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Employer Branding as a response to talent shortage

The importance of balancing the needs of employees with employer offerings

by

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Abstract

Repeatedly it has been demonstrated that the specific performance of an individual or a small group of workers have a significant impact on the profitability of a company. Hence, talented workers is vital for companies in order to stay competitive in today's fierce business market. In addition, in industries where employees constitute the offered product the role of talent becomes even more important. However, as talent is a scarce resource a war of talent has emerged which, in turn, has made it harder for companies to stay competitive.

In terms of attracting and retaining employees, employer branding has gained a lot of attention in recent years. It involves how employers position and differentiate themselves from competitors on the labour market. It further emphasizes that employers must understand what their employees value in terms of work. Given that the winners of the war are those companies who manage to address the talent shortage with the most success, the purpose of this thesis is to illustrate how an effective employer brand can help companies engage and retain their talented employees.

The design of this research is based on a case study where the specific case represents a company that is operating in an industry where talent shortage is recognised. The findings show that the process of creating an effective employer brand originates from the talent itself and the ability of the organisation to create and offer that the talent want. Since organisations and its employees are different there is not a "one size fits all" solution to how an organisation can develop a strong employer brand. However, the process and the steps included when developing an employer brand are somewhat universal.

Key words: talent shortage, talent management, employer branding, employee value proposition, employee engagement, employee retention

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1 Introduction

1.1 Background & problem description

For an organization to survive and be successful in today's fierce business environment, strength is a vital capability. It is suggested that the strength of an organisation can originate from either the unique assets of the specific organisation or from the behaviour and assets of its employees (Lambert, 2012, pp. 10). According to Porter (1985, pp. 11ff), sustainable competitive advantage relies on identifying capabilities that are both durable and difficult to copy. These capabilities are embedded in the organizational culture and in the knowledge of the people in the organisation. Due to these specific capabilities, an organisation has the ability of being different from other organisations, thus, gaining a competitive advantage in the market place. Accordingly, people and their knowledge are one of the most vital components in a company's overall business strategy (Mosley, 2014, p.54).

Repeatedly it has been demonstrated that the specific performance of an individual or a small group of workers can have a significant impact on the profitability of an organisation. Hence, talented workers are of vital importance. However, talent is a scarce resource, therefore not surprisingly, businesses are fighting over the most talented employees. This is referred to as the war of talent (Mukherjee & Vasconcelos, 2012; Beechler & Woodward, 2009).

Skills and talent shortage are amongst other things due to some distinct macro trends. The first trend is due to the expansion of the global economy. Consequently, the international competition for talent has increased (Beechler and Woodward, 2009). Moreover, the second trend is due to a demographic development where the amount of people retiring will increase at the same time as there is a decrease in the amount of young people to take over. In addition, there has been a shift in what type of work that is dominating the labour market. Today mental work is the most common, compared to manual labour in the earlier days. This shift increases the need for skilled and talented employees (Trost, 2014, pp.5-11). Furthermore, a third trend can be identified in the emerging younger workforce. They put higher demands on their employer and work as employees nowadays expect that their organization should understand them in the same way as organisations try to understand their customers (Dyhré & Parment, 2013, p. 54; Global Workforce Study, 2014).

In terms of attracting, engaging and retaining employees, employer branding has gained a lot of attention in recent years. It involves how employers position and differentiate themselves from competitors on the labour market. It emphasizes that employers must understand the value-preferences of their employees, in terms of work, in order to attract as well as retain talented employees, which is further complicated by the fact that their preferences fluctuate

over time (Sengupta et al., 2015). Yet, a strong employer brand creates both costs and performance benefits that correlates with strong business results that will outperform competitors (Mosley, 2014, p. 11-21). Over time, as companies started to focus on employer branding in the same way as they applied their corporate and consumer brand, the employee value proposition (EVP) emerged (Mosley, 2015).

The winners of the war of talent are the organizations who manage to address these new macro trends with the most success. It has also become increasingly important that organizations are successful in managing to keep their talented employees when other organizations are trying to convince them to work for them instead. Consequently, the employers are becoming more forced to meet the needs of their employees and thereby treat employees like customers. By doing this employees feel appreciated and, thus, more engaged in their work, which in turn will have a positive effect on retention (Global Workforce Study, 2014; Mosley, 2014, p.103).

1.2 Purpose & research questions

The purpose of this thesis is twofold. Firstly, it is to illustrate how an effective employer brand can help companies to manage the problem of talent shortage in the labour market in order for them to obtain a sustainable competitive advantage. Secondly, it is to investigate and exemplify what content is needed to form an effective employee value proposition in order to engage and retain talent. Consequently, the focus is limited to the internal perspective of employer branding. The purpose will be fulfilled by answering the following research questions:

- How can an organisation build an effective employer brand and what challenges may the implementation of it entail in?
- What can an organisation offer its employees in order to engage and retain them within the organisation?

1.3 Outline of the Thesis

By way of introduction, in chapter two, the foundation for the whole thesis will be extensively presented in the form of a theoretical framework. This chapter will be summarised with a theoretical analysis where the first research question will be addressed. Chapter three, the methodology, will guide the reader in terms of how the research was conducted in order to answer the second research question. Moreover, in chapter four the data collection will be presented and then further analysed in chapter five. The sixth and final chapter closes the loop in a discussion and concludes the findings.

2 Theoretical Framework

2.1 Talent

For an organisation to work with employer branding the organisation itself needs to settle on what on what type of employees that are needed to obtain the business goals. In other words, the target group needs to be identified. Therefore, it is of importance for the organisation to try to define talent, hence define what constitutes a talent according to the organisation at hand. This may entail in some challenges, as there is no clear definition of what a talent is as many definitions are indistinct and vague (Ross, 2013).

Talent can be defined as a person's "*innate easiness to acquire a certain ability*" (NE, 2016) or as "*a person with an aptitude*" (Svenska Akademiens ordlista, 2016). These types of definitions assume that individuals have different strengths, and that professionals working with developing people's talent need to identify these and use them to the organization's advantage. In addition, what constitutes talent is sometimes confused with; attributes that characterize a good leader, what determines successful leadership, and what characterizes someone with high potential and someone who is a high performer. There is also a debate regarding whether talent is something that one has from birth or if it is something that one can develop (Ross, 2013). The view of what constitutes a talent within an organisation and how they separate between talented workers and others varies from one organisation to another (Sonnenberg et al., 2014).

2.1.1 Talent management

It is suggested that the problem of talent shortage can be successfully addressed through talent management, which "*refers to the process of developing and integrating new workers, developing and keeping current workers and attracting highly skilled workers to work for [a] company*" (Mandhanya & Shah, 2010, p. 43). Hence, talent management is about how an organization decides to deal with its talented employees and how to provide for its competent and qualified workers. Some activities included are to map the competencies within the organisation, developing a strategy for how to use it to maximise its potential as well as how to develop it further. These activities are not new to organisations. However, with talent management there is a strategy behind this process. Focus is on both the current state of affairs as well as the future needs regarding; what competencies that need to be attracted externally, what competencies that exist within the company, as well as what competencies that can be developed further to meet organisational needs (Dyhre & Parment, 2013, p. 118).

The scope of talent strategy within an organisation correlates to whether or not talent is defined in inclusive or exclusive terms, or defined as a combination of both. In more detail, inclusive talent management realises a talent in every employee. Most employees have been carefully selected to ensure that they are above average of the general population and that they have the right talent required for the position. Meanwhile, exclusive talent management focuses on a few top performing employees that contribute the most to the organisation. Companies can also benefit from combining these two aspects, and thereby recognise that every employee's talent is equally important as well as acknowledging that some people are more talented than others (Mosley, 2014, pp. 55-56).

2.2 Employer Branding

Talent management and employer branding are two different concepts that are associated with each other. They share the same purpose: namely, to make the recruitment and retention strategies and practices of organisations more prosperous. However, they do vary in their focus. Talent management is stressing how to manage the workers of an organization while employer branding puts emphasis on how to develop and communicate a corporate culture that is aligned with the target group of the organization (Kaur et al., 2015).

Brands have always played a crucial part for the success of organizations and in many firms a lot of focus is placed upon it. One definition of a brand suggest that it is: *“a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors”* (Backhaus and Tikoo, 2004, p. 502). Yet, the role of branding has changed over time; in the beginning it was mainly utilized in order for companies to differentiate its products. However, later on, branding is applied in a more extensive way and is also used to differentiate firms, places and people. Principles of branding are therefore not only applicable to the marketing function of an organisation, but also for the purpose of human resources and talent management. When used in this context it is named ‘employer branding’ (Backhaus & Tikoo, 2004).



Figure 1. Talent Management versus Employer Branding.

