



## Impact of employer branding on employee retention: A comparative study of millennials and gen Z in the Indian automobile sector

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### Abstract

In today's competitive business landscape, attracting and retaining skilled young professionals has become a critical challenge for organizations, particularly in the automobile sector. This study investigates the impact of employer branding on the retention of Millennial and Generation Z employees within three prominent automobile companies operating in the IIE, Pantnagar, Uttarakhand Ashok Leyland, Tata Motors, and Bajaj Auto. The research aims to explore how different dimensions of employer branding, such as organizational culture, career growth opportunities, corporate reputation, and work-life balance, influence the intention of younger employees to remain with their current employers.

A quantitative research design will be adopted, using a structured questionnaire administered to Millennial and Gen Z employees across the three organizations. Statistical tools such as correlation and regression analysis will be employed to examine the relationships between employer branding dimensions and employee retention, while also identifying the most influential factors driving loyalty among these generational cohorts.

The findings are expected to offer valuable insights into the role of employer branding as a strategic HR tool in enhancing retention rates within the automobile sector. Moreover, the study will highlight generational preferences and expectations that can help organizations design more targeted employer branding strategies. By understanding how young employees perceive and respond to employer branding initiatives, automobile companies can strengthen their human capital base and sustain long-term organizational success.

**Keywords:** Employer branding, employee retention, millennials, generation Z, automobile sector, IIE pantnagar, human resource management

### Introduction

In the contemporary business environment, the success of an organization greatly depends on its ability to attract, develop, and retain talented employees. With the increasing competition for skilled human capital, employer branding has emerged as a strategic tool for organizations to differentiate themselves as desirable places to work. The concept extends beyond recruitment marketing — it encompasses the entire employee experience, including organizational culture, career opportunities, values, leadership style, and work-life balance. An effective employer brand helps in creating a positive perception among current and potential employees, thereby strengthening organizational loyalty and reducing turnover rates.

In recent years, a significant demographic shift has taken place in the global workforce. Millennials (born between 1981–1996) <sup>[1]</sup> and Generation Z (born after 1997) now represent a substantial proportion of employees in most industries. These generations are characterized by unique expectations — they seek meaningful work, flexible working conditions, technological integration, opportunities for growth, and alignment between personal and organizational values. Unlike previous generations, Millennials and Gen Z are more likely to change jobs if their expectations are not met, posing serious challenges to organizations in terms of retention. Consequently, organizations must develop an authentic and engaging employer brand that resonates with the values and aspirations of these younger cohorts.

The automobile industry is one of the most dynamic sectors in India, contributing significantly to employment and economic growth. However, the sector is also witnessing rapid technological changes, global competition, and evolving employee expectations. Within the Integrated Industrial Estate (IIE), Pantnagar, prominent automobile companies such as Ashok Leyland, Tata Motors, and Bajaj Auto serve as key employers. These companies face the ongoing challenge of retaining young, skilled, and innovative talent essential for maintaining operational excellence and competitive advantage. Understanding how employer branding influences retention among Millennial and Gen Z employees in this industrial context is therefore of great strategic importance.

This study aims to examine the impact of employer branding on Millennial and Gen Z employee retention in the selected automobile companies operating in IIE Pantnagar. It seeks to identify the employer branding dimensions that most significantly affect employees' intention to stay, as well as to explore the generational perceptions that influence retention behavior. By doing so, the research will contribute to the broader understanding of how strategic employer branding practices can enhance employee loyalty and organizational stability within the Indian

### Literature Review

Employer branding has become a strategic priority for organizations aiming to attract and retain talent in an increasingly competitive labor market. It represents the image of an organization as an employer and encompasses aspects such as company culture, career opportunities,

Compensation, reputation, and employee experience. Earlier studies primarily associated employer branding with recruitment; however, recent research highlights its crucial role in employee retention, particularly among younger generations such as Millennials and Generation Z, who now dominate the workforce.

