



# **Demographic Transition: Attracting and Retaining Generation Z and Millennials in the Defense Industry**

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**Abstract:**

Anne Mulcahy, former CEO of Xerox stated that, “Employees are a company's greatest asset—they’re your competitive advantage [...]” (Northwestern Mutual, 2014). While the Defense Industry has risen in importance due to recent national security threats worldwide, demographic transitions and thereby talent issues continue to hamper the sector. This dissertation examines, how Defense Industry incumbents can attract and retain Generation Z and Millennials in the workforce.

A triangulation approach was conducted with a quantitative employee survey, qualitative expert interviews with HR and Employer Branding practitioners and a literature review. Millennials and Generation Z valued flexibility, career development opportunities and supportive work environment and a competitive salary as preferred workplace attributes, with traditional methods of being treated by an employer. In this regard, Millennials and Generation Z do not appear significantly different from preceding generations.

Overall, female Generation Z cohorts are more susceptible to imposter syndrome compared to male counterparts. This thesis underscores the significance of addressing imposter syndrome through targeted measures like mentorship programs and leadership training to raise retention and attract female talent into the Defense Industry.

**Keywords:** Demographic Transitions, Millennials, Generation Z, Employer Branding, Employer of Choice, Attraction, Retention, Defense Industry

**Title:** Demographic Transition: Attracting and Retaining Generation Z and Millennials in the Defense Industry

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## **Abstrato:**

Anne Mulcahy, antiga diretora-geral da Xerox, afirmou que "os funcionários são o maior ativo de uma empresa - são a sua vantagem competitiva [...]" (Northwestern Mutual, 2014). Embora a indústria da defesa tenha aumentado de importância devido às recentes ameaças à segurança nacional em todo o mundo, as transições demográficas e, conseqüentemente, os problemas de talento continuam a dificultar o sector. Esta dissertação analisa a forma como os operadores da Indústria da Defesa podem atrair e reter a Geração Z e os Millennials na força de trabalho.

Foi realizada uma abordagem de triangulação com um inquérito quantitativo aos trabalhadores, entrevistas qualitativas a especialistas de RH e de Employer Branding e uma revisão da literatura. Os Millennials e a Geração Z valorizaram a flexibilidade, as oportunidades de desenvolvimento da carreira, o ambiente de trabalho favorável e um salário competitivo como atributos preferidos no local de trabalho, em comparação com os métodos tradicionais de tratamento por parte de um empregador. A este respeito, os Millennials e a Geração Z não parecem ser significativamente diferentes das gerações anteriores.

Em geral, as mulheres da Geração Z são mais susceptíveis à síndrome do impostor do que os homens. Esta tese sublinha a importância de abordar a síndrome do impostor através de medidas específicas, como programas de mentoria e formação em liderança, para aumentar a retenção e atrair talentos femininos para a indústria da defesa.

**Palavras-chave:** Transições demográficas, Millennials, Geração Z, Employer Branding, Employer of Choice, Atração, Retenção, Indústria da Defesa

**Título:** Transição demográfica: Atrair e reter a Geração Z e os Millennials na indústria da defesa

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## **I. Introduction:**

The European Defense Industry is a major industrial sector made up of various economic and technological components that contribute to Europe's industrial competitiveness (European Union, 2023). The sector has a substantial turnover (approximately 120 billion euros in 2020) and employs more than 450 thousand people at more than 2500 Small and Medium Enterprises. With the Ukraine war, rivalries among future leaders (for instance China vs. India or NATO versus Russia), and other security issues, defense spending is expected to increase to shore up security amid a potential second cold war (Karabag & Imre, 2022).

While economies are still recovering from COVID-19, the Defense Industry has strongly rebounded. Yet, talent issues continue to hamper the growth of the industry (Hussain & Dronamraju, 2022). In addition, transformations in demographics have altered the labor market from an employer into an employee market, with the latter having a much broader range of opportunities. Moreover, declining birth rates pose further challenges along with higher average ages of employees. Consequently, it has become more difficult to recruit qualified employees in the quest for talent (Löffler & Giebe, 2021).

The industry is recognized for its innovative character and relationships with governmental institutions (Dombrowski & Gholz, 2009). Demographic transformations represent an uncharted territory, especially since new investment must be made to respond to national security challenges (Karabag & Imre, 2022). This implies that more personnel will be required. Thus, this Thesis investigates how the effects of demographic transition will impact the European Defense Industry and be mitigated.

To counteract demographic negative effects, as is argued in a report by Maningart et al. (2018), companies will have to increase recruitment from previously under-represented population segments (for instance women or ethnic & cultural minorities). Another phenomenon that can be witnessed is the exit of Baby Boomers and other older generations from the workforce. It follows that Millennials and (between 22 and 38), as well as Generation Z, will be the major working population. By 2025, Gen Z alone will make up nearly 30 percent of the global workforce (Magni & Mazoni, 2020; Mărginean, 2021; Delgado et. Al, 2020). Companies in the European Defense Industry will need to employ new Generation Z strategies for hiring and retention and to decrease of employee attrition in

light of the fact that Gen Z is expected to work, on average, 17 different jobs while shifting career paths five times during a career (Mărginean, 2021).

Employee empowerment, work-life balance, etc., are now important job attributes for attracting and retaining potential employees (Zaharee et al., 2018; Pasko et al., 2020 & Bresman, 2015). In this regard, work-life balance is valued so much by Millennials that nearly 50 percent would give up a well-paid and prestigious job in return of receiving a better work-life balance (Bresman, 2015). According to Loncarich & Ground (2016), incorporating these factors will lead to a higher retention and improved organizational performance. Santiago (2019) also suggests that firms need to increase brand attractiveness to appeal and retain talented employees. Thus, companies must design human resource and recruiting strategies in accordance with the needs and objectives of desired job candidates. This thesis therefore strives to identify job characteristics that are important for Millennials and Gen Z with respect to the Defense Industry.

In addition, it is important for organizations in the Defense Industry to understand the employment decision-making processes of Millennials and Gen Z (Jacoby, 2021). The concept of Employer Branding as an effective marketing tool comes into play, whereby companies position themselves as employers of choice. Research has pointed out a positive relationship between employer attractiveness and prospective employee intentions to apply (Saini, Rai, & Chaudhary, 2014). It has also been shown that when companies intensify Employer Branding efforts, this yields higher brand attractiveness for workforce retention amidst a landscape of increased competition (Santiago, 2019). Consequently, companies in the defense sector need to identify strategies and tools to appeal to Millennials and Gen Z, as well as other previously underrepresented demographics, to be perceived as an employer of choice. As the Defense Industry modernizes operations, it faces employee attrition and a skill gap (Hussain & Dronamraju, 2022). Considering all of the aforementioned issues, this thesis will investigate the following research question:

**RQ: What are factors that can position the European Defense Industry as an employer of choice for Millennials and Generation Z, in a time of demographic transition?**

We conducted a study of Millennials and Gen Z who are part of the workforce and those who are potential employees in the Defense Industry. We sought to identify the most important job characteristics for Generation Z and Millennials. Furthermore, we examined

specific Employer Branding tools that may be strategically utilized by organizations to attract and retain talent.

## **II. Literature Review:**

### **1. The Defense Industry:**

The Defense Industry exerts a significant impact on technological change and innovation in various industries. In the second half of the 20<sup>th</sup> century there have been huge expenditures on defense (Mowery, 2010) with 80 percent of defense research on R&D in the 1960s alone (Mowery & Rosenberg, 1999). The industry contributes important factors to European industrial competitiveness (European Union, 2023), especially through innovation (Dombowski & Gholz, 2009). Manufacturing of military vehicle systems, and weaponry, as well as the producing communications and military intelligence systems, are key sources of employment and revenues in many countries (n.A., 2023), employing more than 460,000 people directly in the European Union (European Union, 2023). Furthermore, according to Hussain and Dronamraju (2022), more than 80 percent of senior executives in the sector project a positive business outlook for 2023 due to the growth and development of new technologies. Despite the rosy picture, workforce turnover remains relatively high with changing demographics causing workforce shortages. As a result, competition for talent within the industry has emerged as well as a skills gap (Apt, 2014). Moreover, supply chain issues have emerged, and production has been delayed for new contracts This implies that if incumbent firms desire to capture emerging growth opportunities, they must have strategies to meet existing and future workforce demands (Hussain & Dronamraju, 2022).

#### **1.1. An Outlook of the Defense Industry:**

Even though the European Defense Industry is in a good commercial shape considering that six out of ten global exporters in the Defense Industry were part of the European Union (Wiśniewski, 2012), it might also see a positive trend attributed in recent times to the Russia Ukraine war. Most senior executives in the Defense Industry prognosticate a positive economic outlook in the next year (Hussain & Dronamraju, 2022). Yet, the Defense Industry is oftentimes stigmatized with incumbent firms classified as “merchants of death” (as cited by Englebrecht & Hanighen, 1934). Thus, the industry is portrayed as a sector one should avoid. Thus, the

Defense Industry is facing stigmatization that can be traced back to the cognitive associations between weapons and death (Vergne, 2012).

While the Defense Industry sector has been kept at a distance from the European Union, despite the EU being a significant actor in the domain of security and defense since the Treaty of Maastricht in 1992 (Barrinha, 2010), according to Jones (2006) EU states are now pursuing more multilateral defense collaborations. In this regard, the European Defense Industry is an important contributor to economic prosperity, employing more than 450,000 people in more than 2,500 Small and Medium sized Enterprises, constituting a major industrial sector in the European Union (European Union, 2023).

Thompson (2013) mentions six reasons, why the Defense Industry receives rather negative public reviews despite its positive economic contribution. These include a lack of transparency and secrecy as well as political insensitivity and challenges. Thus, the Defense Industry remains a stigmatized and unattractive industry for Millennials and Generation Z. While younger generations Germany favor engagement in international crises, this tends to exclude military action. In fact, a fifth of the younger generation favors a decrease in the defense budget. This implies that many Millennials and Generation Z employed in incumbent firms of the Defense Industry have values, attitudes, and beliefs antithetical to growth of the sector in which they work (Jacoby, 2021).

As the turnover among Millennial employees remains high, incumbent firms in the European Defense Industry need to identify ways to retain Millennial and Generation Z employees. A primary strategy for retention is an organizational, cultural change creating an attractive environment for multiple generations and diverse workforces. In the Defense Industry retaining workforce is crucial for preventing a skill gap and capitalizing on emerging opportunities in order to sustain a competitive advantage in the Defense Industry (Hudson, 202; Hussain & Dronamraju, 2022). However, the reasons for the employee attrition of Millennial and Generation Z workforce have been rarely studied previously in the academic world contrary to business magazines, amongst other things (Hudson, 2021).

## **2. Generation Z and Millennials – characterization, differences, workplace expectations:**

It is common knowledge that each generation is substantially, or at least to some extent, different from its predecessors and successors with regard to needs, preferences, values, decision making, thought process and the expectations of an employer including, for instance, the preferred style of working (Pandita, 2021). The literature on both Millennials and Generation Z identify how they are distinct, what characterizes them and what kind of workplace preferences they expect from an employer.

### **2.1. Generation Z:**

According to a Bloomberg Analysis by the United Nations as cited by Mărginean (2021), Generation Z comprises one third of the global population. In academia, Generation Z refers to the cohort of individuals and young professionals that were born between 1997 and 2012 (ages 11-26) (Jacoby, 2021) and raised in a period of profound, technological change, such as smartphones, laptops, or freely available networks. Cohorts of Generation Z are already in between the start or beginning of the workplace stage. Moreover, Generation Z is also known as the Digital Natives, Media Generation, or i-Generation representing the age group with the most diverse ethnicities and religious groups (Pandita 2021, Löffler & Giebe, 2021). Moreover, the Generation Z cohort is considered to be open-minded to a variety of themes beliefs and ideas. Some scholars perceive Generation Z to be more liberal than others and accepting of changes and new innovations in society compared to previous generations. Furthermore, Generation Z is socially and environmentally more aware than others (Pandita 2021; Mărginean, 2021). Generation Z is further characterized as being independent, self-confident, and autonomous, innovative and tending to behave in an individualistic manner. This generation also judges itself more positively than other generations deem it to be (Pandita, 2021; Löffler & Giebe, 2021; Mărginean, 2021).

Job and career expectations are difficult to identify. On the one hand, studies have found that Generation Z expects to advance in their careers, earn high salaries, have secure jobs and the opportunity to learn. On the other hand, research has pointed out that this generation demands self-fulfillment and prefers a work environment that brings enjoyment rather than focusing on

earning high salaries. They do not look for status or a specific educational background (Pandita, 2021; Löffler & Giebe, 2021). The Generation Z cohort prefers independent work in a relaxed, informal environment, while being reluctant to engage in teamwork. This generation wants to follow instincts and passion and perceives an occupation as an expression of an individual's personality. Even though they prefer to work alone rather than in a team, Generation Z desires inter-personal relationships and guidance by a mentor. Therefore, they seek instant gratification and strive to prove themselves in order to quickly receive feedback. Moreover, while it is essential for this generation to enhance their skills and learn independently, stability and security in a job holds greater importance than earning a salary, leading them to prioritize regular employment over freelancing. Yet, they remain driven by entrepreneurial opportunities and constantly seeking to work on new things while overcoming challenges. This entrepreneurial drive is characterized by their analytical decision-making skills that they seek to apply in a pragmatic fashion (Pandita, 2021; Mărginean, 2021). In addition, being the most informed and educated generation (Löffler & Giebe, 2021), Generation Z is perceived to be ambitious and the key generation for driving the next business cycle. According to Mărginean (2021), approximately one third expects to hold a managerial position within five years after graduating from university.