As aforementioned, the term employer branding implies that it involves how an organisation differentiates itself from rivals through its own distinctive attributes and features (Backhaus and Tikoo, 2004). In the current literature there are several definitions of employer branding, which proposes different ideas about the concept. Consequently, a precise definition of employer branding is ambiguous and hard to find if all of its aspects are to be covered. One definition illustrates the term of employer branding as *“a package of functional economic and psychological benefits provided by employment and identified with the employing company”* (Ambler and Barrow 1996, p. 187). Another suggested definition by Backhaus & Tiko (2004), originally coined by the Conference Board (2001), proposes that; *“the employer brand establishes the identity of the firm as an employer. It encompasses the firm’s value system, policies and behaviours toward the objectives of attracting, motivating, and retaining the firm’s current and potential employees”* (Backhaus & Tiko, 2004, p. 502). Moreover, a third definition implies that employer branding is: *“a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm”* (Sullivan, 2004). From these definitions it can be concluded that employer branding consists of several elements such as; external and internal promotion of the company as well as a vision of what aspects, tangible and intangible, the organisation has that makes it stand out from rivals and be attractive as an employer (Backhaus and Tikoo, 2004). In order to use employer branding as a tool to position the organisation as a top place to work in the labour market, the employer brand development needs to *“start with a clear understanding of [the] corporate purpose and values, as these core elements of the corporate ethos should be reflected throughout everything the organisation says and does”* (Mosley, 2014, p. 24).

The process of employer branding can be organized into three components. The first component is the employee value proposition (EVP) that the organization creates. This is the foundation for the brand as it is the main message that the brand will convey. The EVP aims to reflect what the employees are being offered by their employer in a truthful way. The second component is external marketing, where the organisation promotes its EVP in order to attract new talents. For instance, promoting it to prospective employees and recruitment agencies. Besides attracting talent, the goal of external marketing, is also to further improve and aid the corporate brand of the company (Backhaus and Tikoo, 2004). Finally, the third component involves internal marketing, which allows for the promise of the EVP in the employer brand to be communicated to employees within the firm as well as the implementation of it into the culture of the organisation. This final step aims to foster employees who are committed to the values and goals of the organisation (Backhaus and Tikoo, 2004).

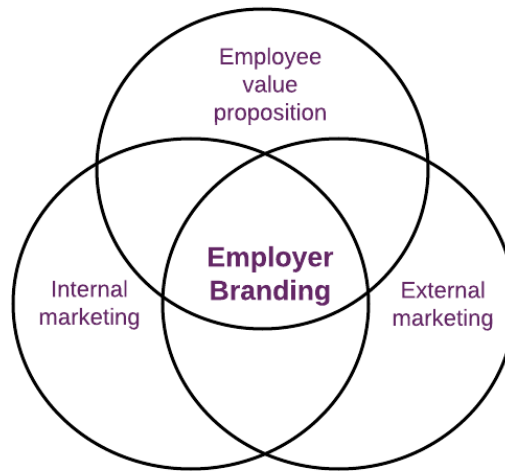


Figure 2. The three components of Employer Branding.

The utilization of employer branding is broad and there are several benefits for organisations to gain if the employer brand is well functioning and effective. Employer branding is used to motivate as well as recruiting top talent, but it also has other positive benefits. For instance, it could contribute to the building of loyalty and to commitment with the employees of the organisation, which in turn can lead to a diminished employee turnover rate, in other words higher retention of employees (Kaur et al., 2015). Finally, a successful employer brand can also result in competitive advantage for the organisation and aid in the implementation of the firm's values with the employees (Backhaus and Tikoo, 2004). Notwithstanding, it is argued that employer branding is a cost if one looks at it from a short-term perspective. However, in the long run, if successful, it is an investment in terms of gaining a good and stable reputation as well as relationships with employees. This is beneficial for both the employer and the employees (Kucherov and Zamulin, 2016). Furthermore, the relationship between the firm and its employees becomes increasingly important, the higher the salaries are and the smaller the amount of employees they have. Research has also shown that there is a tendency for employer branding to be more relevant in organisations where employees with high skills and an ability to develop themselves are more important. Meanwhile, it was less applicable in businesses where the individuality of employees is less salient, for instance in industrial and manufacturing companies (Ambler and Barrow, 1996).

2.2.1 Employee Value Proposition

As aforementioned, the EVP is one of the components in employer branding and it is the foundation that the employer brand will build upon. The EVP refers to *“the experience offered by an employer in exchange for the productivity and performance of an employee”* (Lambru, 2012, p.11). Hence, the concept encompasses several aspects such as; opportunities for career development, the culture of the organization and the work environment. In addition, the EVP is not limited to only containing money and material benefits (Lambru, 2012, pp. 10-14).

Consequently, the EVP is the employer's promise to its employees in terms of what can be expected when working for that company (Dyhre & Parment, 2013, pp. 93-96).

The process of creating an EVP mainly concerns two aspects. First, it is about understanding the organisation at hand, and second, it is about the expression of an emotion in terms of how the organisation views its employees. Hence, a lot of what constitutes the EVP already exists within the company. For instance, values, organisational culture, strategic direction and future plans of the company as well as the organisation's understanding of its employees should be reflected in the EVP. Creating an EVP is about putting all of this into words in an attractive and truthful way. Furthermore, for an EVP to be successful several prerequisites need to be fulfilled; it needs to be clear, honest, concrete and it should also differentiate the specific employer from its competitors (Dyhre & Parment, 2013, pp. 96-97).

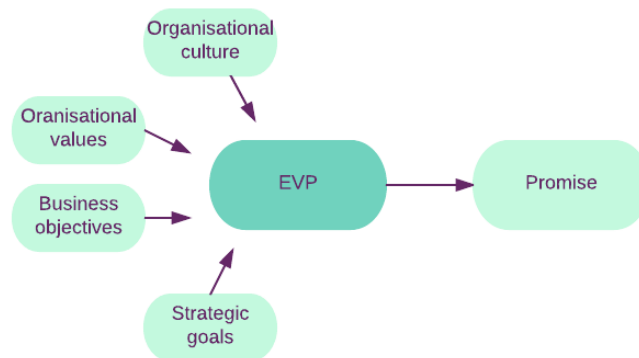


Figure 3. The content of the employee value proposition.

Furthermore, in every organization there is a wide spectrum of different types of employee groups that needs to be considered (Mosley, 2014, pp. 77). The linkage between the EVP and the needs of the employees should constitute an offer match. Consequently, as different types of employee groups have different needs the employees need to be segmented in order for the organisation to determine an appropriate proposition that will address the right needs and create value for the targeted employee group (Botha, et al., 2011). Therefore, before embarking on an employer brand strategy, two methods of segmenting talent makes it more manageable to build an employer brand. The first method is demand-side segmentation, explained by the capabilities that the organisation is looking for to fulfil its business objectives (Mosley, 2014, pp. 77-78). In other words, the key organizational functions that are of particular relevance to secure competitive advantage (Trost, 2014, p. 17). This further includes an understanding of the current and future organisational demand, distribution and accessibility, key attraction drivers and competitive context. As the number of segments in an organisation may be as many as the employees themselves, organisations should be careful not to work with too many segments. Many leading employers tend to only focus on five to ten major segments. Furthermore, the second method is supply-side segmentation, explained

by the qualities that talents are looking for in an employer, which tend to work as a second step in the segmentation process. Once an organisation has identified who the target group or groups are, first then is it possible to determine what these groups of people are looking for in an employer. In addition, it is important to assure that the organisation's EVP is generous enough to match the desires and needs of different talent segments in the organisation (Mosley, 2014, pp. 77-78).

2.2.2 Internal Marketing

Internal marketing is another component of employer branding. When the employer brand is carefully considered and the EVP is designed it needs to be communicated to the target group. The two main goals in any communication strategy are to engage the target audience and deliver the message to them. In addition, when communication is put in an employer brand perspective it needs to be assured that the result of the target collective's perception of the brand image is positive and distinct (Mosley, 2014, p. 201). The communication of the employer brand is a key challenge, but also the key for an employer to have a positive impact on the perception of the employer brand. Therefore, the communication process of an employer brand promise needs to be carefully considered before communicated (Botha, et al., 2011). In addition, the communication of the EVP needs to *"reflect [a] honest and authentic employer brand message which is consistent with all organisational marketing efforts and channelled effectively to reach the target audience"* (Botha, et al., 2011, p. 304). Employers' that are highly effective in their communication experience a higher strength in their employer brand, higher levels of engagement and lower turnover rates (Botha, et al., 2011). Overall, it is really important to have a well-planned internal communication strategy as companies gain significant advantages by extending their employer brand internally (Dyhre & Parment, 2013, p. 132; Mosley, 2014, p. 214). For example, it helps to ensure that new employees find consistency in that what is communicated externally is also reinforced internally. Furthermore, it helps to ensure that current employees know why their employer is special. Additionally, it supports employee engagement, retention as well as employee advocacy and referral (Mosley, 2014, p. 214).

Launching a new or refreshed EVP is no different from launching a new product; it needs careful preparations and considerations. In order to engage employees' interest, the initiative needs to be led from the top in the organisation. Therefore leaders have an important role when it comes to engaging employees and leader engagement and involvement is vital when developing and communicating the EVP (Mosley, 2014, pp. 214-216). Moreover, the timing of when the communication takes place is another key factor. The introduction needs to be connected to any type of forward-moving activity or organisational change. Simply just reminding employees of how great it is to work for the organisation will fall flat and fail to create engagement. In addition, the context and purpose as of why the EVP is being introduced in the first place is important for the employees to understand as well as it is important that they know what they will gain from it (Mosley, 2014, pp. 219-221). The risk with internal communication campaigns is that they tend to start with great attention that

quickly fades away, and is then replaced by a new campaign that results in a lack of inspiration and engagement among employees. Bearing all this in mind an EVP launch needs to be as carefully considered as any other strategic business decision before it is initiated (Mosley, 2014, pp. 221-222).



Figure 4. Examples of business activities for when an EVP launch can be appropriate (Mosley, 2014, pp. 220-221).

