



SCHOOL OF
ECONOMICS AND
MANAGEMENT

Is a Brand Light, Flexible, and Disposable?

A Closer Look at Ingka Centres in the Face of Change – An Exploratory Case Study

by

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May 22, 2020

Master's Program in Managing People, Knowledge, and Change

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Abstract

Title	Is a Brand Light, Flexible, and Disposable? A Closer Look at Ingka Centres in the Face of Change - An Exploratory Case Study
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Aim	The aim of this thesis is to explore the interrelation of employer branding and employee engagement in the context of corporate restructuring and organizational change.
Methodology	Our research follows an interpretative, abductive approach, allowing us to move fluidly between theory and empirical material. We have conducted a qualitative case study with Ingka Centres as our case company. Our motivation for selecting Ingka Centres was to explore the new business model Ingka Centres is currently undertaking and research how this new business model may impact Ingka Centres' employer branding and employee engagement efforts. To do this, we have completed eleven semi-structured interviews.
Theoretical Framework	We conduct an overview of prior research on corporate restructuring and organizational change, as well as the concepts of employer branding and employee engagement, and examine their interrelation.
Contributions	This thesis contributes to the literature on employer branding and employee engagement in the face of organizational change. Specifically, through the illustration of IKEA Group's corporate restructure and communication of change.
Keywords	Employer Branding, Employee Engagement, Corporate Restructuring, Organizational Change, Subsidiary Organization, Ingka Centres, IKEA

Acknowledgements

First, we would like to express our gratitude to our supervisor Dr. Anna Jonsson. Dear Anna, we appreciate all of your feedback and encouragement as we navigated writing a thesis during a worldwide pandemic. Your support, enthusiasm, and guidance has been invaluable, and we are so appreciative. Thank you!

Secondly, we want to thank all of our research participants at Ingka Centres. Our research would not have been possible without you! Additionally, we would like to give a special ‘thank you’ to Clara. Clara not only allowed us to conduct our research at Ingka Centres, but facilitated connections and provided clarification and encouragement along the way. Having the opportunity to learn from the Ingka Centres employees we interviewed made working on our thesis a more enriching experience.

Lastly, we would like to say thank you to our friends and family for your encouragement, motivation, and support.

Dear reader, please enjoy!

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22nd of May, 2020

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1. Introduction

“A company that feels it has reached its goal will quickly stagnate and lose its vitality” (Torekull, 2011, p. 340). This quote by IKEA founder Ingvar Kamprad echoes the shared argument among management literature that in order to remain relevant and progress forward organizations must continue to change and evolve. The retail landscape is drastically changing, and in order to remain “vital”, organizations must embrace this change (Reibstein, 2002). As mature organizations look to continue growth and expansion, they are faced with challenges like never before. Kamprad warns about the fear of remaining stagnant amidst a progressing world. Balancing the organization’s employer brand image along with motivation and interests of employees in the face of organizational change is no simple task. Thus, for organizations striving to stay relevant amidst the changing retail landscape, employer branding and employee engagement are two key factors for success (Park & Zhou, 2013; Aldousari et al., 2017).

Employer branding and employee engagement are both widely researched terms. As first identified by Amber and Barrow (1996), employer branding was introduced as a link between marketing and Human Resources, with a specific emphasis on branding (Amber & Barrow, 1996; Christopher, Payne & Ballantyne, 1991; Kotler, 1992; Morgan & Hunt, 1994; Goddam, 2008). Modern literature on the topic widely agrees on the definition of employer branding, hence the understanding we will maintain throughout this paper is:

A set of attributes and qualities – often intangible – that makes an organisation distinctive, promises a particular kind of employment experience, and appeals to those people who will thrive and perform best in its culture. (CIPD, 2016, p. 1).

As may be inferred from this quote, the success of employer branding efforts relies on the organization’s ability to communicate these “attributes and qualities” (Gaddam, 2008; CIPD, 2016). A strong employer brand must be authentic, linking the organization’s values and strategy (CIPD, 2012). By maintaining this authenticity, an employee can come to expect that employer brand promises will be fulfilled (Rosethorn, 2009; Schulte, 2010). The employer

brand also establishes an organization's identity, or personality, as an employer. As Barrow and Mosley (2005, p. 61-62) note, "*Just as personality defines the patterns we seek (and come to expect) in our relationships with people, brand personality helps us to familiarise and identify (or not) with different choices of brand.*" The brand personality that is established and portrayed through the employer brand image ultimately aids in efforts to attract and retain top talent.

Benefits of a well-established and well-respected employer brand are numerous. According to Sokro (2012), successful employer branding can help organizations remain competitive and encourage employee loyalty. Additionally, better candidate attraction is an organizational benefit of employer branding efforts (Ferris, Berkson, & Harris, 2002; Collins & Stevens, 2002; Slaughter et al., 2004). A well-developed and well-respected employer brand enhances the organization's ability to retain current employees as the employer brand can also position the organization as an 'employer of choice' (Armstrong, 2006). Similarly, recruitment efforts for organizations with a well-developed employer brand tend to result in larger and more relevant applicant pools (Turban & Cable, 2003).

Employee engagement is a concept that is similarly at the forefront of human resource and management research. In combination with a strong employer brand, engaged and motivated employees are key to organizational success, specifically during times of change (Cleland, Mitchinson, & Townend, 2008). Originally examined by Kahn in 1990, engagement is defined as the state of harmonization with one's role in an organization. Additionally, researchers, such as Cleland, Mitchinson, and Townend (2008), have shown that employee engagement is pivotal to successful commercial and business performance, as engaged employees are the 'backbone' of good working environments where employees are industrious, ethical and accountable. Engagement is fostered through alignment between the individual's and the organization's goals (Beardwell & Thompson, 2017). For organizations hoping to foster organizational commitment among employees, maintaining employee engagement is vital.

In general, engaged employees can be seen not only as fully involved in, but also enthusiastic about, their work (Attridge, 2009). Additionally, engaged employees will also act in ways that advance the interests of the organization (Attridge, 2009). This suggests that employees

that find personal meaning in their work will be more likely to manage their workload and feel positive towards the outlook of their work (Beardwell & Thompson, 2017).

When engagement is inhibited, disengagement can take place. Disengagement occurs when employees have disconnected rationally, emotionally, and motivationally (Beardwell & Thompson, 2017). Disengagement begins when three psychological conditions are not met: meaningfulness, safety, and availability (Kahn, 1990). As a result of disengagement, burnout is likely to occur. Gallup (2010) indicates that “*excessively high levels of engagement might lead to ill health and burnout.*” Burnout, as defined by Maslach and Jackson (1981, p. 99) is “*a syndrome of emotional exhaustion and cynicism that occurs frequently amongst individuals who do ‘people-work’ of some kind*”. Moreover, exhaustion of physical and emotional energy, insecurity, and lack of outside hobbies, have been identified as factors that negatively affect employees’ psychological availability, and lead to possible burnout and disengagement (Saks & Gruman, 2014). Thus, burnout can be caused by exhaustion that manifests into job stress, resulting in poor job performance and disengaged employees.

Ultimately, the challenges that organizations face in the midst of change may be mitigated through a strong employer brand and by encouraging employee engagement. Particularly as the landscape in which organizations compete alters continuously, the theories discussed here may be critical to ensure success.

1.1 Problematization

When reviewing the research presented above, it became clear to us that the majority of the research on employer brand and employee engagement centers on established organizations. While the current research of these two areas are well-developed and well-understood, we found that it was missing a very important context - that of change within new or subsidiary organizations. Thus, it became the focus of our research. As our research takes place within the retail context, we cannot overlook the turbulence this industry is facing. Thus, we decided to focus our research on employer brand and employee engagement in this important, yet lacking, context. Over the last thirty years, the retail landscape has drastically changed along with the emergence of dot.com businesses (Reibstein, 2002). As the popularity of online shopping has continued to rise, the retail industry proceeds to change at a more rapid pace.

Similarly, brick and mortar stores have become increasingly less common as new businesses seize the opportunity to cut costs and reach customers through online platforms (Schoenbachler & Gordon, 2002; Ganesh, Reynolds, Lockett, & Pomirleanu, 2010). To stay competitive, Gaddam (2008, p.1) explains, “*employers are struggling to differentiate themselves in both internal and external environments.*” Goddam (2008, p. 1) further notes,

Today’s fast-paced changing business environment has a greater impact on every organization’s highly qualified and motivated workforce. In order to keep pace with the changing market dynamics, every organization is trying to place itself in a unique position on the corporate ladder. There is a huge demand for competent personnel, which is escalating steadily, particularly the demand for vital positions which require technical and in-depth expertise to meet the current requirements of the job market.

In response to these changing demands, many organizations are electing for corporate restructuring and organizational change. We will define each term briefly and then explain their interrelation with employer branding and employee engagement. According to Bowman and Singh (1993, p. 6), corporate restructuring can change “*the internal organization of the firm [and] can also involve a sequence of acquisitions and divestitures to develop a new configuration of the lines of business of the corporation.*” One such type of internal reorganization is through the creation of a subsidiary organization. According to Merriam-Webster (2020), a subsidiary is “*a company wholly controlled by another*”. Organizational change occurs when an organization makes a transition from the current state of operation to another state (Gill, 2011). According to Agarwala (2007), this change may incorporate the entire organization, or impact segments or subsidiaries of the organization. Agarwala (2007) additionally states that change can be a reaction to pressures currently impacting an organization or it can be a proactive action to leverage opportunities. Both definitions of corporate restructuring and organizational change place focus on changing the organization of the company, such as in the creation of a subsidiary. It is in this space that we identified our **research gap**: in the fields of both employer branding and employee engagement, we observed that prior research focused mainly on established companies and not on organizations that have undergone or are currently undergoing corporate restructuring and/or organizational change.

In the field of employer branding, the majority of the research on the relationship between employer branding and corporate restructuring comes from Barrow and Mosley (2005). Their

research, however, often relates back to concepts from brand marketing. This is unsurprising as the concept of employer brand was first introduced as a link between marketing and human resources (Amber & Barrow, 1996), and has a specific emphasis on branding (Amber & Barrow, 1996; Christopher, Payne & Ballantyne, 1991; Kotler, 1992; Morgan & Hunt, 1994). Barrow and Mosley (2005, p. 62) note, an organization's brand personality "*can only mean something if they are defined in relation to a target audience that values what is being offered.*" Thus, it is necessary for companies to have a clearly defined brand image and personality. New organizations may face particular problems with employer branding efforts as the brand personality and image are often still in the process of being defined internally and may not yet be well-known or understood externally (Barrow & Mosley, 2005). Corporate restructuring can similarly impact employer branding efforts. As with new organizations, subsidiaries may likewise face the challenge of having a little-known or yet-to-be defined employer brand (Barrow & Mosley, 2005). In addition, if the new company is a subsidiary of a well-known organization, they may also face additional challenges that may come with corporate brand hierarchy (Barrow & Mosley, 2005). The relationship between parent corporation and subsidiary organization creates a potentially blurred brand image, with the parent corporation's employer brand image projected onto the subsidiary's under the umbrella brand strategy (Barrow & Mosley, 2005). In this branding strategy, the entire corporate group is branded in a unified way (Kapferer, 2008; Brexendorf & Keller, 2017). The new subsidiary must be aware of this possibility and work to define their employer brand image within this relational context (Barrow & Mosley, 2005). As Barrow and Mosley (2005, p. 64-65) note,

This balancing act becomes extremely relevant in the employer brand context when you are trying to manage the relationship between a 'parent' corporate brand and its separately branded operating companies.

Despite the emphasis placed on the importance and relevance of the intersection between employer branding and corporate restructuring, limited research in this field has been completed thus far. As Priyadarshi (2011) observed, empirical research is still relatively limited despite the concept of employer branding gaining considerable popularity in Human Resource practitioner literature. Cable and Turban (2001), Backhaus and Tikoo (2004), and Davies (2007) echo these sentiments, explaining that while employer brand as a concept has a sound theoretical foundation, empirical research on the subject should be further developed.

Furthermore, Bowman and Singh (1993, p. 5) note, “*Despite considerable research on aspects of restructuring, the relationship between restructuring and its consequences for the firm and its stakeholders is unclear.*” The same sentiment can be extended to the relationship between restructuring and its impact on employer branding efforts. Ultimately, there is very limited research focusing on the interrelation of employer branding and corporate brand hierarchy. Thus, we aim for our research presented here to explore and contribute to this area.

As with employer branding, the topic of employee engagement has been well researched. This is not to say, of course, that there are not gaps within the research. In the case of employer branding, we identified a research gap in the relationship between employer branding and corporate restructuring, as described above. The same can be extended to employee engagement. The current research for employee engagement is plentiful, but focuses mostly on creating engagement in startups and established organizations. When searching for research on employee engagement in the context of change, research is less abundant. The research becomes even more limited when exploring how subsidiary organizations build or maintain engagement while undergoing organizational change. Yet, as described by Zorn et al. (2000), successful change implementation and management within an organization is subject to the acceptance, participation, and commitment of employees involved within the change process. Thus, employee engagement is necessary in order to ensure change. Zorn et al.’s (2000) research similarly noted that employee engagement is highly significant to successful change management. Bateh, Castaneda, and Farah (2013) furthers this finding, stating that employee engagement intensifies in the context of change when employers are willing to speak candidly with employees, work to decrease uncertainty, and provide meaning for the change.

