project administration. Debora Wintriarsi Handoko: Conceptualization, supervision, methodology, writing—review and editing, and validation. Daniel Yudistya Wardhana: Data curation, formal analysis, visualization, software, supervision, and writing review and editing. Niklaus Serafino Setiadi: Investigation and writing—review and editing.

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