

Success Factors of Employer Branding and Challenges in Employee Recruitment and Retention: A Literature Review

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Abstract:

The increasing skills shortage creates significant challenges for companies globally. Demographic shifts and the distinct expectations of Generation Z intensify competition for qualified talent. Organizations must therefore position themselves as attractive employers to secure their future workforce. This paper analyzes the success factors of employer branding in employee recruitment and retention, with particular emphasis on the expectations of Generation Z. A structured literature review approach is applied to evaluate current academic research and empirical studies on employer branding, talent attraction, and employee engagement. The analysis focuses on fundamental concepts, strategic success factors, and emerging challenges associated with employer branding in the context of digital transformation and changing workforce values. The findings indicate that financial incentives alone are insufficient to attract and retain young talent. Instead, Generation Z prioritizes work–life balance, meaningful work, sustainability, and opportunities for personal development. Digital communication channels and social media platforms play a central role in shaping employer attractiveness and candidate perceptions. Furthermore, research highlights the importance of psychological empowerment and employee engagement as mechanisms that strengthen organizational commitment and long-term retention. The results demonstrate that a strong and authentic Employer Value Proposition positively influences corporate reputation and applicant willingness. Employer branding must therefore be understood as a strategic management approach that integrates corporate culture, talent management, and digital communication. The integration of resilience, well-being, and authentic employer communication contributes to long-term competitiveness. Successful implementation requires a consistent organizational identity that bridges internal culture and external employer brand communication.

Keywords:

Employer Branding, Employee Recruitment and Retention, Employer Value Proposition (EVP), Generation Z, Skills Shortage

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Introduction

Problem Statement: Skills Shortage and Competition for Talent

The increasing skills shortage presents significant challenges for companies both in Germany and internationally. According to forecasts, there will be a deficit of qualified workers in the coming years, particularly in knowledge-intensive industries (Burstedde & Tiedemann, 2025). Concurrently, a transformation of the labor market is taking place, driven by the specific expectations of Generation Z. Research indicates that this group's priorities lie less in financial security and more in a balanced work-life balance, purpose-orientation, and digital work environments (Deloitte, 2022; Schroth, 2019).

These developments result in intensified competition for qualified personnel. Studies focusing on the financial sector describe this situation as a "war for talent," in which organizations increasingly rely on employer branding to attract highly qualified young professionals (Löffler & Giebe, 2021). Consequently, companies are compelled to position themselves as attractive employers. In academic literature, employer branding is regarded as a crucial instrument for both recruiting new employees and retaining existing ones (Backhaus & Tikoo, 2004; Radermacher, 2013). Recent research highlights that the competition for skilled workers is increasingly described as a global "war for talent," in which employer branding and the perceived employer brand experience play a crucial role in attracting and retaining qualified employees (Azimi et al., 2025; Löffler & Giebe, 2021).

Research Objectives

The objective of this investigation is to analyze the significance and success factors of employer branding in the context of employee recruitment and retention, with a particular focus on the expectations of Generation Z. In this regard, the challenges of the skills shortage, advancing digitalization, and the shift in values must be considered.

By evaluating current studies, this paper aims to derive practical recommendations for companies on how to design a credible and sustainable employer brand (Véron et al., 2024; von Walter & Kremmel, 2016).

Literature Review Approach

This study is based on a systematic literature review, the aim of which is to identify and structure key areas of research in the field of employer branding, employee recruitment and employee retention. The literature review follows a conceptual approach that considers scientific publications from the fields of human resource management, organisational behaviour, marketing and digital communication. The focus is particularly on empirical studies and theoretical contributions that deal with the role of employer branding in the context of the shortage of skilled workers and the expectations of Generation Z.

The literature search was conducted in scientific databases such as Scopus, Web of Science, Google Scholar and ScienceDirect. Search terms included 'employer branding', 'talent attraction', 'employee retention', 'Generation Z', 'digital recruitment' and 'social media recruiting'. In addition, relevant references from identified key publications were considered to ensure the completeness of the literature corpus. The analysis period focuses primarily on current publications from the last ten to fifteen years, although fundamental theoretical contributions to the conceptualisation of employer branding were also considered.

