

CHAPTER I

INTRODUCTION

1.1 Research Background

In the current global business landscape, environmental sustainability has evolved from a peripheral corporate social responsibility (CSR) initiative into a core strategic imperative that shapes organizational survival and competitiveness (Miah et al., 2024). The acceleration of climate change, resource depletion, and environmental degradation has placed unprecedented pressure on firms across all industries to integrate ecological responsibility into their core operations. This transformation is not merely a response to regulatory compliance; it reflects a fundamental shift in societal expectations, where stakeholders including consumers, investors, and prospective employees increasingly evaluate organizations through the lens of environmental stewardship (Mbuyazi et al., 2022). As a result, organizations that fail to demonstrate genuine environmental commitment risk not only reputational damage but also a significant disadvantage in attracting and retaining human capital.

Within this context, the concept of job pursuit intention has emerged as a critical outcome variable in recruitment research. Job pursuit intention (JPI) refers to the cognitive and behavioral willingness of a job seeker to actively pursue employment with a specific organization, extending beyond mere

attraction to encompass deliberate effort toward securing a position (Highhouse et al., 2003). Unlike passive interest, JPI represents an active psychological state that directly precedes application behavior, making it one of the most proximal predictors of actual job choice (Dassler et al., 2022). In the contemporary labor market, understanding the antecedents of JPI has become increasingly urgent as organizations face a “war for talent” in which skilled candidates hold significant bargaining power. Recent studies indicate that for younger cohorts, particularly Generation Z, JPI is no longer primarily driven by instrumental attributes such as salary and location, but rather by symbolic attributes such as an organization’s ethical standing, environmental reputation, and perceived prestige (Nguyen Ngoc et al., 2023; Joo et al., 2022). This shift necessitates a re-examination of what organizational signals effectively trigger the intention to pursue a job among this emerging workforce demographic.

To address this challenge, organizations have increasingly turned to green human resource management (GHRM) as a strategic tool for talent acquisition. GHRM encompasses the systematic integration of environmental management principles into human resource functions, including recruitment, selection, training, performance management, and employee relations (Renwick et al., 2013). Two specific GHRM practices are particularly relevant to the pre-hire recruitment stage. First, green employee relations (GER) involves creating a participatory workplace climate where employees are empowered to contribute to environmental goals through suggestion schemes, involvement in eco-design, and protected whistleblowing policies (Arulrajah et al., 2015). GER

acts as an internal signal of organizational authenticity, demonstrating that a firm's environmental commitment is embedded in its culture rather than limited to external marketing (Li et al., 2025). Second, green job positions and descriptions (GJPD) involve the formalization of environmental duties and eco-competencies within recruitment materials and role profiles (Jabbour, 2011). Grounded in Signaling Theory (Spence, 1973), GJPD functions as a high-fidelity external signal that helps prospective applicants differentiate between genuinely sustainable firms and those engaging in superficial greenwashing (Guillot-Soulez et al., 2022).

However, the relationship between green HRM practices and job pursuit intention may operate through multiple pathways. While green practices can directly attract values-aligned applicants through perceived person-organization fit (Dassler et al., 2022), a growing body of evidence suggests that there also exists a psychological mediating mechanism through which green signals are translated into applicant behavior. Employers' prestige, defined as the social evaluation of an organization's standing and the degree to which it is regarded highly by the public and peer groups (Highhouse et al., 2003), serves as this critical intermediary. Grounded in Social Identity Theory (Tajfel & Turner, 1979), individuals are motivated to affiliate with high-status organizations because such affiliation enhances their own self-concept and social identity (Ashforth & Mael, 1989). When green HRM practices such as GER and GJPD elevate a firm's environmental reputation, this generates organizational prestige that, in turn, motivates job seekers to pursue employment (Fernandez &

Ganesan, 2023). Soeling et al. (2022) demonstrated that organizational reputation fully mediates the relationship between employer brand attractiveness and job application intention in the Indonesian context, confirming that prestige operates as a necessary psychological bridge between organizational signals and applicant behavior.

This phenomenon is particularly salient when examined through the lens of Generation Z, the cohort born between 1997 and 2012 that is now entering the global workforce in significant numbers. Generation Z is characterized by high digital literacy, acute environmental consciousness, and a strong desire for value-aligned employment (Nguyen Ngoc et al., 2022). Unlike previous generations, Gen Z individuals have grown up amid constant exposure to climate change discourse, environmental activism, and sustainability-focused media, which has cultivated a deep personal identification with environmental causes (Nguyen Ngoc et al., 2023). Research across multiple emerging economies has shown that Gen Z job seekers actively evaluate a firm's CSR and environmental performance during their job search process, and that a lack of environmental transparency functions as a significant deterrent to job pursuit (Aladwan et al., 2021). For this generation, the prestige derived from a firm's green reputation carries greater weight than traditional prestige markers such as financial performance alone.