In a more recent study, differences in workplace related attributes between male and female Generation Z were found still to prevail. Similar to the Millennial generation, Lassleben and Hoffmann (2023) identified various gender differences amongst the male and female Generation Z workforce. Female cohorts of Generation Z possess an overall higher expectation towards employers than male counterparts. For instance, female cohorts value the social dimension higher than men. They value supportive and encouraging relationships higher than men including opportunities of growth and advancement. Moreover, intrinsic work attributes such as self-actualization and fulfillment as well as self-expression are valued higher amongst female Generation Z's. On the contrary, male Generation Z's value extrinsic work attributes such as security, income prestige and status higher.

## **2.2. Millennials (Generation Y):**

Stereotypes of Millennials frame them rather negatively in both academic and popular literature. Amongst other things, they are taken to be self-absorbed and overly self-confident

while lacking a work ethic and being disloyal. They tend to remain within a given job role for a maximum period of three years on average, pursuing new career options four times in the first decade post graduating from university and possessing a higher level of confidence as well as willingness to express themselves (Myers & Sadaghiani, 2010; KPMG, 2017; Pasko et al., 2020) Yet, Millennials, also referred to as Generation Y born between 1981 and 1999, can be characterized as educated, hardworking and participatory in nature. In comparison with other generational cohorts, Millennials exhibit differences in moral reasoning. This phenomenon correlates with the fact that Millennials are the most educated generation compared to predecessors and research has identified a higher Great Point Average (GPA) as being linked to better levels of moral reasoning (Delgado et al., 2020).

While Millennials can be classified as hardworking, this generation prizes work-life balance. Nearly half would give up a well-paid job in return for being able to spend more time with their families. Despite willingness to constantly learn new things and pursuit of personal development, this generation prefers climbing up the career ladder based on concerns for self-care rather than ambitiously seeking money and status (Delgado et al., 2020; Bresman, 2015; Pasko et. al 2020; PWC, 2011).

When applying for jobs, Millennials generally have high expectations and look for an opportunity to influence an organization. They desire managers with the ability to empower others and consider the technical and functional expertise of managers to be important for their acceptance (Bresman, 2015; Magni & Manzoni, 2020).

Millennials also thrive in an environment that is constantly changing, highlighting their ability to adapt. As such, a Millennial workforce is especially beneficial for companies that are in the process of undergoing change. This generation gains inspiration from current leaders in the organization. Being shaped by the evolution in technology as the most technology savvy (generation apart from Generation Z), Millennials regard technology as an important aspect in their daily work-life. They view technology as a crucial factor that enhances efficiency. They desire busy work schedules with clearly defined job roles and goals, an environment that provides instant feedback and the opportunity for self-development. Consequently, Millennials respond best to a supportive leadership culture (PWC, 2011; KPMG, 2017; Delgado et al., 2020; Pasko et al, 2020).

These findings have significant managerial implications given that not facilitating career development opportunities is linked to increased intention to leave. Moreover, the leadership

culture in an organization is also tied with the overall reputation of a company. Hence, it can be argued that firms with a supportive leadership culture profit from a higher reputation amongst the Generation Y workforce and therefore a higher motivation to apply. Moreover, job security remains a top priority for employed and job-seeking Millennials (Pasko et al., 2020; KPMG, 2017; Delgado et al., 2020).

Preferring a flat hierarchy and the active involvement in decision-making, Millennials seek a culture with a clear, open communication where they can express opinions and feel taken seriously. While they are often deemed great leaders, older generations still question Millennials' leadership skills due to an adjudged lack of experience and training. At the same time, Millennials greatest skills lie in the ability to build powerful relationships besides making realistic and critical decisions (Delgado et al., 2020; Pasko et al., 2020).

Millennials are further characterized as the most tolerant and diverse demographic from them being exposed to more cultures, people, and opportunity than antecedent generations. They tend to be socially progressive and reluctant to conform to traditional gender roles. Yet, there are gender differences. For instance, female cohorts are more sociable than their male counterparts. Simultaneously, female Millennial employees are more hesitant when applying for jobs. In addition, female Millennials are more inclined to suffer from imposter syndrome, a feeling that achieved success is undue, while concomitantly being less likely to actively pursue a promotion opportunity (KPMG, 2017). The latter is also linked to imposter syndrome and high employee turnover and absenteeism (KH & Menon, 2022). In contrast, male Millennials are more likely to apply for jobs than women, even when less qualified based on job requirements. Female Millennials feel employers are biased towards men when promoting internally. Consequently, male Millennials are more optimistic about reaching executive positions (PWC, 2011; Mohr, 2014).

### **3. The concept of Employer Branding:**

It has been pointed out that older generations are exiting the workforce, leading to demographic transitions. This implies that Millennials and Generation Z will constitute most of the working population. By 2025 alone, Generation Z will make up 30 percent of the global workforce (Magni & Mazoni, 2020; Mărginean, 2021; Delgado et. Al, 2020). Hence, firms need to attract

and retain Millennials and Generation Z while reducing employee turnover amongst these cohorts, specifically for Millennials where quitting remains high (Hussain & Dronamraju, 2022; KPMG, 2017). Companies in the European Defense Industry need to understand how they can attract and retain this workforce through Employer Branding mechanism. Indeed, it has been reported that Millennials prioritize working in a company whose values are coherent with their own (PWC, 2011). Moreover, developing a targeted employer brand leads to a higher employee retention, along with increased organizational performance (Loncarich & Ground, 2016). Employee retention is linked to improved productivity while companies can save on costs of recruiting new talent and on employee turnover (KPMG, 2017). Furthermore, the literature confirms a positive relationship between employer attractiveness and prospective employee intention to apply (Saini et al., 2014; Santiago, 2019).

Its brand is one of a firm's most important assets. Therefore, effective brand management is a critical activity. The concept of branding has been primarily applied as a differentiator of products but can also relate to differentiating people, places or even firms, amongst other things. Most definitions of brands, however, focus mostly on customers rather than other significant stakeholders such as present and potential employees (Backhaus & Kikoo, 2004; Myrden & Kelloway, 2015). In fact, a global study across more than thirty thousand employers in more than forty countries have reported precarious shortages in 2014, the highest in seven years (Myrden & Kelloway, 2015; Backhaus & Tikoo, 2004; Theurer et al., 2018). Due to the shortage and increased competition for talent, the concept of Employer Branding has gained popularity and many firms have developed, or are in the process of creating, formal Employer Branding campaigns.

As cited by Backhaus (2016), Ambler and Barrow (1996) established the term "employer branding" within the domain of Human Resource Management. The concept is an concept from corporate brand marketing adapted into a tool for attracting potential employees to organizations.

A paradigm shift is needed for the way Human Resource Management, specifically Employer Branding, is valued and managed today (Leekha Chhabra & Sharma, 2014). Employer Branding is an effective marketing tool that business organizations can utilize to proactively position themselves as an employer of choice for desired job seekers, in the case at hand, for Millennials and Generation Z. A compelling employer brand is characterized by defining what

makes the respective business organization unique including workplace attributes, such as mentorships, which ideally are aligned with the targeted job candidates.

If done correctly, Employer Branding amplifies recruitment efforts, employee engagement, and retention, and internalizes organizational values providing a competitive advantage (Saini et al., 2014; Lybrand & Denwar, 2023; Backhaus & Tikoo, 2004). Moreover, Employer Branding incorporates value systems of firms, corporate policies and working behaviors that assist in attracting and retaining potential target employees. As such, Employer Branding can be characterized as a superordinate concept combines various business principles from Marketing, Human Resources, and Strategy to Psychology and Organizational Behavior (Myrden & Kelloway, 2015). Backhaus and Tikoo (2004) state that the concept emerged in the late 1990s where a first case of the usefulness of Employer Branding was discussed. In 2002, the first article was published highlighting the effectiveness of Employer Branding in knowledge-based industries.

Employer Branding as a process has three consecutive steps. First, the value proposition of the company is developed highlighting information about the organization's culture, workplace design, management style, the quality and current corporate image, amongst other things. Secondly, this value proposition is promulgated to the desired external audience to enhance the corporate employer brand. Third, the value proposition is also disseminated internally to develop a workforce committed to the cultural values the organization espouses. As such, firms can create reputational capital, an intangible asset that is capable of attracting and retaining workers through a facilitated cohesive Employer Branding strategy. This implies a process that accentuates functional, economic, and psychological benefits in the organizational culture and identifies these as leading to increased employee loyalty and enhanced productivity. (Backhaus & Tikoo, 2004; Myrden & Kelloway, 2015; Backhaus, 2016).

Research on Employer Branding remains fragmented with various interpretations of the concept (Theurer et al. 2018). For instance, a recent topic discussed on Employer Branding is Employer Brand Sustainability – the capability of an organization to create an employer brand that delivers on its promises in a positive way such that employee outcomes are maximized. Employer Brand Sustainability is affected by changes in organizational ownership. Moreover, it has not been identified how firms can create a sustainable Employer Brand while responding to external factors such as disrupting demographic transitions (Backhaus, 2016).

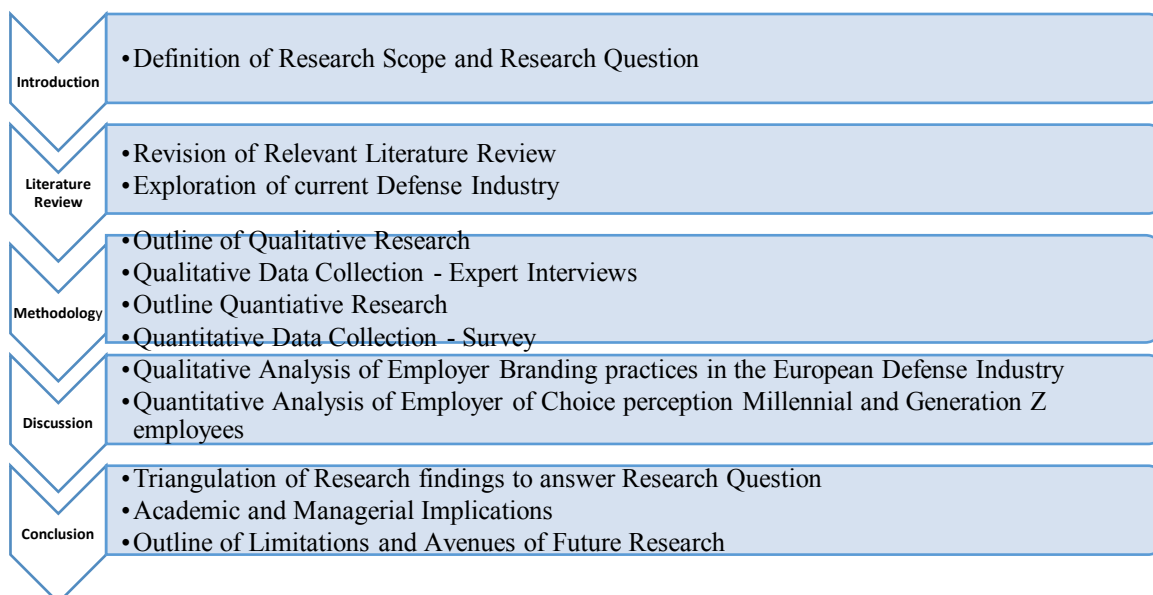
Lievens and Slaughter (2016) pointed out various directions for future research on Employer Branding. Differentiating factors among companies in the Defense Industry targeting Millennial and Generation Z workforce especially in times of demographic transitions have not been well studied (Karabag & Imre, 2022). Santiago (2015) suggested that attributes which Millennials and Generation Z find attractive in an employer results in an intention to apply for a job. Various Human Resource and Employer Branding mechanisms, such as employee development influential for employee retention, have been arranged into frameworks but not yet tested in the Defense Industry (Jayathilake et al., 2021; Aggarwal et al., 2022).

### III. Research Methodology:

#### 1. Research Design:

Both qualitative and quantitative analysis were conducted as qualitative analysis as complementary methodologies (Queirós et al. 2017) to address the research question: how incumbent firms in the European Defense Industry can both attract and retain Millennial and Generation Z workforce by positioning themselves as an employer of choice through Employer Branding.

Qualitative data was collected through expert interviews with Human Resource Managers and Employer Branding experts in the Defense Sector. Interview responses were evaluated using the inductive method as described by Mayring (2004) and Azungah (2018). Perceptions and expectations of Millennial and Generation Z (potential) employees in the European Defense were investigated in an online questionnaire. Subsequently, the data collected was analyzed using various statistical methods including t-tests, linear regression models, and descriptive methods. An additional triangulation was conducted to cross-verify findings from the qualitative and quantitative research and the literature review. An illustration of the research design is in *Figure 1* below.



*Figure 1 - Research Design*

## 2.1. Qualitative Data Collection – Expert Interviews:

To gain further insights into the recruiting and Employer Branding landscape of the Defense Industry, qualitative data was collected through semi-structured interviews to identify significant and oftentimes unobtrusive aspects of organizational behavior. Semi-structured interviews enabled mutual trust between the interviewer and interviewees to enhance the reporting of attitudes, beliefs, and behaviors (Löhr et al., 2020). Moreover, semi-structured interviews facilitate comparing responses by ensuring that all questions are answered (Barriball & While, 2004; Baxter & Jack, 2008). The variable disposition of semi-structured interviews allowed for follow-up questions to further explore behaviors of respondents. Thereby, a more holistic view of the phenomenon could be obtained. At the beginning of the interviews, demographic and general questions about age, country of origin, current occupation, type of company were asked. After the interviews, interviewees provided feedback about the interview process to review the effectiveness of each interview question and adapt, if deemed necessary (Roberts, 2020). The semi-structured interview guide is illustrated in *Table 1* below.