2.3 Challenges of Employer Branding

As aforementioned, there are a lot of positive aspects and gains for an organisation to make if they decide to embark on an employer brand strategy. However, the process of developing a successful strategy and the subsequent implementation of it entails in some challenges. Therefore, it is of importance to address some of these issues.

First, some people might have a negative attitude towards employer branding as it is closely linked to marketing. It may be perceived as manipulative and therefore some people might refrain from using it or there could be resistance in the organisation towards implementing it. Second, developing and implementing an employer brand will require the organization to invest both time and recourses. As the process can be lengthy and costly it might not be a viable option for all firms. Third, in some organisations there might not be support and understanding of employer branding from top-level management. As employer branding is a long-term investment it is a concept that demands commitment to follow through from top management, as well other organizational functions such as HR and marketing. Yet, another challenge is if an organisation has a weak HR-infrastructure and weak means of communication as this would obstruct the consistency of the implementation (Ambler & Barrow, 1996).

Furthermore, when delivering a brand promise ‘action speaks louder than words’, and the biggest challenge is to create long term engagement and behavioural change. Equally, it is more difficult to maintain an employer brand rather than introducing it in the first place (Mosley,

2014, p 224-225). A final challenge lies within the relationship between employer branding and the EVP. As the concepts are intertwined it is of importance that what the concepts represent for the specific organisation is consistent with each other. If the reality of what it is like working for a company does not match what is promised and conveyed through the employer brand, a company might have to handle employees who lack motivation and who are cynical (Lambriu, 2012, pp. 23-24). Hence, authenticity is momentous in employer branding and organisations need to be aware of the difficulties of maintaining a balance in focus between image and reputation.

2.3.1 Challenges of the Employee Value Proposition

It is evident that challenges of creating an effective EVP is naturally also challenges for creating an effective employer brand as the EVP is one of its components. There are some challenges involved in the process of developing a strong and real EVP. First, there is the difficulty for an organisation to stand out from its competitors, and differentiation is vital when it comes to attracting and retaining talent. Second, there is a challenge of conveying a positive and attractive image of the organisation that reflects what it really means to work there. As the EVP should reflect the real workplace of the organization it can be either good or bad. For example, if the employer is not considered good by its employees the EVP should not reflect any good elements of that workplace. However, the employer brand is of a different nature, it always aims to benefit the company by communicating what the organisation wants and what is the most favourable for it. Having an employer brand that promises a lot can serve very well in terms of attracting talent. However, if it later on unveils that these promises are not true employees will feel dissatisfied which makes the retention of talent a problem. Despite the different nature of the concepts, an organisation can have an effective employer brand if alignment between the employer brand and the EVP is ensured (Lambriu, 2012, pp.10-14). Finally, there is a challenge of creating an EVP that is applicable to the entire organization at the same time as it can be adapted to the different target groups since the different target groups may have different needs (Dyhre & Parment, 2013, pp. 100 & 107-108).

2.3.2 Challenges of Internal Marketing

Internal marketing, just like the EVP, is a component of employer branding. Therefore, challenges in the internal marketing process are also challenges for the employer brand. As aforementioned, when communication is put in an employer brand perspective it needs to be assured that the result of the target's collective perception of the brand image is positive and distinct (Mosley, 2014, p. 201). The two key factors in assuring this in the internal communication of the EVP are that it is honest and authentic. In addition, another challenge is that the communication process needs to involve a level of employee engagement, thus, the role of the leaders in the organisation is brought to the fore. In other words, the leaders need to be on-board with the offer of the employee promise in order for them to be engaged so that they, in turn, can facilitate employee engagement (Mosley, 2014, p. 220-221).

Furthermore, to successfully communicate the EVP to employees there are a few additional notes to bear in mind. In the same way as consumers are overloaded with brand messages, employees are facing an equal amount of information every day. Consequently, the employer brand needs to be kept simple and direct in its communication. Additionally, relevance is another key factor, meaning that the language used when communicating should be kept to a language that is easy to understand for the employees and aligned with their everyday working lives. Moreover, for organisations to reach out with their brand message, the organisations should “practise what they preach” in the delivering of their brand message. For example, a technology company that offer its customer simple solutions should also ensure that they are delivering user friendly promises to its employees (Mosley, 2014, p. 222). In addition, there is a challenge of closely linking internal communication and recruitment marketing as they need to be consistent. However, the way they are communicated needs to be different. The challenge with internal communication is that it needs to be adjusted to a target group that is experiencing the reality of the organisation every day (Mosley, 2014, p. 214).

2.4 Engagement & Retention

As aforementioned, the EVP is the organisation’s offering to its employees. In order to have employees who are motivated, engaged and who want to stay within the organisation the EVP must be built upon drivers of engagement and retention that the employees value and want. In essence, driving forces are individual; however, they can also be identified for a group of people (Dyhré & Parment, 2013, p. 121). The employer must understand these clustered needs of the employees.

2.4.1 Engagement Drivers

An organisation with highly engaged employees tends to perform better than organisations with less engaged employees. Nonetheless, organisations that are already performing well are more likely to be able to engage their employees in comparison with organisations that are performing poorly (Mosley, 2014, p.102). Consequently, it is of great importance for employers to understand what drives employee engagement.

It is suggested that *leadership* is one of the most important drivers for employee engagement. Thus, companies should invest in improving leader effectiveness by focusing on the competencies that employees value in their leaders (Global Workforce Study, 2014). Beyond leadership, the literature suggests a few other common drivers for engagement, such as; *clear goals and purpose, work-life balance, freedom to act, clear communication loops, a strong feeling of identity, supervision, social activities, challenging but achievable tasks, reward and recognition for work effort, learning and growth, and teamwork, mutual care and respect* (Global Workforce Study, 2014; Mosley, 2014 pp. 97-100; Berthon et al., 2005; Dyhré & Parment, 2013). In addition, employers should make sure employees are aware of the internal

career paths (Dyhre & Parment, 2013, pp. 123-126). In terms of employer branding, and for the organisation to create an effective and well-aimed EVP, it is essential for the employer to create an offering that is wanted and desired by the employees (Mosley, 2014, p.106).

2.4.2 Retention Drivers

In terms of retention, it is indicated that the fundamentals, such as *base pay (salary)*, *job security* and *career advancement opportunities* are the most important factors when it comes to retaining employees (Global Workforce Study, 2014). Most people that are in the search of new employments are not necessarily dissatisfied with their current jobs. Yet, many people simply just want to move their careers forward. Employees that have worked for an organisation for two to six years constitute a “risk group” as they have gotten to know the organisation and learned the job, thus, they are the group of employees that are the most prone to move on (Dyhre & Parment, 2013, pp. 123-126).

Furthermore, it is noted that there do exist conflicting views between the employer’s and the employees’ perception of what drives employee retention (Global Workforce Study, 2014). Employees value the ability of the leaders to motivate and guide them, whereas employers underestimate the role of leaders in order to retain employees. In addition, work-life balance is of importance for employee retention. By underestimating the key retention drivers amongst employees, companies risk to lose talent (Global Workforce Study, 2014). Consequently, employers need to keep track of its employees driving forces so that their desire can be met in their current workplace and thereby retain them in the organisation (Dyhre & Parment, 2013, p. 121). Having a strong employer brand tends to lower the turnover rate of employees. If turnover rates are high then the design of the EVP should emphasize the factors that influence employee retention. In addition, the EVP can work as a reminder of why the employer is attractive and why the employees chose to work there in the first place (Dyhre & Parment, 2013, pp. 123-126).

2.5 Theoretical Analysis

Talent management is the broader umbrella concept that revolves around how organisations can manage talent in different stages, such as in attraction, engagement, development, and retention. Employer branding serves as a tool that can be used when managing talent in order to, *attract*, *engage* and *retain* them. It is suggested that employer branding can be brought about to address the problem of talent shortage on the labour market.

A successful employer brand has three main components. First, there is the foundation, which is the EVP. Second, there is the communication of the EVP which is twofolded and conducted through internal as well as external marketing. Furthermore, the EVP and employer branding are concepts that are somewhat intertwined and there is an inclination for people to not

distinguish between them. The EVP is the company’s own construction of benefits that aims to attract potential talent and retain current employees. Hence, it should emphasize the reality of what it is like to work for a specific company, whereas employer branding is the employees’ and potential candidates’ understanding and interpretation of what the company is offering. In other words, the perception of the company’s EVP. Consequently, the concept of employer branding is focused around how the company portrays itself, in other words, what is promised of the brand and the message it conveys.



Figure 5. The relationship between Talent Management, Employer Branding and EVP.

In order to create an effective employer brand one needs to understand that each organisation is unique and therefore there is not a “one size, fits all” solution to how an organisation can develop a strong employer brand. The process and the steps included when developing an employer brand are somewhat universal; however, they always need to be adapted to the specific conditions of the organisation at hand. Before embarking on an employer brand initiative, it is important that an organisation truly understands itself, strengths as well as weaknesses. Furthermore, the organisation needs to address other aspects such as its culture, its goals, its strategy and its values.