The geographic context of this study, the Special Region of Yogyakarta (DIY), provides a particularly fertile setting for investigating these dynamics.

Yogyakarta is widely recognized as the “Student City” (Kota Pelajar) of Indonesia, home to over 100 higher education institutions and a concentrated population of educated Generation Z individuals who are either currently studying or preparing to enter the labor market. Crucially for the green focus of this study, this educated Generation Z population is consistently characterized by acute environmental consciousness and a preference for value-aligned employment, making Yogyakarta an ideal setting for examining how green organizational signals, such as green employee relations and green job positions and descriptions, shape prestige perceptions and job pursuit intentions. Moreover, many organizations in Yogyakarta, ranging from small and medium enterprises to larger corporations, have yet to fully leverage their environmental practices as a recruitment strategy, creating a practical gap that this research seeks to address.

Despite the growing interest in GHRM and recruitment outcomes, several gaps remain in existing literature. First, most studies examining the relationship between green HRM practices and job pursuit intention have been conducted in Western or East Asian contexts, with limited empirical evidence from Southeast Asian emerging economies such as Indonesia (Miah et al., 2024). Second, while the mediating role of organizational attractiveness has been explored (Mbuyazi et al., 2022), the specific mechanism of employers’ prestige as a mediator between disaggregated GHRM practices (GER and GJPD separately) and JPI remains underexamined, with Fernandez & Ganesan (2023) being among the few to test this pathway. Third, the generational specificity of

these relationships for Generation Z, whose environmental values and digital information-processing habits differ markedly from previous cohorts, warrants dedicated investigation. This study therefore aims to bridge these gaps by examining how green employee relations and green job positions and descriptions influence job pursuit intention both directly and indirectly through the mediating mechanism of employers' prestige among Generation Z in Yogyakarta.

1.2 Research Question

Previous studies have examined the effects of green human resource management practices on various recruitment outcomes; however, the specific influence of green employee relations (GER) and green job positions and descriptions (GJPD) on job pursuit intention (JPI) among Generation Z, both directly and through the mediating mechanism of employers' prestige (PRE), has received limited attention in the existing literature, particularly within the Indonesian context. Therefore, it is important to investigate how green organizational signals, both internal and external, may affect the job pursuit behavior of environmentally conscious Gen Z applicants in Yogyakarta. Based on this gap, the research questions are proposed as follows:

RQ1: How does green employee relations (GER) influence job pursuit intention (JPI)?

RQ2: How does green employee relations (GER) influence employers' prestige (PRE)?

RQ3: How does employers' prestige (PRE) influence job pursuit intention (JPI)?

RQ4: Does employers' prestige (PRE) mediate the relationship between green employee relations (GER) and job pursuit intention (JPI)?

RQ5: How do green job positions and descriptions (GJPD) influence job pursuit intention (JPI)?

RQ6: How do green job positions and descriptions (GJPD) influence employers' prestige (PRE)?

RQ7: Does employers' prestige (PRE) mediate the relationship between green job positions and descriptions (GJPD) and job pursuit intention (JPI)?

1.3 Research Scope

Job pursuit intention (JPI) refers to the cognitive and behavioral willingness of an individual to actively exert effort in order to secure employment with a specific organization. It reflects the degree to which a job seeker is motivated to pursue a particular employer beyond passive interest, encompassing the readiness to accept an offer, attend interviews, and seek future employment opportunities. According to Highhouse et al. (2003), job pursuit intention is a distinct construct within the broader recruitment process, differentiated from organizational attractiveness (a passive evaluation) and actual job choice (a final decision). It represents the active, intentional stage that directly precedes application behavior.

Green employee relations (GER) refers to the subset of green human resource management practices that focuses on creating a participatory and empowering workplace environment in which employees are actively involved in organizational environmental management. These practices are voluntary and structural in nature, providing employees with channels to contribute to sustainability goals beyond their formal job requirements. According to Arulrajah et al. (2015), green employee relations encompasses five key dimensions: green suggestion schemes, employee involvement in eco-design and environmental strategy, green whistleblowing protection, environmental workshops and awareness programs, and stakeholder engagement on sustainability issues. These dimensions collectively represent the organization's commitment to enabling environmental participation at all levels.