If employee engagement aids in facilitating a successful change implementation, then disengagement may impede it. As noted by Avey, Wernsing, and Luthans (2008), employee resistance to change is often the principal obstruction for effective organizational change processes and programs. Resistance is often demonstrated through employee disengagement and negative behaviors, which can be detrimental to the success of an organizational change (Avey, Wernsing, & Luthans, 2008). Authors Ford, Ford, and D’Amelio (2008) write that resistance to change is frequently due to broken agreements and lack of trust. The authors additionally state that organizations that are quickly able to remedy broken relationships and

trust within are less likely to face resistance. Poor communication is additionally a contributor to employee resistance to change. Confusing and/or unclear communication may lead to employee uncertainty and lack of confidence in the organization to successfully complete the change. Despite the clarity of the relevance and importance of employee engagement in the context of organizational change, we found limited research in this area, and even less research in the context of corporate restructuring. Thus, the interrelation between employee engagement and corporate restructuring is the second research gap we identified, specifically the ability organizations have to create or maintain engagement during periods of change.

Ultimately, our research of the fields of employer branding and employee engagement demonstrate clear gaps in the research. Thus, this study will contribute to the under-theorized area of employer branding and employee engagement in the context of corporate restructuring and organizational change. Based on the research presented previously, we see a clear motivation to further the theoretical knowledge that links the literature of corporate restructuring with the literature of employer branding, and the literature of organizational change with the literature of employee engagement. Therefore, the **aim** of this thesis is to explore the interrelation of employer branding and employee engagement in the context of corporate restructuring and organizational change. We will explore this aim in the context of the retail industry, and will give special focus in our analysis and discussion to the communication of organizational change. Therefore, in order to contribute to the aim of our study, the following research questions have been formulated:

How is corporate restructuring interrelated with an organization's employer branding efforts?

How is organizational change interrelated with an organization's level of employee engagement?

In order to sufficiently answer our research questions and therefore our aim, we examined corporate restructuring and organizational change through the lense of an organization, with Ingka Centres as our case study. We have selected Ingka Centres as they are currently undertaking a new business model and are a subsidiary company of the well-known IKEA Group. We examined both the corporate restructuring IKEA Group underwent in creating

Ingka Centres and the organizational change Ingka Centres is currently undergoing with their new business model. In studying Ingka Centres' change, we started with an exploration of the impetus for the new business model and how it is understood throughout the organization. Throughout our analysis, we paid close attention to the communication of their new business model to Ingka Centres co-workers, particularly researching *who* is responsible for the communication and *when* the communication is made. We observed these aspects in the context of Ingka Centres' recruitment process. Throughout our research, we examined how this new business model may impact Ingka Centre's employer branding efforts and level of employee engagement. To complete our aim, we conducted 11 semi-structured interviews with co-workers involved in multiple divisions of Ingka Centres and analyzed our data from an interpretivist perspective.

We would like to highlight that this thesis is exploratory (Prasad, 2018), specifically due to the relative newness of Ingka Centres as an organization. As the company and their new business model were introduced in October 2019, just five months before we began our research, we need to call attention to the early phase in which Ingka Centres is currently situated. Ultimately, our empirical material reveals insights about Ingka Centres' *plan* for their new business model and our interviewees' *predicted* impact on the employer brand and level of employee engagement.

We view this thesis as relevant and interesting to scholars and practitioners focused on the topics of employer branding and employee engagement. Specifically, we view this thesis as relevant to those looking to understand how corporate restructuring and organizational change may impact an organization's employer branding efforts and level of employee engagement. Similarly, managers may find value in our research, specifically if they themselves are navigating restructuring or change in their organizations. As Sokro (2012, p. 164) notes,

Managers can use employer branding as a shade under which they can channel different employee recruitment and retention activities into a coordinated human resource strategy. Accordingly, employers can control brand power to engage their employees in emotional ways to achieve change, outstanding results or increase attraction and retention.

We intend our research to provide new and useful information as companies navigate organizational change and corporate restructuring, and shine light on the possible impact organizations may experience on their employer branding efforts and level of employee engagement.

1.2 Outline of the Thesis

Our thesis consists of seven chapters: **Introduction**, **Theoretical Background**, **Methodology**, **The Case Study**, **Analysis**, **Discussion**, and **Conclusion**. This chapter, **Chapter 1**, has provided the reader with background information, making our rationale and research aim clear. **Chapter 2** will provide the reader with the necessary theoretical context. In this chapter, we will outline and discuss the foundational concepts of our research, such as employer branding and employee engagement. We will also address our research aim by examining the interrelation between the aforementioned concepts of corporate restructuring and organizational change. This literature review will provide greater contextualization of the current research and will become the conceptual framework for our thesis (Rowley & Slack, 2004). **Chapter 3** will focus on methodology, describing our research approach and underlying ontological and epistemological foundations. In this chapter we will introduce our case study and explain our data collection and analysis process. We will finish this chapter by addressing the quality and limitations of our empirical data. **Chapter 4** will outline the context in which our study was conducted, including an overview of Ingka Centres and their implementation of the Active Portfolio Management (APM) model. **Chapter 5** will showcase our empirical data. In **Chapter 6**, we will discuss and interpret our empirical data, connecting it to our theoretical background. Finally, **Chapter 7** will conclude our paper with a summary of our main finding and research contributions. In this chapter we will also discuss limitations of our study, as well as practical implications and recommendations for further research.

2. Theoretical Background

This chapter presents the theoretical research in which our research is founded. This chapter is divided into two main topics: Employer Branding and Employee Engagement. Each topic will highlight current research relating to our aim, and place a specific emphasis in the context of organizational change and corporate restructuring.

2.1 Employer Branding

The term ‘employer brand’ is relatively new, as it was first coined in 1996 by Amber and Barrow. Employer branding was introduced as a link between marketing and human resources, specifically by expanding on the marketing concept of ‘branding’ (Amber & Barrow, 1996; Christopher, Payne, & Ballantyne, 1991; Kotler, 1992; Morgan & Hunt, 1994; Rosethorn, 2009; Kimpakorn & Tocquer, 2009; Goddam, 2008). Amber and Barrow (1996) described employer branding as the functional, economic, and psychological factors that attract employees to seek employment at a particular company. Similarly, Lloyd (2002) defines the concept as the organization’s total efforts to communicate their desirableness as a place of work. While the two previous quotes focus on attracting employees, other definitions of employer branding have been developed to account for the perspective of retaining current employees as well. According to Suff (2006), an employer brand is the combination of building a compelling employer image and then successfully ‘selling’ that image to current and prospective employees. Ruch (2002) and Livens and Highhouse (2003) similarly define employer brand as the image current and potential employees have of the organization and, furthermore, links that image to the experience of working for the organization. Dell and Ainspan (2001) note that the employer brand encapsulates the organization’s value system, policies, and behavior, and categorizes that information with the objective of attracting and retaining the organization’s current and potential employees. Furthermore, Sokro (2012, p. 164) notes,

Employer branding is a relatively new approach toward recruiting and retaining the best possible human talent within a recruiting environment that is becoming increasingly competitive.

Taken together, these definitions demonstrate that employer branding involves promoting, both internally and externally, a clear view of what makes an organization unique and desirable as an employer. Or, as said by Gaddam (2008, p. 1), employer branding “*acts as one of the communication magic tools for acquiring and retaining the talent in this fast changing technological era.*” While there is an overall high level of consensus of the definition of employer brand, the definition we will maintain throughout this paper is:

A set of attributes and qualities – often intangible – that makes an organisation distinctive, promises a particular kind of employment experience, and appeals to those people who will thrive and perform best in its culture. (CIPD, 2016, p. 1).

As can be inferred from this quote, the success of employer branding efforts relies on the organization’s ability to communicate these “attributes and qualities” (Gaddam, 2008; CIPD, 2016). A strong employer brand must be authentic, linking the organization’s values and strategy (CIPD, 2012). By maintaining this authenticity, an employee can come to expect that employer brand promises will be fulfilled (Rosethorn, 2009; Schulte, 2010). Gaddam (2008, p. 11) similarly espouses authenticity in employer branding when stating, “[organizations] need to show the real picture like growth, identity, vision, mission and benefits of the organizations to the employees instead of showcasing unrealities about themselves.”

The employer brand can also establish an organization’s identity, or personality, as an employer (Barrow & Mosley, 2005; Gaddam, 2008). As Gaddam (2008, p. 2) notes, “*Employer branding helps in creating an identity among the current employees and acts as a choice among the future employers for recruiting the talent.*” To better understand this concept, one can view the brand as a person. This metaphor is similarly known as brand personality. In viewing a brand as a person, job seekers and consumers alike can ‘form a relationship’ with brands that match their worldview. As Barrow and Mosley (2005, p. 61-62) further expand,

We tend to be attracted to people who display both individuality and reasonable predictability over time. In forming a relationship, we like to know where we stand with people. The same is true of brands. Just as personality defines the patterns we seek (and come to expect) in our relationships with people, brand personality helps us to familiarise and identify (or not) with different choices of brand.

Barrow and Mosley (2005) also note that the personalities of some brands are largely defined and represented by their founder. One example of this is the multinational conglomerate company Virgin Group and founder Richard Branson, where both company and founder share the personality of enterprising, irreverent, and fun (Barrow & Mosley, 2005). Aaker (2004, p.8) similarly echoes this: *“Of particular importance is the visible spokesperson—individuals such as Bill Gates at Microsoft, Michael Dell at Dell, and Richard Branson at Virgin—who will tend to represent and speak for the people of the corporation.”* Gaddam’s (2008) research suggests that organizations should be wary of overly branding their corporation with the face of the founder. Gaddam (2008, p. 3) suggests instead, *“ It is not just about having a charismatic leader; it is related to the very heart of the organization, and involves the process of creating emotional connectivity in the heart and soul of the workforce.”* In **Chapter 6**, we will apply this concept to our case company and reflect upon the role Ingvar Kamprad’s personality had on IKEA’s brand personality.

We would like to note here that the research we have presented previously, and the research we will present next, does not have the aim or intention of being critical. Our intention is to focus specifically on presenting the current research on employer branding, with a targeted focus on employer branding in times of organizational change or restructuring.

2.1.1 Organizational Benefits of Employer Branding

According to Sokro (2012, p. 166),

An employer brand can be used to help organisations compete effectively in the labour market and drive employee loyalty through effective recruitment, engagement and retention practices.

These benefits are highly relevant to an organization’s branding efforts. According to Barrow and Mosley (2005), these benefits can be both functional and emotional. The functional benefits are typically twofold, including a performance guarantee (by both from the employer and the employee) and brand identification (Barrow & Mosley, 2005). According to Dell and Ainspan (2001), effective employer branding facilitates employee internalization of company values and assists in employee retention, ultimately resulting in increased competitive advantage for the organization. Functional benefits are often tangibly seen by the employee,

such as job security or professional growth opportunities (Barrow & Mosley, 2005). Emotional benefits are more often intangible. As Barrow and Mosley (2005, p. 59) note,

People's emotional attachment to their employer tends to be driven by the value they derive from the total work experience, including the inherent satisfaction they derive from the tasks they perform, the extent to which they feel valued by their colleagues, and their belief in the quality, purpose and values of the organisation they represent. How this 'psychological contract' is communicated and delivered forms an essential counterpart to the more tangible functional 'terms and conditions' incorporated in the formal employment contract.

A second benefit organizations can gain through a well-developed employer brand is increased candidate attraction (Ferris, Berkson, & Harris, 2002; Collins & Stevens, 2002; Slaughter et al., 2004). Multiple researchers, such as Lemmink, Schuijf, and Streukens (2003) and Powell and Goulet (1996), have shown that the reputation of the organization is a key factor in candidate motivation in applying for a position with the organization. Similarly, Turban and Cable (2003) found that recruitment efforts for organizations with a well-developed employer brand resulted in larger and more relevant applicant pools. Duggan and Horton (2004) likewise confirm this benefit as their research found that organizations that are more able to recruit appropriate candidates may enjoy greater workforce benefits and competitive advantage. Ultimately, this research confirms the importance and organizational benefits of a well-developed and well-respected employer brand (Berthon, Ewing, & Hah, 2005; Powell, 1991).

A third possible benefit is that a well-developed and respected employer brand enhances the organization's ability to retain current employees. Sokro (2012, p. 166) elaborates on this point,

To be effective, the brand should not only be evident to candidates at the recruitment stage, but should inform the approach to people management in the organisation. For example, the brand can inform how the business tackles: induction, performance management and reward.