The existing literature shows that employer branding is viewed from several perspectives in research. One central strand of research deals with the conceptual definition and theoretical foundation of employer branding. Earlier works define employer branding as a strategic process for developing an employer identity that differentiates organisations from competitors (Ambler & Barrow, 1996; Backhaus & Tikoo, 2004). More recent studies expand on this approach and show that employer branding encompasses multidimensional components, including organisational reputation, career opportunities and working conditions (Nanjundeswaraswamy et al., 2025).

A second strand of research examines the effects of employer branding on recruiting and talent management. Empirical studies show that a strong employer brand can increase both the quality and quantity of applications while also having a positive impact on long-term employee retention (Kilson, 2025; Senthilkumar, 2026). In this context, employer branding is increasingly seen as an integral part of strategic talent management systems, as it enables organisations to identify, attract and retain qualified professionals in the long term (Shafiee & Goodarzi, 2026).

A third area of research focuses on the psychological and organisational mechanisms of employer branding. Studies show that perceived employer attractiveness, organisational commitment and employee identification are key mediators between employer branding and organisational performance (Aanchal & Atwal, 2026; Choudhary & Joshi, 2025). In addition, the importance of a positive employer brand experience is emphasised, as employees' actual experience with the organisation significantly influences their commitment and loyalty (Azimi et al., 2025).

Another important line of research examines the role of digital technologies and social media in employer branding. With the increasing digitalisation of the labour market, social media platforms have taken on a central role in the information search of potential applicants. Studies show that social networks are increasingly being used as tools for digital recruiting and thus have a direct influence on the perception of employer attractiveness (Melanthiou et al., 2015; Sivertzen et al., 2013). Younger generations in particular use platforms such as LinkedIn, Instagram and TikTok to gain insights into corporate culture and working conditions (Özcan & Wohllebe, 2023).

Furthermore, the literature shows that organisational conditions and work design play an important role in the effectiveness of employer branding. Factors such as new work concepts, flexible working models and health-oriented work design can increase an employer's attractiveness while strengthening the psychological empowerment of employees (Bücks & Giebe, 2022; Scharfschwerdt, 2025). In this context, it is also emphasised that employer branding should be closely linked to organisational structures and work environments in order to ensure a consistent employee experience (Günther et al., 2026).

In summary, the literature shows that employer branding is a multidimensional concept that encompasses strategic, cultural and technological aspects. While earlier research focused primarily on the external communication of the employer brand, current studies increasingly emphasise the importance of holistically integrating employer branding into corporate strategy, organisational culture and work design. These findings form the theoretical basis for the present analysis of the success factors and challenges of employer branding in the context of employee recruitment and retention.

Fundamentals of Employer Branding

Definition and Significance of Employer Branding

In the academic literature, employer branding is described as a strategic process in which companies develop and communicate their identity as an employer to position themselves as attractive employers (Backhaus & Tikoo, 2004). Ambler and Barrow defined employer branding as a bundle of functional, economic, and psychological benefits offered by a company to its employees, which distinguish it from other employers (Ambler & Barrow, 1996). Recent studies also emphasize that employer branding can be operationalized through multidimensional measurement scales that capture factors such as organizational reputation, career development opportunities, and workplace environment (Nanjundeswaraswamy et al., 2025).

Radermacher emphasizes that employer branding is not to be regarded as an optional instrument, but rather as a continuous design process that has both internal and external effects. Companies always act as brands regardless of whether they manage this consciously or not. Distinct employer branding not only contributes to the recruitment of new talent but also impacts on the retention and motivation of existing employees (Radermacher, 2013). Empirical research confirms that strong employer branding strategies significantly enhance recruitment effectiveness and support long-term talent retention across industries (Senthilkumar, 2026; Kilson, 2025).

Recent studies indicate that a positive correlation exists between a company's reputation and its employer branding. The development of a strong employer brand has a positive influence on the perception of the company as a credible and attractive employer. This, in turn, leads to an increased

willingness of talent to apply (Sudrajat & Br Surbakti, 2024). For Generation Z, the so-called Employer Value Proposition (EVP) plays a particular role, as this group holds specific expectations regarding working conditions, values, and development opportunities (Fedulova & Dzhulai, 2024).

Differentiation From Other Human Resource Strategies

Employer branding constitutes an integral component of strategic human resource management, although it differs from other human resource strategies in terms of its objectives and scope. The primary focus lies in the development of an identity-based employer brand with long-term efficacy. In contrast, other human resource strategies predominantly concentrate on specific sub-domains of personnel management (Backhaus & Tikoo, 2004).