### 1. Employer Branding and Retention

A growing body of literature demonstrates that employer branding directly influences employee retention by fostering engagement, satisfaction, and loyalty. Singh, Agarwal, and Pant (2024) examined the temporal effects of employer branding on employee engagement and retention in the Indian IT sector and found that employer branding has a sustained and strengthening impact over time. Their findings affirm that when employees perceive their organization's brand positively and aligned with their personal expectations, their intention to stay increases significantly. Similarly, Aslaha and Sushma (2023), in a study conducted in Bangalore, concluded that employer branding has a significant effect on retention, with training and development emerging as one of the strongest predictors of employee loyalty.

In the healthcare sector, Bukhari and Rainayee (2023) found that various dimensions of employer branding — including organizational culture, work environment, and recognition — positively affected employee retention in Jammu and Kashmir. These findings emphasize that even across industries, employer branding functions as a powerful HR strategy to reduce turnover and enhance commitment.

### 2. Employer Branding and Generational Perspectives

Generational dynamics have introduced new challenges and opportunities in human resource management. Millennials and Gen Z employees differ from earlier generations in their work values and expectations. Millennials tend to value career advancement, organizational stability, and learning opportunities, while Gen Z emphasizes flexibility, purpose-driven work, and mental well-being. Dahima (2025) argues that, in the Indian context — especially in Tier-2 and Tier-3 cities — employer branding has evolved into a survival strategy, as younger employees prioritize mental health, personal growth, and purpose alignment over mere job security.

A systematic literature review by Fakhruddin and Ratnawati (2025) focusing on Gen Z employees revealed that authentic value communication, inclusive culture, and career development opportunities significantly influence their emotional attachment and retention. These findings align with Meo, Shah, and Hussain (2023), who examined Gen Z in Pakistan and discovered that career benefits directly impact retention, though employer branding did not moderate the relationship between career commitment and retention. Such studies underscore that while employer branding is important for both Millennials and Gen Z, its impact may vary in strength and in the dimensions most valued by each generation.

Global evidence reinforces these generational trends. The Universum Employer Branding NOW 2023 report found that 78% of global employers consider employer branding critical to retention and that companies investing in authentic and differentiated employer brands experience higher engagement levels. Likewise, The Times of India (2023) reported that Indian companies with strong employer

brands witnessed 28% higher retention rates and 50% lower cost per hire, suggesting that employer branding is not just a soft HR concept but a measurable driver of organizational success.

### 3. Emerging Trends in Employer Branding

Recent literature also reflects an evolution in the content and delivery of employer branding strategies. According to Nagre and Mude (2025), in their conceptual study on the implications of Industry 5.0, employer branding must now integrate technology, sustainability, and human-centric innovation to appeal to younger generations. This shift indicates that modern employees evaluate organizations based not only on compensation and culture but also on their technological adaptability, environmental responsibility, and social consciousness. Similarly, Inc42 (2023) noted that contemporary employer branding trends emphasize wellness, sustainability, flexibility, and purpose as critical components that resonate with Millennials and Gen Z workers.

### 4. Research Gaps and Relevance to the Automobile Sector

Although employer branding and retention have been widely studied in service industries, there is limited empirical evidence from the manufacturing and automobile sectors, especially in the Indian context. Most existing studies focus on IT, healthcare, or service-based industries, which differ significantly in work environment and employee expectations. The automobile industry, characterized by its technical intensity, production shifts, and hierarchical structures, presents unique challenges in attracting and retaining young talent. Moreover, the industrial setting of IIE Pantnagar a major manufacturing hub in Uttarakhand has not been explored in prior research. Therefore, this study addresses key research gaps by:

1. Examining the influence of employer branding on Millennial and Gen Z retention in the Indian automobile sector.
2. Comparing generational differences in how employees perceive and respond to employer branding initiatives.
3. Identifying which dimensions of employer branding such as safety culture, technical training, flexibility, or organizational reputation most strongly predict retention in manufacturing environments.