Similarly, Sokro (2012, p. 167) notes that the employer brand can also position the organization as an 'employer of choice' (Armstrong, 2006):

The factors that contribute to being an employer of choice are the provision of a reasonable degree of security; enhanced future employability because of the reputation of the organization as one that employs and develops high quality

people, as well as the learning opportunities it provides; employment conditions that satisfy work-life balance needs; a reward system that recognizes and values contributions and provides competitive pay and benefits; interesting and rewarding work; and opportunities for learning, development and career progression.

In sum, an effective method of employee retention is ensuring employees feel a reasonable degree of job security and feel that they are valued. This reinforces the purpose of employer branding: to portray the organization as a good place to work to attract and retain top talent (Sokro, 2012).

While the benefits of employer branding have been well studied, as described above, not all researchers agree on the relevance of the context to which it can be applied. Ambler and Barrow's (1996) research concluded that branding is relevant within the employment context. Ewing et al., (2002) found that employer branding efforts are most useful in the context of a knowledge-based economy, specifically when skilled employees are in demand. Preuss et al. (2009) and Sokro's (2012) research similarly stressed that organizations do not approach employer branding in the context of sustainability or social responsibility in human resource management (App, Merk, & Büttgen, 2012)

2.1.2 Employer Branding in New and Subsidiary Organizations

As demonstrated in the previous section, there are numerous benefits an organization may obtain through a well-developed employer brand. New organizations, however, are less likely to have a well-established employer brand and are therefore less able to take advantage of these benefits. The same can be said for organizations that are products of corporate restructuring. Defined by Bowman and Singh (1993, p. 6), corporate restructuring

Can encompass a broad range of transactions, including selling lines of business or making significant acquisitions, changing capital structure through infusion of high levels of debt, and changing the internal organization of the firm. Restructuring can also involve a sequence of acquisitions and divestitures to develop a new configuration of the lines of business of the corporation.

As shown in this definition, there are many ways an organization can undergo corporate restructuring. One such way is the creation of a subsidiary organization. According to Merriam-Webster (2020), a subsidiary is “a company wholly controlled by another”. Our

case company Ingka Centres is an example of a subsidiary, with IKEA Group as the ‘parent’ company.

New and subsidiary organizations face a challenge in cultivating their brand personality and employer branding image. As Barrow and Mosley (2005, p. 62) note, an organization’s brand personality “*can only mean something if they are defined in relation to a target audience that values what is being offered.*” This puts a pressure on companies to have a clearly defined brand image and personality. New brands face particular obstacles with employer branding efforts as the brand personality and image is often still in the process of being defined internally and may not yet be well-known or understood externally (Barrow & Mosley, 2005). For subsidiaries, the relationships between the parent and subsidiary companies vary widely. Some brands are closely linked, while others are distinctly different (Keller, 2000; Keller 2013). This creates a *brand architecture*, which denotes the “*hierarchical structure as to how the firms’ products and services are branded*” (Brexendorf & Keller, 2017, p.1531). Brexendorf and Keller (2017, p.1531) continue to say,

The brand architecture can provide valuable assistance in understanding the transfer of different corporate image associations from the corporate brand to any sub-brands and products in its portfolio and any reciprocal feedback effects from them.

Within their brand architecture, organizations build a *corporate brand hierarchy*, or the brand relationship between parent and subsidiary companies (Barrow & Mosley, 2005; Brexendorf & Keller, 2017; Keller, 2000; Keller 2013). According to Keller (2000, 2013) brand hierarchy categorizes an organization’s branding strategy. Keller (2000, 2013) notes four levels of brand hierarchy, with the corporate brand at the highest level (Brexendorf & Keller, 2017; Balmer, 1995; Lei, Dawar, & Lemmink, 2008). Aaker (2004, p. 7) notes, “*A corporate brand will potentially have a rich heritage, assets and capabilities, people, values and priorities, a local or global frame of reference, citizenship programs, and a performance record.*” Aaker (2004, p. 8) continues to say,

The people of an organization, especially in a firm with a heavy service component, provide the basis for the corporate brand image. If they appear engaged, interested in customers, empowered, responsive, and competent, the corporate brand will tend to engender greater respect, liking, and, ultimately, loyalty.

This further connects traditional branding to Human Resources and relates back to our definition of employer branding, highlighting here the tactic of using a positive reputation to attract and retain top talent.

The strategy of some corporate brand hierarchies centers on tying the brand together at all levels. One such strategy is the umbrella brand strategy, where the entire corporate group is branded in a unified way (Kapferer, 2008; Brexendorf & Keller, 2017). In this, all companies under the group share a common brand and are externally linked together. This can be seen with IKEA Group, where all sub-brands, such as Ingka Centres, share IKEA Group's branding. Similarly, Brexendorf and Keller (2017, p.1532) note, "*Corporate brands can act as an umbrella brand to confer equity to its product portfolio but also, in turn, potentially benefit from feedback effects from product and services at lower levels of the brand hierarchy to enhance its own corporate brand equity*" (similarly: Balmer, 1995; Lei et al., 2008). In this, Brexendorf and Keller's (2017) research would suggest that both the parent and subsidiary companies may benefit from the shared branding.

Looking more closely at the subsidiary brands, research shows that in certain circumstances they also benefit from corporate brand hierarchy. According to Hatch and Schultz (2003), creating and maintaining credible brand differentiation is a growing challenge to organizations vying to stay competitive. To avoid building a completely new brand image, Brexendorf and Keller (2017, p.1532) suggest utilizing the parent company's brand to establish and embed

a corporate brand image that elicits distinct associations in the minds of key constituents has the potential to differentiate the corporate brand as well as produce a "trickle down" effect to create differentiation at the product and service brand level too.

Kapferer (2008, p. 386) echoes this suggestion, referring to the corporate brand as the "flagship brand":

Capitalising on a flagship brand by applying its name to the group makes it possible to take advantage of the halo effect, even if this involves two clearly distinct sources, since the image of the one influences the perception of the other.

Each of these quotes emphasize the positive impression - mentioned respectively as the “trickle down” effect and halo effect - that the parent company’s existing brand can cast on the new subsidiary’s unestablished brand.

The “trickle down effect” mentioned by Brexendorf and Keller (2017) may not always produce a positive impression, however. A negative consequence may occur when a subsidiary brand aims to differentiate itself from the parent brand. By trying to distance two employer brand images under the same umbrella brand, there is a potential to create a blurred brand image (Barrow & Mosley, 2005). In this battle of corporate brand hierarchy, the parent corporation’s employer brand image is projected onto the subsidiary’s under the umbrella brand strategy (Barrow & Mosley, 2005). Thus, the new subsidiary must be aware of this possibility and work to define their employer brand image within this relational context (Barrow & Mosley, 2005). As Barrow and Mosley (2005, p. 64-65) note,

This balancing act becomes extremely relevant in the employer brand context when you are trying to manage the relationship between a ‘parent’ corporate brand and its separately branded operating companies.

Despite the emphasis placed on the importance and relevance of the intersection between employer branding and corporate restructuring, limited research in this field has been completed thus far. As Priyadarshi (2011) observed, empirical research is still relatively limited despite the concept of employer branding gaining considerable popularity in Human Resource practitioner literature. Cable and Turban (2001), Backhaus and Tikoo (2004), and Davies (2007) echo these sentiments, explaining that while employer brand as a concept has a sound theoretical foundation, empirical research on the subject should be further developed. As Bowman and Singh (1993, p. 5) note, “*Despite considerable research on aspects of restructuring, the relationship between restructuring and its consequences for the firm and its stakeholders is unclear.*” The same sentiment can be extended to the relationship between restructuring and its consequences on employer branding efforts. Ultimately, there is limited research focusing on the interrelation of employer branding and corporate brand hierarchy.

2.1.3 Employer Branding and the Employee-Employer Relationship

Gaddam (2008, p. 3) notes, “*Employer branding has a great impact on the psychological motives of the employees. To attract the employees, companies go for different types of beneficial employment packages.*” The packages can include financial compensation,

work-life balance, career planning, job security, flexibility in working hours, *et cetera* (Gaddam, 2008). Similarly, in Hendry and Jenkins' (1997) definition of the *psychological contract* existing between employees and employers, employees promise loyalty to the organization in exchange for job security. Recent trends toward downsizing and outsourcing on the part of the employer has altered the psychological contract to one where employers provide employees with marketable skills (Baruch, 2004). To mitigate the negative impression that has come from downsizing and outsourcing, organizations have utilized employer branding efforts to "*advertise the benefits they still offer, including training, career opportunities, personal growth and development*" (Sokro, 2012, p. 167). Here, employer branding is utilized in a way to build trust and communicate value with current and future employees. Gaddam (2008, p. 3) similarly endorses this concept, stating that "*employer branding, in the commercial context, acts like an adhesive that helps in bonding different components of the organization to ensure the employees' commitment, loyalty, advocacy and satisfaction.*" These employer branding efforts influence the employee-employer relationship.

From an employer brand perspective, there are multiple ways to examine an employee's relationship with the employer. Research suggests that one such way is through employee engagement (e.g. Piyachat, Chanongkorn, & Panisa, 2014; Dabirian, Kietzmann, & Diba, 2017; Mandhanya & Shah, 2010). Mandhanya and Shah's (2010, p. 47) research concluded:

Employer branding is the essence of the employment experience, providing points that commence with initial employer brand awareness, and continuing throughout the tenure of employment, even extending into retirement.

In this, Mandhanya and Shah (2010) highlight the role employer branding plays in contributing to a future positive employee experience and, thus, employee engagement. Piyachat, Chanongkorn, and Panisa's (2014, p. 62) research similarly reported "*a positive relationship between employer branding and employee engagement.*" Mandhanya and Shah (2010, p. 43) argue this positive relationship is because:

Good branding attracts prospective candidates' attention and creates a desire to apply to the company. Employer branding builds on EVP [(Employer Value Proposition)] that matches both what employees want and what's expected from them in return. It defines about the company's strengths relating to policies, procedures, culture, etc, and creates loyalty among the employees and aids in retention management as well as generates an improvement in candidate attraction, engagement, commitment, and motivation.

Additionally, Piyachat, Chanongkorn, and Panisa's (2014, p. 68) study concluded:

There is a partial effect of employer branding on employee engagement through employee expectation. Considering the result of this study, it was revealed that when employees judged that their perceived employer branding is above their expectation, they would thus intend to respond well and repay to their company by increasing their performance and engagement.

Ultimately, the research shows a positive correlation between employer branding and employee engagement. Dabirian, Kietzmann, and Diba (2017, p. 198) similarly found "*the degree to which a firm's intended employer brand matches its employees' experiences with the company culture and values determines the employer brand's impact in the market.*" Thus, we argue that employee engagement is highly relevant to study in connection with employer branding.

2.2 Employee Engagement

As one of the fundamental contributors to an organization's success, employee engagement is crucial for organizations that wish to remain competitive (Saks & Gryman, 2014). Originally defined by Kahn (1990), engagement has been presented as a state of harmony within one's role at an organization. In this, employees are able to express themselves physically, emotionally, and cognitively at work. Similar to Kahn's expression of engagement from mainly a psychological angle, additional research supports the thought that psychology has a strong impact on the efficiency and job performance in employees (Saks & Gruman, 2014). In essence, engagement is a multifaceted construct formed through the complete investment of an individual in their performance. Employee engagement has additionally been described as:

The degree of an employee's positive or negative emotional attachment to their job, colleagues and organization, which profoundly influences their job satisfaction and their willingness to learn and perform at work (Beardwell & Thompson, 2017, p. 391).

Engagement is fostered through alignment between the individual's and the organization's goals (Beardwell & Thompson, 2017). Researchers, such as Cleland, Mitchinson, and Townend (2008), have shown that employee engagement is pivotal to successful commercial and business performance, as engaged employees are the 'backbone' of good working environments where employees are industrious, ethical, and accountable. For organizations

hoping to foster organizational commitment among employees, maintaining employee engagement is important. According to Beardwell and Thompson (2017), there are four levels of engagement: engaged, enrolled, disenchanted, and disengaged. As proposed by Kahn (1990), the higher the level of engagement, the higher the benefit to individuals and organizations. For the purpose of this thesis, we will focus our attention on engaged and disengaged, as these ends of the spectrum have the most potential for positive and negative impact on organizations.

2.2.1 Engaged Employees

When engaged, employees can be seen not only as fully involved in, but also enthusiastic about, their work (Attridge, 2009). Additionally, engaged employees will also act in ways that advance the interests of the organisation (Attridge, 2009), suggesting:

Engagement is identified when employees feel positive emotions towards their work, find their work to be personally meaningful, consider their workload to be manageable, and are hopeful about the future of their work (Beardwell & Thompson, 2017).