Within the framework of personnel marketing, measures such as publishing job advertisements or organizing career events are implemented. It should be noted that the emphasis here is primarily on operational aspects. The objective is the short-term targeting of potential applicants. In contrast, employer branding aims to develop a consistent employer identity that extends beyond short-term campaigns and yields sustainable effects (Radermacher, 2013).

The concept of recruiting focuses on the selection process and the filling of vacant positions. Employer branding complements this process by proactively positioning the organization as an attractive employer, thereby enhancing both the quality and quantity of applications (Backhaus & Tikoo, 2004).

Retention management and employee retention strategies, such as professional development, benefits, or flexible working hour models, are more heavily concentrated on the existing workforce. An intersection exists with employer branding, which integrates these measures into the overarching employer brand, thereby strengthening emotional commitment (Sudrajat & Br Surbakti, 2024).

Talent management is another relevant strategy. Its aim is to identify, develop and promote individuals with high potential within the organization. In recent research, employer branding is increasingly conceptualized as a core element of talent management strategies, as it supports the identification, attraction, and development of high-potential employees (Shafiee & Goodarzi, 2026). In this context, employer branding can exert a supportive effect by presenting the organization as an attractive environment for talented employees, thus facilitating the long-term security of the talent pipeline (Chhabra & Sharma, 2014).

Furthermore, a significant correlation exists between the concepts of employer branding and corporate branding. While corporate branding shapes the perception of the organization among customers, investors, and the public, employer branding is specifically directed toward current and prospective employees. A reciprocal influence exists between the two branding strategies. A strong corporate brand

can enhance employer attractiveness, while a positive employer brand, in turn, bolsters the overall image of the organization (Sudrajat & Br Surbakti, 2024).

Diversity management is a highly significant human resources strategy, as it aims to promote an inclusive corporate culture. In this context, employer branding facilitates the external communication of this diversity while simultaneously consolidating corporate values internally (Fedulova & Dzhalai, 2024).

Relevance of Employer Branding in the Modern World of Work

The relevance of employer branding continues to increase in the modern world of work. A primary driver of this trend is the shortage of skilled labor, which is further exacerbated by demographic shifts in Germany. According to projections by the German Economic Institute, a persistent shortage of qualified professionals is anticipated to continue until 2028, particularly within the IT, nursing, and industrial sectors (Burstedde & Tiedemann, 2025). Therefore, employers face heightened expectations to differentiate themselves in the competition for talent by cultivating an attractive employer brand.

Advancing digitalization has transformed applicant expectations. Social media platforms have evolved into a central medium for the perception and evaluation of prospective employers (Mangold & Faulds, 2009). Research on e-recruitment demonstrates that social networking platforms are widely used as recruitment tools that enable organizations to communicate directly with potential candidates (Melanthiou et al., 2015). Social networking platforms are widely used by organizations as recruitment channels and play an important role in shaping employer attractiveness among potential applicants (Melanthiou et al., 2015). Empirical studies demonstrate that Generation Z utilizes platforms such as TikTok, Instagram, and LinkedIn to acquire information about employers and subject them to critical evaluation (Sivertzen et al., 2013). Consequently, establishing credible employer branding across digital channels has emerged as a critical success factor.

Finally, employer branding encompasses more than mere recruitment initiatives; it also exerts a substantial influence on corporate culture, employee motivation, and overall corporate reputation. Therefore, in a working environment characterized by uncertainty, skilled labor shortages, and digital transformation, employer branding constitutes a strategic instrument for securing long-term competitiveness and innovative capacity (Sudrajat & Br Surbakti, 2024).

Success Factors in Employer Branding

Authenticity and Credibility of the Employer Brand

The demographic group of Generation Z, with birth years from 1995 onwards, is increasingly entering the labor market and bringing expectations that fundamentally influence employer branding. A

characteristic of this generation is that it has grown up in a digitalized, globalized world shaped by crises. This influences their perceptions of work, security, and purpose (Deloitte, 2022).