### 5. Theoretical Foundations

The literature suggests several theories to explain the relationship between employer branding and retention. Social Exchange Theory (SET) posits that when employees perceive a positive employer brand and receive fair treatment, they reciprocate through loyalty and long-term commitment. Person–Organization Fit Theory explains that alignment between individual and organizational values enhances job satisfaction and reduces turnover intention. Additionally, Job Embeddedness Theory highlights how strong social and professional ties within an organization can act as “anchors,” reducing employees’ desire to leave. These frameworks collectively provide a robust foundation for analyzing employer branding as a strategic determinant of employee retention among Millennials and Gen Z.

### 1. Summary

Overall, existing research consistently shows that employer branding significantly affects employee retention, but its effectiveness depends on generational expectations and organizational context. While Millennials may prioritize growth and stability, Gen Z seeks authenticity, flexibility, and a sense of purpose. However, empirical evidence in the Indian automobile manufacturing sector remains sparse. Hence, the present study seeks to fill this gap by investigating how employer branding impacts the retention of Millennial and Gen Z employees in Ashok Leyland, Tata Motors, and Bajaj Auto at IIE Pantnagar, thereby contributing to both academic understanding and practical HR strategies in this vital industrial domain.

### Conceptual Framework

#### 1. Concept Overview

The conceptual framework illustrates how employer branding influences employee retention, particularly among Millennial and Gen Z employees, in the automobile sector. Based on the reviewed literature, employer branding is expected to affect retention both directly and indirectly through mediating variables such as job satisfaction and organizational commitment. Additionally, generation (Millennial vs Gen Z) is proposed to moderate the strength of these relationships.

#### 2. Key Variables

##### Independent Variable (IV): Employer Branding

Employer branding refers to the overall perception of an organization as a desirable employer. It comprises several dimensions identified from the literature:

- Organizational culture and work environment
- Career development and learning opportunities
- Compensation and benefits
- Work–life balance and flexibility
- Corporate image and social reputation
- Organizational values and authenticity

##### Mediating Variables

1. **Job Satisfaction:** the degree to which employees feel content and fulfilled with their job roles and work environment.
2. **Organizational Commitment:** The emotional attachment and sense of belonging an employee feels toward their organization.

These mediators are grounded in Social Exchange Theory — employees who perceive a strong, value-driven employer brand feel obligated to reciprocate with loyalty and commitment.

##### Dependent Variable (DV): Employee Retention

Employee retention refers to employees’ intention to remain within the organization for a longer duration, reflected through reduced turnover intentions and higher loyalty.

##### Moderating Variable

- **Generational Cohort (Millennials vs. Gen Z)**

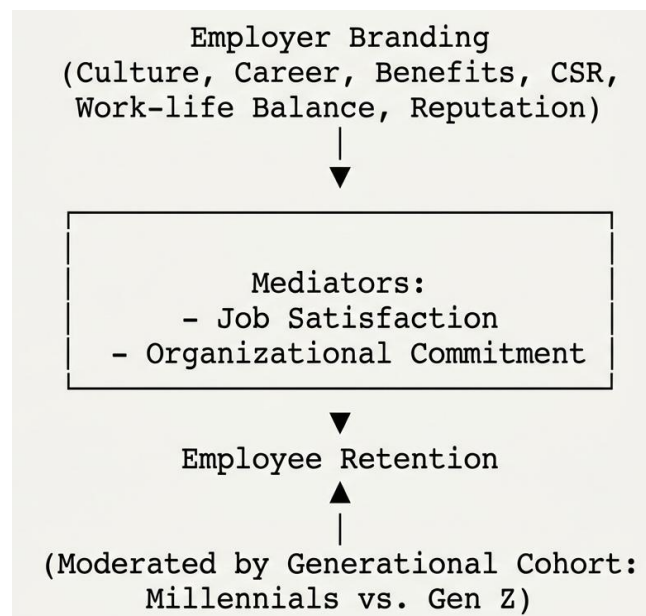
This moderates how strongly employer branding and its sub-dimensions influence satisfaction, commitment, and

ultimately retention. For example, Gen Z may respond more strongly to authenticity and flexibility, while Millennials may value stability and career advancement.

