

The Influence of Company Reputation and Compensation on Gen Z's Job Application Intention in Jakarta's FMCG Sector

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Received: 10-07-2025 | Accepted: 10-10-2025 | Published: 31-10-2025

How to cite: Hidayat, T., Nuraini, E. (2025). The influence of company reputation and compensation on Gen Z's job application intention in Jakarta's FMCG Sector. *Journal of Emerging Business Management and Entrepreneurship Studies*, 5(2), 162–172. <https://doi.org/10.34149/jebmes.v5i2.259>



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ABSTRAK

Transformasi gaya hidup, pola pikir, dan preferensi generasi Z (Gen Z) membawa dampak signifikan terhadap dinamika pasar tenaga kerja, khususnya dalam proses rekrutmen di sektor Fast-Moving Consumer Goods (FMCG) di Jakarta. Gen Z dikenal memiliki preferensi terhadap fleksibilitas kerja, keterlibatan sosial, serta transparansi, dan tidak hanya mempertimbangkan gaji dalam memilih tempat kerja, tetapi juga reputasi dan nilai-nilai perusahaan. Penelitian ini bertujuan untuk mengkaji pengaruh reputasi perusahaan dan kompensasi terhadap minat melamar kerja Gen Z pada perusahaan FMCG di Jakarta. Responden yang digunakan dalam penelitian ini berjumlah 141 responden Gen Z berdomisili di DKI Jakarta yang tertarik melamar di perusahaan FMCG. Data diolah dengan memanfaatkan alat perangkat lunak SPSS. Hasil penelitian menunjukkan bahwa: 1) reputasi perusahaan secara parsial berpengaruh positif signifikan terhadap minat melamar kerja, 2) kompensasi secara parsial berpengaruh positif signifikan terhadap minat melamar kerja, 3) reputasi perusahaan dan kompensasi secara simultan berpengaruh positif signifikan terhadap minat melamar kerja. Oleh karena itu, penelitian ini penting untuk memberikan pemahaman yang lebih mendalam bagi perusahaan FMCG dalam merancang strategi rekrutmen yang sesuai dengan karakteristik Gen Z.

Kata Kunci:

Gen Z, kompensasi, minat melamar kerja, perusahaan FMCG, reputasi perusahaan

ABSTRACT

The transformation in lifestyle, mindset, and preferences of Generation Z (Gen Z) has had a significant impact on the dynamics of the labor market, particularly in the recruitment process within the Fast-Moving Consumer Goods (FMCG) sector in Jakarta. Gen Z is known for favoring work flexibility, social engagement, and transparency. They do not solely consider salary when choosing a workplace, but also take into account the company's reputation and values. This study aims to examine the influence of company reputation and compensation on Gen Z's interest in applying for jobs at FMCG companies in Jakarta. The total number of respondents used in this research is 141 individuals of Gen Z domiciled in DKI Jakarta who are interested in applying for jobs to FMCG companies. The data is processed using the SPSS software tool. The research results show that: 1) company reputation partially has a significant positive effect on job application interest, 2) compensation partially has a significant positive effect on job application interest, 3) company reputation and compensation simultaneously have a significant positive effect on job application interest. This study contributes to understanding Gen Z's employment preferences and helps FMCG firms design more effective recruitment strategies.

Keywords:

Company reputation, compensation, FMCG company, Gen Z, intention to apply

INTRODUCTION

The lifestyle, attitudes, and preferences of younger people have shifted considerably, leading to notable changes in the labor market, particularly concerning Generation Z (Gen Z). As defined by Seemiller and Grace (2018), Gen Z includes individuals born between 1995 and 2010, making them roughly 15 to 30 years old today. This generation is highly tech-savvy and holds distinct views about work. They tend to value flexibility, social involvement, and clear communication from employers. When selecting an employer, Gen Z looks beyond just salary, placing importance on the company's reputation and core principles, especially those emphasizing sustainability, ethical behavior, and social responsibility.