<b>Chapter</b>	<b>Developed Interview Question</b>
<b>General Introduction</b>	Could you please briefly introduce yourself, your professional background, and your role at [company]?
<b>Attractiveness of the Defense Industry</b>	On a Scale from 1 to 5 how would you rank the attractiveness of the Defense Industry? What are the reasons for such reputation?
<b>Demographic Transitions in the Defense Industry</b>	A report by Deloitte has revealed that the Defense Industry has strongly rebounded economically after the pandemic. Yet, talent issues continue to hamper the industry. Demographic transitions have altered the labor market into an employee market leading to a smaller pool of talent and therefore the dangers of a skill gap, as experienced employees are leaving the company. To what extent are you witnessing demographic transitions and the resulting quest for talent?
<b>Employer Branding in the Defense Industry</b>	Employer Branding is a specific tool to project an organization towards prospective employees as an employer of choice.  Have you invested into Employer Branding? What kinds of Employer Branding tools have you utilized?
<b>Millennial and Gen Z employees</b>	It is expected that Millennials and Generation Z will make up the biggest share of workforce in the

	<p>upcoming years. By 2025, Generation Z is expected to constitute 30% of the global workforce alone.</p> <ol style="list-style-type: none"> <li>1. What kind of campaigns have you established to attract Millennial and Gen Z employees?</li> <li>2. What kind of campaigns have you established to retain Millennial and Gen Z employees?</li> </ol>
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*Table 1 - Semi-Structured Interview Guide*

Interviews included a Defense Industry expert who incorporates Employer Branding for Recruiting. Other interviewees were drawn from consulting experts on the Defense Industry. An overview of the interviewees is depicted in *Table 2* below. After the interviews, responses were recorded and transcribed. Transcriptions can be found in Appendices 2 to 11.

<b>Interview ID</b>	<b>Job Position</b>	<b>Reason for the Interview</b>
<b>Interview A</b>	Senior Vice President of Talent Acquisition and Employer Branding in a major defense company	Employer Branding and employee market insights from Germany
<b>Interview B</b>	Senior Communications and Employer Branding Specialist	Employer Branding and employee market insights from Hungary
<b>Interview C</b>	Employer Branding Specialist	Employer Branding and employee market insights from Australia
<b>Interview D</b>	Talent Acquisition and Employer Branding Specialist	Employer Branding and employee market insights from Switzerland
<b>Interview E</b>	Vice President Human Resources	Defense Industry Insights Norway
<b>Interview F</b>	Human Resource Training Administrator	Defense Industry Insights South Africa
<b>Interview G</b>	Human Resource Director	Company in the Defense Industry became one of the top employers within short period of time in Italy
<b>Interview H</b>	Head of HR	Defense Industry Insights USA
<b>Interview I</b>	Head of Resourcing & Talent	Company of the expert is a joint venture in the British Defense Industry
<b>Interview J</b>	Head of HR	Defense Industry insights and employer market insights of Austria

*Table 2 - Expert Interviewees Overview*

## **2.2. Qualitative Analysis:**

As semi-structured interviews are a hybrid between a standardized survey and a focus group, it was worthwhile conducting a hybrid qualitative analysis as well. The data gathered was illustrated in tables and graphs. The qualitative analysis was enriched by open-ended questions to identify themes (Adams, 2015). An inductive approach was utilized to identify recurring themes in accordance with Taylor et al. (2015), Mayring (2004) and Azungah (2018). The qualitative analysis evaluated the employee perspective on demographic transitions and the importance of employer branding regarding attracting and retaining Millennial and Generation Z workers. The qualitative interviews were transcribed accordingly and documented to guide which transcripts to use in the analysis (Gray, 2021).

## **3.1. Quantitative Data Collection - Survey:**

For assessing the Employer Brand that Millennial and Generation Z cohorts associate with an employer of choice, an online survey was generated and distributed on various platforms to collect rapid responses (Boyer et al. 2002). The survey was divided into four different sections. The collected general data about respondents' backgrounds. The second section asked about perceived attractiveness of the Defense Industry including ranking incumbent organizations. In the third section, participants chose which type of workplace attributes they require to stay at their current organization. The survey also identified the rationale for leaving a previous employer (Zaharee et al., 2018). Finally, the last part of the survey sought to distinguish gender differences amongst Millennial and Generation Z employees concerning the willingness to apply for a job despite an incomplete skill match with the job descriptions. It also interrogated the phenomenon of perceived imposter syndrome (KPMG, 2017). Willingness to apply was tested for an executive role at incumbent firm in the Defense Industry, randomized to prevent potential biases associated with particular companies. Perceived imposter syndrome (KPMG, 2017) was documented on a Likert Scale. The survey was conducted in English to ensure participants from multiple backgrounds (Swoboda et al., 1997). The survey ran in October and November 2023. It was started by 105 participants and 91.5 percent completed the entire survey, leading to a final data set of 96 observations. Incomplete survey responses were excluded from the data set. Variables in the data set were sorted by gender, age, country of

origin, generational cohorts in response to statements about the willingness to apply for an executive job in the Defense Industry. An overview of the questions can be found in Appendix 1.

### **3.2. Quantitative Data Analysis:**

To illustrate the findings of the quantitative analysis, graphs, figures, and tables were implemented. All quantitative illustrations were generated through SPSS (Bell et al. 2018; Pallant, 2011). The survey was split into two parts. Firstly, the survey collected information about the demographics, the attractiveness of the Defense Industry, willingness to work in the Defense Industry including preferred types of recruitments and workplace attributes following Zaharee et al. (2018) and Magni and Manzoni (2020). To assess the quantitative data, descriptive statistics such as the mean and standard deviation were employed. To analyze reasons for the attraction to and the willingness to work for the Defense Industry, frequency counts were evaluated.

The second part of the survey investigated participants' self-perceived susceptibility to imposter syndrome. Descriptive statistics were used to understand the data set. Moreover, t-tests and chi-square tests assessed statistical significance in differences between genders and nationalities. As the scenario examined imposter syndrome for male and female employees, a two-sample t-test was conducted and a null hypothesis including an alternative hypothesis were generated. Initially, the dependent variable created was gender, whereas the independent variables were perceived imposter syndrome, job application behavior, perceived bias in promotion and lastly, optimism regarding attaining an executive position.

## IV. Analysis:

The employee survey is analyzed in the *subchapter 1*, while the expert interviews from the employee perspective are analyzed in the *subchapter 2* of the Analysis section. Further, a triangulation approach assessed primary and secondary data (see **Chapter II**).

### 1. Quantitative Analysis

#### 1.1. Demographics:

The data contained 96 total observations, while 53 percent of the total population identified as female with a smaller portion of 46 percent identifying as male.

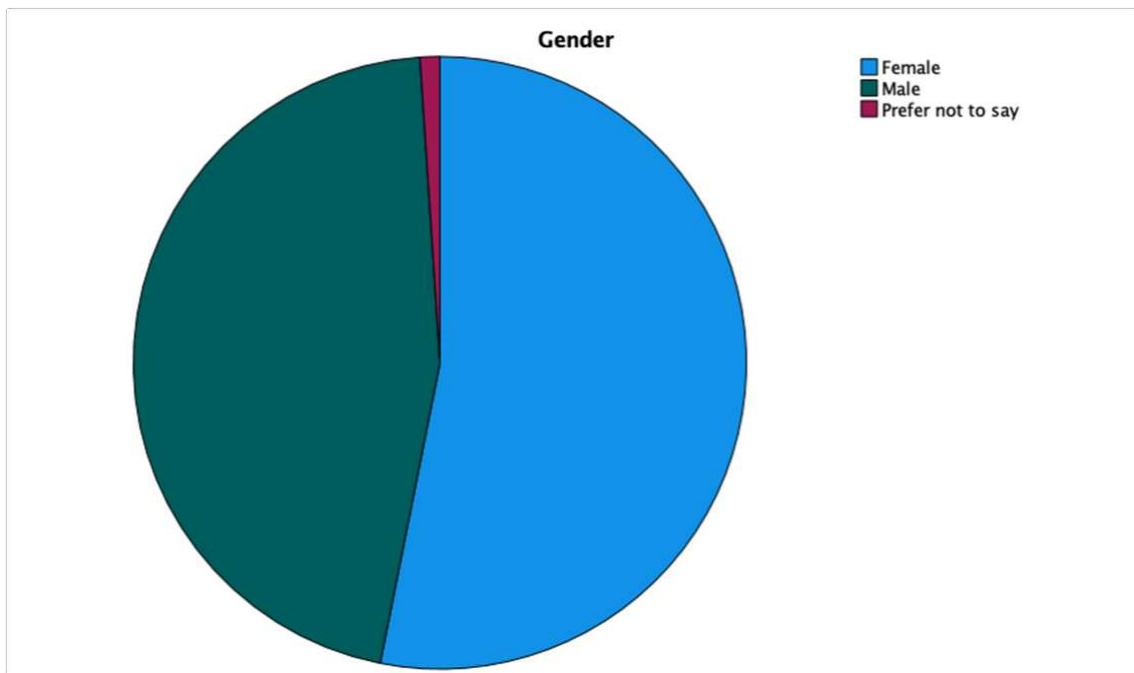


Figure 2 - Gender Distributions (n=96)

The average age of the population was approximately 31 years, ranging from 21 to 71 years. As this survey investigated how companies in the Defense Industry can attract and retain Millennial and Generation Z cohorts as employees, participants up to 43 years of age were included in the quantitative research. In the distribution of generations, age was skewed towards Generation Z, where 57 percent of the population belonged to Generation Z, while approximately 30 percent of the population was comprised of Millennials. Regarding nationality, in total 24 nationalities were represented, with Germans being the majority of participants at 55.1 percent, followed by Portuguese at 10.4 percent and French at 4.1 percent.

20 out of the 24 nationalities represented in the population were from Europe. Future avenues in academic research associated with the population demographics will be discussed in section VI.

**1.2. Attractiveness of the Defense Industry:**

The first step of the quantitative analysis was to identify the attractiveness of the Defense Industry as an employer of choice as perceived by Millennials and Generation Z on a Likert Scale ranging from 1 to 5, where 1 corresponds to very unattractive and 5 very attractive. Additionally, investigations concerning the reasons for the perceived reputation were collected if the attractiveness was ranked three or lower. Aggregated, the attractiveness of the Defense Industry as an employer of choice had a mean value of 2.94. This implied that, in total, both Millennials and Generation Z perceived the Defense Industry as a moderately attractive employer of choice. Moreover, there were generational and gender differences concerning the attractiveness. Millennials and male respondents found higher attractiveness compared to both females and Generation Z participants. Millennials with a mean of 3.39 and males with a mean of 3.4 indicated a generally favorable perception of the Defense Industry. On the contrary, females showed a moderately unattractive perception of the Defense Industry. Cohorts of Generation Z had a mean value of 2.73 regarding employer attractiveness, which was slightly higher than the perception of females, yet remained relatively lower in comparison to males and Millennials cohorts.

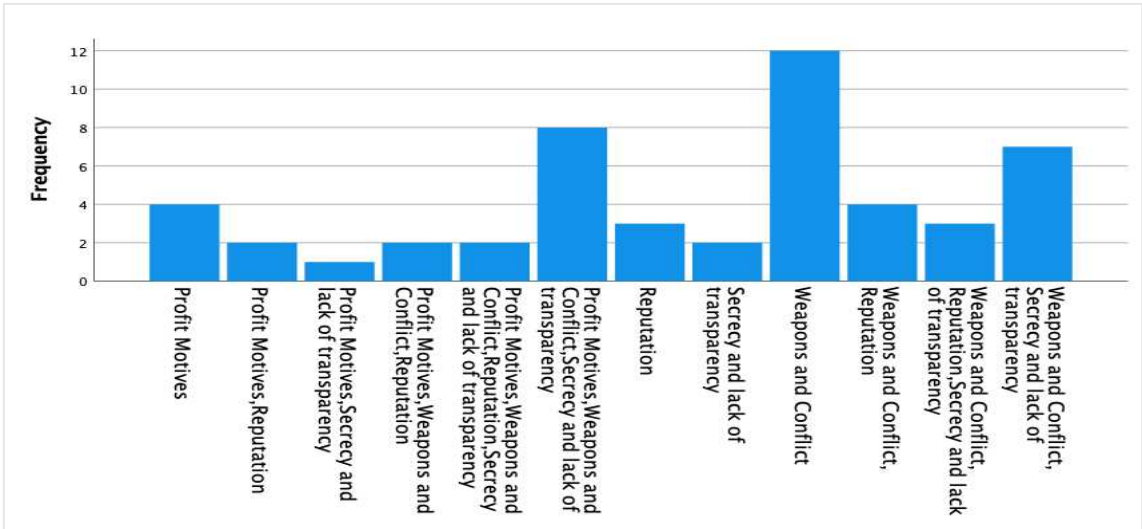


Figure 3 - Reasons for perceived Attractiveness

Reasons for low-perceived attractiveness					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Profit Motives	4	8.0	8.0	8.0
	Profit Motives, Reputation	2	4.0	4.0	12.0
	Profit Motives, Secrecy and lack of transparency	1	2.0	2.0	14.0
	Profit Motives, Weapons and Conflict, Reputation	2	4.0	4.0	18.0
	Profit Motives, Weapons and Conflict, Reputation, Secrecy and lack of transparency	2	4.0	4.0	22.0
	Profit Motives, Weapons and Conflict, Secrecy and lack of transparency	8	16.0	16.0	38.0
	Reputation	3	6.0	6.0	44.0
	Secrecy and lack of transparency	2	4.0	4.0	48.0
	Weapons and Conflict	12	24.0	24.0	72.0
	Weapons and Conflict, Reputation	4	8.0	8.0	80.0
	Weapons and Conflict, Reputation, Secrecy and lack of transparency	3	6.0	6.0	86.0
	Weapons and Conflict, Secrecy and lack of transparency	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

Table 3 - Percentages of Responses

In the survey, all respondents who divulged a low perceived attractiveness for the Defense Industry as an employer of choice were instructed in a follow-up question to provide (multiple) reasons for the low perceived attractiveness based on four categories according to Thompson (2013). Interestingly, only 13 percent indicated reputation to be the cause for the low perceived attractiveness. Yet, the majority, with 66 percent, mentioned the nature of products (weapons & conflict) as the motive for the low perceived attractiveness of the Defense Industry. This was followed by profits motives, with 38 percent implying that respondents believed that defense companies prioritize making profit over the social well-being, creating products that not only can protect but also destroy. 24 percent indicated secrecy and the lack of transparency as to why the Defense Industry was unattractive.