Subsequently, when it is clear where the organisation wants to head, it is possible to identify what is needed in order to obtain the goals and objectives. What is needed, in terms of competences and skills, is segmented and it is then possible to identify who constitute the main target group or groups. Having that said, it will become evident in this stage if the organisation’s talent strategy is mostly reliant on inclusive or exclusive terms. Accordingly, the target group can consist of different formations of employee groups and competencies. In addition, defining the competences needed also facilitates in the process of defining what talent is in the eyes of the organisation. At this stage, when it is evident of who is the target group, it needs to be identified whether this target group currently exist in the organisation or not. The design of the

employer brand strategy is dependent on whether it should have an external focus, in order to attract the target group, or an internal focus in order to engage and retain the target group.

Furthermore, as with any marketing theory, after the segmentation process and definition of target group or groups, the employer needs to gain knowledge about what that the target groups want in order to be able to create an accurate offer. The needs and wants of the talent must be considered along with looking at what the organization has to offer. Questions such as: *'What does the target group want from their employer?'*, *'What engages the target group?'* and *'What does the talent want in order to stay with the organisation?'* needs to be answered. By doing this the organisation combines both the demand-side method (what capabilities the organisation is looking for) and the supply-side method (what the talent is looking for in an organisation) of segmentation which is suggested to be beneficial as it sees to the needs of both the organisation and the employees.

The answers to the aforementioned questions will create an understanding of the target groups and also constitute the foundation for the EVP. However, one challenge found when creating the EVP is what constitutes a talent for the organisation at hand might change over time as the nature of business is dynamic. Thus, the difficulty lies within making the employer brand attractive to the current target group, and at the same time as making it adaptable enough to be able to capture the potential needs of future target groups.

Moreover, when the EVP has been thoroughly designed it is time to communicate it to the employees. Equally, with all the other steps, the communication needs to be carefully considered due to several reasons. First of all, the message communicated needs to be consistent with any other organisational marketing efforts. Second, the message needs to create a positive feeling and be simple as well as direct. Furthermore, as in any communication process, the engagement of the receiver is highly important for the success of it. As aforementioned, the engagement driver of greatest importance is the role of the leader. Thus, it is of great importance that the management team and leaders in the organisation are involved in the communication process in order to show the importance of the delivered offer. In addition, in order to avoid that the message falls flat after being communicated, acknowledging timing is crucial. The communication should take place in tandem with any forward-moving strategy, organisational change or be initiated as a response to an employee engagement survey.

Furthermore, when designing an EVP that aims to engage and retain current employees it is of increasing importance that the EVP truly reflects what it is like to work for the organisation. This is due to the fact that the target group is already well aware of what it is like to work for the organisation at hand. For example, if the workplace is characterised of great autonomy and this is something that the target group also highly values, then autonomy should be captured in the EVP. In that sense, an EVP with an internal focus should rather work as a reminder of what the organisation has to offer. In comparison with an EVP with an external focus that rather aims to attract new employees.

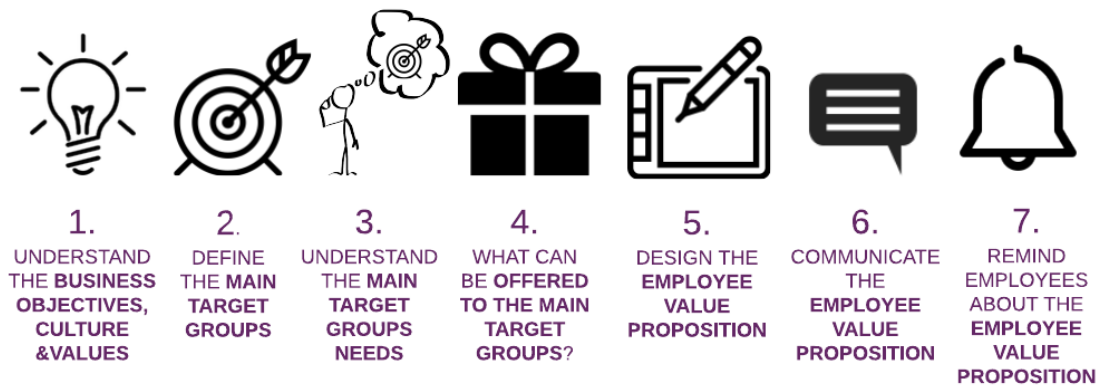


Figure 6. How to create a successful employer brand step by step.

Finally, organisations need to be aware of one risk entailing from investing in employer branding which is that the outcomes are difficult to predict. This is because employer branding aims to create an image, and thereby also positive associations with current as well as future employees. However, as it is challenging and maybe impossible to control how other people will interpret things, organisations need to consider that the outcomes of investing in employer branding are uncertain. The cost and time of implementing employer branding strategies needs to be weighed against potential outcomes, favourable ones as well as unfavourable ones, before making a decision.

3 Methodology

3.1 Research Approach

As the nature of the study area is comprehensive and dynamic, this thesis does not aim to find one true theory alone; rather it aims to relate theories to reality (Patel & Davidsson, 2011, pp. 26-28). Thus, the research approach of the thesis is deductive as the existing theoretical frameworks will be applied and tested on the reality (Bryman & Bell, 2011, pp. 11-13; Patel & Davidsson, 2011, pp. 13-22). Hence, what is already known about employer branding will be audited by empirical research. The deductive approach is more applicable than an inductive approach as many theories already exist side by side within the area of employer branding. Therefore, the purpose of the thesis is to use existing theories in order to understand the complexity of reality better. In addition, the objectivity of deductive research lies in that originates from already existing theories, thus, any subjected views from the researchers are prevented. However, when assuming only from existing theories the conducted research may cause barriers for the development of new and interesting findings (Patel & Davidsson, 2011, p.23).

3.2 Research Context & Design

As aforementioned, the purpose of the thesis is to understand reality better by using the current theoretical framework of employer branding. In order to fulfil the purpose, the thesis takes on a case study design where the theoretical analysis is combined with an analysis of a particular case. The case itself serves as an instrument to assist in the understanding of a broader issue. Hence, the research conducted is concerned with the specific nature and complexity of the case at hand. In addition, case studies, unlike other research designs, tend to put emphasis on a confined situation or system. The strength of case studies is particularization rather than generalization. Therefore, the purpose and goal of a case study should focus on what is specific for this case in particular and try to understand the complexity of it (Bryman & Bell, 2011, pp. 59-63).

The specific case of this study constitutes of one particular organization that operates in the Swedish information technology market. In Sweden, the IT industry is growing fast; only between the years of 2006 to 2013 the industry grew by 42 percent. Beyond that, the IT industry contributes to the whole nation's growth as all industries benefit from the digitalisation (Lindström, 2015). Thus, any obstacles faced in the IT industry have impact on the whole

Swedish market's growth potential. In addition, talent has been identified as a scarce resource in the IT-industry (Contillo, 2014). This, along with the global competition for talent on the labour market (Dyhre & Parment, 2013, p. 27) suggest that the chosen case serves as an appropriate example of a company who operates in an industry where talent is of vital importance, not only for the company itself, but also for the growth of the nation.

3.3 Data Collection Method

In research where a case study design is used it is appropriate to collect data of different nature in order to get a comprehensive understanding of the chosen case (Patel & Davidsson, 2011, p. 57). In order to generate, process, and analyse information, both qualitative and quantitative research strategies will serve as tools to develop and examine the theoretical framework of this specific case. Hence, the data collection takes on a strategy of mixed methods triangulation approach (Bryman and Bell, 2011, p.628). The mixed method strategy serves well in order to increase the understanding of the linkage between management and employees' interpretations and perceptions (Bryman and Bell, 2011, p. 639-640). On the other hand, one could argue that a case study design thesis should emphasis the qualitative research strategy as it mainly aims to understand interpretations, perceptions and views (Bryman and Bell, 2011, p. 60). However, due to time restraints and entailing difficulties of selecting only a few employees that successfully would be representative of the entire staff quantitative elements serves well for the purpose of this study as well.

3.3.1 Qualitative interviews

Qualitative semi-structured interviews with management of the company served as a primary means of collecting data in order to get a clear and understandable picture of the organisation, its goals and its values. Furthermore, the interviews served as a tool to get a picture of what the organisation is looking for in their employees and what they think drives engagement and retention among employees. Semi-structured interviews were appropriate as the aim was to capture and compare the perspectives and perceptions of management on the company's employer brand (Bryman and Bell, 2011, p. 60). Two face-to-face and one video call interview were conducted with the CEO, the Head of Department and the HR-manager of the company. These interviewees were chosen as they represent key positions within the company and therefore possess knowledge about the overall organisation and its strategy as well as having part in the decision making processes.

The semi-structured design of the interviews was set in order to allow for the interviewees to freely answer the questions and thereby share their own perceptions and views. In addition, a high degree of standardisation facilitates for the results to be generalizable and comparable. One difficulty with conducting interviews is how to formulate the questions so that they are not misinterpreted by the interviewee as he/she might not be as well read on the content. This could

affect the answers collected as they might turn out to be ambiguous or inconsistent with the purpose of the research (Patel and Davidsson, 2011, pp. 75-79). In order to minimise this risk several steps have been taken. First, three themes of questions related to the concepts of *talent*, *employer branding* and *engagement and retention drivers* were asked to the interviewees based on the theoretical material, however, the theoretical concepts were never mentioned by name. Second, the interviews were conducted in the native language of both the researchers and the interviewees to limit any language barriers. Third, pilot runs of the interviews were administered with people who are not familiar on the topic in order to investigate the clearness of the questions.