Employees with higher engagement levels have proven positive outcomes for organizations and employees alike. According to Beardwell and Thompson (2017) and Gallup (2010), the research indicates that engaged employees: perform better, are more innovative and enjoy greater levels of personal well-being, and are more likely to want to stay with their employer. According to Bailey et al. (2007), the meaning that employees find within their work is manifested through morale. The authors write that the outcomes of morale can be translated into two perceptions: well-being and health, and work-related attitudes. In their meta-study of engagement literature, Bailey et al. (2007) found a link between engagement and overall health. Engagement is obtained through the availability of physical, social, and psychological job resources. These associations between engagement and positive health outcomes include life satisfaction, lower stress, and an increase in overall wellbeing. Furthermore, the authors found a correlation between employee engagement and positive work-related attitudes. These studies reported positive links between engagement and organizational commitment, increased performance, and job satisfaction (Bailey et al., 2007).

May, Gilson, and Harter (2004) refined engagement to include three components: physical, emotional, and cognitive. According to May, Gilson, and Harter (2004), engagement exists

only when these three criteria are realized in the employee's work, and that meaningfulness has the strongest relation to different employee outcomes in terms of engagement. Similarly, Kahn (1990) identifies meaningfulness, in addition to safety and availability, as factors attributing to the level of personal engagement. Kahn (1990) described task, role, and work as characteristics that influence meaningfulness, along with psychological safety. Macy and Schneider (2008) additionally identified three aspects of employee engagement: intellectual, affective, and social engagement. Interestingly, the work of both May, Gilson, and Harter (2004) and Macy and Schneider (2008) focus explicitly on the job and work type as the driver of engagement. This suggests that employers can foster engagement if the work is meaningful to the employee.

These positive emotions and meaningful work can be further related in terms of the resources and environment employees are able to utilize. Employee engagement is commonly explained in literature through the context of the Job Demands-Resources (JD-R) framework (Bailey et al., 2007). This model primarily focuses on understanding employee well-being and ill-being. The JD-R framework differentiates between demands and resources (either job-related or personal). For example, Schaufeli and Bakker (2004) noted that lack of job resources - such as performance feedback, colleague support, and coaching - are strong predictors for turnover and burnout. Resources are seen as motivators and promote engagement, resulting in positive outcomes such as elevated levels of well-being and performance. Job demands "*require employees to expend additional effort which, over time, can cause exhaustion and lead to negative outcomes*" (Bailey et al., 2007, p. 36). This exhaustion may occur due to emotional energy that is depleted due to the presence of increased or unmanageable job demands. In combination with the absence of job resources, this can hinder employees from achieving significant work goals (Schaufeli & Bakker, 2004). When employees have increased levels of job-related and/or personal resources, they are more likely to be engaged in their work. Through the use of the JD-R framework, organizations are able to examine their employee engagement and identify these gaps in regards to resources and demands.

2.2.2 Disengaged Employees

Data from the previously mentioned Gallup (2010) study indicated that “*excessively high levels of engagement might lead to ill health and burnout.*” Burnout, as defined by Maslach and Jackson (1981, p. 99) is ‘*a syndrome of emotional exhaustion and cynicism that occurs frequently amongst individuals who do “people-work” of some kind*’. Moreover, exhaustion of physical and emotional energy, insecurity, and lack of outside hobbies have been identified as factors that negatively affect employees’ psychological availability and lead to possible burnout and disengagement (Saks & Gruman, 2014). Thus, burnout can be caused by exhaustion that manifests into job stress, resulting in poor job performance and disengaged employees. While ideal, engagement is not always possible. Gatenby et al. (2009) identified numerous inhibitors of employee engagement, including: leadership style, reactive decision-making, inconsistent management style, poor work–life balance due to a long-hours culture, and few opportunities for leadership development.

When engagement is inhibited, enrollment, disenchantment, and even disengagement can take place. Disengagement occurs when employees have disconnected rationally, emotionally, and motivationally (Beardwell & Thompson, 2017). Disengagement begins when three psychological conditions are not met: meaningfulness, safety, and availability (Kahn, 1990). Beardwell and Thompson (2017) note: younger workers are less engaged than older workers, non-managers are less engaged than managers, public-sector employees are less frequently engaged than in the private sector, and public-sector employees show higher levels of social and intellectual engagement, whereas private-sector employees are more engaged effectively.

While it is understood that when provided with the physical, emotional, and psychological resources needed to maximize job performance, critics of the JD-R framework argue that it is simplistic and lacks dimension. Through utilization of this framework, it is reasonable to assume that withholding these resources would result in a higher possibility of burning out. However, this reasoning is not entirely correct, as the absence of engagement does not necessarily confirm the existence of burnout (Fineman, 2006). Critics also note that this framework operates as a model that assumes individuals are purely driven to optimize their situation and respond in rational ways to a limited scope of components within their work

environment (Fineman, 2006). Further, it has been said that this framework fails to take into consideration additional contextual factors such as interpersonal interactions, emotional or irrational responses, and factors such as power and politics in the workplace (Fineman, 2006).

2.2.3 Employee Engagement During Organizational Change

Organizational change occurs when an organization makes a transition from a current state of operation to another (Gill, 2011). According to Agarwala (2007), this change may incorporate the entire organization, or impact segments or subsidiaries of the organization; while having a considerable impact on employees. Agarwala (2007) additionally states that change can be a reaction to pressures currently impacting an organization or it can be a proactive action to leverage opportunities, as seen in our case study specifically relating to a new subsidiary. Successful change implementation and management within an organization is subject to the acceptance, participation, and commitment of employees involved within the change process (Zorn et al., 2000). Organizational commitment, defined by Hislop (2013, p.222), is *“the sense of emotional attachment that people feel to the organizations they work for, which may be reflected in the alignment of individual and organizational values and objectives.”* In short, organizational commitment measures the amount an employee identifies with and is committed to the organization he or she works for (Hislop, 2013). Meyer and Allen (1991, p. 62) further expand on organizational commitment, by explaining organizational commitment as *“a mind set, or psychological state (i.e., feelings and/or beliefs concerning the employee’s relationship with an organization).”* Ultimately, this psychological state *“has implications for the decision to continue or discontinue membership in the organization”* (Meyer & Allen, 1991, p. 67). Thus, organizational commitment as a result of employee engagement is conducive to ensuring change.

Agarwala (2007) writes that employers play a vital role in the success of change initiatives through clear communication and establishing a vision. The author goes on to say that it is up to employers to engage with employees by creating meaning that aligns with 1.) business needs, 2.) improving organization performance, and 3.) favorable results for stakeholders. Saks (2006, p. 614) states that,

Managers should understand that employee engagement is a long-term and on-going process that requires continued interactions over time in order to generate obligation and a state of reciprocal interdependence.

Saks (2006, p. 614) also goes on to say that “*engagement is a broad organizational and cultural strategy that involves all levels of the organization*”. In the context of change, strong communication, collaboration, information flow, and trust all work together to enhance employee engagement. Goodman (2006) writes that at the individual level, adequate communication has been identified as a considerable factor in helping employees understand both the need and effects of organizational change. Additionally, the authors write that communication can be used to mitigate resistance, reduce uncertainty, and encourage participation and commitment as the change advances. Methods of communication include both timing and media (Klein, 1996). The content and the media through which the communication is announced needs to be taken into account. In regards to forms of communication, a variety of options are available to managers including verbal, written, and electronic. The choice of media, according to Balogun and Hope-Hailey (2008), depends on the relevance and complexity of the message in addition to the stage in the change process.

When it comes to the content of communication, the timing of information that is delivered to employees before, during, and after the change process is vital. Richardson and Denton (1996, p. 215) write that successful change managers “*give employees as much information as possible as early as possible.*” This allows employees to feel wholly prepared, involved, and respected in the change process.

Employee resistance to change is often the principal obstruction for effective organizational change processes and programs (Avey, Wernsing, & Luthans, 2008). Resistance is often demonstrated through employee disengagement and negative behaviors, which can be detrimental to the success of an organizational change (Avey, Wernsing, & Luthans, 2008). Authors Ford, Ford, and D’Amelio (2008) write that resistance to change is frequently due to broken agreements and lack of trust. The authors additionally state that organizations that are quickly able to remedy broken relationships and trust within the organization are less likely to face resistance. Poor communication is additionally a contributor to employee resistance to change. Confusing and/or unclear communication may lead to employee uncertainty and lack of confidence in the organization to successfully complete the change. Coulson-Thomas

(2004) writes that ineffective internal communication is a major contributing factor in the failure of change initiatives. The author goes on to note that mismanagement of change is common, and when handled incorrectly, change can be unsettling and disruptive to people who should be focusing on other priorities. In addition, communication that is delayed or inaccurate has the potential to cause problems for the organization (Richardson & Denton, 1996). Employees that feel they have been blindsided or left out of decisions may feel jaded and insecure towards the organization and future changes (Coulson-Thomas, 2004). Furthermore, communicators that are not sensitive to the impacts of change risk irreparable damage to employee morale and the overall effectiveness of the implemented change.

While the research presented above may display resistance as detrimental to change, some researchers disagree. Resistance may be interpreted as a way to potentially improve the quality of organizational decisions. Authors Ford, Ford, and D'Amelio (2008) note that resistance to change indicates considerable engagement by employees and may reflect a high amount of commitment rather than blind resistance. Ultimately, it is not resistance per se, but the perception through which organizations view it that either promotes or hinders change. In order to mitigate change and encourage employee engagement, employers should be prepared to speak candidly with employees, work to decrease uncertainty, and provide meaning for change (Bateh, Castaneda, & Farah, 2013).

2.3 Chapter Summary

The previous theoretical framework enabled us to understand relevant literature regarding employer branding and employee engagement and their importance in the face of change. The first section of this chapter focused on the current literature of employer branding. The benefits of a strong employer brand in an organization were highlighted as attracting the right candidates, retaining current employees, and encouraging organizational commitment. To understand how organizational members reflect their commitment and performance in the workplace, the final section of this chapter focused on employee engagement. Understanding the benefits of engagement, as well as impacts due to disengagement and burnout, were emphasized.

3. Methodology

This chapter will explain our methodological approach, with the aim of bringing transparency to our chosen research design and how we draw our conclusions. We will begin by describing our research approach and philosophical groundings. After, we will present and motivate our research design and process. This will include a description of our empirical data collection and analysis. To conclude, we will explore the overall quality and credibility of our process, from research design to data analysis.

3.1 Research Approach

With the aim of exploring the interrelation of employer branding and employee engagement in the context of corporate restructuring and organizational change, our research falls within the interpretive philosophy. The interpretive research tradition states that knowledge about the social world is founded in human interpretation (Prasad, 2018). This lends to an underlying ontological assumption that reality is socially constructed and, therefore, multiple realities can exist (Prasad, 2018). These realities can be shared between individuals, creating a common construction and shared interpretation (Berger & Luckman, 1967; Holstein & Gubrium, 1993). This is the principle idea behind intersubjectivity, a core notion of the interpretive philosophy. Taken in consideration of our study, this suggests a need to make sense of the subjectivity and socially constructed meanings expressed by our interviewees. Our interviewees, like us all, are susceptible to reification, or the process of *“treating social constructions as if they were objective and immutable facts of life”* (Prasad, 2018, p. 16). While many of us might be aware of some common reifications, including ideas of female/male abilities (Berger & Luckman, 1967), as researchers, we were sure to also be aware of possible reifications related to the IKEA brand our interviewees might hold.

The need to make sense of socially constructed meanings and sort through subjectivity drove us to maintain an empathetic mindset. Bringing empathy to the forefront of our interviews allows us to better understand the point of view of our interviewees (Saunders, Lewis, & Thornhill, 2002). This empathetic mindset allowed us to navigate the sometimes conflicting perspectives and opinions of our interviewees. We attempted to enter the interviewee’s social

world (Saunders, Lewis, & Thornhill, 2002). In practice, this meant taking their nationality; position, seniority, and tenure within Ingka Centres; and personal values into account during data analysis. We also sought a greater understanding of the values and organizational structure of Ingka Centres, including its relation to IKEA Group, which we will explain in **Chapter 4**. In adapting this hermeneutic cycle, where ‘parts’ (Ingka Centres) can only be understood from the ‘whole’ (IKEA Group) and vice versa, we were able to draw deeper insights into our case company (Prasad, 2018). Maintaining empathy and understanding the relationship between Ingka Centres and IKEA Group allowed us to pull deeper understanding from our empirical data.

The above discussion ties back to our initial statement that our research falls within the interpretive philosophy. By taking an active role as interviewers we also played a part in constructing a reality during our interactions with interviewees (Prasad, 2018). We needed to be cautious to not take interviewees’ statements as ‘objective truth’ (Prasad, 2018), but instead remember that the empirical material we gathered sprung from the reality constructed by each interviewee, as previously described. Similarly, we must account for our previously existing knowledge and feelings toward Ingka Centres and IKEA Group, which undoubtedly influenced our research process (Prasad, 2018). As both researchers worked in the retail industry previously, we constantly worked to distinguish between empirical data and prior industry knowledge. Ultimately, we worked to remain open-minded and unbiased as we gathered our empirical data.