### 1.3. Willingness to pursue a career in the Defense Industry:

Regarding the willingness to work in the Defense Industry, slightly more than 50 percent of the respondents indicated that they could not imagine pursuing a career in the Defense Industry, while nearly half of the total respondents said the opposite as indicated in *Figure 4* below.

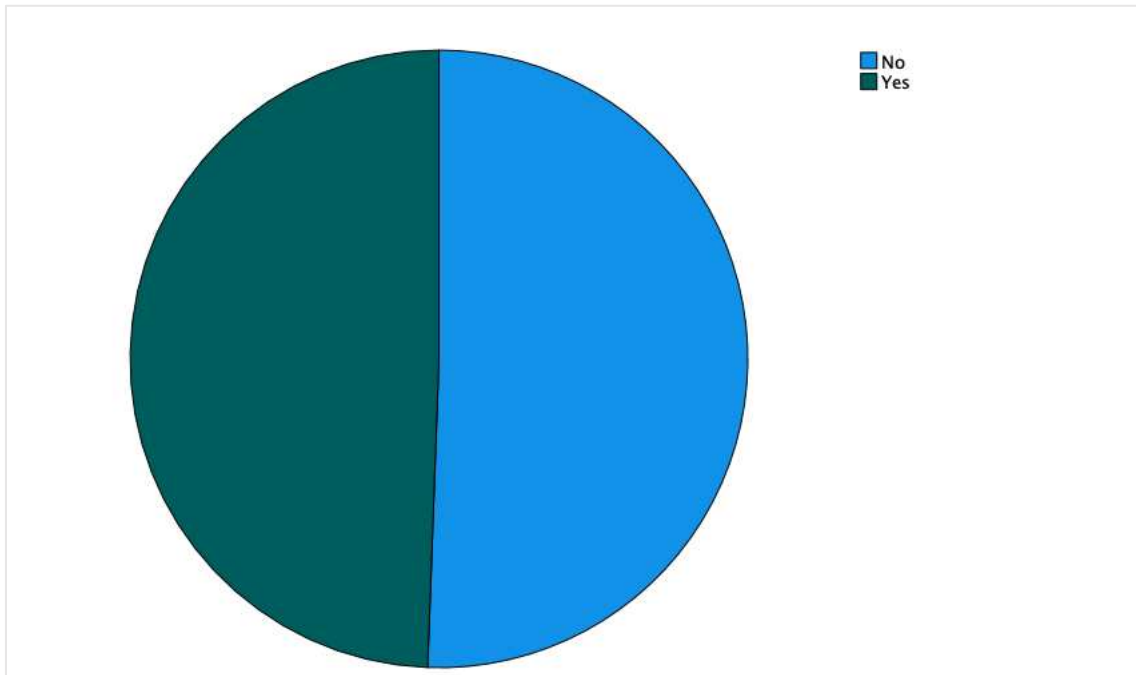


Figure 4 - Career Pursuit in Defense Industry

Moreover, twice as many male respondents showed willingness to pursue a career in the Defense Industry compared to females. The same phenomenon could be witnessed in the intergenerational comparison. Here, 62.5 percent of Millennials reported that they would follow a career in the Defense Industry, while only approximately 38 percent of the Generation Z cohorts were willing to work in the sector (see *Appendix 12*).

Respondents indicating unwillingness to pursue careers in the Defense Industry were asked to provide reasons. Overall, 39 respondents, where 30 belonged to Generation Z and 9 were Millennials, stated an unwillingness to pursue a Defense Industry career path. Here, 82 percent indicated moral concerns as the main reason not to work in the Defense Industry, followed by the desire for a different career path as indicated by 62 percent. Personal Values and Political Beliefs were the reasons for 46 percent and 43 percent, respectively. However, only three out of 39 states that the reputation of the Defense Industry was the reason not to pursue such a career.

Regarding Millennials and Generation Z cohorts, moral concerns remained the main cause for disliking the industry with 88 percent and 86 percent respectively. Amongst Generation Z, the desire for a different career path at 63 percent was slightly higher than Millennials at 55%. One third of Millennials indicated personal values as a reason. Likewise, nearly twice as many

Generation Z cohorts cited personal values. No Millennial that indicated an unwillingness to work in the Defense Industry indicated reputation to be cause. On the contrary, approximately 10 percent of Generation Zs framed reputation of the Defense Industry as a cause for unwillingness to pursue a career in this sector. This was similar to the overall reasons mentioned above (see *Appendix 12*).

#### 1.4. Recruiting Preferences:

A critical challenge in the recruitment process is identifying the optimal strategy for attracting candidates. Communicating the Employer Value Proposition (EVP) to the target group is linked to an increased employer attractiveness which enhances the recruitment process (Barbaros, 2020). Consequently, a question block was deployed to assess the preferred means of communicating the EVP on a five-point Likert Scale, from strongly disliked (1) to strongly preferred (5).

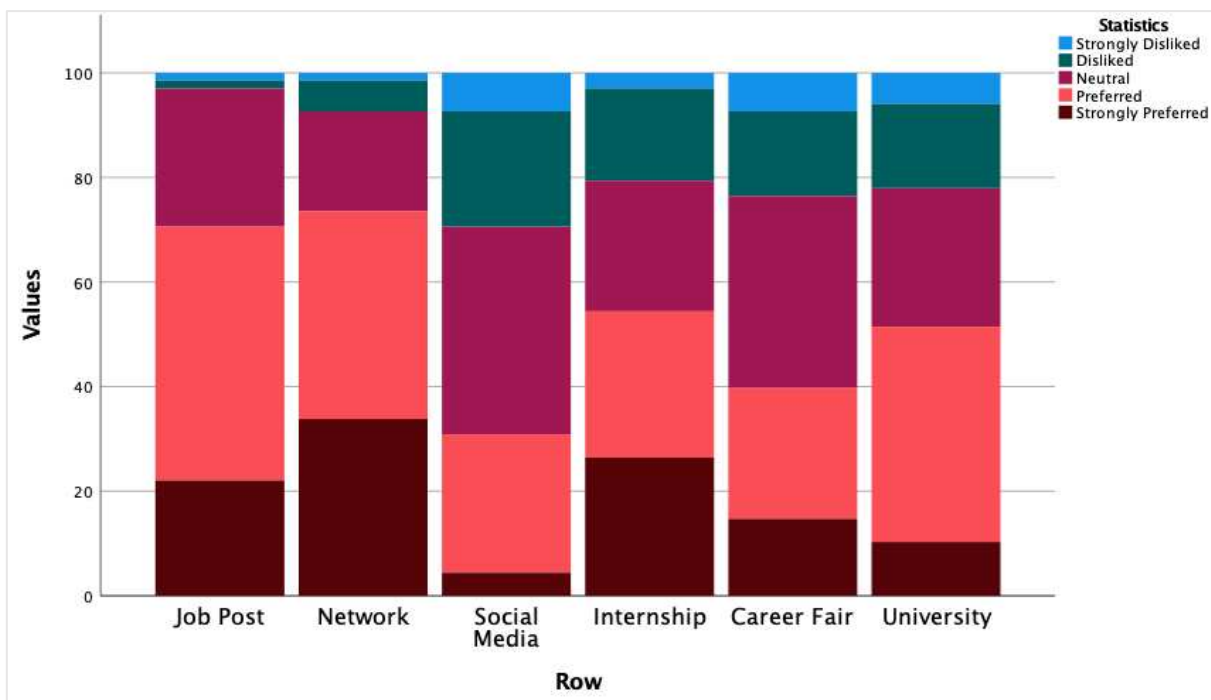


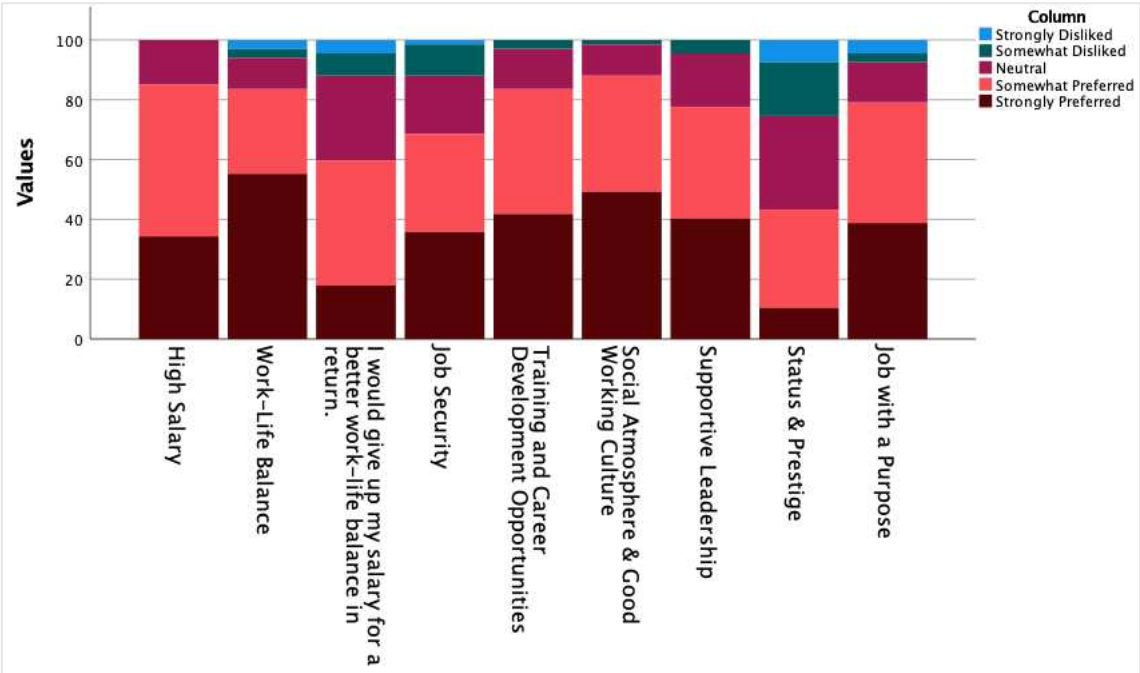
Figure 5 – Recruitment Preferences

Both Millennials and Generation Z showed assorted levels of preferences for different recruitment methods. Notably, despite being digital natives, only 4.4 percent (see *Appendix X*) of participants mentioned social media as their preferred means of communication for recruitment. In fact, results indicated that a fifth disliked social media as a recruitment method. On the contrary, recruitment methods communicated via Internships, University and networks were the most preferred means to communicate the EVP and recruit talent. This was in line

with literature, pointing out that an EVP strategy needs to include internal Employer Branding, which, amongst other things, creates Word of Mouth or relatability. University Fairs, Internships and Networks work best to spread these. Overall, Job Posts were the most attractive recruitment method and means of communicating the EVP to enhance attractiveness.

**1.5. Workplace Attributes:**

To assess the workplace attributes for the purpose of retention that Millennials and Generation Z deemed essential, participants were asked to rank workplace attributes according to preference on a Likert Scale (see *Figure 6* below). Findings suggest that Millennials and Generation Z cohorts perceive work-life balance as the most important workplace attribute, followed by a supportive leadership culture and the provision of training career opportunities.



*Figure 6 - Workplace Attributes*

Surprisingly, only ten percent of respondents indicated that they would like to have a job that provided status and prestige. This also implied that participants were more balance-driven as nearly 42 percent expressed a potential willingness to give up on a higher salary if they could receive more work-life balance in return. However, a competitive salary remains important, as 50 percent denoted. Moreover, supportive leadership including a compelling workplace

atmosphere were deemed essential by participants as the most significant workplace attributes aside from work-life balance.

These findings accord with the literature. Indeed, Millennials and Generation Zs' workplace attributes remain largely similar to those of previous generations. Whether Millennials are more demanding in comparison (Magni & Manzoni, 2020; Zaharee et al., 2018) cannot be evaluated with the sample, as the focus was the attraction and retention of Millennials and Generation Z. Older generations were excluded.

### 1.6. Male and Female Susceptibility to Imposter Syndrome:

The literature (PwC, 2011; Mohr, 2014; KPMG, 2017) established that women tend to be more susceptible to imposter syndrome, the feeling that achieved success is undeserved or due to luck rather than skill. This also implied that male employees are more confident in their capabilities, and thus more willing to apply for jobs without meeting all the requirements. From these findings, several managerial implications concerning recruitment as well as the provision of workplace attributes, specifically training and career development opportunities for female employees in the Defense Industry, can be derived. To identify whether imposter syndrome is more prevalent amongst females, two-sample t-tests based on three scenario questions measured on a Likert Scale were conducted. Based on the literature, a null (H0) and an alternative hypothesis (H1) were established. The t-tests are illustrated in *Table 4* below.