Green job positions and descriptions (GJPD) refers to the formal integration of environmental duties, green competency requirements, and sustainability-related responsibilities into organizational job advertisements, role profiles, and position descriptions. This practice represents one of the earliest and most visible stages at which green human resource management manifests in the recruitment process. According to Jabbour (2011), GJPD involves the systematic embedding of environmental criteria into the design and communication of job roles, ensuring that ecological responsibility is positioned as a core component of the position rather than a peripheral attribute.

Employers' prestige (PRE) refers to the social evaluation of an organization's standing, representing the degree to which the general public and relevant peer groups regard the organization highly and consider association with it to be honorable and self-enhancing. Prestige captures the status dimension of organizational perception, distinct from organizational image (subjective individual beliefs) and organizational reputation (long-term performance assessment). According to Highhouse et al. (2003), employers' prestige is measured through indicators including how prestigious the organization's employees are perceived by others, how positively the organization is discussed by acquaintances, the prestige associated with being a member, the organization's standing as a top employer in its field, and the social impression conveyed by working for the organization.

1.4 Research Objective

Based on the research questions, the objectives of this study are as follows:

1. To analyze the direct effect of green employee relations on job pursuit intention among Generation Z in Yogyakarta.
2. To analyze the effect of green employee relations on employers' prestige among Generation Z in Yogyakarta.
3. To analyze the effect of employers' prestige on job pursuit intention among Generation Z in Yogyakarta.
4. To analyze the mediating role of employers' prestige in the relationship between green employee relations and job pursuit intention among Generation Z in Yogyakarta.

5. To analyze the direct effect of green job positions and descriptions on job pursuit intention among Generation Z in Yogyakarta.
6. To analyze the effect of green job positions and descriptions on employers' prestige among Generation Z in Yogyakarta.
7. To analyze the mediating role of employers' prestige in the relationship between green job positions and descriptions and job pursuit intention among Generation Z in Yogyakarta.

1.5 Research Benefit

This study offers both theoretical and practical contributions. From a theoretical perspective, this research extends the application of Signaling Theory (Spence, 1973) to the domain of green recruitment within an emerging Southeast Asian economy. While Signaling Theory has been widely applied in labor economics and organizational behavior, its specific application to understanding how green HRM practices function as credible organizational signals in the Indonesian context remains limited. By empirically testing whether green job positions and descriptions operate as high-fidelity signals that reduce information asymmetry for Gen Z job seekers, this study provides new evidence on the boundary conditions of signaling mechanisms in recruitment. Furthermore, this research contributes to Social Identity Theory (Tajfel & Turner, 1979) by examining whether an organization's environmental prestige is sufficiently powerful to influence prospective employees' self-concept and organizational identification even prior to employment. The disaggregation of GHRM into two specific practices, green employee relations and green job positions and descriptions, also contributes to a

more nuanced understanding of which green HRM dimensions most effectively build organizational prestige, addressing the call by Miah et al. (2024) for research that moves beyond treating GHRM as a monolithic construct.

From a practical perspective, the findings of this research provide actionable insights for human resource managers and organizational leaders in Yogyakarta and similar Indonesian contexts. By identifying the specific pathways through which green practices influence Gen Z job pursuit intentions, HR practitioners can design more targeted recruitment strategies that emphasize prestige-building environmental activities rather than relying solely on conventional compensation-based attraction. For organizations that may lack the financial resources to compete on salary, the results may demonstrate that investing in visible green employee participation and environmentally conscious job design offers a cost-effective alternative for attracting high-quality graduates. Additionally, the findings contribute to the broader discourse on sustainable business practices by demonstrating that environmental responsibility, when effectively communicated, creates a virtuous cycle in which being green becomes a competitive business necessity for talent acquisition rather than merely a compliance requirement.

1.6 Thesis Structure

This thesis is organized into five chapters. Chapter I presents the introduction, which includes the research background, research questions, research scope, research objectives, research benefits, and thesis structure. Chapter II provides the literature review, encompassing the theoretical background of the

study, a detailed examination of each research variable, a synthesis of previous research, the development of hypotheses, and the research framework. Chapter III describes the research methodology, including the research design, population and sampling procedures, data collection methods, research instruments, and data analysis techniques using Partial Least Squares Structural Equation Modeling (PLS-SEM). Chapter IV presents the results of data analysis and discussion, including respondent descriptions, instrument testing, descriptive analysis, hypothesis testing, and a discussion of the findings. Chapter V concludes the thesis with a summary of conclusions, managerial implications, research limitations, and suggestions for future research.