According to Schroth and Deloitte, work-life balance, flexibility, personal development opportunities, and the meaningfulness of work are of central importance. According to the results of the Deloitte Global Gen Z and Millennial Survey, more than half of the respondents prefer employers characterized by sustainable business practices and social responsibility (Deloitte, 2022; Schroth, 2019). It should be clearly emphasized (see figure 1) that Generation Z expects a clear employer value proposition (EVP) that encompasses authenticity, transparency and value orientation (Fedulova & Dzhalai, 2024).

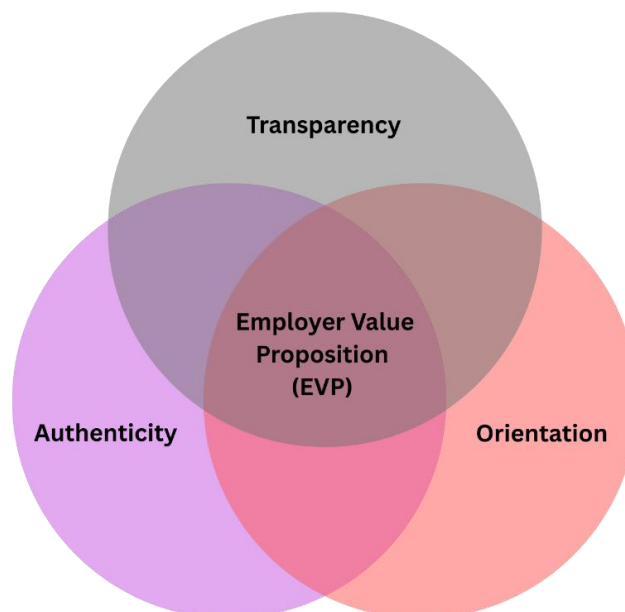


Figure 1: Components of a Gen Z-focused Employer Value Proposition (EVP)
(Source: Own illustration)

The employer brand must therefore address not only functional and economic incentives but also psychological and emotional needs (Ambler & Barrow, 1996). Research also indicates that structural and psychological empowerment significantly influences employee performance and engagement, which function as mediating mechanisms between organizational practices and employee outcomes (Duffour & Asante, 2025). Organizational advocacy and employee engagement further enhance the effectiveness of employer branding initiatives and contribute to stronger employee commitment to the organization (Choudhary & Joshi, 2025). In today's working world, it is no longer enough for companies to respond to the expectations of potential applicants on a short-term basis. Instead, employer branding must be understood as a continuous and strategically controlled process that ensures credibility both internally among employees and externally among potential candidates. In this context, consistent and

authentic brand management is essential for building trust and long-term attractiveness as an employer. Developing a coherent employer brand identity is the key prerequisite for successfully differentiating yourself in the competition for talent. It enables companies to communicate their values and corporate culture consistently and credibly (Radermacher, 2013; von Walter & Kremmel, 2016). The attractiveness of an employer for Generation Z is highly shaped by its values and culture. Companies that pay no attention to this aspect risk difficulties both in attracting and in the long-term retention of employees. Studies demonstrate that employee engagement and organizational commitment can be significantly strengthened through credible employer branding initiatives, which positively influence employee loyalty and long-term retention (Aanchal & Atwal, 2026).

Relevance of Corporate Culture and Values

The impact of digitalization on transformations within employer branding is substantial. It shapes both the expectations of Generation Z and the design and communication of the employer brand. Having been socializing with digital technologies, young talents anticipate their seamless integration into work processes (von Walter & Kremmel, 2016). In this context, virtual collaboration, hybrid work models, and digital tools are not perceived as supplementary elements, but rather as fundamental prerequisites. Research on digital transformation highlights that successful organizational change requires strong consideration of human factors and health-oriented work design, which can support sustainable implementation processes (Bücks & Giebe, 2022).

Virtual teams can operate successfully when specific factors, such as trust, clear structures, and media-literate leadership, are considered (Boos, 2017; Breuer et al., 2016). According to the empirical analysis conducted by Brast, Holtgrave, and Flindt, the efficacy of employer branding is particularly pronounced when it accurately reflects the reality of digital work environments (Brast et al., 2017). New work concepts that emphasize autonomy, participation, and flexible work structures are also considered important mechanisms for increasing psychological empowerment among employees (Scharfschwerdt, 2025).