**H0:** There is no difference in the susceptibility to imposter syndrome between males and female.

**H1:** Females are more prone to imposter syndrome in comparison with males.

Category	Groups	Means	P-Value
Application	Female General	4.63	0.418
	Male General	4.71	
	Female Millennial	4.80	0.409
	Male Millennial	4.67	
	Female Gen Z	4.55	0.356
	Male Gen Z	4.72	
Feeling of Imposter Syndrome	Female General	4.31	<0.001
	Male General	3.03	
	Female Millennial	4.08	0.328
	Male Millennial	3.78	
	Female Gen Z	4.43	<0.001
	Male Gen Z	2.70	

<b>Self-Doubt</b>	Female General	4.08	<b>0.032</b>
	Male General	3.39	
	Female Millennial	3.50	<b>0.287</b>
	Male Millennial	2.86	
	Female Gen Z	4.18	<b>0.065</b>
	Male Gen Z	3.63	

*Table 4 - Results of T-Tests*

Overall, there was no significant difference between male and female participants regarding applying for a specific job even when not all requirements for the job are met by the applicant. This was indicated by p-values that were larger than 0.1, hence we failed to reject the null hypothesis. There is seemingly no difference between males and females concerning the susceptibility to imposter syndrome. This remained unchanged when investigated for the feeling of imposter syndrome alone in the minds of Millennial cohorts. Here the p-value was also larger than 0.1 and therefore, the null hypothesis could not be discarded. Measured on a Likert Scale, female Millennials can be described as even more confident than their male counterparts, according to the data. The mean for female Millennials in the application category was larger than the mean for males. This implied that female Millennials seem more confident in attaining a job than males, even when not all requirements for the job are met. Consequently, these findings contrast the KPMG (2017) study. Female Millennials are not more prone to imposter syndrome than male Millennials.

On the contrary, the mean difference indicated that imposter syndrome was more prevailing amongst female Generation Z cohorts. Given that the p-value was smaller than 0.001, the null hypothesis could be rejected at the 99.9 percent confidence level and replaced by the hypothesis. This phenomenon held true when comparing females and males in the sample. Interestingly, there was no significant difference between males and females concerning applying for a job when not all requirements are met. This implied that female Generation Zs are as confident in their skills and abilities as their male counterparts. Female Generation Zs were more prone to imposter syndrome, and, on average, may doubt their capabilities in professional settings more often compared to males. These findings are significant at the 10 percent significance level. Managerial and academic implications that can be derived from these findings will be discussed in later sections.

## 2. Qualitative Analysis:

Expert interviews were also conducted with Employer Branding and Human Resources Specialists from the Defense Industry from ten different countries. Nine of the interviewed experts were female, one was male. The transcribed interviews were coded which led to five major categories (see *Figure 7 below*) relevant to the general dynamics of the Defense Industry in multiple countries, specifically in terms of Talent Acquisition of Millennials and Generation Zs and Employer Branding.



*Figure 7 - Major Categories of Qualitative Analysis*

The results of the qualitative analysis were analyzed through inductively in accordance with Mayring (2004). Findings were triangulated in combination with the reviewed literature (Section II.) and the quantitative analysis (Section IV.1.) to identify contradictions and congruences in the data. All trends will be analyzed below. The findings of the analysis will be further discussed Section V.

### 2.1. Attractiveness of the Defense Industry in Different Countries:

One trend was the varying attractiveness of the Defense Industry in ten different countries. Seven countries were located in Europe, one in Africa, one in Australia, and one in North America. In general, the attractiveness of the Defense Industry is shaped by various factors such as national importance, technological innovation, and competition for talent. The most cited talent attraction Employer Branding was university collaborations and job fairs to attract young professionals such as Millennials and Generation Zs. Accordingly, strategic Employer Branding initiatives are tailored to each country's specific challenges.

In all countries, except for South Africa, the Defense Industry was seen as an attractive employer of choice. In South Africa, the Defense Industry is relatively unknown and active in

niche markets. Therefore, Employer Branding in South Africa focused on internal graduate programs, and university collaborations. Several efforts have been made to alleviate challenges associated with isolated locations in South Africa through internal support (Expert F).

In Germany, the Defense Industry is seen as an attractive employer, specifically for Millennials, due to the opportunity to work on cutting-edge technology and innovation (Expert A). Likewise in various countries in Europe, the reputation of the Defense Industry has experienced a positive shift due to recent geopolitical events like the war in the Ukraine, aligning it closely with concerns of national security. However, in Switzerland, the Defense Industry even surpasses the generally positive German view of the Defense Industry (Expert D).

In Australia and the United States, the Defense Industry is a well-established and attractive Employer of Choice. Australia's Defense Industry is regarded as a robust growth sector that is linked with innovation. Talent demands in Australia are very competitive and personal brand reputation plays a crucial role to become an Employer of Choice (Expert C). The United States constitutes the biggest Defense Industry on a global scale with well-established players such as Lockheed Martin or Northrup Gunman. Consequently, smaller players face challenges in recruitment due to a lower awareness. However, Employer Branding and the company culture of external Defense Contractors rendered the latter a compelling employer of choice in a very competitive, saturated landscape. For instance, Expert B from Hungary and the US Expert H reported that the unique cultural aspects and workplace attributes contributes significantly to the attractiveness of their companies in the Defense Industry. It was noteworthy that the Defense Industry was virtually nonexistent up until the German Defense Contractor Rheinmetall. Positive regard for German companies related to workplace attributes and company culture, significantly contributing to the industry's appeal as an Employer of Choice.

Specifically in Hungary and the UK, the act of contributing to national security was regarded as praiseworthy (Expert I & Expert B). Moreover, the expert in the UK reported that employees who move from the Army into civil sectors are a compelling type of worker. They have knowledge of products as well as familiarity with the industry. On the other hand, in Hungary, the high competition for IT workers poses challenges for attracting talent. In the UK, demographic transitions drive fundamental investments in early-stage career development opportunities and apprenticeships (Expert I). Likewise in Austria, flexible worktime models

were an attractive workplace attribute for younger professionals. Expert J also reported that the workplace expectations of younger professionals have become more demanding.

Expert D described the highly competitive landscape in the quest for talent which requires targeted initiatives, Employer Branding, and stronger Social Media presence, Expert G from Italy only reported difficulties in recruiting females into the Defense Industry which requires gender targets. Moreover, collaboration with external partners in Italy contribute to successful Employer Branding.

## **2.2. Demographic Transitions and the Quest for Talent:**

In general, demographic transitions with an aging workforce were observed across all countries except South Africa. Countries such as the UK (Expert I) need to invest into early-career development to circumvent potential talent issues that may hamper growth of the Defense Industry (Hussain & Dronamraju, 2022). Demographic transitions were also associated with a quest for talent. This finding aligned with the literature (Löffler & Giebe, 2021). The quest for talent was reported to be highest in Switzerland (Expert D) due to factors such as the low unemployment rate. However, countries faced a varying quest for talent for specific job types. Hungary had a special quest for talent amongst employees in IT (Expert B), whereas Italy reported a quest for talent for blue-collar positions (Expert G). Various countries faced a quest for talent in the recruitment of Engineers. For instance, in the UK (Expert I) and South Africa (Expert F), the quest for talent regarding Engineers is so competitive due to the niche skills that required. Therefore, strategic recruitment efforts are necessary to attract diverse employees.

## **2.3. Employer Branding Strategies:**

Another trend that stood out prominently in the qualitative analysis was Employer Branding strategies adapted to the unique environments of the respective countries to address employee attraction and retention. These initiatives notably included having a robust presence in universities and social media. Another key component that some expert reported as an Employer Branding strategy was internal employer branding. Countries such as South Africa (Expert F), but especially Italy (Expert G) and Austria (Expert J) recognize the importance of cultivating a positive working culture from within.

All expert reported collaborations with universities or open days as a strategy to tap into the emerging talent and create pipelines through graduate programs tailored to potential employees from Generation Z. These collaborations extended to participations in job fairs and career events, creating a direct pathway to showcase the career opportunities and the culture of the Defense Industry for young professionals and Generation Z cohorts.

Another subsequent trend of Employer Branding Strategies that emerged from the qualitative analysis was a generational focus. In some countries, Millennials and Generation Z are targeted directly. This showcased the importance of recognizing preferences and expectations, therefore adapting the Employer Branding strategies. Expert J in Austria and Expert H in the US reported an increasing demand in employer expectations, especially amongst Generation Z. Hereby, both experts faced increasing difficulties as the workplace expectations diverge from what companies in respective countries can actually offer. In Austria, the expert noted that various candidates withdraw from the application process as the company cannot offer a fully flexible worktime model. In the United States, Expert H highlighted an unexpected increasing demand, amongst engineers for flexible workhours. In this regard, attracting engineers for the Defense Industry has become challenging. According to the expert, the complexity and uniqueness of tasks necessitates that engineer to be onsite for effective learning, even though Expert H acknowledged the importance of flexibility. On the other hand, Italy highlighted the importance of worktime flexibility. Awareness of the increasing demand for flexible workhours was evident for Expert G of Italy and translated into efforts at creating a hybrid model tailored to specific expectations of various job types.

#### **2.4. Impact on Geopolitical Events and Technology and Innovation:**

In almost all European countries analyzed, the reputation of the Defense Industry has increased after geopolitical events such as the war in the Ukraine. The war has positioned the sector as a contributing to security and stability. In Hungary and the UK, working in the Defense Industry is even regarded as a noble thing, contributing to the country's security. In the UK, the Defense Industry is also regarded as positive due to its job security (Expert B; Expert I) In Switzerland, the Defense Industry has gained a positive reputation after current geopolitical events, however, according to Expert D, it was generally regarded more positively compared to Germany.

Expert A also stated that the reputation of the Defense Industry has increased post the war in the Ukraine. Especially amongst Millennials, the Defense Industry constitutes an attractive Employer in Germany due to the industry's technology-driven nature and meaningful job opportunities. Likewise, according to Expert B, in Australia the Defense Industry is regarded as a driver for innovation and technology, therefore constituting an attractive employer in a domain that is also strongly funded by the government.

Remarkably, the Defense Industry in Italy, though perceived as an unattractive employer of choice due to its associations with the Italian government, has transitioned to being one of the most attractive employers amongst young professionals within a short time frame (Expert G) Amongst the European countries, the Defense Industry is perceived more neutrally only in Austria, due to lower awareness (Expert J). Another country, where the Defense Industry is perceived more neutrally due to a lower awareness was South Africa (Expert F)

## **V. Discussion:**

In this discussion, we synthesize insights gained from the literature review with findings from both the qualitative and quantitative analysis.

### **1. Generational Differences:**

Overall, the literature clarifies unique characteristics and preferences of both Millennials and Generation Z cohorts, emphasizing their purpose-driven career choices, supportive leadership, and a penchant for work-life balance, while simultaneously seeking competitive salaries. The quantitative analysis aligns with the findings of the literature review, indicating that work-life balance, a supportive leadership culture and career opportunities are a highly valued workplace attributes for both generations. According to Magni and Manzoni (2020), the most important workplace attributes required are largely similar across generations. This implies that Millennials and Generation Z do not differ significantly in what constitutes an attractive employer of choice. However, Millennials and Generation Z have elevated expectations relating to the degree, rather than simply the existence, of workplace attributes. This finding was congruent with the qualitative analysis. Expert J from Austria even observed candidates withdrawing applications when required workplace attributes could not be adequately fulfilled.

Moreover, the qualitative findings from the expert interviews underscored the importance of recognizing generational expectations in employer branding. According to Zaharee et al. (2018), contemporary organizations face a significant quest for talent. Therefore, it is necessary to understand the workplace characteristics and career development necessary to retain talent. According with Magni and Manzoni (2020), the same workplace attributes across all generations were necessary for attracting and retaining workers. Defense Industry's success is linked to tailored strategies for Millennials and Generation Z. The qualitative analysis showed that companies in the Defense Industry are aware of what needs to be done. University collaborations, job fairs, and internal employer branding initiatives across all ten countries emerged as effective approaches for attracting these generational cohorts aligning with the findings of the literature review (Expert B; Expert J). Specifically, internal employer branding such as an Employee Referral Program was acknowledged as a successful approach for attracting talent (Expert A). This aligned with Backhaus (2016), indicating that a company's

external brand message needs to be consistent with the internal reality. Otherwise, recruited talent will not be retained yielding reputational damage.

Interestingly, Backhaus (2016) proposed that social media would become the main platform to communicate a curate an attractive brand message. Even though various companies in the respective countries use social media to attract Millennials and Generation Z (Expert B, Expert D, Expert F), the quantitative analysis contradicted the preference for this method. In fact, traditional job post, university collaborations and presence at career fairs were significantly preferred by Millennials and Generation Z compared to social media.

**2. Imposter Syndrome:**

Another aspect uncovered by the experts in the qualitative analysis, addressed in the literature, and partially confirmed by the quantitative analysis, was imposter syndrome. Here, the literature suggests that Millennial females tend to be more prone to imposter syndrome rather than men (KPMG, 2017). According to the findings of the quantitative analysis, there were no gender differences for susceptibility to imposter syndrome amongst Millennials. However, amongst Generation Z cohorts, females were indeed more prone to this.

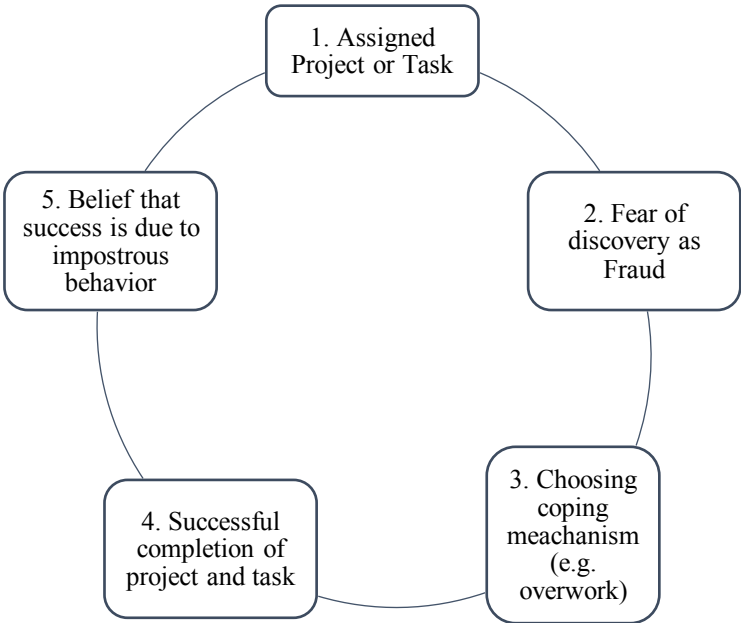


Figure 8 - Imposter Cycle of Success (Rakestraw, 2017)

According to Karabag and Imre (2022), demographic transitions require companies in the Defense Industry to attract more females. Various experts suggested gender quotas. Others also indicated challenges in recruiting female talent. One reason could be imposter syndrome, specifically amongst Generation Z cohorts. The literature reports that imposter syndrome is linked to a detrimental leadership behavior or overwork induced by perfectionism. A supportive leadership culture and formal workplace atmosphere were attributes desired by Generation Z for retention which mitigate impostor syndrome (Pandita, 2021; Mărginean, 2021) attracting more female employees (Mohr, 2014). Therefore, companies in the Defense Industry need to identify measure to counteract the feeling of imposter syndrome through mentorship programs or leadership training (Rakestraw, 2017).