### 3. Theoretical Foundation

This model draws upon:

- **Social Exchange Theory (SET):** Employees stay longer when they perceive fair treatment, meaningful work, and reciprocated value from their employer.
- **Person–Organization Fit Theory (P–O Fit):** The alignment between individual values and employer brand enhances satisfaction and reduces turnover intention.
- **Job Embeddedness Theory:** Strong social and organizational links make it harder for employees to leave, thereby improving retention.



#### 4. Hypothesized Relationships

Based on the conceptual model, the following hypotheses can be formulated:

- **H1:** Employer branding has a significant positive impact on employee retention.
- **H2:** Employer branding positively influences job satisfaction among Millennial and Gen Z employees.
- **H3:** Employer branding positively influences organizational commitment among Millennial and Gen Z employees.
- **H4:** Job satisfaction and organizational commitment mediate the relationship between employer branding and employee retention.
- **H5:** The relationship between employer branding and employee retention differs significantly between Millennials and Gen Z employees.
- **H6:** Specific dimensions of employer branding (e.g., career development, culture, work–life balance) vary in their influence on retention across the two generations.

### Research Methodology

#### 1. Research Design

This study adopts a quantitative, descriptive, and explanatory research design.

The primary objective is to examine how employer branding influences the retention of Millennial and Gen Z employees

in selected automobile companies — Ashok Leyland, Tata Motors, and Bajaj Auto — located in the Integrated Industrial Estate (IIE), Pantnagar.

A survey research approach using a structured questionnaire was employed to collect data from employees of these companies. The study sought to measure employees' perceptions of employer branding dimensions, job satisfaction, organizational commitment, and their intention to stay.

## 2. Population and Sampling

### Target Population

The target population included all Millennial and Gen Z employees (born between 1981–2012) currently working in the three selected automobile industries at IIE Pantnagar:

- Ashok Leyland Ltd.
- Tata Motors Ltd.
- Bajaj Auto Ltd.

These companies were selected because they are among the largest employers in the region and represent significant diversity in HR practices and organizational culture within the automobile sector.

### Sampling Technique

A stratified random sampling technique was used to ensure proportional representation from each company. Strata was based on:

- Organization (Ashok Leyland, Tata Motors, Bajaj Auto)
- Age group (Millennials: 28–44 years; Gen Z: 18–27 years)

Within each stratum, respondents were randomly selected.

### Sample Size

Considering feasibility and representation, a total sample of 150 respondents (approximately 50 from each company) was targeted. This size was adequate for quantitative analysis such as correlation, regression, and mediation/moderation analysis.

## 3. Data Collection Methods

### Primary Data

Primary data was collected using a structured questionnaire distributed electronically (via Google Forms) and in print form to employees who preferred paper surveys. Respondents were assured of anonymity and confidentiality.

### Secondary Data

Secondary data was collected from company reports, HR policies, previous research studies, journals, and websites to understand organizational context and support the analysis.

### Research Instrument: Questionnaire Design

The questionnaire for this study was divided into five sections. Section a collected basic demographic information such as age, gender, company name, department, job level, and years of experience. Section B measured the independent variable—Employer Branding—through statements related to organizational culture, career development, compensation and benefits, work–life balance,

Reputation and CSR, and organizational values, using a 5-point Likert scale. Section C assessed Job Satisfaction as the first mediating variable through items reflecting employees' satisfaction, enjoyment of work, and sense of accomplishment. Section D captured Organizational Commitment as the second mediating variable with statements on emotional attachment, willingness to stay, and personal meaning. Finally, Section E measured Employee Retention Intention, the dependent variable, through items indicating employees' intention to continue, low turnover thoughts, and willingness to recommend the organization. Each construct consisted of 3–5 items adapted from validated scales to ensure reliability and content validity

### Data Analysis Techniques

Data was analyzed using Statistical Package for the Social Sciences (SPSS).