Jakarta, one of Indonesia's largest urban centers, is home to numerous companies within the Fast-Moving Consumer Goods (FMCG) sector. As defined by Investopedia, FMCG refers to industries producing everyday items that are sold quickly and at relatively low prices. This sector is recognized for its fast-paced nature and ongoing adaptation to emerging trends. In his 2024 article, "FMCG Market in Indonesia - Statistics and Facts," Wolff notes that the FMCG market in Indonesia ranks among the biggest and fastest-growing in Southeast Asia. FMCG companies in the country can be seen in Figure 1.



Figure 1. FMCG Company in Indonesia

Source: Mix.co.id, Tirto.id, Lifepal.com, Kompas.com (2024)

The growth in market demand is partly driven by the rising purchasing power stemming from changes in people's lifestyles. FMCG companies in Jakarta, both international and domestic, are actively competing to attract young job seekers. With numerous options available in this sector, the challenge for companies is how to distinguish themselves and capture the interest of Generation Z.

To gather insights on what factors Gen Z considers when choosing an employer, the researchers conducted a pre-research to support the main research and justify the selection of variables. This initial investigation was crucial to determine which elements most influence Gen Z's willingness to apply. The study involved 41 seventh-semester students living in Jakarta who expressed interest in working for FMCG companies. Participants responded to a single question via Google Forms. According to Nahartyo's theory (2013), each question should have at least 10 samples. In this research, it used 41 respondents to enhance the reliability of the data. The preliminary findings revealed that company reputation was the top priority for students (51.2%), followed by salary or compensation (39%), work

environment (7.3%), and company culture (2.4%). Interestingly, job descriptions and e-recruitment received no responses from participants.

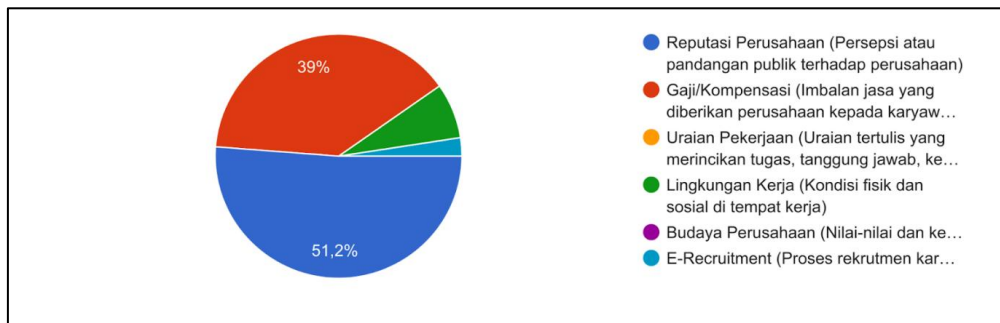


Figure 2. Pre-research Results

Source: Authors' work (2025)

Based on the diagram's findings, it is evident that the primary factors Gen Z considers when applying for jobs are the company's reputation and the compensation. This insight led to further research focused on Gen Z candidates interested in FMCG companies. For Gen Z, a company's reputation plays a crucial role in their job application decisions. Working for a well-regarded company not only instills pride but also aligns with their personal values. Putri (2023) explains that companies demonstrating strong growth potential tend to attract prospective employees, who feel motivated to contribute to the organization's success. Additionally, being employed by a reputable company with clear career advancement prospects often earns respect from peers. Sivertzen et al. (2013) define a company's reputation as the positive perception it maintains, which is essential to appeal to job seekers. A strong reputation clearly draws applicants seeking career development opportunities. Research by Fatimah et al. (2021) also highlights that company reputation is a key consideration for job seekers when choosing where to apply.

Given these findings, a company's reputation significantly influences Gen Z's job application choices. Therefore, FMCG firms should focus on cultivating and maintaining a positive public image to attract and engage young talent from this generation. Compensation plays a significant role in influencing job application interest, although for Generation Z, it is not the sole factor. Kumar (2021) explains that offering fair compensation along with supportive job-related benefits can encourage candidates to apply. Compensation here extends beyond just the base salary to include various perks and benefits such as healthcare, mental health support, career growth opportunities, flexible working arrangements, and programs promoting work-life balance. Gen Z tends to seek a comprehensive compensation that supports not only their financial needs but also a balanced lifestyle.

Moreover, for many Gen Z individuals starting their careers, the compensation offered by FMCG companies represents a crucial source of potential income and financial security. This is especially important as they aim to enhance their living standards. Consequently, companies that provide competitive compensation aligned with Gen Z's expectations are generally more attractive to this generation.