### **3. Demographic Transitions and the Quest for Talent:**

Demographic transitions and the quest for talent were identified in the literature as industry challenges. Specifically, Hussain and Dronamraju (2022) stated that talent issues continue to hamper the growth of the Defense Industry. A decline in birth rates and a higher average age amongst employees exacerbates challenges in the quest for talent (Löffler & Giebe, 2021). In this regard, the Defense Industry is entering uncharted territory, despite new investments being made as a response to national security challenges (Karabag & Imre, 2022). This was corroborated by Expert C and Expert A, indicating that Defense Industry budgets are growing.

The qualitative analysis also showcased a difference in the quest for talent in the Defense Industry across the ten countries investigated. A graduate program for IT students in the Defense Industry in South Africa underscored adaptive strategies as a response to demographic transitions (Expert F).

Moreover, demographic transitions and the resulting quest for talent pose dangers of a skill gap. The qualitative analysis confirmed this. Most defense industry experts seemed aware of this and have established measures to circumvent skill gaps. Various defense contractors recognized the need to invest into early-career opportunities to overcome potential shortages in workforce. Many experts in the qualitative analysis also highlighted the importance of university collaborations or open days to tap into emerging talent, creating pathways for young Millennials and Generation Z into the Defense Industry. This was corroborated by the quantitative analysis

which indicated that Millennials and Generation Z both prefer university collaborations as a recruitment method.

#### **4. Special Challenges**

The Defense Industry because of its sector-specific reception as “merchants of death” (Englebrecht & Hanighen, 1934) is facing specific challenges. Even though contemporary political events such as Russia invading the Ukraine have transformed the industry in a more positive perception, a negative connotation amongst Millennials and Generation Z remains. This is reported by the quantitative analysis. In fact, the majority of those that reported an unwillingness to work in the defense industry, indicated moral concerns due to the production of weaponry. Therefore, the defense industry if they want to attract employees need to implement targeted communications that express the right narrative. As Expert I explained:

*“I think the narrative is really important. Are we really producing weapons that are meant to kill people or are we protecting those that protect us?” (Interview I, 2023).*

## **VI. Conclusions and Limitations:**

### **1. Conclusion:**

This thesis sought to comprehend how the Defense Industry can attract and retain Millennials and Generation Z in times of demographic transitions. Triangulating the literature review, the qualitative and quantitative analyses revealed congruences. While both Millennials and Generation Z share similar preferences in workplace attributes compared to preceding generations, both Millennials and Generation Z are more demanding regarding the provision of workplace attributes, these include demands for flexibility, competitive salaries, career development opportunities, and a relaxing workplace atmosphere. It is therefore important to tailor strategies to meet expectations if the Defense Industry is to attract and retain these cohorts as employees. Internal Employer Branding initiatives such as Employee Referral Programs, university collaborations, participations in job fairs and graduate or internship programs emerged as effective approaches for both talent attraction and retention. On the other hand, a disparity exists regarding the use of social media as a recruiting method. While experts pointed to social media as a key platform to spread a coherent brand message, survey respondents contradicted this, highlighting preference for traditional methods.

The thesis also explored imposter syndrome. While there no imposter syndrome prevailed amongst Millennials as suggested by the literature, Generation Z females were found to be more susceptible to this. Imposter syndrome thus poses an impediment for female recruiting, which is becoming more important due to demographic transitions. The Defense Industry needs to recruit previously underrepresented populations such as women. Therefore, it is necessary to establish targeted measures such as mentorship programs or leadership training as suggested by the literature.

Ongoing demographic transitions and the resulting quest for talent were identified as significant challenges in the Defense Industry. The expert interviews supported the literature, highlighting the need to adapt to changing workforce dynamics. In addition, the qualitative analysis addressed the potential skill gap resulting from demographic transitions. Various experts in the Defense Industry recognized the challenges and are implementing targeted measures to create a pipeline into the Defense Industry for early-career talent and young professionals.

## **2. Limitations:**

The expert interviews were conducted with HR or Employer Branding specialists, predominantly from Europe. This might lead to a geographical selection bias, as the industry landscape and preferred workplace attributes might significantly differ in emerging markets such as India or China.

The survey responses may not be entirely representative for the entire population of Millennials and Generation Z. Especially in the first part of the survey, respondents were selected according to (un)willingness to work in the Defense Industry. The data was collected from participants with higher educational backgrounds. Moreover, the survey responses were largely from Generation Z. Given possibly sampling error, the views expressed may not entirely reflect attitudes towards the Defense Industry within those demographics. In the last part of the survey, the susceptibility towards imposter syndrome was investigated. The result of the quantitative analysis may be conclusive, however different cultures and geographies could moderate susceptibility.

## **3. Theoretical contributions:**

As described in the Introduction, the Defense Industry has caught public attention given present global conflicts. The sector is facing significant demographic transitions. This thesis addresses managerial implications for the Defense Industry, suggesting strategies for attracting and retaining employees. Furthermore, this study sought to link various disciplines of HR and Employer Branding research that can serve as basis for further avenues of research.

The quantitative analysis illustrated current perceptions of the Defense Industry for Millennials and Generation Z, while highlighting which workplace attributes and strategies are preferred by these cohorts. This contributes to theoretical knowledge.

## **4. Practical Contributions:**

As demographic transitions remain a challenge for Defense Industry experts, it is incumbent upon firms in the Defense Industry to develop strategies to counteract this phenomenon. The Defense Industry needs to circumvent the looming skill gap. This thesis suggests that incumbent

firms in the Defense Industry need strategies to attract and retain Millennials and Generation Z workers and the sector needs to be positioned as an employer of choice. Offering flexibility, career development opportunities and a supportive environment were desired workplace attributes which can help with this positioning. In addition, the survey illustrated the impact of HR activities on organizational performance, thereby contributing to HR analytics (Marler & Boudreau, 2017).

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## Appendices:

### Appendix 1: Customer Survey:

#### Part 1 - Questions

Category	Question	Answers	Sources
<b>Demographics</b>	What is your gender?	Male/Female/Other/Prefer not to say	
	What is your nationality?	Simple Answer	
	How old are you?	Simple Answer	
<b>Attractiveness of the Defense Industry</b>	How attractive do you perceive the Defense Industry as an Employer? Why?	5- Point Likert Scale	Thompson (2013)
	Why?	Multiple Choice if perceived unattractive by participant	Thompson (2013)
<b>Willingness to work in the Defense Industry</b>	Can you imagine yourself working in the defense industry?	Yes/No/ I do not know	
	Why can or cannot you imagine yourself working in the Defense Industry	Muliple Choice	
<b>Type of Recruitment</b>	How were you recruited to your current employer?	Categoric Answers	Zaharee et al. (2018)
<b>Attractiveness of Recruitment Methods</b>	Which methods do you perceive best to raise awareness about open vacancies	Categoric Answer	Zaharee et al. (2018)
<b>Workplace Attributes</b>	A high salary is important to me.	Likert Scale	Magni & Manzoni (2020)
	Work-Life Balance is important to me.	Likert Scale	Magni & Manzoni (2020)
	I would give up on a high salary if I would	Likert Scale	Magni & Manzoni (2020)

	receive more work-life balance in return.		
	I like to have job security.	Likert Scale	Magni & Manzoni (2020)
	Receiving training and being provided with career development opportunities is really important to me.	Likert Scale	Magni & Manzoni (2020)
	I like to work in a social atmosphere having good relationships with my colleagues	Likert Scale	Magni & Manzoni (2020)
	I respond best to a supportive leadership culture.	Likert Scale	Magni & Manzoni (2020)
	I pursue status and prestige at my job.	Likert Scale	Magni & Manzoni (2020)
	Working in a job with purpose is important to me.	Likert Scale	Magni & Manzoni (2020)

*Table 5 - Questions of the survey*

## **Part 2 – Scenario**

Imagine you find an open job vacancy for a senior position at a big company. You read the job requirements listed on the job description and after doing a short analysis, you figure that your skills do not **entirely** match all the requirements listed on the job description. Please indicate for the following statements on a scale from strongly agree to strongly disagree where you stand (KPMG, 2017).

1. Even though I do not match all skills listed in the requirements of the job description, I am confident enough to apply for this job and eventually receive a job offer.
2. I would experience this intrinsic feeling that the achieved success is undue when I would get a job that I would not fulfill all the required skills for.
3. I oftentimes doubt my own qualifications and abilities in my job or career pursuit.

## Appendix 2: Interview A

<b>PLW</b>	How would evaluate the reputation and attractiveness of the defense industry in Germany?
<b>A</b>	<ul style="list-style-type: none"> <li>• We are attractive in the perspective of Millennials that want to explore interesting technologies.</li> <li>• Offering career and development opportunities can be found in the defense industry.</li> <li>• Recent political events such as the Ukraine War have altered the perception that national security is important, and this is linked to the attractiveness of the defense industry.</li> <li>• Millennials are technology affectionate and looking for meaningful jobs; defense industry provides technologies that generate security in uncertain times</li> </ul>
<b>PLW</b>	Are you witnessing demographic transitions and the resulting quest for talent at your company?
<b>A</b>	<ul style="list-style-type: none"> <li>• Not really. We are not directly competing with other companies for talent, we focus on ourselves.</li> <li>• The compelling combinations of jobs worldwide and the wide array of innovative technologies and products makes us attractive as an employer and differentiates us.</li> <li>• It is necessary to expand the dialogue and contact with potential employees in recent years.</li> </ul>
<b>PLW</b>	Have you invested into Employer Branding and if so, what kind of tools have you utilized? Have you used targeted Employer Branding campaigns for Millennials and Generation Z?
<b>A</b>	<ul style="list-style-type: none"> <li>• Yes. We communicate on various social media channels and career events to present us as an attractive employer to present us as an employer of choice and to present the career development opportunities at our company.</li> <li>• We use targeted Employer Branding campaigns to target different generations of employees including video spots, radio spots, podcasts.</li> <li>• Authenticity is crucial. We present us the way we are to not make false promises.</li> <li>• We are able to retain a lot of talent and inside survey confirm that we are an attractive employer.</li> <li>• Management needs to be trained in intergenerational management skills to create attractive culture for every employee.</li> </ul>
<b>PLW</b>	You estimate to have 100,000 applications this year alone. It seems that you do not have any problems concerning the quest for talent.
<b>A</b>	<ul style="list-style-type: none"> <li>• We are thriving as an employer, but it is based on hard work.</li> <li>• You need to invest a lot into the communication with potential employees as well as Employer Branding to attract potential employee and be persistent.</li> </ul>

	<ul style="list-style-type: none"> <li>• Internal Employer Branding from own employees is a crucial tool to attract talent.</li> </ul>
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*Table 6 - Summarized Transcription of Interview A*

### **Appendix 3: Interview B:**

<b>PLW</b>	How would evaluate the reputation and attractiveness of the defense industry in Hungary?
<b>B</b>	<ul style="list-style-type: none"> <li>• First things first, Defense Industry did not exist for more than 40 years before German company Rheinmetall entered the market 2 to 3 years ago, but he reputation for the last three years is not as bad as in other countries where people are against it.</li> <li>• A lot are quite keen on what Rheinmetall is intending to do in Hungary.</li> <li>• It is perceived as a noble thing to provide for security of Hungary.</li> <li>• Reputation is benefiting from the good reputation of German companies</li> </ul>
<b>PLW</b>	Since you are setting up a new business in Hungary, you need to recruit new workforce. Do you face any difficulties in finding talent considering demographic changes? Are you competing with other companies for talent?
<b>B</b>	<ul style="list-style-type: none"> <li>• The level of competition varies by position and location.</li> <li>• Main competition for talent is the automotive industry.</li> <li>• Finding and recruiting talent remains extremely difficult, especially for IT professionals.</li> <li>• The market for talent has transitioned to employee market.</li> </ul>
<b>PLW</b>	Have you invested into Employer Branding campaigns?
<b>B</b>	<ul style="list-style-type: none"> <li>• Yes, we have started to do so because it is crucial for the retention of workforce.</li> <li>• Internal Employer Branding is lacking but there are profound external Employer Branding measures.</li> <li>• We have started to gain recognition in Hungary but plan to do more targeted campaigns.</li> </ul>
<b>PLW</b>	Since you plan to do more targeted Employer Branding campaigns have you already conducted targeted Employer Branding specifically for Millennials and Generation Z?
<b>B</b>	<ul style="list-style-type: none"> <li>• Yes, Millennials are our absolute target group. We need experienced staff to get things done and people are too focused yet to be able to incorporate younger professionals.</li> <li>• Employer Branding and promoting employer benefits are necessary to attract Millennials as a compensation for a lower salary.</li> </ul>