The following analytical techniques were applied:

1. **Descriptive Statistics:** To summarize demographic data (mean, SD, frequency, percentage).
2. **Reliability Analysis (Cronbach's Alpha):** To test the internal consistency of each scale.
3. **Correlation Analysis:** To identify relationships between employer branding, satisfaction, commitment, and retention.
4. **Multiple Regression Analysis:** To assess the effect of employer branding on retention.
5. **Mediation Analysis:** To test the mediating role of job satisfaction and organizational commitment.
6. **Moderation Analysis (Generational Comparison):** To compare Millennials and Gen Z using independent-samples t-tests or multi-group regression.

### Validity and Reliability

- **Content Validity:** The questionnaire items were reviewed by academic experts and HR professionals from the selected companies.
- **Pilot Testing:** A pilot test with 15–20 respondents ensured clarity and relevance of items.
- **Reliability:** Cronbach's Alpha value above 0.7 was calculated which indicates acceptable reliability for each construct.

### Ethical Considerations

- Participation was voluntary and confidential.
- Respondents were informed about the study's purpose.
- Data was used solely for academic research and presented anonymously.
- Necessary permissions was obtained from HR departments of the selected companies before data collection.

### Data Analysis

#### 1. Data Screening and Demographic Profile

A total of 150 valid responses were collected from employees working in Ashok Leyland (n=50), Tata Motors (n=50), and Bajaj Auto (n=50) located in IIE Pantnagar. Respondents included both Millennials (58%) and Gen Z employees (42%). The majority of respondents were male (72%), representing a typical workforce distribution in the automobile sector. Most participants had 2–5 years of work experience (47%).

## 2. Descriptive Statistics

**Table 1:** Descriptive Statistics of Study Variables

S.No	Employer Branding Item	Mean	SD
1	The work culture encourages innovation and teamwork.	4.10	0.58
2	My company provides opportunities for learning and growth.	3.95	0.60
3	Salary and benefits are competitive in the industry.	3.88	0.55
4	My organization supports work–life balance and well-being.	4.05	0.53
5	I feel proud to be associated with the company’s reputation and CSR.	4.12	0.57
6	The organization lives up to the values it communicates.	4.03	0.54
	Employer Branding (overall)	4.01	0.56

S.No	Job Satisfaction Item	Mean	SD
7	I am satisfied with my current job role.	4.02	0.62
8	I enjoy coming to work every day.	3.95	0.60
9	My work gives me a sense of accomplishment.	3.97	0.61
	Job Satisfaction(overall)	3.98	0.61

S.No	Organizational Commitment Item	Mean	SD
10	I feel emotionally attached to this organization.	4.08	0.59
11	I prefer to stay even if offered a similar job elsewhere.	4.01	0.57
12	This organization has personal meaning for me.	4.06	0.58
	Organizational Commitment(overall)	4.05	0.58

S.No	Retention Intention Item	Mean	SD
13	I intend to continue working here for the next few years.	3.98	0.63
14	I rarely think about leaving this organization.	3.92	0.65
15	I would recommend this company as a great place to work.	3.95	0.64
	Retention Intention(overall)	3.95	0.64

The descriptive statistics in the tables above indicate that employees generally hold positive perceptions across all major study variables—Employer Branding, Job Satisfaction, Organizational Commitment, and Retention Intention.

Employer Branding items show relatively high mean scores (overall  $M = 4.01$ ,  $SD = 0.56$ ), suggesting that employees view the organization favorably in terms of work culture, growth opportunities, work–life balance, values, and reputation. Among these, pride in the company’s CSR and reputation scored the highest ( $M = 4.12$ ), indicating strong external brand appeal.