3.2 Research Design and Process

In order to adequately meet our research aim of exploring the interrelation of employer branding and employee engagement in the context of corporate restructuring and organizational change, we needed to make sense of the intersubjectivity and reification our interviewees expressed. To do so, we took a qualitative and abductive research design. The abductive design expresses a fluid movement between theory and data, or induction and deduction (Alvesson & Skoldberg, 2017). This abductive design allowed us to use theoretical knowledge gained during our earlier research throughout our interviews. The empirical data we gathered during our interviews also influenced our later-stage theoretical research (Alvesson & Skoldberg, 2017). This movement follows the hermeneutic cycle as described

above. This fluidity helped us avoid being too naïve while analyzing the early empirical data we gathered (Alvesson, 2003; Prasad, 2018). Looking back, we can see the effectiveness of this reflective cycle as the focus of our research changed throughout the empirical data gathering process (more on this will be described later). Moreover, the abductive process allowed us to both examine the context behind the interviewee's data (i.e. position, seniority, and tenure within Ingka Centres) and examine our future interview questions. As interviews were completed and our understanding deepened, we changed our interview questions. For example, during our first interview, we were made aware that a new business model is not widely understood or known within Ingka Centres. When statements were made to a similar effect in subsequent interviews, we changed our focus slightly, drilling deeper into why the business model was not well known and how that would affect Ingka Centres' employer branding efforts and level of employee engagement. Finally, as our aim is to investigate the interrelation of employer branding and employee engagement in the context of corporate restructuring and organizational change, our research design can also be seen as exploratory (Prasad, 2018).

3.2.1 Collection of Empirical Material

Our major source of empirical data was gathered through eleven semi-structured interviews within Ingka Centres' team. The interviews focused on three groups of employees: strategists, recruiters, and new hires. In order to develop a thorough understanding of Ingka Centres' perspective of the organizational change, we saw it as essential to interview strategists and project leaders first, as they are the creators behind the strategy and vision for the Active Portfolio Management (APM) model. Additionally, we saw it as important to interview recruiters in order to gain a better picture of the recruitment strategy and how communication of the APM model is reflected throughout the recruitment process. Finally, we considered it critical to interview employees who had been newly hired, as they were able to provide insight and first-hand experience during the recruitment and on-boarding process. A list of our interviewees and their positions can be found in **Appendix A**. In order to maintain confidentiality, their names have been changed.

Through our use of semi-structured interviews, we intended to create a guide for the conversation that allowed us to cover specific topics while still aiming for a natural and

conversational setting. This form of interview enabled us to follow-up on our interviewees' response by asking additional questions, thereby creating a conversation where we could respond to answers in a way that allowed us to gain a better understanding of their thought process and assumptions (Saunders, Lewis, & Thornhill, 2002).

Based on the availability of our interviewees, we collected our empirical data over the course of four weeks, beginning in April. Initially, we hoped to conduct all interviews in person. However, due to the COVID-19 pandemic throughout Sweden and the rest of the world, all IKEA Group and Ingka Centres employees were asked to work virtually starting March 16, 2020. Due to this limitation, all interviews were conducted through a video chat platform Microsoft Teams. In addition to virtual interviews, many interviews that were originally set for sixty minutes had to be condensed to thirty as the business adjusted to a virtual setting and had limited time. Ambos et al. (2016), writes that virtual meetings provide challenges for knowledge sharing and interviews due to time differences, lack of physical proximity, and loss of connection (physical and technical). While we anticipated a few of these challenges and possible obstacles in obtaining information, none of these barriers were experienced. Overall, interviewees were very willing to be flexible with interview scheduling and were quite open to discussing their experiences with us.

In order to facilitate authentic conversations and responses, we sought to avoid sending interviewees our interview questions beforehand. According to Ambos et al. (2016), this creates better data as the subject cannot prepare answers in advance and is able to respond more authentically and spontaneously. However, when introducing ourselves to potential interviewees via email, we did send over the overall topic of our research, such as employee engagement.

Both researchers were present in all interviews, with one asking the questions and the other observing and taking notes. This allowed the interviewer to concentrate solely on the conversation and to facilitate an environment in which interviewees felt safe and able to authentically respond. As these interviews were not face to face, it was more difficult for us to read body language and facial expressions (Bryman & Bell, 2011). Thus, it was important to have both researchers present, so one could observe and ask additional prompting

questions as needed. Once each interview had concluded, we discussed the conversation together and summarized our findings, despite having recorded all interviews.

The topics we addressed during the interviews included an overview of Ingka Centres' "Meeting Places", job security, perceptions of co-worker engagement, and Ingka Centres and IKEA Group's employer brand images. Our interview guide contained questions such as "What is your involvement with the APM model and Meeting Places?", "How/when is this business model communicated to potential hires?", "When thinking about the APM model, what do you see as possible impacts on Ingka Centres' employer branding?", and "Could you tell us about any possible effects on co-worker engagement/motivation you've seen since the APM model started?" Subsequently, we were able to adjust our questions accordingly, making sure that we stuck to our key questions, as well as allowing for additional questions as they came up. We tried to avoid asking questions that warranted one-word responses, and opted for open-ended questions. Saunders, Lewis, and Thornhill (2002) write that through the utilization of these types of questions, interviewees are more likely to express personal anecdotes, thoughts, and facts that may not have been revealed otherwise. In order to further understand and uncover more specific answers on the topics, we used follow-up questions such as, "Would you mind explaining further?", "What do you mean by that?", and "Why did this happen?" This therefore allowed us to dive deeper into the mind of the interviewee, as well as gave them the chance to reflect on and explain their thinking. At the end of each interview, we gave the interviewees the chance to expand on answers or address topics which they believed had been omitted or needed to be addressed.

We were pleasantly surprised with how open and flexible co-workers at Ingka Centres were with attending and rescheduling interviews online due to the COVID-19 pandemic. While our thesis was extra work for them during this crisis, they were all nonetheless willing and able to make the time to chat with us.

The initial connections with Ingka Centres sprung from a mentorship relationship one of the researcher's had previously with an Ingka Centres co-worker. Through this relationship, we were able to connect with the recruitment team at Ingka Centres. Moreover, we believe that the willingness and ability to schedule many of the interviews during the world-wide pandemic was due to this previously-established connection. We suggest that the flexibility

and openness expressed by interviewees was additionally demonstrated based on our guarantee to keep interviewees anonymous, changing their names and position titles. In conclusion, we are thankful that we were able to continue our research in the midst of such uncertain times, and are grateful to Ingka Centres for living up to their philosophy of agility and flexibility.

We also consulted externally-available corporate documents, such as the IKEA Group and Ingka Centres webpages, with a specific focus on their “About IKEA” and “Culture and Co-Workers” pages. These web pages provided us with a more comprehensive understanding of the IKEA Group brand and recruitment philosophy. These documents were examined through a thematic analysis, therefore enabling us to recognize patterns and emerging themes that became the basis for our study. (Bowen, 2009). In our analysis, we employed excerpt-commentary units to identify and analyze these themes. Through this process of continuous interpretation, we were able to sharpen the underlying ideas, thus more accurately capture the material being studied (Rennstam & Wästerfors, 2018).

3.2.2 Analysis of Empirical Material

We interpreted our collection of empirical material during the interviews with the intent of linking the data and highlighted frameworks in a purposeful way. After we conducted each of the interviews, we immediately began to fully transcribe each conversation. This enabled us to reflect upon each interview, identify key themes, and focus on adding or removing questions that subsequently contributed to the foundation for our thesis (Rennstam & Wästerfors, 2018). In regards to our analysis, we proceeded to examine the data through an open-coding technique, which will be further outlined in the following paragraphs.

Upon completion of each interview we transcribed each conversation, equally distributing the work based on who had led and taken notes during. Once written out, we went through the transcripts, highlighting and making notes of words and phrases that reflected the overall theme of the interview. These highlighted words and phrases are described by Ryan and Bernard (2003) as ‘open-codes’ through which we were able to identify repeating themes as we analyzed each interview. Once we finished analyzing the interviews, we summarized the identified ‘open-codes’ in a shared document, with each code supported by quotes from various interviewees. As theme identification *“involves judgements on the part of the*

investigator”, we completed this initial theme and word identification sorting individually (Ryan & Bernard, 2003, p. 103). This ensured a higher degree of reliability in our findings, and allowed us to form individual opinions before convening. Once we finished coding individually, we met to discuss the ‘open-codes’, and began to identify topics based on recurring phrases, ideas, and observations. This cutting and sorting technique allowed us to sort varying expressions and ideas in a way that enabled us to identify recurring themes (Ryan & Bernard, 2003).

After agreeing upon patterns identified in our research, we began identifying themes that arose both from the empirical data as well as the theoretical background. We continued with our method of cutting and sorting, wherein we were able to systematically compare the different pieces of empirical material, searching for similarities and differences (Ryan & Bernard, 2003). During this time we also engaged in reflexive behavior, challenging each other and ourselves to think critically and approach the data in a way that would contribute to current research while challenging existing assumptions by ourselves and other researchers. Throughout our research, we made a conscious effort to avoid common themes that currently exist in widespread literature, and instead challenge ourselves to be open to thinking outside the box.

3.3 Quality and Reflexivity

In this section, we will reflect on the *generalizability*, *reliability*, *credibility*, and overall *quality* of our study.

In terms of *generalizability*, our research focused on a single case study. This limits the ability we, or others, have to generalize our findings to other companies across industries. As shown by Bryman (1995), Eisenhardt (1989), Yin (2003), and the like, companies differ in their culture, heritage, products, size, *et cetera*. A single case study was feasible, given the time allotment and thesis requirements. Similarly, as noted by Dyer and Wilkins (1991, p. 615), looking at a single case study does provide the opportunity

to describe the context in which events occur, and to reveal...the deep structure of social behavior. Theory that is born of such deep insights will be both more accurate and more appropriately tentative because the researcher

must take into account the intricacies and qualifications of a particular context.

In focusing on one case study, as Dyer and Wilkins (1991) suggest, researchers are able to focus on the deeper social dynamics and fully embrace the context in which the study takes place. Thus, our intention is to present the reader with a holistic picture of Ingka Centres and the organizational change they are undergoing. We hope that in applying existing theory and critical thinking we will encourage further research in this area.

Concerning *reliability* and *credibility*, multiple researchers, including Marshall and Rossman (2006) and Silverman (2006) have demonstrated the problems associated with replicating results drawn from semi-structured interviews. To help mitigate this problem, we worked to thoroughly describe how we conducted our research, evaluated our empirical material, and drew our conclusion.

Saunders, Lewis, and Thornhill (2002) caution that interviewees have personal *biases*. If interviewees all come from a homogenous ‘group’ (i.e. senior managers, males, or American), the researcher may not be as aware of potential biases. To mitigate this, we interviewed a diverse group of Ingka Centres employees, as explained in section **3.2.2 Collection of Empirical Material**. Similarly, as we analyzed externally-available corporate documents and interviewed Ingka Centres co-workers, we maintained awareness of potential *biases* that may occur. Both the externally-available corporate documents and the Ingka Centres co-workers have a purpose of promoting IKEA Group’s ideals and values. In addition, we are aware of biases that may originate from our pre-existing relationship with IKEA Group (i.e. in the forms of outside knowledge, store visits, etc.).

Our last reflection on the overall *quality* of our study concerns the differences between our interviewees. Our interviewees were based in multiple countries (Sweden, Spain, and Switzerland) and many were internationals (born outside of the country they were living in at the time of the interview, such as originally from Russia or India but living and working in Sweden). Similarly, both researchers are American, but are living in Sweden at the time of this thesis. These different nationalities, personal backgrounds, and cultural customs all interplay and influence reality construction, as noted in section **3.1 Research Approach**. As a result, we needed to engage in source critique, or the “*careful evaluation, reflection,*

questioning, rejection, and probing of interview accounts” (Schaefer & Alvesson, 2017, p.1). For our thesis, this came to mean a consistent self-reminder that our interviewees’ responses might be influenced by their personal backgrounds and, therefore, should not be quickly generalized. For example, upon reflecting initially on our recorded interview responses, we soon noticed the strategists group of employees gave a much more ‘branded’ interview, often citing Ingka Centres and IKEA Group values verbatim.

In conclusion, we worked to keep these aforementioned limitations top of mind while constantly challenging ourselves to think critically.

4. The Case Study - Ingka Centres

Our motivation for selecting Ingka Centres as our case study for this paper was to research and understand the new business model Ingka Centres is currently undergoing and to explore how this new business model may impact the organization's employer branding efforts and level of employee engagement. To fully understand the position Ingka Centres is in, and to thoroughly appreciate any findings discovered, we need to wholly embrace our topic. A case study will further enhance our understanding.

We sought to answer 'What-', 'How-' and 'Why-' questions. As Gubrium and Holstein (1997) note, reflecting on these three questions allowed us to examine the interrelation between the performative and ostensive, especially in the context of data-gathering interviews. For instance, *why* Ingka Centres transitioned to a new business model, *how* Ingka Centres is communicating the change process, and *what* Ingka Centres notes as possible effects on their employer branding efforts and level of employee engagement. According to Saunders, Lewis, and Thornhill (2002), a case study will help us address these 'What-', 'How-' and 'Why-' questions.