Concurrently, digitalization presents novel opportunities for communication within the framework of employer branding. Empirical studies demonstrate that organizations increasingly rely on social media platforms to communicate their employer brand and interact with potential applicants (Giebe & Hartig, 2023). Social media has become a key tool for employer communication. Companies use platforms such as LinkedIn, Instagram and TikTok to present their employer brand and give potential applicants an insight into their corporate culture, working conditions and development opportunities. Generation Z makes extensive use of these digital channels to gather information about potential employers and evaluate them critically (Nikolaou, 2014). Studies also show that social media is increasingly being used specifically for employer branding in order to appeal to younger target groups with authentic content and

visual formats and to provide transparent insights into everyday working life (Özcan & Wohllebe, 2023). Fedulova and Dzhulai emphasize the critical importance of digital visibility and interactive formats for Generation Z. They note that this cohort critically evaluates organizations and expects a high density of information (Fedulova & Dzhulai, 2024).

Digitalization has a dual effect on the modern world of work and consequently on employer branding strategies (see figure 2). On the one hand, it leads to fundamental changes in working practices, which become visible in the increasing use of virtual collaboration, hybrid work environments, and flexible working models. These developments transform organizational structures and the way employees interact within companies. On the other hand, digitalization significantly influences employer branding strategies through new forms of digital communication and changing expectations among potential applicants, particularly within Generation Z, who rely heavily on online platforms to gather information about employers (Fedulova & Dzhulai, 2024; Sivertzen et al., 2013). As a result, organizations must adapt their employer branding activities to digital communication environments to remain visible and attractive to potential talent.

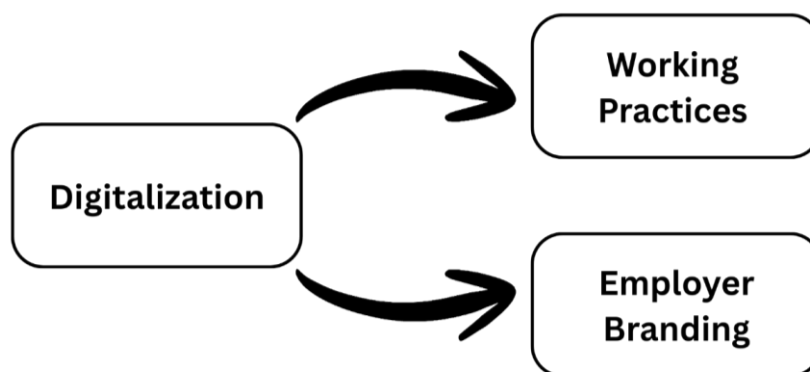


Figure 2: Dual Effect of Digitalization on working practices and employer branding

(Source: Own illustration)

Digital Strategies and Social Media

The skills shortage represents a significant challenge for companies and leads to a marked increase in the relevance of strong employer branding. The IW Report (Burstedde & Tiedemann, 2025) predicts a persistent bottleneck of qualified labor in Germany until 2028, particularly in the fields of healthcare, IT, and industry. Comparable tendencies are manifesting in Switzerland. According to the study by Véron, Mitrovic, and Hell, three-quarters of the surveyed companies report a significant or highly significant talent shortage (Véron et al., 2024).

In this environment, employer attractiveness acquires a decisive importance for competition. Companies that undertake a clear positioning of their brand have better chances of both recruiting new employees and retaining existing ones. Radermacher emphasizes that a consistent employer brand must not only have an external effect but must also reflect the internal culture to be credible (Radermacher, 2013).

Furthermore, research illustrates that a strong employer brand contributes significantly to maintaining a positive corporate reputation. The present investigation concludes that a strong employer brand increases the perception of credibility and attractiveness, which in turn enhances the willingness to apply (Sudrajat & Br Surbakti, 2024). According to von Walter and Kremmel as well as Brast, success factors such as authenticity, value orientation, transparent communication, and a lived corporate culture are of crucial importance for standing out in competition (Brast et al., 2017; von Walter & Kremmel, 2016).

Generation Z expects employers to treat these factors with the necessary seriousness. Deloitte concludes that financial incentives alone are not sufficient, but rather that a stronger focus on purpose-orientation, sustainability, and development perspectives is required. Considering the emerging shortage of qualified labor, the significance of employer branding is experiencing a significant increase. It is increasingly establishing itself as an elementary communication instrument and is developing into a strategic necessity that largely determines the long-term competitiveness of companies (Deloitte, 2022).