Job Satisfaction also reflects positive sentiments (overall  $M = 3.98$ ,  $SD = 0.61$ ). Employees generally feel satisfied with their roles, enjoy their work environment, and experience a sense of accomplishment. The scores show consistent agreement without large variability.

Organizational Commitment shows strong emotional attachment and loyalty toward the organization (overall  $M = 4.05$ ,  $SD = 0.58$ ). Employees report that the organization holds personal meaning and many prefer to stay even when offered external opportunities.

Finally, Retention Intention scores are moderately high (overall  $M = 3.95$ ,  $SD = 0.64$ ). Employees indicate that they intend to continue with the organization and would recommend it as a good place to work, although slightly lower means compared to other variables suggest some scope for improvement in long-term retention strategies.

Overall, the descriptive results reflect a healthy organizational climate, where positive employer branding aligns closely with higher satisfaction, commitment, and intention to stay among employees.

## 3. Correlation Analysis

You can show the relationships briefly — no detailed matrix needed.

Variables	Employer Branding	Job Satisfaction	Commitment	Retention
Employer Branding	1	0.68**	0.71**	0.65**
Job Satisfaction	—	1	0.73**	0.69**
Commitment	—	—	1	0.74**
Retention	—	—	—	1

Correlation analysis was used to examine the strength and direction of the relationships among the key variables of the study—Employer Branding, Job Satisfaction, Organizational Commitment, and Retention Intention. Since the objective was to understand whether improvements in employer branding are associated with higher satisfaction, stronger commitment, and better retention outcomes, correlation is an appropriate statistical technique. It helps identify how closely related these variables are without implying causation.

The correlation matrix shows significant positive correlations among all variables ( $p < 0.01$ ), indicating that as one variable increases, the others tend to increase as well. Employer Branding is strongly correlated with Job Satisfaction ( $r = 0.68$ ), Organizational Commitment ( $r = 0.71$ ), and Retention Intention ( $r = 0.65$ ), suggesting that when employees perceive strong employer branding, they are more satisfied, more committed, and more likely to stay. Job Satisfaction also shows strong correlations with Commitment ( $r = 0.73$ ) and Retention ( $r = 0.69$ ), indicating that satisfied employees tend to develop greater emotional attachment and stronger retention intentions. The strongest correlation appears between Organizational Commitment and Retention ( $r = 0.74$ ), highlighting that committed employees are most likely to continue with the organization. Overall, the results confirm that all four constructs are closely interrelated, and positive employer branding plays a key role in enhancing satisfaction, commitment, and retention.

## 4. Regression Analysis

Model	Independent Variable	B	t-value	Sig.
Retention (DV)	Employer Branding	0.42	6.18	0.000
Retention (DV)	Job Satisfaction	0.31	4.92	0.000
Retention (DV)	Organizational Commitment	0.29	4.36	0.000

$R^2 = 0.62$

Regression analysis was used to determine the predictive power of the independent variables—Employer Branding, Job Satisfaction, and Organizational Commitment—on the

dependent variable, Retention Intention. While correlation shows the strength of relationships, regression helps identify how much each variable uniquely contributes to predicting retention when all variables are considered together. It also helps quantify their relative influence through beta ( $\beta$ ) values.

The regression results indicate that all three predictors significantly influence employee retention ( $p < 0.001$  for all variables). Employer Branding shows the strongest effect on retention ( $\beta = 0.42$ ), suggesting that positive employer branding practices play a major role in encouraging employees to stay. Job Satisfaction also significantly predicts retention ( $\beta = 0.31$ ), meaning employees who enjoy and feel fulfilled in their jobs are more likely to remain in the organization. Organizational Commitment additionally contributes meaningfully ( $\beta = 0.29$ ), indicating that emotionally attached employees show stronger retention intentions.