4.1 The Changing Retail Landscape and Birth of Ingka Centres

We have to change our reality, our ways to adapt to the future, to adapt to where the communities are going, to where the future is going. Because otherwise we won't be there. There are so many things going so fast. We cannot just sit and watch. (Jamie, Engagement and Change Manager)

With the rise of online shopping, the retail industry continues to change at a rapid pace. This is important for our readers to understand as it provides context for our case company, which is an organization operating within the retail industry. Over the last thirty years, the retail landscape has drastically changed along with the emergence of dot.com businesses (Reibstein, 2002). Brick and mortar stores have become increasingly less common as new businesses seize the opportunity to cut costs and reach customers through online platforms (Schoenbachler & Gordon, 2002; Ganesh, Reynolds, Lockett, & Pomirleanu, 2010). As a response to these changing demands and the pressure to remain relevant to customers, IKEA

Group has undergone corporate restructuring in an effort to remain competitively relevant. With this aim in mind, IKEA Group created a new subsidiary Ingka Centres in October 2019. As Ingka Centres (2020) notes,

The world is changing more rapidly than ever before. Customers' journeys and expectations are evolving and our retail environment is continuously changing, driven by technology, urbanisation, economy and sustainability.

According to one of our interviewees, IKEA Group felt these changes were vital, a way to avoid the risk of dying as a business:

This concept is not working at all anymore. Because now we have new competitors like Amazon, like Express, like others all over the world...The problem is that we have new competitors. And they are selling online. Then we talk about disruption and how we can adapt ourselves to a new reality. So we talk about disruption every day. So we realized, if we don't change ourselves, we are going to die as a company, and not in 10 years. We are going to die in 5 years. (Jordan, Talent Manager)

Since IKEA's inception in 1943 as a small store in the south of Sweden, customer-facing brick and mortar stores have been the foundation of the business. While competitors like Amazon focused their efforts on building a robust online platform, IKEA Group continued to focus on their stores. It was this focus on physical stores and neglect of an online presence that our interviewee argued caused a need for organizational change:

Faster moving, going with the times, adjusting to what is needed. We can just look back a couple of years when we didn't go into the digital space. We took a bit too long and said, "Stick to the store, the shopper needs the full experience. This is the manual. This is how we've done business for 70 years and this is how we will do business for another 70." Of course, the world looks different. I do believe that to continue to be attractive as an employer, we also need to change. (Quinn, Change Manager)

Thus, this realization gave birth to a new subsidiary of IKEA Group: Ingka Centres. Ingka Centres is focused on both business-to-business (B2B) and business-to-consumer (B2C) models, as opposed to IKEA Group's traditional focus on B2C, as seen in their retail stores. Ingka Centres has named this B2B model "Meeting Places". Meeting Places are, in essence, hybrid locations that contain an IKEA store along with other 'community attractions' (i.e. other retailers, housing, schools, etc.). These community attractions, as defined by Ingka Centres (2020), are:

Places where people connect, socialise, get inspired, experience new things, shop, eat and naturally feel attracted to spend time. Places that are essential in people's everyday lives.

Meeting Places are a step away from the traditional IKEA store (the 'big blue box'). With Meeting Places, Ingka Centres is diversifying their investment portfolio by joining the real estate industry. Ingka Centres purchases and leases property as part of their investment plan. As Ingka Centres (2020) says,

We are transforming our business from one that focuses on simply leasing out square meters to one that puts customers' needs and desires at the heart of everything we do. That serves our customers, our partners and us.

To remain competitive, Ingka Centres is using Meeting Places to "get closer to [their] customers" and to show that they understand the "needs and desires" of local customers (Ingka Centres, 2020). With this focus on understanding 'local' customers, each Meeting Place looks different, or as Ingka Centres (2020) puts it,

There is not one ideal solution for a Meeting Place. We believe there are many. It depends on the needs of the local people, their backgrounds and the specific characteristics of each location. Being unique and relevant to the community will mean different things in different places to different people.

Meeting Places are founded in value creation, with a focus on financial performance and "long-term value creation" for customers, co-workers, business partners, and Ingka Centres (Ingka Centres, 2020). The fundamental goal of Meeting Places is to drive visitation to IKEA stores (Ingka Centres, 2020). The purpose of these Meeting Places has been summarized by Sam as:

The main reason Ingka Centres exists as an organization is to drive visitation to IKEA. That is the main primary focus. And how it is done is primarily through Meeting Places, but it could be through concepts, for example we have gone into city centers. We want to get closer to the customer and the whole concept of having an IKEA outside the city does not always make so much sense. Since the customer behavior is slightly changing. So we are trying to also be where the customer is. But the main reason we exist is to drive visitation to IKEA. That's why we exist, and how we do it is in terms of Meeting Places, shopping centers, it could be other ideas that come up in the future. (Sam, Recruitment Manager)

The purpose of Meeting Places was further emphasized as:

The main purpose for any meeting place really is to drive traffic to the store. That is the sole purpose we exist. You will never find a Meeting Place without

an IKEA store, that is just not what we do. And IKEA of course is going to be at the heart of it, at the core. It is not made too obvious, because we don't want people to get the wrong idea. But, you will see little reminders of IKEA around every corner. (MacKenzie, Recruiter)

Meeting Places are part of Ingka Centres' new business model: Active Portfolio Management (APM). Launched in mid-October 2019, Active Portfolio Management is the consistent investment, divestment, and asset management of Meeting Places (Ingka Centres, 2019). The objectives of APM are to *"drive visitation to IKEA stores, de-risk estate exposure, maximise benefit from real estate value, and strengthen financial independence"* (Ingka Centres, 2019). From our interviews, we have learned that Ingka Centres' has a goal of selling a certain percentage of their Meeting Places annually. We would like to make it clear that, at the time of this writing, Ingka Centres had not yet completed the sale of any Meeting Places through the APM model. Ingka Centres has three approaches for selling a Meeting Place: 1.) straight asset sale, 2.) asset sale with a goal of retaining management, and 3.) co-funding. In a straight asset sale, Ingka Centres sells the asset outright and will not retain any form of management (Ingka Centres, 2019). In an asset sale with a goal of retaining management, Ingka Centres will sell 100% of the asset, but the Ingka Centres co-workers will provide shopping centre management services to the new owner for a fee (Ingka Centres, 2019). The co-funding approach is strictly used for the Chinese market and is not relevant in our research (Ingka Centres, 2019). The first and second selling approaches will directly affect the employment of Meeting Place co-workers. Throughout this paper, we will fluctuate between the terms "APM" and "new business model", but the reader should understand they are one in the same, with APM being Ingka Centres' specific new business model.

Based on the above information about Ingka Centres, we argue that the company is highly relevant to our research, as Ingka Centres is a product of corporate restructuring and is currently undergoing organizational changes that may affect the Meeting Place employees' level of engagement and the organization's employer branding efforts. Similarly, considering that Ingka Centres was founded only recently in October 2019, we would argue our company is a unique case without much previous research, furthering the need for a case study (Saunders, Lewis, & Thornhill, 2002; Yin, 2003).

5. Analysis

In the following chapter, we will present the findings that surfaced from our case study of organizational change at Ingka Centres. The initial sections of this chapter seek to outline the context in which our study was conducted, beginning with a comparison between Ingka Centres and their parent company, and moving into the implementation of the Active Portfolio Management (APM) model. Following this, we will highlight the results of this implementation including effects on employer branding and employee engagement.

5.1 Comparing the Employer Brand of Ingka Centres and IKEA Group

It is so different from what IKEA is doing. One of their core strengths is kind of stability, of, you know, your job, the business, of everything else. We are taking exactly the opposite approach. (MacKenzie, Recruiter)

As a subsidiary of IKEA Group, Ingka Centres was created in line with the same core values of their parent company (**Appendix B**). According to their website (2020), the goal of Ingka Centres is to create Meeting Places that are anchored in IKEA Group's values, yet are still tailored to Ingka Centres uniquely. IKEA Group's values (**Appendix B**) highlight togetherness, responsibility, and a humanistic focus (IKEA, 2020). These values are a reflection of IKEA Group's employer brand and their identity as an organization. While Ingka Centres shares the same values as IKEA Group, Ingka Centres has a differentiated set of motivators. These motivators, such as self-leadership, adaptability, innovation, and passion, are used as “*support material during the interview to find out if candidates are a match with our values*” (interviewee Avery). While both organizations share similar values, Ingka Centres' differentiated motivators may lead to tension or confusion for new employees, especially those intimately familiar with IKEA Group's employer branding. This tension or confusion may impede Ingka Centres' employer branding efforts, as we will discuss the subsequent analysis.

When asked about perceptions of the organization's employer brand, our interviewees focused mainly on the humanistic aspect of IKEA Group and Ingka Centres. This was exemplified as:

In a way we know that people are resources to make the business happen, but in IKEA and Ingka Centres we say, "Leading people and business together". Without people we won't have business, without business we won't have a place to employ people. (Peyton, Leadership & Culture Manager)

As a company, IKEA Group puts the focus on their people, noting that without them the business would not exist. This was further emphasized through:

So we have this environment where I think the business is crucial, but also we are putting a lot of attention on the human and personal people processes. (Jordan, Talent Manager)

In addition to their emphasis on people, Ingka Centres places a strong significance on the ability of their organization and co-workers to maintain a flexible and agile mentality. This is additionally reflected in Ingka Centres' values, as noted by Peyton:

I think as a company we are very well known for flexibility. We want people to try different things within the company and we really encourage people to become successors and to grow succession for key positions at least. (Peyton, Leadership & Culture Manager)

This focus on flexibility and adaptability is further highlighted through:

When we talk about Meeting places and APM, we talk especially about one thing and that is adaptability. The way that we are working is agile, this is a super strong reality in Ingka Centres. Everybody is working with high-performing teams, this is what we call fit for purpose teams... in order to do whatever it is, very fast, very agile, is extremely important. We are talking about this type of capacity. The capacity of the Meeting Place approach to adapt themselves in a very fast and quick way. Adaptability is the capacity of the people to self-lead themselves, so to do things without asking their managers. (Jordan, Talent Manager)

And:

We're not only talking about being agile, we need to find agile people and agile people will maybe find this model attractive. (Avery, Recruiter)

While Ingka Centres is branded under the same umbrella brand of IKEA Group, and therefore shares the same values and goals as its parent company, during our interviews we

learned that there were differing perspectives of the alignment of these values in practice. One interviewee described the similarities of the two as:

If you dig into it, it actually is very much in line. (Peyton, Leadership & Culture Manager)

Another interviewee agreed with the alignment of the values, but thought that Ingka Centres needed additional “motivators”. As we can infer from the quote below, “motivators” are something like ‘sub-values’ that are specific to the Ingka Centres brand rather than IKEA Group’s:

We have pretty much the same culture & values. We have a few additional motivators that we’ve been looking at. Because when you look at IKEA as a company, one of the synonyms with IKEA is that people associate IKEA with safety and security. Which would be the direct opposite of what we have for the APM model where we cannot give that safety and security. So we need to be up front about it. So we’ve started looking at other motivators when we’re recruiting, that apart from our culture and values that we have from IKEA, which we have gladly inherited, we are looking at 3-4 more motivators which are slightly more unique to Ingka Centres, more unique to the business model that we have, and the recruiter needs that we have in Ingka Centres. (Sam, Recruitment Manager)

Here, Sam demonstrates an awareness of the need to be transparent in Ingka Centres’ communication of their values, specifically highlighting the discrepancy in terms of safety and security between IKEA Group and Ingka Centres. While co-workers generally agreed that IKEA Group and Ingka Centres share the same overall culture and values, some felt that in practice and in regard to the APM model, not all of the values align. One co-worker stated:

It is so different from what IKEA is doing. One of their core strengths is kind of stability, of, you know, your job, the business, of everything else. We are taking exactly the opposite approach. So, for us I think it is going to work. But now if IKEA started new tricks like that...see, I don’t know. Then it just depends on the adaptability of the business itself. And if the business can manage it well, then it can totally work. (MacKenzie, Recruiter)

This was further emphasized when asked directly if the values were in-line:

To some extent, yes, and to some extent, no. Because when we are talking about the values... Togetherness, and you know, the same example from IKEA stability, which is one of their main EVP [Employer Value Proposition] points, that doesn’t really go with it at all, because essentially we are disposing of places, sometimes with people that are not beneficial to the

business any more. So, no, in that sense, no. (MacKenzie, Recruiter)

In both of the previous quotes, the interviewee notes the long-term perspective and stable business approach IKEA Group is known for, and how that is contrary to the agile and flexible approach Ingka Centres is taking instead. In summary, there are conflicting views by co-workers on the alignment of employer branding efforts between IKEA Group and Ingka Centres. Our empirical data displays that there is no agreement between our interviewees as to the extent in which Ingka Centres and IKEA Group share the same values in practice. This is an interesting finding as Ingka Centres' public stance is that they share IKEA Group's brand image and values.