Another risk involves the experience of the interviewers in terms of technique. As the gathering of data is dependent on the willingness of the interviewees to answer it is important that they feel relaxed and comfortable in the interview setting. This is another reason for the choice of a highly standardized interview as it assists in reducing this risk (Patel and Davidsson, 2011, pp. 81-87). In addition, there is also a chance that respondents do not feel engaged when participating as they have no personal motivation, which might affect the truthfulness of their answers (Patel and Davidsson, 2011, pp. 73-74).

In terms of confidentiality and anonymity, the interviewees were informed prior to the interviews that neither one could be guaranteed as the interviews were conducted in person. Moreover, they were also informed that some answers could be cited in the analysis, however, it will not be possible to trace the citations to the person who made the statement (Patel and Davidsson, 2011, pp.73-75). Furthermore, the interviews were recorded with the permission of the interviewees, and complimentary notes were taken during the interview.

3.3.2 Quantitative survey

A second means of collecting data was conducted through quantitative research in form of a survey distributed amongst employees. In using the triangulation strategy, an iterative approach has been applied, when analysing the data collected from interviews in order to form the survey (Bryman and Bell, 2011, pp. 663-664). The survey was designed as highly standardized and involved both structured and unstructured elements (Patel and Davidsson, 2011, pp. 75-77) as it consists of five open questions as well as three multiple-item questions where the respondents were asked to select the three most important alternatives, according to them, amongst the available options. The purpose of the open questions is to capture the perception of the employees which is difficult to get when using questions with fixed alternatives. To the contrary, the purpose of the multiple-item questions was to get the overall perspective of what the main drivers of retention and engagement are according to the employees. The different alternatives in the multiple-item questions were driving forces for retention and engagement. The alternatives were chosen because they were recurrent in the literature and there has been studies suggesting their significance.

The respondents were in tandem with the distribution of the survey informed that their participation is anonymous (Patel and Davidsson, 2011, pp.73-75). Furthermore, the survey

was distributed through Google Forms as this tool is normally used by the company when distributing surveys. The survey was conducted in the native language of the respondents to eliminate the risk of possible misinterpretations due to language barriers. To further reduce the risk of asking the “wrong” questions or questions being misunderstood or misinterpreted the survey went through a pilot run, in order to point out possible mistakes that was overlooked. After a first pilot run it could be concluded that the survey was not sufficient for its purpose. Subsequently, the survey was edited and a second pilot run was conducted with more success. The revised version also became the final version of the survey which was later distributed to the employees (Patel and Davidsson, 2011, pp. 86-87). In order to avoid any missing data, the questions were set to be compulsory, which means that the survey cannot be submitted until all questions are answered. However, an issue with using Google Forms as a tool for gathering data is that it does not allow for any information regarding how much time that was spent on each question, thus, it becomes difficult to detect any untrustworthy answers (Bryman & Bell, 2011, p 338).

Furthermore, the survey was distributed to *all* employees due to two main reasons. First, as only choosing a sample could have led to a sampling error where the result is not representative for the overall employees of the company (Bryman & Bell, 2011, pp. 352-353). Second, it became evident in the interviews with management that they see a talent in all employees, thus, in order to capture the whole group of talent view’s it was logical to distribute the survey to all employees. Another issue with surveys was the risk of a lowered response rate as the respondents may choose to not undertake the survey which is something that need to be considered carefully in the analysis as they might not be representative for the whole group (Bryman & Bell, 2011, pp. 234).

3.4 Data Analysis

3.4.1 Qualitative interviews

The data collected from qualitative research usually consists of texts and materials that are unstructured, which complicates the analysis of the data (Bryman & Bell, 2011, p. 571). Conducting interviews as a source for data collection quickly generates a large base of data. However, in order to understand and interpret this data it needs to be broken down into component parts for it to be comparable and to be able to find patterns. Subsequently, after conducting the interviews the recordings were compared with the supporting notes. The data that seems to be of theoretical significance was coded into categories. This way the data was treated as potential indicators of concepts. Moreover, concepts that are found frequently are concepts that are likely to be useful (Bryman & Bell, 2011, pp. 575-581). As aforementioned, patterns found in the interviews facilitated in the process of designing the survey. Furthermore, in the presentation of the data, citations will be used to assist in demonstrating how the interpretations have been made. The collected data from the interviews is the foundation for drawn conclusions regarding management’s point of view on talent, employer branding as well

as engagement and retention. In addition, management's view has been compared with data collected from the surveys in order to find similarities and differences between management and employees.

3.4.2 Quantitative survey

The survey was distributed to 74 employees and 49 responses were received, which equals a response rate of 66 percent; thus, the response rate is considered as acceptable. However, since there is a level of disappearance there is a risk that the findings may be biased (Bryman & Bell, 2011, p 234). In analysing the quantitative data, the technique used has carefully been chosen so it appropriately matches the desired variables as there are questions consisting of both of qualitative and quantitative elements (Bryman & Bell, 2011, p. 334). Questions with qualitative elements, the open questions, have been analysed by categorising quantitative variables into a range of groups where the difference between the groups was calculated based on how many times each keyword from each category had been mentioned. Open questions allow for a great deal of autonomy for the respondent. For that reason, outliers that cannot be categorised with other responses have been identified (Bryman & Bell, 2011, p. 345). These outliers have been taken into account when analysing the data. However; the data collection, in first hand, aims to find the most distinguished and recurrent drivers. Subsequently, after the variables had been categorised, the groups were ranked ordered. Furthermore, questions with quantitative elements, the multiple-item questions, was ranked ordered based on the number of times the alternatives were chosen. Accordingly, the quantitative and qualitative data are in the data analysis being transformed into ordinal variables (Bryman & Bell, 2011, pp. 340-342). As aforementioned, the research aims firstly to find the most distinguished and recurrent drivers from each question. Therefore, the top six drivers have been identified.

3.5 Validity and Reliability

Criteria such as validity and reliability are used when the research is evaluated in terms of quality and assurance (Bryman & Bell, 2011, pp. 41). Complete validity and reliability is difficult to utterly guarantee in research. However, there are certain tools that can be used in order to assure that the research was conducted in a trustworthy manner (Bryman & Bell, 2011, pp. 41-44). In terms of trustworthiness, it is suggested that research needs to be able to be replicated, in order for others to test it (Bryman & Bell, 2011, pp. 41-45). Thus, the research strategy used, its design and methods have been presented in order for the reader to be able to follow the research process step by step.

In the qualitative research, by cause of that neither one of the researchers are experienced interviewers, semi-structured and highly standardised interviews seemed appropriate in order in order to reduce any 'interviewer effect' to achieve the 'true' variable in the interviewee's answers (Patel & Davidsson, 2011, p. 104). Moreover, as aforementioned, interviews were

recorded and complimentary notes were taken. Therefore, after the interviews, it was possible to compare recordings and notes to thoroughly discuss the data in order to achieve more nuanced interpretations (Patel & Davidsson, 2011, pp. 102-103). By recording the interviews; certain characteristics of colloquial language, which normally are disregarded in notes, could be kept.

Moreover, in order to strengthen the reliability and validity in quantitative research it is important that the respondent understands what the researcher asks for and that the questions actually measure what they are supposed to measure (Patel & Davidsson, 2011, pp. 102-103; Bryman & Bell, 2011, pp. 41-45). The theoretical framework together with the pilot runs assist in assuring this. As aforementioned, when the survey went through a first pilot run it was realised that the survey did not measure what it was intended to. Consequently, it was revised and tested once again to ensure its accuracy (Patel & Davidsson, 2011, pp. 102-103). Furthermore, as the quantitative research is highly dependent on its procedures and instruments for measurement it might be flawed in grasping the connection between research and everyday life. It is not clear how well the answers of the respondents actually correlate to their actual life, therefore inconsistencies may exist, which also need to be considered when analysing the data (Bryman and Bell, 2011, pp. 167-168).

Another aspect, in terms of external validation, that is important is the generalization of case study design research (Bryman and Bell, 2011, p. 43). The qualitative research conducted is in many ways not representative to the whole population; rather it is generalizable for the theoretical framework (Bryman and Bell, 2011, pp. 408-409). Similar, as quantitative research strategy usually focusses on one case or a few people it faces challenges when applying these results to a wider perspective (Bryman and Bell, 2011, pp. 164-165). However, qualitative and quantitative research in combination with a theoretical framework facilitates to make case study designed research generalizable to the whole population (Yin, 2014, pp.39-40; Patel & Davidsson, 2011, p. 107-108).

4 Results

4.1 Research Outline

In terms of the data collection, as aforementioned, interviews were conducted with three different members of the management team; the CEO, the Head of Department and the HR Manager. Three themes of questions related to the concepts of *talent*, *employer branding* and *engagement and retention drivers* was asked to them based on the theoretical framework of the thesis. However, the theoretical concepts were never mentioned by name and consequently the concepts were never mentioned directly by the interviewees. Rather, the concepts were identified by the researchers during the analysis of the interview. Coherent with the interviews, survey questions around the concepts of *talent*, *employer branding* and *engagement and retention drivers* were asked. Subsequently, the concepts were identified by the researchers during the data analysis here as well.