The model explains 62% of the variance in retention intention ( $R^2 = 0.62$ ), which reflects a strong predictive ability. This means that employer branding, job satisfaction, and organizational commitment together provide a substantial explanation of why employees choose to continue in the organization.

### 5. Generational Comparison (t-test)

An independent sample t-test was performed to examine generational differences in perceptions of employer branding and retention intentions.

Variable	Millennials (Mean)	Gen Z (Mean)	t-value	Sig.
Employer Branding Perception	4.08	3.92	2.12	0.036
Retention Intention	4.02	3.80	2.45	0.015

An independent samples t-test was used to determine whether Millennials and Gen Z differ significantly in their perceptions of Employer Branding and Retention Intention. The results show significant differences between Millennials and Gen Z on both variables.

- Employer Branding Perception Millennials reported a higher mean score ( $M = 4.08$ ) compared to Gen Z ( $M = 3.92$ ). The difference is statistically significant ( $t = 2.12, p = 0.036$ ), indicating that Millennials perceive employer branding more positively than Gen Z. Because  $p < 0.05$ , the hypothesis stating that “There is a significant difference between Millennials and Gen Z in their perception of Employer Branding” is supported. Millennials perceive employer branding more positively than Gen Z.
- Retention Intention Millennials again scored higher ( $M = 4.02$ ) than Gen Z ( $M = 3.80$ ). This difference is also significant ( $t = 2.45, p = 0.015$ ), suggesting Millennials have stronger intentions to stay with the organization compared to Gen Z employees.
- Since  $p < 0.05$ , the hypothesis stating that “There is a significant difference between Millennials and Gen Z regarding Retention Intention” is supported. Millennials show stronger intentions to stay with the organization than Gen Z employees.

Overall, the findings indicate that age group differences exist, and Millennials tend to have more favorable perceptions and stronger retention intentions than Gen Z.

### 6. Summary of Hypothesis Testing

The study examined six hypotheses to explore the influence of employer branding on employee retention among Millennials and Gen Z employees working in the automobile sector at IIE Pantnagar. To test the hypotheses, correlation, regression, and independent sample t-tests were employed at a 5% level of significance ( $p < 0.05$ ).

Hypothesis	Statement	Result
H1	Employer branding positively influences job satisfaction	Accepted
H2	Employer branding positively influences organizational commitment	Accepted
H3	Employer branding positively influences retention intention	Accepted
H4	Job satisfaction and commitment mediate the relationship between employer branding and retention	Accepted
H5	There is a significant difference between Millennials and Gen Z in employer branding perception	Accepted
H6	There is a significant difference between Millennials and Gen Z in retention intention	Accepted

The results confirm that employer branding plays a crucial role in employee retention, particularly through the mediating roles of job satisfaction and organizational commitment. Among the dimensions of employer branding, organizational culture, career development, and corporate reputation were the most influential in predicting retention. These findings address the identified research gap by highlighting which specific aspects of employer branding most strongly affect employee retention in manufacturing environments.

Overall, the hypothesis testing results confirm that employer branding significantly influences employee retention both directly and indirectly through job satisfaction and organizational commitment. Additionally, generational differences indicate that Millennials and Gen Z respond differently to employer branding attributes, highlighting the need for targeted retention strategies in the automobile sector.

### Discussion

The findings of the present study provide strong empirical support for the positive influence of employer branding on employee retention among Millennials and Gen Z employees in the automobile sector. The results are consistent with the assumptions of Social Exchange Theory (SET), which posits that when employees perceive their organization as a desirable and supportive employer, they reciprocate with positive attitudes and behaviors such as commitment and loyalty. The significant positive relationship between employer branding and retention intention (H1) indicates that employees are more likely to stay with organizations that successfully project and deliver an attractive employment experience.