Challenges in Employer Branding

Demands and Expectations of Generation Z

Societal and economic crises exert a significant influence on employee expectations and employer branding strategies. In particular, the COVID-19 pandemic has accelerated profound changes in the world of work and has highlighted the psychological and social implications of new working arrangements. Research indicates that remote work, social isolation, and the blurring of structural boundaries between professional and private life have increased psychological strain among employees. Although some individuals benefited from greater flexibility and autonomy, others experienced heightened levels of stress, loneliness, and interpersonal conflict, illustrating the ambivalent effects of these transformations on the workforce (Holst et al., 2024). Accordingly, a critical implication for employer branding is that organizations must integrate not merely material security into their brand messaging, but also the promotion of resilience, health management, and psychosocial support (Deloitte, 2022; Fedulova & Dzhulai, 2024). Radermacher posits that employer brands exhibit high stability during times of crisis only when found upon enduring, credible values (Radermacher, 2013). In addition, Deloitte notes that, particularly during periods of uncertainty, Generation Z demonstrates a

preference for employers who assume societal responsibility and project a sense of security (Deloitte, 2022).

Thus, it becomes evident that crises amplify the necessity for holistic employer branding — one that transcend conventional benefits to address both the psychological and physical stability of the workforce.

Managing Negative Employer Reviews

The shift in values within the labor market is closely linked to the expectations of Generation Z. These demographic demands not only financial incentives but particularly purpose, sustainability, development prospects, and flexibility (Deloitte, 2022; Fedulova & Dzhulai, 2024).

To establish a strong and authentic employer brand, it is therefore essential to develop an awareness of cultural and social aspects. Studies further demonstrate that systematic employee feedback can serve as an important source for improving employer branding strategies and aligning internal practices with external communication (Rita et al., 2026). According to von Walter and Kremmel, a clear and consistent Employer Value Proposition (EVP) is required, targeting both internal employees and external applicants (von Walter & Kremmel, 2016). In their empirical study, Fedulova and Dzhulai demonstrate that aspects such as career opportunities, personal development potential, and a corporate culture based on shared values are of critical importance to members of Generation Z (Fedulova & Dzhulai, 2024). Furthermore, the results of the Swiss study by Véron, Mitrovic and Hell support the hypothesis that the communication of the employer brand must, in the future, rely less on monetary incentives and more on factors such as corporate purpose, trust, and flexible structures (Véron et al., 2024).

In addition, the digital habits of Generation Z must be considered, as their media consumption is characterized by social media serving as the central information and communication medium. Consequently, authentic, interactive, and transparent communication via social media platforms is increasingly becoming a decisive success factor (Kietzmann et al., 2011).

Costs and Long-Term Implementation

One of the significant challenges within the context of employer branding lies in ensuring a balanced alignment between an authentic corporate culture and market-oriented communication. Organizations risk a loss of credibility if the values conveyed through their communication do not correspond with the realities of daily work life (Brast et al., 2017; Radermacher, 2013). Research indicates that discrepancies between the brand promise and the actual employee experience can engender distrust and elevate staff turnover (Sudrajat & Br Surbakti, 2024). The implementation of employer branding requires a consistent representation of corporate identity both internally within the organization and externally toward potential applicants. Such coherence is essential to ensure credibility and trust in the employer brand. At the

same time, research indicates that Generation Z is particularly sensitive to inconsistencies between communicated brand messages and the actual organizational reality, making transparent and authentic communication a critical success factor for effective employer branding (von Walter & Kremmel, 2016; Fedulova & Dzhulai, 2024). Digital communication exacerbates this challenge; while social media campaigns can achieve substantial reach, they simultaneously harbor the risk of severe public backlash and reputational damage if perceived as disingenuous (Mangold & Faulds, 2009). Conversely, social media platforms and transparent career portals present an opportunity to manifest authenticity, for instance, through employee testimonials or insights into the corporate culture. Accordingly, the challenge for organizations lies in conceptualizing employer branding not merely as a marketing instrument, but rather as an integral component of corporate strategy that is deeply embedded within the culture, leadership, and daily operations of the enterprise.