*Table 7 - Summarized transcription of interview B*

#### Appendix 4: Interview C:

<b>PLW</b>	How would evaluate the reputation and attractiveness of the defense industry in Australia?
<b>C</b>	<ul style="list-style-type: none"> <li>• Defense industry in Australia is strong with a really good reputation.</li> <li>• Growth industry</li> <li>• Seen as the forefront of leading new initiatives and innovation.</li> <li>• Occasionally some protesters, but mainly due to misinformation</li> </ul>
<b>PLW</b>	How is the demographic situation in Australia? Are you competing for talent? Is the quest for talent a phenomenon as well?
<b>C</b>	<ul style="list-style-type: none"> <li>• It is a very competitive landscape.</li> <li>• There was a change in government, the government put a lot of expenditure into the defense industry, and this made the quest for talent competitive as it meant great opportunities.</li> <li>• Defense companies look for talent that has experience in the defense industry or at least some exposure.</li> <li>• Employees in the defense industry are not bound to the defense companies but base their employer of choice decision on the projects they may work on in a given defense company.</li> <li>• Personal brand reputation in Australia in the defense industry is significant; employees know each other because most employees in the defense industry have worked around.</li> <li>• Defense industry is diversely spread in terms of location with a lot of well-established defense organizations such as Boeing, Lockheed Martin, Northrup Gunman or Rheinmetall in Australia.</li> </ul>
<b>PLW</b>	Australia's defense industry is very competitive. Hence you need to differentiate yourself. How well established is Employer Branding at your company?
<b>C</b>	<ul style="list-style-type: none"> <li>• Employer Branding is growing.</li> <li>• Campaigns of Employer Branding involve the development of an employer value proposition (EVP).</li> <li>• We create initiative through our own employees, for instance parental leave or loyalty leave to differentiate ourselves.</li> <li>• Importance of communicating your EVP.</li> <li>• There are still more Employer Branding to create.</li> </ul>
<b>PLW</b>	Millennials and Generation Z will make up the biggest share of the workforce in the next years. What kind of Employer Branding are you doing to attract these cohorts?
<b>C</b>	<ul style="list-style-type: none"> <li>• We have an aging demographic, so the focus switched to Millennials and especially Generation Z.</li> <li>• There are heavy investments made in early career development opportunities for Generation Z such as summer internship programs or a graduate development program.</li> </ul>

	<ul style="list-style-type: none"> <li>• There is a need to raise awareness at high schools and universities to promote the defense industry as an employer of choice.</li> <li>• There is a need to enhance communication through social media to communicate the EVP.</li> </ul>
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*Table 8 - Summarized Transcription of Interview C*

### Appendix 5: Interview D:

<b>PLW</b>	How would evaluate the reputation and attractiveness of the defense industry in Switzerland?
<b>D</b>	<ul style="list-style-type: none"> <li>• Even though I am not that long responsible for the Swiss market, I think that the Defense Industry in Switzerland is regarded more positively than in Germany</li> <li>• Even though the reputation of the defense industry in Germany has improved, the general perception in Switzerland remains better</li> <li>• War in the Ukraine positively influenced the reputation of the Defense Industry in Switzerland</li> </ul>
<b>PLW</b>	How competitive is the landscape for talent acquisition in Switzerland? Are you facing difficulties in finding employees in the Defense Industry?
<b>D</b>	<ul style="list-style-type: none"> <li>• The unemployment rate in Switzerland, for instance in Zurich is extremely low, hence the employee market in Switzerland is highly competitive</li> <li>• Specific job types such as Engineers and Blue-collar jobs are difficult to recruit talent</li> <li>• Some candidates for blue-collar jobs do not meet the job requirements, hence the time to hire is very high</li> <li>• Close proximity in Switzerland with other competitors even though the companies are not located in the same canton of Switzerland</li> </ul>
<b>PLW</b>	You are quite new to coordinating Employer Branding in Switzerland? How well-established Employer Branding was at your company in Switzerland before you joined the company?
<b>D</b>	<ul style="list-style-type: none"> <li>• There have been some campaigns already, for instance participation at career fairs</li> <li>• An Employer Branding strategy for Switzerland still needs to be worked out</li> <li>• We need to raise more awareness for the job opportunities at lesser-known locations in Switzerland</li> </ul>
<b>PLW</b>	Do you plan to create some Employer Branding for Millennials and Generation Z specifically or do you plan to create a general strategic outlook for the Swiss first?
<b>D</b>	<ul style="list-style-type: none"> <li>• We plan to create Employer Branding campaigns for those cohorts specifically for Engineers</li> </ul>

	<ul style="list-style-type: none"> <li>• We collaborate with universities in Switzerland such as the ETH Zurich to recruit and find new talent in Engineering</li> <li>• We organize an open day for students at our location in Zurich, where our employees in Engineering provide an insight into their daily operation</li> <li>• We need to create more channels of communication with Millennials and Gen Z, for instance social media</li> </ul>
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Table 9 - Summarized Transcription of Interview D

## Appendix 6: Interview E:

<b>PLW</b>	How would evaluate the reputation and attractiveness of the defense industry in Norway?
<b>E</b>	<ul style="list-style-type: none"> <li>• We see a change since the war in the Ukraine regarding the attractiveness of the Defense Industry</li> <li>• My company is also receiving more applicants and we could raise our awareness</li> <li>• The company I am working for is the Scandinavian Branch of a German Defense Contractor and benefits from the reputation of Germany offering job with security, being supportive to its employees also in times of turbulence</li> </ul>
<b>PLW</b>	How competitive would you consider the war for talent in Norway? Is it quite difficult to recruit new employees?
<b>E</b>	<ul style="list-style-type: none"> <li>• The war for talent in Norway is really competitive.</li> <li>• We see the phenomenon of an “employees’ market”, hence a quest for talent also exists in Norway</li> <li>• Most of our employees in Norway are engineers and we compete with everyone from all industries in Norway to recruit talent</li> <li>• However, even though we are lesser known, we still manage to receive a lot of applicants</li> </ul>
<b>PLW</b>	Have you established any strategies to attract talent given the competitive landscape?
<b>E</b>	<ul style="list-style-type: none"> <li>• We recruit talent from the University all over Norway as students are more likely to move around in the country</li> <li>• We collaborate a lot with universities and attend some career fairs, as we are a smaller company. Hence, we lack the resources to organize other strategies to attract new talent</li> <li>• We also collaborate with the student communities in Norway; some colleagues orate to students what they do at our company</li> </ul>
<b>PLW</b>	The project you have mentioned are dealing mostly with attracting talent from Generation Z cohorts. Have you implemented some Employer Branding to attract Millennials as well?

<b>E</b>	<ul style="list-style-type: none"> <li>• No, because we have another strategic target: increasing diversity, which means that we want to employ more female employees</li> <li>• We adapted our advertising and communications</li> <li>• We have also done an internal approach together with our employees</li> </ul>
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*Table 10 - Summarized Transcription of Interview E*

### **Appendix 7: Interview F:**

<b>PLW</b>	How would evaluate the reputation and attractiveness of the defense industry in South Africa?
<b>F</b>	<ul style="list-style-type: none"> <li>• Low awareness of the Defense Industry as an employer in South Africa amongst employees</li> <li>• For engineers specifically, the Defense Industry in South Africa is an attractive employer</li> <li>• Reasons for low awareness is because there is lack of information about the Defense Industry as an employer and various other industries are more known</li> <li>• The market, the company operates in is a niche market (Explosives)</li> </ul>
<b>PLW</b>	Are you witnessing a quest for talent in South Africa? How competitive is it for your company to find and recruit talent?
<b>F</b>	<ul style="list-style-type: none"> <li>• It depends on the job type, there is a higher quest for talent amongst Chemical Engineers than there is for administration-related jobs such as HR</li> <li>• We operate in a Niche market, and we only compete with companies operating in the same or similar industry</li> <li>• Some locations of the company are quite isolated in South Africa and hard to reach by public transport, hence it is known employer in that specific region</li> </ul>
<b>PLW</b>	What kind of Employer Branding are you doing to attract and retain workforce in your company
<b>F</b>	<ul style="list-style-type: none"> <li>• We help interns to move to a more isolated region if they work there as the salary is comparatively lower compared to professionals</li> <li>• We collaborate with universities on career fairs to raise awareness of our company</li> <li>• Internal Employer Branding includes trainings to employees for self-development</li> </ul>
<b>PLW</b>	Are you doing any other specific Employer Branding targeted at Millennials and Generation Z cohorts to attract and retain those for your company in the Defense Industry?

<b>F</b>	<ul style="list-style-type: none"> <li>• Regarding Generation Z, we offer a graduate program, where we recruit needed engineers from universities.</li> <li>• Graduate Program positions are communicated on job websites, career fairs, universities.</li> <li>• The graduate program allows to explore the various everyday work lives of engineers at our different locations.</li> <li>• After six months participating in the graduate program, candidates receive trainings of their choice that is paid for by the company.</li> </ul>
<b>PLW</b>	<p>The Employer Branding you mentioned rather targets potential Generation Z employees. Are you also doing some Employer Branding targeted to Millennials? If so, can you name some examples?</p>
<b>F</b>	<ul style="list-style-type: none"> <li>• Social Media is becoming important to attract potential employees. That includes Millennials.</li> <li>• Current employees are used as Testimonials are used to showcase the attractiveness of our Employer Brand.</li> <li>• The company organizes specific networking events or motivational talks to current employees as means of retention</li> <li>• These programs were laid off due to the pandemic but will be rolled out again</li> </ul>

Table 11 - Summarized Transcription of Interview F

**Appendix 8: Interview G:**

<b>PLW</b>	<p>How would evaluate the reputation and attractiveness of the defense industry in Italy?</p>
<b>G</b>	<ul style="list-style-type: none"> <li>• The company being part of the Defense Industry is very attractive as the main competitor is a governmental contractor</li> <li>• The defense industry is also generally very attractive for young professionals or Generation Z. However, the Defense Industry remains to be more attractive for males compared to females.</li> <li>• The female participation in the industry for older Generation is also quite low</li> <li>• Automotive industry is recruiting from the Defense Industry. The Defense Industry has a reputation to train its employees well in</li> </ul>
<b>PLW</b>	<p>You are working for a company that is headquartered in Germany. Is your company's reputation benefiting from the reputation of German companies as an employer?</p>
<b>G</b>	<ul style="list-style-type: none"> <li>• Not really. The positive reputation is based on our own work</li> <li>• The company was pretty unknown three years ago</li> <li>• Within three years we became one of the top employers in Italy</li> </ul>

<b>PLW</b>	How is the demographic situation in Italy? Are you witnessing a quest for talent even though you are a top employer in Italy?
<b>G</b>	<ul style="list-style-type: none"> <li>• Italy is an aging population. Hence, there is a big gap between younger and older generations that have core competencies in the defense industry</li> <li>• We built a big community on social media which still helps us a lot to attract potential employees as we receive ten times more applications than three years ago</li> <li>• Time to hire in our company is comparatively short</li> <li>• Employee turnover is around six percent</li> <li>• Competition for talent is comparatively aggregated and centralized in the Defense Industry in Italy which makes it easy to gain and lose workforce at the same time</li> </ul>
<b>PLW</b>	What kind of Employer Branding are you doing to attract and retain employees?
<b>G</b>	<ul style="list-style-type: none"> <li>• We collaborate with schools and universities to attract young professionals such as Generation Z</li> <li>• Social Media and traditional media are used to raise awareness of our company and to attract talent</li> <li>• We collaborated with external agencies that consulted us on best practices to attract and retain workforce and we implemented them</li> <li>• We have implemented a hybrid working model for both white- and blue-collar employees</li> <li>• We have implemented a mentoring program for young professionals such as Generation Z</li> <li>• We launched a program called “Challengers” for Generation Z cohorts to solve real-life problems in the company as another strategy to offer development opportunities</li> </ul>

*Table 12 -Summarized Transcription of Interview G*

**Appendix 9: Interview H:**

<b>PLW</b>	The Defense Industry is a very traditional industry in the US? So, I can imagine that it is a very attractive employer of choice? Correct?
<b>H</b>	<ul style="list-style-type: none"> <li>• Indeed, it is very attractive as an employer</li> <li>• It is regarded more attractive in the US than in Europe as an Employer of Choice as the Defense Industry in the USA is confronted with less stigma</li> <li>• Financially it is an 800-billion-dollar industry and the biggest Defense Industry in the world which makes it also a desirable employer of choice in the US</li> <li>• It is very interesting that the Defense Industry in Europe has such a lack of appeal, yet it is so necessary given the geography, for instance the close proximity with the war in the Ukraine</li> </ul>

<b>PLW</b>	<p>You work for a German based Defense Contractor in the United States. Given the competitive landscape with very big global players such as Lockheed Martin or Northrup Gunman, are you facing difficulties in recruiting talent and raising awareness for you as an employer of choice as small fish in a big pond?</p>
<b>H</b>	<ul style="list-style-type: none"> <li>• It is challenging exactly because of that reason. The company I work for is very well established in Europe but regarded as another German company in the US</li> <li>• We have to constantly communicate, who we are as a company in the American Defense Industry</li> <li>• However, in the quest for talent we also have to compete with the big players about salary, corporate benefits. Currently, it is the culture that sets us apart which is influenced by Germany</li> <li>• Difference in the attitude and corporate culture between Europe and the US is enormous. We are able to extent that employee-centric philosophy across our locations in the US</li> <li>• The socioeconomic factors that are present in the United States have a huge impact on Employer Branding in the US and the corporate benefits and the workplace attributes backed from our German office is what we use to our advantage to become an Employer of Choice regardless of our smaller size and lack of awareness.</li> <li>• To remain competitive, as the job market in the US transitioned to an employee market, we need to maintain these corporate benefits that are seen normal in Europe such as an extended amount of sick leave, which are now expected by our (potential) employees</li> </ul>
<b>PLW</b>	<p>Are you facing a quest for talent due to demographic transitions and a skill gap as there is a lack of qualified talent to substitute for the retiring employees?</p>
<b>H</b>	<ul style="list-style-type: none"> <li>• Not really. Our retention of employees is very positive. Our employees once they are employed work for a very long period of time for our company. Attracting talent is more challenging</li> <li>• We face a challenge in recruiting talent as the talent now expects an increase in home office. Yet, we are expanding so rapidly and need to train people for very unique skills that we cannot guarantee so much home office hours.</li> <li>• The challenge for attracting talent varies by location. For instance, in Michigan, it is possible to draw employees from the Automotive Industry. Other locations in other regions are more isolated</li> </ul>
<b>PLW</b>	<p>Employer Branding is very important to distinguish yourself as an employer of choice from competitors. Have you implemented any Employer Branding? If so, it is also targeted specifically to Millennials and Generation Z</p>
<b>H</b>	<ul style="list-style-type: none"> <li>• We collaborate with universities and community colleges to attract and recruit employees for our blue-collar positions</li> <li>• We offer internships and traineeships. Our job offers for graduates ensure job security</li> </ul>