4.2 Case Presentation

The case of this study is of particular interest as the organisation is a consultancy company that operates in the Swedish information technology market, which is a market that is rapidly growing and where there is a talent shortage. The company itself is currently in an expansion phase, thus, for the company it is of increasing importance to engage and retain its current employees; that mainly consist of Project Managers, Software Developers, User Experience Designers and Service Designers. Through the eyes of management, the organisation is explained as a company that started out, in 1995, with a focus on resource consultancy where one particular company served as their biggest client. However, along with the downfall of that client in 2008 the focus of the business shifted towards selling projects, product development and design. Additionally, the projects started to lean more towards innovation as well as technology. The company also entered the financial sector by serving one of Sweden's largest banks with their internet banking and mobile solutions. Subsequently, in March 2015, the company was acquired by a larger international company which also resulted in that the company entered a new market, namely the flight industry. The reason behind the acquisition was the company's eminent skills in service design.

In addition, in order to get a picture of how both management and employees perceive the organisation as a workplace, the interviewees and respondents were asked if they consider the organisation to be an attractive employer. Overall, management thinks that the company is an

attractive employer, mainly because of the *pleasant social work environment* and *interesting and varying work tasks*. However, it was also discovered that some employees think that the salary is something that can be improved. Furthermore, as demonstrated in the pie chart, the majority of the employees (76 %) consider their organisation to be an attractive employer, whereas 22 % partially agrees and 2 % do not agree.

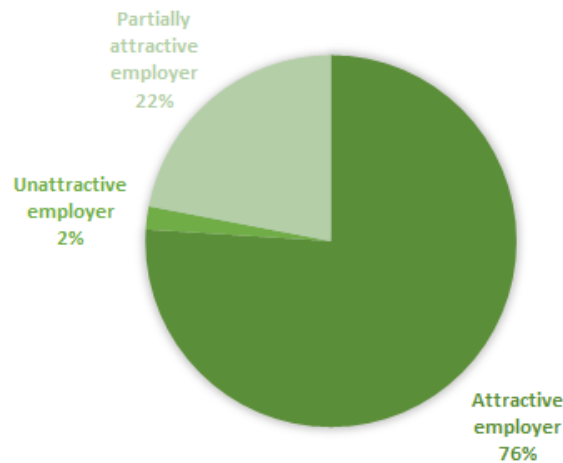


Figure 7. Employees' opinion of the company as an attractive employer.

Employees were also asked to leave comments regarding the reason for their answers; following, an overall extract and compilation of these comments will be presented. In accordance with management, looking at the overall employee group, the most frequent recurring reasons as to why the company is an attractive employer was identified as *interesting and varying work tasks* as well as a *pleasant social work environment*. Followed by some scattered answers including *competent colleagues*, *autonomy*, *physical work environment*, *benefits* and *organisational structure*. Regarding some of the negative factors that were mentioned by the employees, they are derived from both organisational and industry related reasons. The most eminent organisational factor that made employees not consider their employer as attractive was that they think that their *salary is not competitive enough*. Other factors that were mentioned was the lack of *on the job training*, *more focus on the projects rather than the employees*, and *long idle between projects*. Besides that, industry related issues that are typical for consultancy businesses were also brought up, such as *not knowing what the next project will be* (difficulties for long-term planning) and the fact that the *consultants are charged per hour*. These are things that the company cannot change due to the nature of the business. In addition, it was also mentioned by the employees that they think that the organisation needs to *improve external communication*. What makes the organisation an attractive place to work is clear to the employees but the message is not properly conveyed externally.

4.3 Data Presentation

As mentioned above, overall, the organisation is considered an attractive place to work by both management and the employees. However, there are some aspects that can be further improved. This will be addressed below in terms of a presentation of collected data related to *talent*, *employer branding* as well as *engagement* and *retention*.

4.3.1 Talent

In order to build an effective employer brand, the organisation needs to define what constitutes talent. This is of importance as it is the talent who is the target group that the organization wants to deliver their employer brand to. Management was asked to give their view on whether a certain competence is considered more important for the organisation to obtain a competitive advantage or if all competences are prioritized equally. Interviewee 1 mentioned interaction design and an educational background in civil engineering. Interviewee 2 focused more on personal qualities and mentioned humility and the guts to stand up for oneself. However, he also mentioned that developers were especially important. Interviewee 3 mentioned personal traits such as intelligence, ambition and social competence as well as technical competencies. However, he/she also stated that it is difficult to highlight any specific technical competencies, as it is difficult to predict what type of technical competences will be demanded in the future as technology is constantly changing.

Management was also asked what, according to them, constitutes a talent. Interviewee 1 stated:

“[Talent are] those who can create models and explain things in an easy way and make something complex seem simple, in order to explain it to customers as well as internally. That is a talent.”

Interviewee 2 argues that it depends on the position but considers a talent to be someone with comprehensive knowledge. He/she further considers talent to be agile and able to adapt to the situation at hand as well as someone who is willing to learn and develop. Interviewee 3 is of the opinion that a talent is someone that has the potential to develop; whether it is in programming, design or service design.

4.3.2 Employer Branding

For a company to build an employer brand that is effective and that truly mirrors the organisation it needs to have its foundation in the *values*, *goals* and *competitive advantage* of the organisation. Further down follows a presentation of the collected data on these aspects.

Organisational values

Management and employees were asked what they think the organisational values are. The data demonstrates that 55 % out of the respondents did not know what the organisational values are, whereas 45 % stated that they have an idea of what the values are. This points to that the organisational values are ambiguous and/or not clearly communicated throughout the organisation. This can further be illustrated through the inconsistent views within management regarding what the organisational values are as their answers only partly coincide. Hence, some values were clear and some were not. This is illustrated in the responses, for instance as of one of the interviewees stated:

“They are partly implicit. They are used in development discussions and similar situations. If you would ask [the employees] the question [about organisational values], a lot of them would not be able to answer. They are more of a feeling, a bit diffuse, but they are there.”

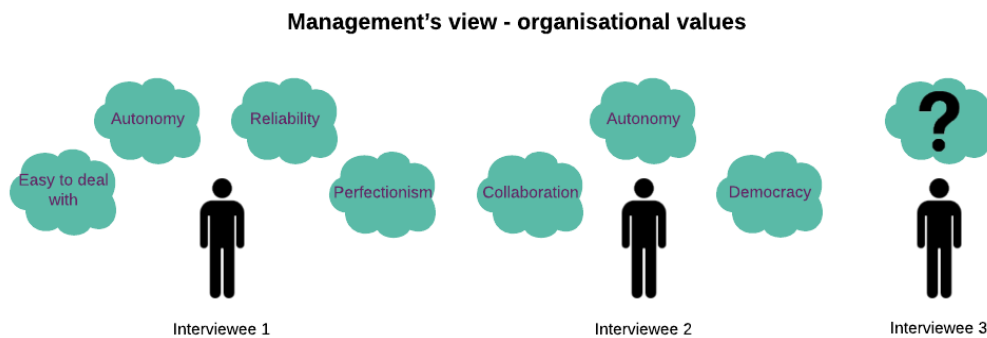


Figure 8. Management's view on the organisational values.

The employees further confirm the ambiguous perception of the organisational values. As out of those who are knowledgeable of the values, they have a very scattered view of what those values are. The most recurrent suggestions are *openness, autonomy, innovation, flat organisational structure* and *humility*. Although since only a very small part out of these 45 % of employees mentioned these attributes.

Organisational goals and competitive advantage

Management was asked to explain what the strategic goals of the organisation are and what they believe constitute their competitive advantage. In terms of strategic goals, the three interviewees had rather consistent answers. Interviewee 1 emphasises utilizing the owner company's clients to help them keep their market shares and hopefully also increase it as well. Interviewee 2 partly agrees as he/she stated that any specific goals are unclear, but overall equal growth in both the own and the owner company's business areas is desired. Interviewee 3 agrees

with the growth objectives as he mentioned that there is a goal of staff enlargement and an aspiration of establishing business abroad. In addition, he/she also states the aim of further improving the incorporation of the end user focus in the work process.

Furthermore, in terms of strategic competitive advantage the interviewee's have rather differing views where one is focusing more on the possibilities gotten through the owner company and the other two are focusing more on skills and competences of the employees. Interviewee 1 stated:

“Our connection to [the owner company], who is by far the world's biggest supplier of in-flight entertainment systems, gives us a strategic competitive advantage in the flight industry in comparison to our competitors. We have, probably by record speed, entered the flight industry and become better than many of the existing players in certain areas.”

In contrast, interviewee 2 suggests:

“[...]I think that other companies do it just as well as us. What differentiates us is that we are strong in all areas; design, conceptual work and programming. I have not seen that our competitors have all those parts. We have the mix. We can take on the entire process.”

The response of interviewee 3 is consistent with interviewee 2:

“The combination of having design and high technical competence, and the service design part. It is not many companies who have this combination.”

4.3.3 Engagement & Retention

When building an employer brand where the objective is to retain and engage employees the organisation needs to gain understanding of what drives engagement and retention. This is so that the employer brand and the EVP can be adapted accordingly.

Engagement drivers

In order to identify engagement drivers among talents in the company, employees were asked to select their top three alternatives, according to them, out of given drivers for engagement. In addition, management was asked how they work with engaging employees and what they think drives employee engagement.

It was mentioned by interviewee 2 that they do value employee engagement very high, and as he/she mentioned that, in order to engage employees, they try to find work assignments that each employee is satisfied with. Furthermore, interviewee 1 thinks that a great deal of employee engagement lies in the employee's responsibility:

“The projects and the possibility to take a lot of responsibility in terms of work. Sometimes one might get a bit too much responsibility, for instance newly hired employees. Even if one is new at work they get to take a lot of responsibility. This makes one engaged; one is forced to be engaged.”