Generation Z as a Target Group

Values and Work Preferences of Gen Z

A central field of action lies in the strategic anchoring of employer branding within the overall corporate strategy. Employer branding must not be understood in isolation as a marketing tool; rather, it needs to be embedded in culture, leadership, and long-term human resource strategy (Radermacher, 2013). Recent research emphasizes that the effectiveness of employer branding depends strongly on its alignment with workplace environments and corporate infrastructure, as this alignment can significantly enhance employee satisfaction and organizational engagement (Günther et al., 2026). In this context, the development of a consistent Employer Value Proposition (EVP) that is communicated coherently both internally to employees and externally to potential applicants is considered essential for establishing a credible and sustainable employer brand (von Walter & Kremmel, 2016). Research has shown that employer brands closely linked to the corporate brand not only attract talent but also strengthen the overall perception of the company. In this process, clear differentiation remains essential. Companies are encouraged to define values and promises while ensuring their implementation through HR measures, communication, and leadership (Sudrajat & Br Surbakti, 2024).

During periods of skills shortages, such strategic integration is vital for maintaining long-term attractiveness. In this context, employer branding functions as an overarching strategy that integrates operational measures such as recruiting, retention, and talent management (Burstedde & Tiedemann, 2025).

Strategies for Successfully Attracting Gen Z

Digital communication has become a key success factor in employer branding, particularly in the context of a highly digitalized labor market. Research indicates that the acceptance and sustained use of digital

applications are strongly influenced by perceived usefulness and user-friendly design, which also shape communication between organizations and employees (Giebe & Wohllebe, 2025). At the same time, studies show that Generation Z primarily gathers information about potential employers through digital channels such as social media platforms, career portals, and peer reviews, highlighting the growing importance of effective digital communication strategies in attracting young talent (Deloitte, 2022; Fedulova & Dzhulai, 2024). Accordingly, a successful employer branding strategy must utilize innovative communication channels to engage target audiences within their active digital environments. Industry-specific studies further highlight that targeted recruitment strategies and employer branding initiatives are particularly important for attracting and retaining Generation Z employees (Ling & Lew, 2026).

Kietzmann, Hermkens, McCarthy and Silvestre emphasize the necessity of social media strategies that prioritize authenticity, interactivity, and storytelling. Platforms such as LinkedIn, TikTok, and Instagram provide the opportunity to make employer brands experiential. This can be achieved, for instance, by offering insights into corporate culture or employing interactive formats (Kietzmann et al., 2011).

Generation Z shows increased sensitivity to discrepancies between brand promises and perceived reality. A consistent digital presence reduces this risk and increases credibility (Brast et al., 2017). At the same time, virtual forms of work, which have been accelerated by digitalization, offer the opportunity to expand employer branding through digital employee experience (Boos, 2017; Breuer et al., 2016).

Consequences for Retention and Innovative Power

The continuous adaptation of employer branding to future labor market trends is of essential importance. Demographic change and the accompanying shortage of skilled labor require companies to align their employer brand more strongly with the needs of younger generations (Burstedde & Tiedemann, 2025).

The analysis by Hellwagner & Weber demonstrates that the labor force participation of 20- to 24-year-olds has increased significantly in recent years, contradicting common clichés regarding a lack of willingness to work within this age group. This leads to the conclusion that the generation is indeed prepared to perform, if framework conditions such as flexibility, work-life balance, and purpose-orientation are fulfilled (Hellwagner & Weber, 2025).

Furthermore, mental health and resilience are gaining importance in the work context, particularly following the experiences of the COVID-19 pandemic (Bücks & Giebe, 2022; Holst et al., 2024). It is recommended that employers integrate health and well-being more firmly into their brand identity. Looking ahead, sustainability, diversity, and inclusion will also become vital differentiating features, as these values are increasingly demanded by younger employees (Deloitte, 2022; Véron et al., 2024). Employer branding must anticipate these trends and communicate them as integral components of a credible employer brand.

Conclusion and Outlook

Summary of Findings

This research paper concludes that employer branding fulfills a key strategic function in employee recruitment and retention during times of skills shortages, advancing digitalization, and shifting values. Generation Z as they increasingly enter the labor market, places new demands on employers. These expectations encompass aspects such as flexibility, purpose-orientation, development opportunities, and credible corporate culture (Deloitte, 2022; Fedulova & Dzhulai, 2024). An employer's attractiveness is determined less by financial incentives and more significantly by value orientation, sustainability, and authenticity (Brast et al., 2017; von Walter & Kremmel, 2016).