5.2 Understanding APM

It's not really something we started to communicate about. Which perhaps could be a problem, maybe we should do it, but we haven't really...Right now, we are not very good at doing it. (Avery, Recruiter)

In **Chapter 4 The Case Study**, we introduced the Active Portfolio Management (APM) model and noted how recruiters and strategists within Ingka Centres understood why the APM model was created - to drive store visitation and stay competitive in the retail industry. As researchers, we became curious if Ingka Centres co-workers as a whole also had the same clear and consistent understanding of this organizational change. Our research led us to focus on three aspects: understanding the contract, checking for organization-wide understanding, and communication of the model. We will address each aspect respectively.

5.2.1 Understanding the Contract

Throughout our research we learned that all Ingka Centres co-workers are hired under a permanent contract of employment. Permanent employment is consistent with IKEA Group's value of long-term thinking, as mentioned previously, and was the established employment method of the IKEA Group. When we asked Peyton why Meeting Place co-workers were offered the same permanent contracts after the organizational change, we heard:

I think partly it is staying true to people, and not changing dramatically overnight, the employment mode, because it will affect the feeling of safety...That is one part, and another part for business-wise, I think we still

see a lot of benefits of having a permanent employment, and not go into the short-term mode. (Peyton, Leadership & Culture Manager)

Here, Ingka Centres is focused on keeping a consistent employer branding image and highlights the importance of security for co-workers. The Leadership & Culture Manager further expanded on the benefits of permanent employment, particularly focusing on benefits to the organization:

They need to connect to the big picture, to the vision of the company, so employing people for a short time is not going to give that. But I think employing them permanently is a motivation for them and gives them a sign that we are here for long with you. So that gives an opportunity for people to get to know the company, get to know the vision, to understand the purpose, to always keep it in mind, so they can be more self-led. (Peyton, Leadership & Culture Manager)

Peyton expands on the feelings of security and support that come with permanent employment:

It creates a sense of belonging, it creates a sense of togetherness. I think, per say, if you have this permanent employment, we as a company are saying, "If you join the company, we care for you. We want to find the best place, because we believe you make our business successful." (Peyton, Leadership & Culture Manager)

While Peyton made clear the business benefits Ingka Centres gains by offering a permanent contract, she and others also explained a negative consequence of doing the same:

You get a permanent contract, but it could be that during the time, even very soon after you've joined, it could be that the MP you are recruited into could be sold. (Sam, Recruitment Manager)

This is reflected in,

I think it can create expectations from coworkers, it has potential to create false expectations from coworkers. Because it may seem like I am going to be here in this very place and this position for as long as I want. And I think that is where the false expectations are created. (Peyton, Leadership & Culture Manager)

These expectations of stability and security were further emphasized through:

It has never been said if you are in the recruitment process if you end up getting hired, and come with us at IKEA we will take care of you for life. It is not a lifetime employment, it has never been said. But people sort of expected that. (Quinn, Change Manager)

And by a recruiter,

So before that it was more, if you got a job in a Meeting Place, you knew it would stay there - of course nothing is permanent, we don't know if we get a job in IKEA store how long it would be there - but you sort of believe it will be there for a long time, and it was the same with Meeting Places. (Avery, Recruiter)

All in all, we heard consistently that the permanent contract created a false sense of security for Ingka Centres co-workers hired into the APM model. With these false expectations in mind, multiple interviewees expressed a need for a mindset shift, such as,

You hire permanently into the company, per say, but the assignment you have now is this one and it may end any time. And I think it is just a tweek to do with the contract and what you communicate to people. We say we welcome you into IKEA centers, permanently, as long as everything works out between the employer and you, and you want to stay, we have a place to use your talent. But the assignment for now is this one. And this mindset needs to change. (Peyton, Leadership & Culture Manager)

This was further emphasized by a Change Manager:

I don't think you can expect to have the same job next year as this year, because that is not how the future will look. It is the same if you work in a Meeting Place or Service organization. It is a constant mindset. That is what people need to grasp. (Quinn, Change Manager)

When we asked if the employment contract had a section explaining the possibility of the Meeting Place being sold and the impact that would have on the employee's job security, we were told by a Recruiter,

That is something that would probably be discussed but I can't see how that would be included in a contract. Maybe it is a separate document of acknowledgement, but I don't know. I'm just guessing here. (MacKenzie, Recruiter)

To sum up this section, it can be said that the permanent contract is at odds with the APM business model. The permanent contract creates an expectation of stability, while the APM model, with its focus on divestment of Meeting Places, is inherently unstable. The employees we interviewed consistently expressed worry of the false sense of employment security Meeting Place co-workers may develop. In the next section, we will explore the breadth of understanding of the APM model in the organization.

5.2.2 Checking for Organization-Wide Understanding

When asked about the understanding of the APM model throughout the organization, we heard multiple varying opinions as to the extent of this awareness. One of our interviewees, a Recruitment Manager, expressed confidence that it was well communicated and understood across the organization:

The APM model has been communicated now in November when we started off, when we first started doing it, and then it has been communicated across the organization. I think it took a little while before everyone understood what it meant, but now more people have an understanding of what it means. (Sam, Recruitment Manager)

However, other interviewees, such as the Recruiter Avery, expressed concerns that the APM model was not well communicated nor well understood:

When I heard people talk about it I was like, "What is this APM? I don't understand." So it's extremely new. So if you interview people, I'm not sure how many people would actually recognize it because it's not something you talk about daily and it depends where in the organization you are, so if your work is related to it. So for me, we don't talk about it that much. (Avery, Recruiter)

Compared together, these two quotes show the discrepancies in the perceived level of understanding of the APM model throughout the organization. It is important to note, however, that both of these interviewees are part of the recruitment team for Ingka Centres and, therefore, do not work at a Meeting Place. As researchers, we cross-referenced the perspective expressed by the recruitment team with individuals working at a Meeting Place. This allowed us to gain deeper insights of the effects of the APM model. When we asked a Meeting Place co-worker if she was aware of the APM model and, if so, when she first heard about the model, she replied,

Yes, I am aware of this model. I don't remember when, but I think it was some weeks after my recruitment [in December]. (Blake, Meeting Place Co-worker)

Similarly, we asked a Meeting Place Manager if co-workers are aware of the APM model and, if so, when they were made aware. He replied,

Basically when we had the announcement [in October of 2019] about the changes that [the Meeting Place] would be part of the APM process. And from that time, when we have to recruit someone, we are quite transparent with the potential new co-worker. They know what is happening and they know the

situation in any Centre. (Taylor, Meeting Place Manager)

While both of these interviewees explain that co-workers are aware of the APM model, there are further discrepancies as to *when* they were made aware of the model. Blake was hired after the APM process was announced, yet was not told about the APM process until *after* her recruitment. As noted from the quote, Taylor made clear that the APM process is explained *during* the recruitment process. We will further explore these discrepancies in the next two sections.

5.2.3 Communication of the Model: When

As previously expressed, false expectations of job security are a possible consequence of offering a permanent contract to employees under the APM model. The employment contract, however, is not the only means in which to explain to potential employees the possible effects of this new business model. As Taylor earlier mentioned, the recruitment process is another option. This prompted an exploration into *when* in the recruitment process the APM model should be discussed with candidates. Our research exposed two opposing opinions on the timeline of communication: *earlier* and *later*. For our interviewees that advocated for *earlier*, some were very to-the-point in their preference for earlier communication:

Usually in the last step or in the beginning. (Avery, Recruiter)

And,

That discussion has to happen very early in a conversation. (MacKenzie, Recruiter)

And,

From the beginning it is very important to be transparent, as clear as possible. (Taylor, Meeting Place Manager)

And,

In the communication, our goal is to be transparent. Honest and transparent, as much as possible. And to communicate as early as possible. (Jamie, Engagement & Change Manager)

Others expanded on why *earlier* is the correct time, in their opinion:

It is at the time of interview that we want the hiring managers to make sure that they are communicating honestly to future co-workers. I would say that it's something you could probably mention in the first [interview]. Because there's no point in going to the final stages of an interview process and then

letting the candidate know this and then they are uninterested. Then we have wasted quite a bit of time. So to somehow manage it in the initial stages of the interview process. (Sam, Recruitment Manager)

Here, Recruitment Manager Sam notes the importance of not “wasting” time, both for Ingka Centres and the candidate. This same concept was mentioned by other interviewees as well, as a way to explain why *earlier* is the preferred moment:

I think, first of all, if we would be more honest about it when we recruit, which I think we should be, then we could lose candidates that are not up for it. But we would also keep the candidates that are fine with it. Which is of course really good. (Avery, Recruiter)

Here, Avery and Sam are expressing that being transparent with applicants will help to filter out candidates that would not want to work within the APM model. This was further emphasized by Recruiter MacKenzie:

Just to probe the reaction of the candidate. At the end of the day, it depends on the people that we are hiring. For some it is going to be more worrying, for some it's going to be less. (MacKenzie, Recruiter)

MacKenzie is again reflecting the idea that communicating the new business model to potential employees can be used as a filter - a way to sort through candidates that would not be a ‘good’ fit for employment under the APM model. This does, however, come at a risk to recruitment efforts, as noted here:

But of course we could lose good candidates that could maybe be doing a better job than the candidates that we keep. So it could affect how good of candidates we get to recruit. For example in Spain where we get 200 applications, people would be fine with it because it's such a high unemployment. But in Sweden it's not [the same unemployment rate], so people can be more picky. So for us it's harder to find people if we would be honest with this. (Avery, Recruiter)

Meeting Place Manager Taylor brings up another risk associated with communicating *earlier*, highlighting that it is not always possible to do so:

It's not so easy to always be transparent, because there are some decisions that are confidential. (Taylor)

All in all, those in favor of communicating the APM model *earlier* in the recruitment process referred to the positive benefits of filtering potential employees for a ‘good’ cultural fit as well as the importance of transparency about the job as early as possible. Those in favor of

communicating the APM model *later* in the recruitment process conversely expressed their belief that other things were more important to focus on during the initial interview:

So, when do you communicate? Probably when you know that you have a candidate that you want to hire. Not the first interview, perhaps, because there is so much else to say. But in the later stages, we might say, "This is how we operate the business and this is the process we are in right now and something might happen six months from now, a year from now, it will be different." Right now, I would say it would come up in the recruitment if you are out in a Meeting Place being recruited for a Meeting Place that is under divestment, and in the last parts of the interview to give the full picture. (MacKenzie, Recruiter)

And,

So basically we have the four hiring principles. So the [first interview] sticking to the competencies and then it comes to, after the selection has gone a bit further with the final candidate, we of course explain the situation. (Taylor, Meeting Place Manager)

This was further emphasized through:

I don't actually think this information is too relevant for our people. So if you are asking me if we are communicating about the APM in advance, to me I don't think it's that important. To me it's more to figure out if this relationship is going to work in the long run. Because whenever we talk about people & development, we are always talking about the long-term process. So for me, it's important to find this connection that we have with each other. The rest is not that important. (Jordan, Talent Manager)

These quotes each focus on other aspects being more important to mention in earlier job interviews, such as competencies and cultural fit. It is important to note that these quotes were taken from different groups of interviewees: a Recruiter, a Meeting Place Manager, and a Talent Manager, respectively. In sum, the data shows a discrepancy within *when* the APM model should be communicated in the recruitment process. Interestingly, both those in favor of *earlier* and those in favor of *later* noted the importance of establishing 'good' cultural fit during the interview process, but differed on the method used to obtain that information (i.e. by explaining the APM model early in the recruitment process or by focusing on candidate competencies).

5.2.4 Communication of the Model: Who

Throughout our interviews, it also became evident there was a discrepancy as to *who* should communicate the new business model to potential employees: the *Hiring Manager* or the

Recruiter? For those that made the case for the *Hiring Manager*, some were very to-the-point:

It would be the [hiring] manager saying this. (MacKenzie, Recruiter)

And,

The hiring manager [communicates APM]. (Taylor, Meeting Place Manager)

Others were more elaborate with their responses:

So somewhere in the process, someone from HR should be [communicating], and usually in the last step or in the beginning [of the interview process]. The thing is in the Meeting Places, they can be junior positions so we [(the Recruiters)] don't have to be involved, we trust the Hiring Managers to do a good job. But what we are starting to think about is how do they communicate about this, that there is this chance that the meeting place will be sold off? But we don't know how they deal with it if they do it. So we don't know how they do it. (Avery, Recruiter)

And,

It is at the time of interview that we want the hiring managers to make sure that they are communicating honestly to future co-workers. (Sam, Recruitment Manager)

Both Avery and Sam note that the *Hiring Manager* should be the communicator. Sam mentions explicitly that the communication with the potential employee should be “honest”. Avery, an employee on Sam’s recruitment team, explains that while the recruitment team is cognizant of the *need* to communicate, Avery displays confusion in *how* the communication happens in practice. This shows a disconnect, even within the same team, of how communication of the APM model happens in practice.