The FMCG sector in Jakarta is highly competitive, featuring numerous well-established local and international brands. These companies compete not only in terms of product offerings but also in attracting top talent to fill key roles. To capture the attention of Gen Z job seekers, FMCG companies must focus on promoting their reputation and offering attractive compensation

Although many studies have explored the general factors affecting job application interest, there is still limited research specifically examining how company reputation and compensation influence Generation Z's willingness to apply for positions within the FMCG sector in Jakarta. Gaining a deeper understanding of these influences can help FMCG companies develop recruitment strategies better tailored to the unique preferences of this generation.

This study is grounded in the Theory of Planned Behavior (Ajzen, 1991), which proposes that an individual's intention to engage in a behavior is shaped by their attitude toward it, the social pressures they perceive (subjective norms), and their perceived control over the behavior. In this context, company reputation represents the subjective norm, compensation reflects perceived behavioral control or motivation, and the intention to apply for a job is the key behavioral intention under investigation.

Previous research highlights some inconsistencies regarding the effects of these factors on job application interest. For example, Fatimah et al. (2021) found a positive and significant relationship between company reputation and application interest, while Sukresno (2022) reported no significant effect. Similarly, compensation's impact has shown mixed results: Pramudya (2024) identified a significant positive influence, whereas Anjani (2024) did not find compensation to significantly affect application interest. These contrasting findings underline the need for further study into how company reputation and compensation affect Gen Z's job application intentions within Jakarta's FMCG industry, which this research aims to address.

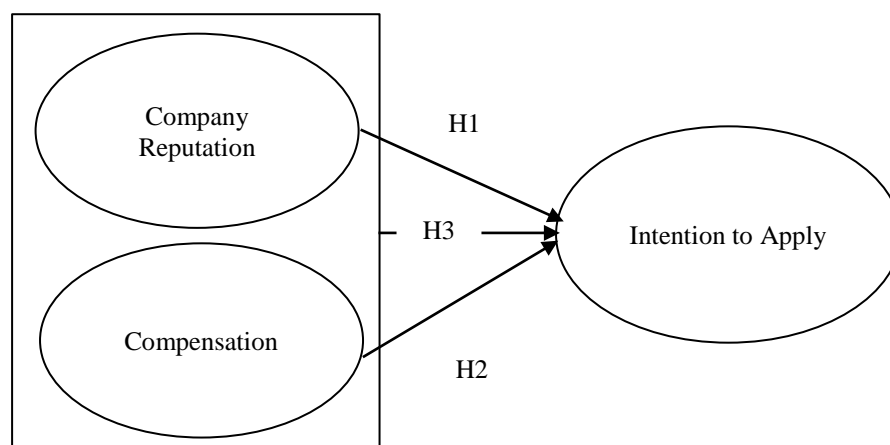


Figure 3 Research Model

H1: Company reputation demonstrates a significant positive partial effect on individuals' intention to apply for jobs.

H2: Compensation demonstrates a significant positive partial effect on individuals' intention to apply for jobs.

H3: Simultaneously, company reputation and compensation collectively have a significant positive effect on the intention to apply for jobs.

RESEARCH METHODS

This study employs a purely quantitative design with an explanatory research approach. The rationale for utilizing the quantitative method is to validate existing theoretical frameworks rather than to develop new ones (Hardani et al., 2020). The research population comprises members of Generation Z residing in Jakarta who have an interest in FMCG companies. Sampling was carried out using a non-probability technique, specifically purposive sampling, resulting in a total of 141 respondents. The sample size determination follows the guidelines provided by Hair et al. (2019), recommending between 100 and 200 participants, calculated by multiplying the number of indicators by a factor ranging from 5 to 10. Given that this study incorporates 14 indicators, the minimum required sample size is 140 (14 x 10), which helps reduce potential data errors. Table 1, presents the operational definitions of the variables used in this study.