However, interviewee 3 mentions that:

“[...] We can become much better [at engaging employees]. We do want people to have goals and take initiatives, but sometimes it just falls flat when the processes take too long. We can become a lot better at this. We have a flat organisational structure, but we are also quite hierarchically managed in the decision making process. Sometimes it is unclear who is supposed to make the decisions.”

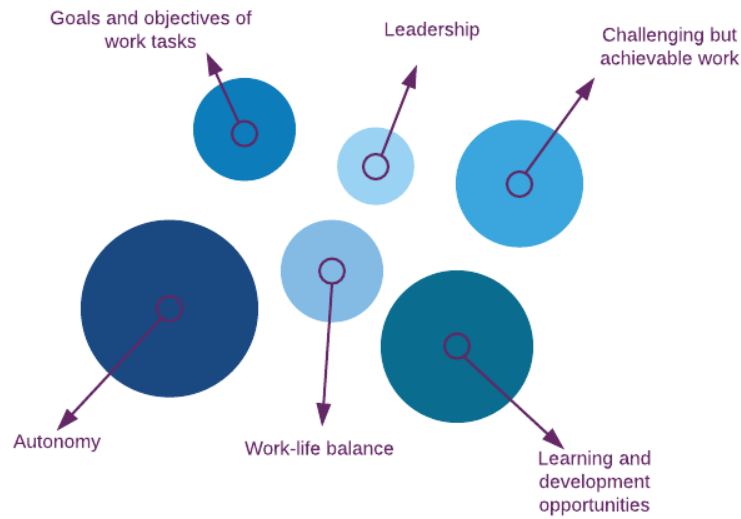
Furthermore, it is concluded from management’s answers that only one engagement driver was recurrent, namely *interesting projects*. Besides that, the answers were quite spread between the different interviewees within management.



Figure 9. Management’s view on what is the top employee engagement drivers.

Unlike management, employees consider *autonomy* (51 %) in their work to be the most important driver for engagement. Subsequent of *autonomy*, employees ranked engagement drivers in the following order; *learning and development opportunities* (49 %), *challenging but achievable work* (43 %), *goals and objectives in terms of work tasks* (37 %) as well as *work-life balance* (37 %) and finally *leadership* (29 %).

Employee's view - top employee engagement drivers



* Respondents were allowed to choose multiple answers for this question.

Figure 10. Employee's view on what are the top employee engagement drivers.

Retention drivers

In terms of retention, employees were asked to select the top three alternatives from a range of retention drivers and in turn management was asked to state what they believe to be the drivers of employee retention. According to management, important drivers are *competitive salary*, *interesting projects*, *social work environment*, *varying projects* and *rewarding high performers*. *Competitive salaries* and *interesting projects* were recurrent among two out of the three interviewees.

Management's view - top retention offerings



Figure 11. Management's view on what the top retention offerings to employees are.

On the other hand, employees valued *career advancement opportunities* (51 %), and *challenging yet achievable work* (51 %) the highest, followed by *work-life balance* (49 %), *the company's mission, vision and values* (41 %), *salary* (41 %), and finally *learning and development opportunities* (35 %). Evidently, there are both consistencies and inconsistencies between management's point of view and the employee's take on retention drivers. Management believe that the retention of employees partly lies in the actual work, which is something that they pointed out accurately, together with the fact that employees think the salary also plays a great part in their retention. However, management missed out on the fact that the combination of work and leisure is valued high by the employees.

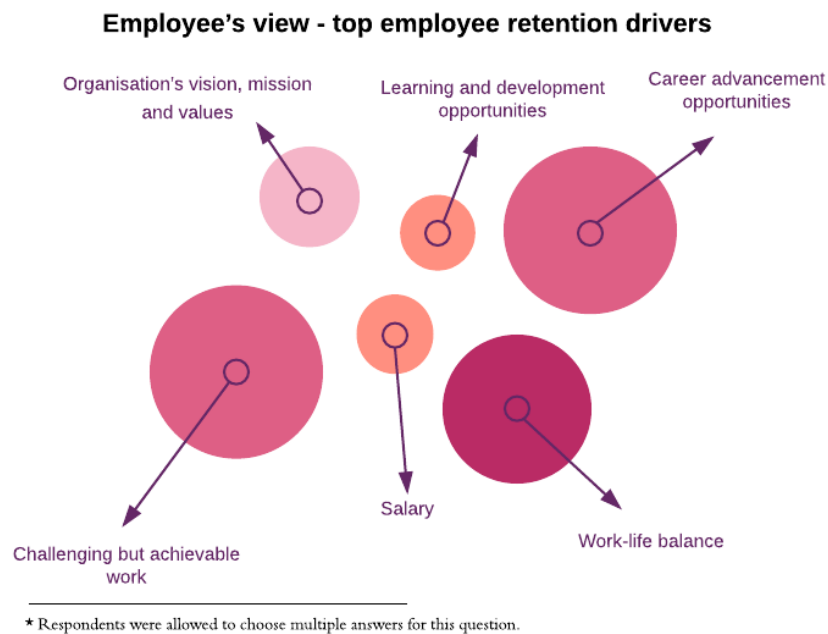


Figure 12. Employee's view on what the top employee retention drivers are.

Management was also asked if they consider the company to be experiencing difficulties in the retention of talent and if they know the reason as to why employees choose to exit the organisation. According to management's point of view the company have not experienced any bigger issues in terms of retaining workers. However, they have noticed that currently there is a shortage of talent and that headhunting and start-ups which offer higher salaries are issues at hand. They have also noticed that there is a tendency for people to leave after two to three years, which has become more common recently in the younger part of the workforce. Management's view on this is not consistent, but they do acknowledge roughly the same aspects which points to a coherence between them. As for the reasons as to why employees choose to leave, the answers were next to coherent and the respondents mention headhunting/the offering of higher wages and relocation as the main reasons for employees leaving. This was explained by interviewee 3:

“[The reasons are] divided into two categories. One of them is when [employees] move back to their home town or that they have a spouse who got a job in another town. That is probably half of those who have resigned. The other reason is that [competitors] recently have started headhunting and through that we have lost a few [employees]. They have probably been offered a higher salary. It is difficult to compete with start-ups as they offer more in salary [...].”

In turn, employees were asked if they would change employer what would be the reason for that decision. The result shows quite coherent answers among them with three salient main reasons; more *interesting work* (41 %), *higher salary* (33 %) and *better career and development opportunities* (33 %).

5 Data Analysis

In the analysis of the data it can be concluded that there have been some inconsistencies in the form of scattered answers between management and employees. It cannot be disregarded that the reason for this can be how the data was collected. In the interviews that were conducted with management open questions were asked, whilst in the survey that was distributed amongst employees, elements of both open and multiple-task questions were included. On the one hand, open questions supposedly provide more honest and transparent answers, but may also give more scattered answers. On the other hand, when alternatives are set for the questions the answers are expected to be more clustered. As such, as the questions were asked differently, the results may not reflect the reality completely truthfully. With that in mind, an analysis of the collected data follows.

5.1 Talent

The collected data points to that the company has elements of both an inclusive as well as exclusive approach to talent strategy; hence they have a combination of both approaches. However, overall, the company is inclined more towards an inclusive approach. This is logical in that sense that the company at hand is a consultancy company where the people is the main resource of the business as they are the “product” that is offered to clients. Accordingly, all employees have been hand-picked in the recruitment process to ensure the success of the company. On the other hand, it has also become clear that the greatest focus at the moment is on competencies such as Service Design and UX Design due to the nature of the company’s current projects. Nevertheless, technology is something that is constantly changing over time and therefore the demand of specific competencies cannot be put into a long term perspective.

Defining talent and grasping the talent strategy of a company is important for employer branding as whom the organisation considers to be the talent constitute the target group that the employer brand needs to reach. Hence, in terms of forming an EVP, the organisation’s definition of talent is the first part in the segmentation process, also called the demand-side segmentation. In other words, for this particular organisation the EVP should be of a broader nature as it needs to capture a bigger group of employees as the company is inclined to an inclusive approach to talent strategy. In comparison with if the company would have had a more exclusive talent strategy, then the EVP should only target that small group and consequently it would be narrower.

5.2 Employer Branding

Due to the fact that there is not a clear picture about the organisational values amongst management it is not surprising that the perception of values amongst the employees is also ambiguous. When forming an EVP, it is important that the organisation at hand is properly understood as the EVP is the most effective when it reflects reality. Values are of importance as they; in combination with the organisational culture, the strategic direction and future plans of the organisation need to be clear in order to obtain a profound understanding of the organisation at hand. This is because the EVP should capture all of this and put it into only a few words. For this purpose, an implementation of the EVP can work as a means to improve the whole organisation's knowledge about its values, all the way from the top and down.

With reference to organisational goals the process of employer branding needs to be adapted accordingly. Since the company wants to grow and further expand, both the external and internal perspective of employer branding is of importance. This is because the company, not only, will need to retain and engage current employees, but also attract new ones in order to expand the workforce. On the other hand, if the goal of a company is to slim down the organisation, attraction of new employees is less important whereas the engagement of current employees as well as the retention of them becomes momentous. Hence, depending on the goals of the organisation, the target group and strategy for the employer brand should shift accordingly. The goals and the business strategy of an organisation constitute the foundation for the strategy behind the employer brand as well as the purpose of it. Consequently, it also constitutes the purpose of the EVP. In addition, in any forward-moving strategy or organisational change, as an expansion, an EVP launch in tandem with a business activity works well in order to engage employees in the process.