Digitalization has fundamentally transformed employer branding. On one hand, it necessitates new forms of collaboration, such as virtual teams and hybrid work models. On the other hand, it opens up new communication channels via social media, which are of decisive importance for addressing Generation Z (Boos, 2017; Breuer et al., 2016).

Moreover, the IW Report indicates that the skills shortage will persist in the long term (Burstedde & Tiedemann, 2025). As a result, employer branding manifests not merely as a tool for recruitment but becomes a strategic necessity for ensuring the competitiveness of companies. Various studies demonstrate that a consistent employer brand strengthens a company's reputation, thereby increasing the willingness of candidates to apply (Sudrajat & Br Surbakti, 2024). Systematic literature reviews further confirm that employer branding plays a crucial role in optimizing employee attraction and retention across different industries and organizational contexts (Kilson, 2025).

Limitations and Further Research Options

Although the present study provides a structured overview of the successful factors and challenges of employer branding in the context of employee recruitment and retention, several limitations must be acknowledged. First, the analysis is based on a literature review and therefore relies exclusively on previously published studies. Therefore, the findings depend on the scope, methodological approaches, and quality of the existing literature. Primary empirical data were not collected within the framework of this study, which limits the ability to derive causal relationships between employer branding practices and organizational outcomes.

Second, the reviewed literature originates from a variety of national and sectoral contexts. While this broad perspective enables a comprehensive understanding of employer branding, it also restricts the direct transferability of the findings to specific industries or regional labor markets. Labor market

conditions, cultural factors, and institutional frameworks differ significantly across countries and sectors, which may influence both employer branding strategies and employee expectations.

Third, the analysis places a strong emphasis on the expectations and preferences of Generation Z. Although this generational perspective is particularly relevant in the context of current labor market developments, future research could benefit from comparative analyses that examine differences between multiple generations in the workforce. Such studies could provide deeper insights into how employer branding strategies should be adapted to diverse employee groups.

Future research should therefore focus on empirical investigations that analyze the relationship between employer branding strategies, employee engagement, and organizational performance in specific industries and regional contexts. Longitudinal studies could further contribute to understanding how employer branding influences recruitment outcomes and employee retention over time. Additionally, the increasing relevance of digital communication and social media suggests promising avenues for future research on how digital employer branding practices shape employer attractiveness and candidate perceptions in evolving labor markets.

Implications

Employer branding should be treated as a strategic management function rather than a short-term recruitment instrument. For organizations, this means embedding employer branding within corporate strategy and aligning it closely with corporate branding, talent management, and retention policies (Radermacher, 2013; von Walter & Kremmel, 2016). A central lever in this context is the development of a clear and credible Employer Value Proposition (EVP). This proposition should communicate the organization's values, culture, and development opportunities in a consistent manner and respond to the expectations of Generation Z, who place strong emphasis on authenticity, purpose, sustainability, and opportunities for personal growth (Deloitte, 2022; Fedulova & Dzhulai, 2024). Companies that articulate and consistently implement such an EVP are more likely to differentiate themselves in increasingly competitive labor markets.

Digital communication plays a decisive role in making employer brands visible and credible. Platforms such as LinkedIn, Instagram, and TikTok allow organizations to reach potential applicants directly and present insights into everyday work practices and corporate culture (Melanthiou et al., 2015). However, effective employer branding in digital environments requires more than visibility. Authentic content, employee testimonials, and transparent communication about working conditions are essential to build trust and reduce the gap between brand promise and employee experience (Brast, Holtgrave & Flindt, 2017). Organizations should therefore ensure that external communication reflects the internal organizational reality, as inconsistencies may undermine credibility and weaken the employer brand.

Finally, employer branding strategies should increasingly integrate aspects of employee well-being, resilience, and supportive work environments. Recent societal crises have highlighted the growing importance of mental health, flexible work arrangements, and supportive leadership for employee satisfaction and retention (Holst et al., 2024). Organizations that actively promote well-being and sustainable working conditions strengthen employee engagement while simultaneously enhancing their attractiveness as employers. In this way, employer branding contributes not only to recruitment success but also to long-term organizational stability and competitiveness.

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