Table 1 Operational Definition of Variables

Source	Operational Definition of Variables	Indicators
Fombrun et al. (2000)	Company Reputation is a characteristic that emerges from the actions that have been taken by the company as well as actions in the future.	1. Emotional Appeals 2. Products and Services 3. Social and Environmental Responsibilities 4. Vision and Leadership 5. Work Environment 6. Financial Performance
Azhar (2020)	Compensation is the reward for services provided by the company to the workforce, either in financial or non-financial forms	1. Salary 2. Incentives 3. Benefits 4. Facilities
Barber (1998)	Intention to Apply is the desire within a person to work, starting from various efforts to seek information about job vacancies	1. Need to Work 2. Job Information Search 3. Determination of Job Choices 4. Candidate Decision-Making

Source: Authors' work (2025)

The questionnaire was distributed to respondents through Google Forms over a two-month period, from April to June. Each item was evaluated using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Data analysis was performed using SPSS software, which provides clear and well-organized tables and charts suitable for inclusion in the final report. The analyses conducted included validity and reliability assessments, tests for classical assumptions, and hypothesis testing using t-tests and F-tests. Following these analyses, the findings were interpreted in accordance with the formulated hypotheses.

RESULT AND DISCUSSION

Out of 141 participants, the majority were male, totaling 91 individuals, aged between 17 and 28 years old. Most respondents were located in Central Jakarta. Table 2, presents the demographic details of the participants.

Table 2 Respondent Demographics

Characteristics	Amount (n)	%
Age		
Range (17-28)	141	100
Sex		
Male	91	64.5
Female	50	35.5
Domicile		
Jakarta Pusat	47	33.3
Jakarta Selatan	33	23.4
Jakarta Timur	30	21.3
Jakarta Barat	21	14.9
Jakarta Utara	10	7.1

Source: Authors' work (2025)

Table 3 presents the results of the validity test, where the critical value (r table) was determined based on 141 samples, a 5% significance level, and degrees of freedom (N-2) equal to 139, resulting in an r table value of 0.1654. From the data in Table 3 it is evident that all three items are valid since their calculated r values exceed the r table threshold.

Table 3. Validity Test

Variable	Amount of Item	r Value	r Table	Ket.
Company Reputation (X1)	12	0.529 - 0.697		
Compensation (X2)	8	0.511 - 0.689	0.1654	All items are valid
Intention to Apply (Y)	8	0.544 - 0.661		

Source: Authors' work (2025)

The reliability of the items was assessed using Cronbach's Alpha, where a value greater than 0.70 signifies acceptable reliability. The results of this test are displayed in Table 4.

Table 4. Reliability Test

Variable	Value of Alpha	Desc.
Company Reputation (X1)	0.830	Reliable
Compensation (X2)	0.761	
Intention to Apply (Y)	0.707	

Source: Authors' work (2025)

Table 5 displays the normality test results, revealing a significance level of 0.60, which is greater than 0.05. Therefore, it can be concluded that the data in this study follow a normal distribution.

Table 5 Normality Test

Test Statistic	0.73
Sig.	0.60

Source: Authors' work (2025)

According to the multicollinearity test results shown in Table 6, the tolerance values for the independent variables are 0.560, which is above the 0.1 threshold, and the VIF values are 1.787, falling below the limit of 10. This indicates that multicollinearity is not present.

Table 6. Multicollinearity Test

Variable	Tolerance	VIF
Company Reputation (X1)	0.560	1.787
Compensation (X2)	0.560	1.787

Source: Authors' work (2025)

The heteroskedasticity test in Table 7, that the significance value for the company reputation (X1) is 0.858, which is greater than 0.05. Similarly, the compensation (X2) has a significance value of 0.792, also above 0.05. Therefore, it can be concluded that there is no heteroskedasticity present.

Table 7. Heteroskedasticity Test

Variable	Sig.
Company Reputation (X1)	0.858
Compensation (X2)	0.792

Source: Authors' work (2025)

Table 8, presents the processed results of the t-test.

Table 8. T-Test

Variable	T-Value	Sig.
Constant	1.476	0.142
Company Reputation (X1)	4.709	0.000
Compensation (X2)	4.712	0.000

Source: Authors' work (2025)

Referring to the t-test results in the table above, it can be inferred that the Company Reputation variable (X1) shows a significance level of 0.000 (less than 0.05) with a t-value of 4.709, indicating that company reputation has a positive and significant partial impact on Gen Z's intention to apply for a job in FMCG companies in Jakarta. Similarly, the Compensation variable (X2) has a significance level of 0.000 (below 0.05) and a t-value of 4.712, meaning that compensation also positively and significantly influences Gen Z's intention to apply for a job in FMCG firms in Jakarta.