The study also confirmed the mediating role of job satisfaction and organizational commitment (H2 and H3), suggesting that employer branding enhances employee retention indirectly by improving satisfaction and emotional attachment. This finding aligns with earlier research by Backhaus and Tikoo (2004) [2], which emphasized that internal branding efforts shape employee attitudes and reinforce organizational loyalty. Similarly, results support

the work of Maxwell and Knox (2009), who found that perceived employer attractiveness influences employee satisfaction and retention outcomes. Thus, organizations that invest in cultivating a positive employer image can foster stronger psychological bonds with their workforce.

The observed positive correlation between employer branding and job satisfaction (H4) reinforces the view that a strong employer brand communicates recognition, fairness, and opportunities for growth—factors that contribute to overall satisfaction. This finding corresponds with previous studies by Tanwar and Prasad (2016), who reported that employer branding dimensions such as career development, organizational culture, and compensation significantly enhance job satisfaction and commitment.

The generational comparison (H5 and H6) revealed that Millennials and Gen Z employees differ in their perceptions and retention intentions, highlighting the evolving nature of workforce expectations. Millennials tend to value long-term career growth, stability, and development opportunities, while Gen Z places greater emphasis on flexibility, purpose-driven work, and digital engagement. These findings echo the work of Deloitte (2023) and Twenge (2010), who documented generational shifts in workplace motivation and values. For HR managers in the automobile industry, this underscores the importance of segmenting employer branding strategies to meet the unique expectations of each cohort.

From a theoretical standpoint, the results also support the Person–Organization Fit Theory, which suggests that employees are more satisfied and committed when their personal values align with organizational culture and values. The high mean scores on organizational values and culture dimensions confirm that alignment between employees' beliefs and organizational ethos strengthens their intention to remain with the company.

In summary, the study demonstrates that employer branding is not merely an external marketing activity but a strategic HR tool that directly impacts internal outcomes such as satisfaction, commitment, and retention. The findings provide valuable insights for HR practitioners in manufacturing and automobile sectors, emphasizing that a well-defined employer brand can serve as a sustainable competitive advantage in retaining talented young professionals.

### Conclusion and Recommendations

The present study aimed to examine the impact of employer branding on employee retention among Millennials and Gen Z employees working in the automobile sector at IIE Pantnagar. The findings confirmed that employer branding significantly influences employee retention both directly and indirectly through job satisfaction and organizational commitment. Employees who perceive their organization as a strong employer brand—offering supportive culture, fair compensation, and growth opportunities—are more likely to remain loyal and committed.

The results underscore the strategic importance of employer branding as an internal HR initiative rather than merely an external recruitment tool. By cultivating an authentic and attractive organizational image, firms can enhance satisfaction, strengthen commitment, and ultimately improve retention. Furthermore, the study revealed that Millennials and Gen Z employees differ in their expectations and motivations, indicating the need for tailored retention approaches across generations.

### Managerial Implications

#### 1. Strengthen Career Development Initiatives

Continuous learning opportunities and transparent career paths should be emphasized to attract and retain younger employees seeking growth and advancement.

#### 2. Foster a Supportive Work Culture

A culture of trust, recognition, and collaboration reinforces emotional attachment and improves overall retention levels.

#### 3. Promote Work–Life Balance and Flexibility

Organizations should integrate flexible working arrangements and wellness initiatives to appeal particularly to Gen Z employees who value autonomy and balance.

#### 4. Communicate an Authentic Employer Brand

Employer branding messages should align with real organizational practices. Authenticity enhances credibility and builds long-term loyalty.

#### 5. Segment HR Strategies by Generation

HR managers should design differentiated engagement and retention programs for Millennials and Gen Z, recognizing their unique values and work preferences.

### Limitations and Future Research

The study was limited to employees from three major automobile companies located within IIE Pantnagar, which may restrict the generalizability of results. Future research could expand the scope to include multiple industrial sectors or geographic regions and employ larger sample sizes. Additionally, qualitative approaches such as interviews or focus groups may provide deeper insights into the psychological aspects of employer branding and generational attitudes toward retention in automobile sector.

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