The competitive advantage of an organisation is significant for the employer brand and the EVP, as it influences the demanded competencies. Hence, the competitive advantage influences what constitutes talent for the organisation. Moreover, management stated that one of its competitive advantages is their ability to be front-runners in all aspects of the work process. This is further strengthening the argument that the company is inclined more towards an inclusive approach to talent strategy. In addition, it can be argued that it is especially important for companies where employees are the main resource to have a strong employer brand.

5.3 Engagement & Retention

The second step in the segmentation process is the supply-side segmentation, the employer's ability to understand the needs of their talent. In terms of engagement, the data indicates that management partly understands what their employees want as they pointed out the two highest ranked engagement drivers among employees; *autonomy* and *learning and development opportunities*. However, besides pointing out these two drivers, management demonstrates

some inconsistency concerning what they personally think drives employee engagement. Regarding retention, according to the data, it appears as there are more inconsistencies between management and the employees if compared to drivers of engagement. Here management accurately pointed out one driver, namely salaries, whereas the other drivers did not match the ones that represented the top drivers for employees. This suggests a lesser understanding of retention drivers compared to engagement drivers.

The point here is that it is important for the employer to know and understand what its employees want as that is what the employer brand, and thus what the EVP, should be built upon. In its essence, driving forces for both engagement and retention are individual. However, when working with scarce resources, as many organisations do, driving forces should rather be identified for a group of people so that a cluster of desires can be met. Thus, a deeper understanding, meaning that the organisation also needs to understand how the group of employees prioritise their wants, will enable the organisation to work with its employer brand more effectively.

In this case, management show no indication that engagement is a great problem. However, retention seems to be even less of an issue. Thus, the employer brand should focus on an offering that addresses what employees want from its employer in terms of what engages them, namely *autonomy* and *learning and development opportunities*. This offering should not only be included in the EVP; it should also reflect how it actually is to work in the company. However, if the situation was different and retention was the bigger issue, than the promise provided through the EVP could work as a reminder of why the company is a great place to work. As aforementioned, having a strong employer brand, tends to lower employee turnover rates.

Also, according to the literature in terms of retention, employees who have been with an organisation between two and six years constitute a risk group as they are more prone to leave. This can further be strengthened by our study as we found evidence of management noticing that employees who have been with them for two to three years appeared to have a higher tendency to leave, which is an inclination that appears to have amplified over recent years, especially with the younger parts of the company's workforce. Due to the significance of this problem it can be concluded that having an employer brand that focuses on engaging this group of employees can considerably improve employee turnover rates.

6 Discussion & Conclusion

As aforementioned, the purpose of this thesis is twofold. The first part of it revolves around illustrating how organisations can manage the issue of talent shortage in the labour market through the process of building an effective employer brand. The second part is focused on researching and exemplifying what content an organisation can build its EVP around in order to engage and retain talent. To make the purpose more concrete two research questions were formulated to answer the purpose:

- *How can an organisation build an effective employer brand and what challenges may the implementation of it entail in?*
- *What can an organisation offer its employees in order to engage and retain them within the organisation?*

The main findings of this study show, for the first part of the purpose, that it can be concluded that the process of developing a successful employer brand is complex. This is because it is about attempting to steer people's perception of an organisation in accordance with how the organisation wants to be perceived. Hence, according to the desired image. As perception is a subjective matter and influenced by factors that is difficult to control, such as attitudes and interests of the perceiver as well as the context in which the perception is made, organisations need to have an understanding of what they can and cannot influence.

As aforementioned, there is a lot to gain from a successful employer brand but organisations need to consider that outcomes are uncertain before making any investments. In addition, people's preferences tend to change over time and from one situation to another. This makes it difficult to find one solution that will be applicable to all organisations. Rather each organisation needs to assume from their own objectives and conditions, in terms of their resources in combination with the specific needs and wants of their own talent. Additionally, as it may be difficult to affect people's perception of something it is important to thoroughly consider how the employer brand is communicated if the organisation successfully wants to convey its message to the talent that it needs. This is not only true for the internal communication, how the employer brand is delivered externally also needs careful considerations.

Concerning the second part of the purpose, where drivers of engagement and retention were researched, in general, our findings are consistent with the literature. Yet, the results of this research are in some areas inconsistent if compared to what the current literature suggests, mainly in terms of how the drivers are rank ordered. One inconsistency concerned one of the most important drivers for retention, according to the Global Workforce Study (2014), namely *job security*. As for what the results of this study suggests, this appears to not be the case as this

driver is not represented among the top six drivers for engagement according to the employees. One reason for this could be that the Global Workforce Study (2014) is based on the answers from workers from different countries around the world where an average has been presented. Our research is only conducted in one company, in Sweden, where employment law and job security are amongst the strongest ones that exist today. Therefore, job security, as a driver for retention might not be as applicable in Sweden as this is something that already is taken for granted.

Furthermore, another inconsistency in terms of the results of this thesis compared to the reviewed literature is leadership as a driver of engagement. The literature suggests that this is the main driver for employee engagement; however this does not seem to be applicable to this case either. The reason for this could be that the organisational structure in this case study is characterised of being flat. The fact that there is less of a hierarchy could be the reason as to why the role of the leader is less important, since employees might ask for support from their peers rather than their leaders. Additionally, the national culture may also influence this difference. As aforementioned, this case study is based on a Swedish company, and Sweden is a country that according to Hofstede's (Hofstede, n.d.) framework of cultural dimensions scores low on power distance. A country that scores low on this cultural dimension has a population that expects power to be distributed equally; and, therefore hierarchies are less common in organisations. As such, leadership might be considered less important as a driver for engagement. Therefore, we recommend further research to be undertaken in this area, in which cultures would be examined separately, to see whether or not our findings could be further supported in order to establish if culture has an impact on drivers for engagement and retention.

Although, despite the fact that the company's employees ranked leadership low, the role of the leader can still be considered as an important factor in the process of implementing the EVP, since a launch of an EVP implementation needs to be backed up by the organization's leadership to be successful.

Furthermore, it is the nature of the organisation and its industry that are the basis for the elements of the employer brand. The research for this thesis was conducted on one company; therefore the results are only suggesting examples of what an employer can offer its employees. Thus, the results are not applicable to the whole population. However, the steps suggested in forming an effective employer brand are universal; thus, they can be used by any organisation.

To sum up, from the findings it can be concluded that a carefully considered EVP balances the needs of the talent in demand with the specific characteristics of that particular organisation, which sets the foundation for an effective employer brand. As demonstrated previously in our thesis, an effective employer brand has a positive influence on the engagement and retention of employees. Therefore, we conclude that if a company is successful in terms of creating an effective employer brand it can help organisations to manage talent shortage on the labour market; *if* the employer brand is designed with respect to the existing challenges that the process entails in.

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Appendix A – Interview template for management

Background information

- Can you give a concise description of what your organization does?
- How long have you worked for the organization?
- How long have you been in your current position?
- What are the main responsibilities you have in your position?

About the company

- What are the strategic goals of the organization for the coming three years?
- What are the values of the organization?
- Do you think “humanizing technology” is reflected in the organizational culture? If yes, how?
- In what area(s) does the organization have a competitive advantage in?

Competencies/Talent

- What constitutes talent according to you?
- Do you consider one specific competence extra important in order for the company to be competitive in the market in the coming three years or are all competencies prioritized equally?
- What role does personal attributes play when you recruit new employees?
- Are there any specific attributes/characteristics that you value higher than others?

Engagement and retention

- What do you offer you employees in exchange for their competencies and the work they perform? According to you, name the three most important offerings.
- Studies suggest that engagement amongst employees has a positive impact on the effort they put into their work. How does the organization work with engaging employees?
- Have you noticed any difficulties in retaining talented employees within the organization?
- What are you, as an organization, doing to retain current employees?
- Do you know the main reason for the most recent employee resignations?
- Finally, do you consider the organization to be an attractive employer? If yes, in what way?

Appendix B – Survey for employees

How long have you worked for the company?

- 0-1 years
- 2-6 years
- 7 + years

What are the values of the organization?

What do you want from your employer in exchange for your competencies and the work you perform? Name the three most important things according to you.

What does your employer offer you in exchange for your competencies and the work that you do? Name three things.

If you were to change your job and work for another employer, what would the reasons be?

Do you consider the organization to be an attractive employer? Explain why or why not.

What is important for you if you are to be engaged in your work? From the following alternatives, choose the three most important options according to you.

- Leadership
- Goal and purpose with your assignment
- Work-life balance

- Autonomy in your work
- Good communication at your place of work
- Supervision from co-workers and project leaders/managers
- Social relations at your place of work
- Challenging yet achievable work assignments
- Feedback on and recognition of the work that you perform
- A feeling of identification with the company
- Opportunities for learning and development at your place of work

What is important for you if you are to stay with your current employer? From the following alternatives, choose the three most important alternatives according to you.

- Opportunities for career development within the organization
- The company's mission, vision and values
- Opportunities for personal development within the organization
- Job security
- Work-life balance
- The organization's ability to manage work related stress experienced by employees
- Challenging yet achievable work assignments
- The amount of paid vacation days
- Salary