Table 13 - Summarized Transcription of Interview H

**Appendix 10: Interview I:**

<b>PLW</b>	Your company has doubled in employee size. This means that the company you work for is quite attractive. Is the Defense Industry in the UK attractive likewise?
<b>I</b>	<ul style="list-style-type: none"> <li>• On a 1 to 5 scale, the Defense Industry in the UK is a high 4 in terms of attractiveness</li> <li>• The Defense Industry provides job security. Job security is deemed an important workplace attribute amongst employees</li> <li>• Working in the Defense Industry give a sense of pride amongst employees as you contribute to the defense capability of your country</li> <li>• Once you realize how important the Defense Industry actually is, you stay in the Defense Industry. Former soldiers, once they retire from service, oftentimes work for a Defense Contractor because they are familiarized with the products</li> </ul>
<b>PLW</b>	Has the reputation of the Defense Industry has become more positive since recent conflicts such as the war in the Ukraine?
<b>I</b>	<ul style="list-style-type: none"> <li>• I think there has been also a shift in the UK as well given the current events we witness in the world</li> <li>• In that regard, the narrative is really important: are we arguing that the Defense Industry is creating products that are meant to kill people or are we arguing that we create products that are meant to protect those that protect ourselves</li> <li>• The narrative of protecting those that protect us is a really powerful narrative in the UK</li> </ul>
<b>PLW</b>	Are you facing demographic transitions and therefore an increase in the quest for talent and a resulting skills gap in the UK?
<b>I</b>	<ul style="list-style-type: none"> <li>• We are indeed facing demographic transitions</li> <li>• 20 percent of our employees are sixty years or older, hence there is a significant risk that a huge chunk of employees will leave the company due to retirement and taking lots of skills and industry knowledge with them</li> <li>• Therefore, we invest heavily in our early-career population. Notwithstanding, it will take a lot of time to get that necessary amount of knowledge and experience</li> <li>• We are part of a “5% Club”; hence five percent of our employees need to be on apprenticeships</li> <li>• Young employees entering the company are enabled to bring in their own ideas and apprentices are integrated into the team at a very early stage and that way have the opportunity to learn from and to challenge more experience employees</li> <li>• A lot of roles, we recruit for require also niche skills and niche skills within the Defense Industry even and we recruit a lot of older people coming back from retirement working part-time</li> </ul>

<b>PLW</b>	How competitive is the landscape to attract talent in the Defense Industry? To what extent are you competing with other industries because of the demographic transitions?
<b>I</b>	<ul style="list-style-type: none"> <li>• It depends on the role. Some job roles can only be found in the Defense Industry, and we compete only with 4 or 5 other main players in the UK</li> <li>• For job roles that are not defense-centric, we compete also with players outside of the Defense Industry. Locally, there are 3 other organizations, we compete with for employees</li> <li>• We need to act more strategically and flexible on the working pattern. Working from home or hybrid working models are becoming popular or the people that we look for are resided in another region of the UK and we need to find a way to still offer them a way to work for us, if we want to be an attractive employer for them</li> </ul>
<b>PLW</b>	Have you invested into Employer Branding to differentiate yourself as an employer of choice?
<b>I</b>	<ul style="list-style-type: none"> <li>• The challenge for us in the UK, because we are a joint venture is to communicate this specific Employer Brand instead of the brand of one company alone</li> <li>• We ran various campaigns for early-career professionals such as apprentices</li> <li>• We have attended sponsored events with industry partners specialized in integrating former soldiers into the civilian job market</li> <li>• Our brand has become strong among the customer and industry partners</li> <li>• Our company is also doing internal Employer Branding through employee referrals. Henceforth, we manage to attract a lot of employees</li> <li>• We need to communicate the correct narrative for targeted messages: Are we really producing weapons that are meant to kill people or are we protecting those that protect us?</li> </ul>
<b>PLW</b>	Are you also doing Employer Branding targeted at Generation Z?
<b>I</b>	<ul style="list-style-type: none"> <li>• We also collaborate with universities to attract Generation Z</li> <li>• We established an internship program and recruited some employees through internships</li> <li>• Retention of Generation Z remains salary driven but career development opportunities and job purpose are also really crucial workplace attributes that we need to communicate and create through Employer Branding</li> </ul>

*Table 14 - Summarized Transcription of Interview I*

**Appendix 11: Interview J:**

<b>PLW</b>	How attractive would you evaluate the Defense Industry as an employer in Austria?
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<b>J</b>	<ul style="list-style-type: none"> <li>• From an Employer Perspective, the Defense Industry in Austria is perceived quite neutral in terms of attractiveness because we are less known</li> <li>• If applicants follow up with us about the Defense Industry, we have applicants that during the process withdraw their application due to moral concerns and repute amongst friends and family. Likewise, other applicants follow through with their application as they like the company culture and want to contribute to the safety and security of Austria</li> </ul>
<b>PLW</b>	<p>For instance, in Germany the Defense Industry has been confronted with stigma to be merchants of death, but since the war in the Ukraine it has transitioned to a more positive reputation. Have you witnessed a similar transition in Austria?</p>
<b>J</b>	<ul style="list-style-type: none"> <li>• The reputation of the Defense Industry has also become more positive in Austria</li> <li>• In application processes, applicants highlight the importance of the Defense Industry as the motivation to apply at the company</li> <li>• The positive reputation is also based on the nature of the products. The company of the expert is producing logistic vehicles in Austria that are used for humanitarian causes in regions of conflict</li> </ul>
<b>PLW</b>	<p>Due to demographic transitions, there are much more older people retiring from their jobs and a smaller pool of young talent to substitute them. As a result, there is a quest for talent in the job market. To what extent are you witnessing a quest for talent in Austria?</p>
<b>J</b>	<ul style="list-style-type: none"> <li>• Indeed, we are witnessing a quest for talent. This also means, amongst other things, a smaller pool of applicants for a given open vacancy</li> <li>• Workplace attributes and what the employer can provide to its employees is becoming much more significant</li> <li>• The job market in Austria has transformed into an employee-driven market, where the employees select their employer of choice</li> <li>• There is a shortage of skilled employees in production, and we need to be more proactive in Employer Branding and raising awareness.</li> <li>• Due to a shortage of skilled employees, the landscape of recruiting talent is highly competitive</li> </ul>
<b>PLW</b>	<p>You mentioned previously that you need to proactively pursue Employer Branding to position your company as an employer of choice. What types of Employer Branding have you invested in? Have you also invested in Employer Branding targeted specifically at Millennials and Generation Z?</p>
<b>J</b>	<ul style="list-style-type: none"> <li>• To attract Generation Z cohorts, we participated in job fairs and collaborate with universities and local schools in Vienna</li> <li>• We actively invite potential employees to our company's Open Days where they can actively interact with the different divisions within the</li> </ul>

	<p>company for open vacancies. We also invite Millennials and other generations to our Open Day</p> <ul style="list-style-type: none"> <li>• We offer specific onboarding with where employees are guides for the incoming employees</li> <li>• We offer various monetary incentives for employees to join our company</li> <li>• Generation Z get a 70% refund for public transport in Vienna</li> </ul>
<b>PLW</b>	<p>Amongst young professionals, a competitive salary constitutes the most important workplace attribute to become an employer of choice, while flexible working hours and work-life balance are becoming more prominent workplace attributes. To what extent are you witnessing this in Austria?</p>
<b>J</b>	<ul style="list-style-type: none"> <li>• Flexible working hours is becoming more prominent as a demanded workplace attribute amongst young professionals and Millennials.</li> <li>• This phenomenon is hampering us in finding talent as we can only offer flexible working hours to some extent. For some jobs, we cannot offer flexible working hours or Home Office because the job characteristics do not allow it.</li> </ul>

Table 15- Summarized Transcription of Interview J

**Appendix 12: Output from Quantitative Analysis:**

Imag_work_numeric			
Gender	Mean	N	Std. Deviation
Female	.2889	45	.45837
Male	.7179	39	.45588
Prefer not to say	1.0000	1	.
Total	.4941	85	.50293

Table 16 - Average willingness to work in the defense industry, stratified by Gender

<b>Reasons for Unwillingness to pursue a career in the Defense Industry</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		44	53.0	53.0	53.0
	Desire for a different career path	4	4.8	4.8	57.8
	Desire for a different career path,Personal Values	1	1.2	1.2	59.0
	Moral Concerns	5	6.0	6.0	65.1
	Moral Concerns,Desire for a different career path	3	3.6	3.6	68.7
	Moral Concerns,Desire for a different career path,Personal Values	4	4.8	4.8	73.5
	Moral Concerns, Personal Values	2	2.4	2.4	75.9
	Moral Concerns,Political beliefs	2	2.4	2.4	78.3
	Moral Concerns,Political beliefs,Desire for a different career path	2	2.4	2.4	80.7
	Moral Concerns,Political beliefs,Desire for a different career path, Personal Values	6	7.2	7.2	88.0
	Moral Concerns,Political beliefs,Personal Values	5	6.0	6.0	94.0
	Personal Values	1	1.2	1.2	95.2
	Political beliefs,Desire for a different career path	1	1.2	1.2	96.4
	Reputation,Moral Concerns,Desire for a different career path, Personal Values	2	2.4	2.4	98.8
	Reputation,Moral Concerns,Political beliefs,Desire for a different career path, Personal Values	1	1.2	1.2	100.0
	Total	83	100.0	100.0	

Table 17 - Reasons for Unwillingness to pursue a career in the Defense Industry

<b>Millennials' Reasons for Unwillingness to pursue a career in the Defense Industry</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Desire for a different career path,Personal Values	1	11.1	11.1	11.1
	Moral Concerns	2	22.2	22.2	33.3
	Moral Concerns,Desire for a different career path	1	11.1	11.1	44.4
	Moral Concerns,Desire for a different career path,Personal Values	1	11.1	11.1	55.6
	Moral Concerns, Personal Values	1	11.1	11.1	66.7
	Moral Concerns,Political beliefs	1	11.1	11.1	77.8
	Moral Concerns,Political beliefs,Desire for a different career path	1	11.1	11.1	88.9
	Moral Concerns,Political beliefs,Desire for a different career path, Personal Values	1	11.1	11.1	100.0
	Total	9	100.0	100.0	

Table 18 - Frequencies of Millennials

Generation Z Unwillingness to pursue a career in the Defense Industry					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Desire for a different career path	4	13.3	13.3	13.3
	Moral Concerns	3	10.0	10.0	23.3
	Moral Concerns,Desire for a different career path	2	6.7	6.7	30.0
	Moral Concerns,Desire for a different career path,Personal Values	3	10.0	10.0	40.0
	Moral Concerns, Personal Values	1	3.3	3.3	43.3
	Moral Concerns,Political beliefs	1	3.3	3.3	46.7
	Moral Concerns,Political beliefs,Desire for a different career path	1	3.3	3.3	50.0
	Moral Concerns,Political beliefs,Desire for a different career path, Personal Values	5	16.7	16.7	66.7
	Moral Concerns,Political beliefs,Personal Values	5	16.7	16.7	83.3
	Personal Values	1	3.3	3.3	86.7
	Political beliefs,Desire for a different career path	1	3.3	3.3	90.0
	Reputation,Moral Concerns,Desire for a different career path, Personal Values	2	6.7	6.7	96.7
	Reputation,Moral Concerns,Political beliefs,Desire for a different career path, Personal Values	1	3.3	3.3	100.0
	Total		30	100.0	100.0

Table 19 - Frequencies of Generation Z

	Job Postings	Networking	Social Media	Internships	Career Fairs	University
Strongly Disliked	1.5%	1.5%	7.4%	2.9%	7.4%	5.9%
Disliked	1.5%	5.9%	22.1%	17.6%	16.2%	16.2%
Neutral	26.5%	19.1%	39.7%	25.0%	36.8%	26.5%
Preferred	48.5%	39.7%	26.5%	27.9%	25.0%	41.2%
Strongly Preferred	22.1%	33.8%	4.4%	26.5%	14.7%	10.3%

Table 20 – Preferred Recruitment Preferences

	High Salary Row N %	Work-Life Balance Row N %	I would give up a high salary for more work-life balance in return. Row N %	Job Security Row N %	Training and Career Development Opportunities Row N %	Harmonic Workplace Atmosphere Row N %	Supportive Leadership Culture Row N %	Job with Status & Prestige Row N %	Job with Purpose Row N %
Strongly Disagree	0.0%	3.0%	4.5%	1.5%	0.0%	0.0%	0.0%	7.5%	4.5%
Somewhat Disagree	0.0%	3.0%	7.5%	10.4%	3.0%	1.5%	4.5%	17.9%	3.0%
Neutral	14.9%	10.4%	28.4%	19.4%	13.4%	10.4%	17.9%	31.3%	13.4%
Somewhat Agree	50.7%	28.4%	41.8%	32.8%	41.8%	38.8%	37.3%	32.8%	40.3%
Strongly Agree	34.3%	55.2%	17.9%	35.8%	41.8%	49.3%	40.3%	10.4%	38.8%

Table 21 – Desired Workplace Attributes