Table 9. displays the processed results of the F-test.

Table 9 F-Test

Independent Variable	Dependent Variable	Sig.
Company Reputation (X1)	Intention to Apply (Y)	0.000
Compensation (X2)		

Source: Authors' work (2025)

The F-test results indicate a significance level of 0.000, which is below the 0.05 threshold. This suggests that company reputation and compensation together have a significant and positive impact on the intention to apply for a job.

Table 10 presents the outcomes of the coefficient calculations.

Table 10. Hasil Uji Regresi Linear Berganda

Variable	Unstandardized Coefficient B	Standardized Coefficients Beta	R	R Square
Constant	4.041			
Company Reputation (X1)	0.265	0.383	0.699	0.489
Compensation (X2)	0.448	0.383		

Source: Authors' work (2025)

The multiple linear regression analysis produced a constant value of 4.041. The regression coefficient (B) for the company reputation variable (X1) is 0.256, while the coefficient for the compensation variable (X2) is 0.448. Thus, the regression equation can be expressed as: $Y = 4.041 + 0.265X_1 + 0.448X_2$, with the following interpretations:

1. When the independent variables remain constant, the dependent variable's value is 4.041.
2. The positive coefficient of 0.265 for company reputation (X1) indicates that a one-unit increase in company reputation corresponds to a 0.265 increase in job application interest.
3. The positive coefficient of 0.448 for compensation (X2) implies that a one-unit rise in compensation results in a 0.448 increase in job application interest.
4. The correlation coefficient (R) is 0.699, suggesting that company reputation and compensation together explain 69% of the variation in job application interest.
5. The coefficient of determination (R Square) is 0.489, meaning that these two variables account for 48.9% of the variation in job application interest, while the remaining 51.1% is influenced by other factors not included in this model.

The results of this study support the findings of previous research by Fatimah et al. (2021), Putri (2023), and Kumar (2021), which indicate that both company reputation and compensation, individually and together, have a significant and positive effect on intention to apply for jobs. These findings add to the theoretical understanding of how company reputation and compensation influence the job application intentions of Gen Z in DKI Jakarta, especially within FMCG companies. Consequently, the research objectives have been successfully met.

Company reputation and compensation explain 48.9% of the variation in Gen Z's intention to apply for jobs in DKI Jakarta, highlighting their dominant role in influencing this group's decision-making when seeking employment in FMCG firms. Therefore, companies should focus on building a strong reputation through impactful CSR initiatives and offering competitive compensation packages. A positive company image combined with attractive compensation is a key factor for Gen Z when choosing where to apply for jobs.

CONCLUSION AND RECOMMENDATION

The analysis of the data indicates that company reputation has a positive and significant partial impact on Generation Z's intention to apply for jobs at Fast-Moving Consumer Goods (FMCG) companies in Jakarta. These results support the first hypothesis (H1), which suggests that a stronger company reputation increases Generation Z's job application interest. Likewise, compensation was found to have a partially positive and significant effect on their interest in applying, confirming the second hypothesis (H2) that attractive compensation can enhance job-seeking motivation among Generation Z. Moreover, the combined effect of company reputation and compensation was shown to positively and significantly influence job application interest, thus validating the third hypothesis (H3) that a favorable reputation paired with adequate compensation boosts a company's appeal to potential Generation Z applicants.

This study's limitations include its sample scope, which is confined to the DKI Jakarta Province. As a result, the findings may not be generalizable to other Indonesian regions with different social, economic, and cultural contexts. Additionally, the research focuses on only two independent

variables—company reputation and compensation—potentially overlooking other influential factors like work environment, career growth opportunities, or organizational culture.

For future studies on this topic, it is recommended to broaden the geographic range beyond Jakarta to include multiple regions, improving the generalizability of the results. Also, incorporating additional variables such as work environment could offer a more thorough understanding of the factors affecting Generation Z's job application decisions, providing a more holistic perspective.

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