For those that made the case for the *Recruiter*, we heard:

My expectation would be on myself [a recruiter] and on the recruiting team to mention it. (MacKenzie, Recruiter)

And,

When we do the recruitment, when we explain the business, this is what we need to tell. This is the business, this is the environment you will be living in, this is what is expected of you when you join this organization. You cannot expect to be in this position forever. (Quinn, Change Manager)

This was further emphasized through:

From a recruitment perspective, we want to be transparent. We have advised our recruiters going forward to start being very transparent with our employees when we recruit them to a Meeting Place that have this existing model. (Sam, Recruitment Manager)

Interestingly, as seen above, Sam advocated for both the *Hiring Manager* and the *Recruiter* to communicate the APM model to the potential employee. This sentiment was similarly expressed by Avery, despite the previous quote placing ownership of communication onto the *Hiring Manager*:

Of course it is our [the recruitment teams'] responsibility how the recruitment is being handled. So we should take responsibility for this [communication], but this is so new, so yeah, we haven't really gotten there yet. (Avery, Recruiter)

In summary, our research has unearthed another discrepancy: Should the *Hiring Manager* or the *Recruiter* communicate the APM model? While the answer to that question is not discernible from the data, it is clear by all those we interviewed that the APM model *should* be communicated to potential hires during the recruitment process. As Jamie notes below, communication of the APM model, to both potential and current employees, is an obstacle for Ingka Centres,

There is a challenge for us. When I talk about communication, I think the challenge is to have coworkers understand that this is ongoing. I think that is a struggle and also understand how to work with it and draw learnings and conclusions from it. (Jamie, Engagement & Change Manager)

As Jamie goes on to note below, this communication challenge has strong potential to affect employee engagement and employer branding throughout Ingka Centres, which we will explore in the next sections:

In the communication, our goal is to be transparent. Honest and transparent, as much as possible. And to communicate as early as possible. It was so important to us to communicate at a super early stage, because that would also mean that we would have co-workers with us on the journey. Because if we bring co-workers with us on the journey, we believe then it is easier to create an understanding and keep the engagement up. (Jamie, Engagement & Change Manager)

5.3 Employer Branding

We are a new brand, and we are in the process of establishing that. It would be harder when we want to be transparent with our candidates. It's easier

when they know it's IKEA, then they have an association with IKEA and they understand how big it is or the possibility of finding your way through the company and other possibilities. But when you have a new brand company like Ingka, it's a challenge getting that point across. (Sam, Recruitment Manager)

As the quote above notes, employer branding is a complicated challenge, especially for a new subsidiary under a well-known parent company. As we learned through their website (2019), at the center of IKEA Group's employer branding and recruitment efforts is their commitment to preserving the company's culture. According to the same site, maintaining a strong IKEA culture is one of the most crucial factors behind the continued success of the IKEA Group concept. In order to preserve this valued culture, IKEA Group looks at culture fit with every hire. Togetherness, leading by example, and caring for people and the planet are a few of IKEA Group's core values (IKEA, 2019, see **Appendix B** for more). Individuals who exhibit these values are thought to perform well in their roles and within IKEA Group (IKEA, 2019). This encapsulates the organization's employer branding philosophy.

As discussed in section **5.1 Comparing the Employer Brand of Ingka Centres and IKEA Group**, there are similarities between each company's brand image, such as the humanistic perspective. However, as was noted in the same chapter, there are key differences between Ingka Centres and IKEA Group as well, namely adaptability. Additionally discussed was that Ingka Centres does not mirror IKEA Group's value for stability, as stability is contradictory to the APM model that Ingka Centres is currently employing. As noted by Quinn below, by implementing the APM model, Ingka Centres' employer brand is inherently changing:

It changes the employer branding per say, for the ones that are currently employed, or employed a couple of years back. And for the ones that we want to attract to the future. (Quinn, Change Manager)

Yet, as Ingka Centres is a new company, the risk becomes that Ingka Centres' employer branding efforts will be overshadowed or consumed by IKEA Group's established employer brand. We explored this topic with our interviewees and they further highlighted the discrepancy between parent and subsidiary organizations, specifically in the brand messaging IKEA Group has promoted as a long-term employer and a "humanistic" company.

From the business perspective [the APM model] is of course going to be great because we are going to be able to invest where we need to and remove that

investment when it is not as beneficial to us as a business. But from the people angle, for the moment, it is a little worrying...It is not like we sell a Centre and people lose their jobs. We would like to hope that that is not the case. Of course sometimes these things can be out of our control. Good for business, not so sure about people just yet. (MacKenzie, Recruiter)

In this quote, MacKenzie highlights a risk the Ingka Centres employer brand image faces. Here, our interviewee expressed how the APM model may be counter to the humanistic perspective IKEA Group and Ingka Centres have developed as part of their employer brand image. Similarly, Jamie mentions a second discrepancy between the parent and subsidiary organizations:

IKEA and Ingka Centres have been seen always as always long term. Always investing for the long run. Never closing an IKEA store, never closing a shopping centre. Never leaving, always just expanding. You can work with IKEA for 35 plus years. You will never get out of that. You are in that for life. And that is the common view. It has been both amongst co-workers and the community itself. That is what is changing. (Jamie, Engagement & Change Manager)

Here, Jamie mentions the long-term mentality that IKEA Group has been known for and highlights that this mentality is changing within Ingka Centres. Quinn supports this sentiment in stating,

It has never been said if you are in the recruitment process if you end up getting hired, and come with us at IKEA we will take care of you for life. It is not a lifetime employment, it has never been said. But people sort of expected that. When you meet these people that have been employed for 25 or 30 years they say, "Yeah, I cannot recognize ourselves anymore. It is this different time." And it is like, "Yeah, but the world has changed as well. It is different." (Quinn, Change Manager)

Both of the previous quotes note the long-term perspective IKEA Group is known for, and how that is contrary to the business model that Ingka Centres has adopted. As Taylor notes below, this shift would mainly affect the co-workers that have been with IKEA Group for a long period of time:

I would say for the young people, it's not a big issue. Because maybe they are not so long in the company (one or two years), so it's okay, it's a business decision, and as long as it's well explained it's fine. It's much more complicated for the people with 10-15 years of service in Ingka Centres or IKEA because we are not used to that. So it's much more explaining involved for those people compared to the young generation who say, "That's fine, we'll do something else". (Taylor, Meeting Place Manager)

We are again confronted with IKEA Group's brand image as a long-term employer. Interestingly, our interviewees, including Jamie and Quinn above, mentioned numerous times the IKEA '30 Year Career':

You know, we have people staying for like 30, 35 years. I think my manager has been around for like 37 years. (Peyton, Leadership & Culture Manager)

And,

Most of the employees that we have today in the Meeting Places, have been working for Ingka a long time, and in that model for 2 years to 15 years working at IKEA. (Taylor, Meeting Place Manager)

Thus far, our research has displayed the deeply ingrained perception IKEA Group co-workers and the greater community have of what a career with IKEA Group would be like. As expressed by our interviewees, this ingrained perception has potential negative ramifications for Ingka Centres' employer branding efforts. Specifically, our interviewees were apprehensive that IKEA Group's brand image (that of a stable employer) would be projected onto Ingka Centres' image as well. In this, candidates would come to expect Ingka Centres to be a stable employer, like IKEA Group. As Ingka Centres aims to become a more 'agile' employer, this expectation may result in a blurred or confused employer brand. The quote below explains this mentality further:

When [new hires] get to know about [the APM model], they can be dissatisfied. Maybe they quit or they talk bad about us. Then it's like okay, [they] didn't get to know this from the beginning. Then a bad start in the company can affect how you perform, how long you stay, everything. (Avery, Recruiter)

Here, Avery expressed a concern that new hires would feel misled about Ingka Centres as an employer, particularly as employment stability is less secure under the APM model. Avery highlights her apprehension that should negative employee experiences be shared outside of the organization, there would be a negative impact on Ingka Centres' employer branding efforts. Sam echoes this concern, adding in that while transparency is key, it does pose a risk to recruiting, as discussed in section **5.2.3 Communication of the Model: When:**

How do we manage with building a new brand and at the same time try to be honest and open with our candidates? We have this new model in our Meeting Places. Which will probably result in that lesser candidates want to take this risk, that's the biggest drawback. (Sam, Recruitment Manager)

In this, Sam recognizes the difficulty Ingka Centres faces in building a new brand. As the previous data suggests, part of this difficulty stems from Ingka Centres shared employer brand image with IKEA Group, under the umbrella branding strategy. The conclusion our interviewees came to is that Ingka Centres must differentiate itself somewhat from its parent company. In this, our interviewees suggested that Ingka Centres highlight the APM model, the organization's adaptable nature, and their modern image, but that this effort at differentiation may take some time:

It is going to take some time. It is going to take a couple of good examples to manage, to navigate that situation well. Where we can see that we have something that we can show that is fine. (MacKenzie, Recruiter)

While differentiation from the established employer brand may be difficult and timely, MacKenzie noted an alternative method: trying instead to brand the AMP model as "humanistic". As MacKenzie mentioned, in sharing positive examples of selling Meeting Places, Ingka Centres may be able to embody their current employer brand image as a "humanistic" company while still employing the APM model .

While our interviewees did note possible negative effects of the APM model on Ingka Centres' employer branding efforts, they did also mention multiple *positive* effects. The first, interestingly, relates back to the recruitment 'filter' discussed in section 5.2.3

Communication of the Model: When:

For a positive aspect, I feel like from an employer brand perspective or from a recruiting perspective, is that if you're able to crack this, then we're able to get the right candidates exactly for Ingka Centres. Where we're able to secure adaptability and agility in the mindset, because then we're recruiting candidates that are not only looking for safety and security in a job, but they're looking for other motivators that are making them join us. Which is more aligned to what we would need when it comes to recruiting for the Meeting Place. (Sam, Recruitment Manager)

Our interviewees also discussed their view that the APM model promotes a "modern" employer brand image for Ingka Centres:

So if we would only be sticking to that business of shopping centers, I don't think people would apply to us. Because it's not the future. So I think that if we represent ourselves as being modern and thinking in a modern way, it's helping us. (Avery, Recruiter)

And,

Faster moving, going with the times, adjusting to what is needed. We can just look back a couple of years when we didn't go into the digital space. We took a bit too long and said, "Stick to the store, the shopper needs the full experience. This is the manual. This is how we've done business for 70 years and this is how we will do business for another 70." Of course, the world looks different. I do believe that to continue to be attractive as an employer, we also need to change. I don't necessarily see this APM as something that would damage our reputation, or our image or worth. This is modern. This is more toward the future. (Quinn, Change Manager)

In this quote, Quinn mentions "the manual", referring to IKEA founder Ingvar Kamprad's 1976 *The Testament of a Furniture Dealer*. *The Testament of a Furniture Dealer* is used as a philosophical guide for all IKEA employees, including those at Ingka Centres. *The Testament of a Furniture Dealer* promotes IKEA's mission: *To create a better everyday life for the many* (Torekull, 2011, p. 332). Kamprad notes, "*Part of creating a better everyday life for the many also consists of breaking free from status and convention*" (Torekull, 2011, p. 332). In his document, Kamprad urges IKEA Group co-workers to "*dare to do it a different way*", or what is often referred to internally as the "*IKEA way*" (Torekull, 2011, p. 332 & 338). In striving for their mission, Kamprad continues to say, "*We aim to make our name synonymous with that concept, too, for our own benefit and for the inspiration of others*" (Torekull, 2011, p. 332). Ingka Centres' new business model, with a desire to be seen as a "modern" organization, is in-line with the philosophy laid out in *The Testament of a Furniture Dealer*. In keeping with the benefit of being seen as a "modern" organization, multiple interviewees also mentioned that the modern employer brand image would help attract new and younger talent:

I think this is needed and this is positive, and to attract you guys [(the interviewers)], that are the new people coming in. It is not as attractive to say "Come work here for 45 years". (Jamie, Engagement & Change Manager)

And,

You know, people these days are not looking for a forever job anyways. It's not a case of "I'm going to start at Ingka Centres and I expect to be there for 30, 40 years." People do their two, three years of service and move on to somewhere else. For some that is going to be absolutely fine. (MacKenzie, Recruiter)

These quotes each describe a generational shift in perspective, namely that younger candidates are attracted to "modern" organizations where employment with one organization

is typically not for a career lifespan. As a recently hired co-worker to Ingka Centres, we asked Blake what her expectations were in regards to the timeline of working with the company:

*I would like for a long time [to work at Ingka Centres], at least 5 years.
(Blake, Meeting Place Co-worker)*

This five year expectation is in direct contrast to what other interviewees mentioned when referring to IKEA Group's legacy as a long-term employer. This view of thinking is more in line with Taylor's comment that the APM model is more attractive to younger people, because they are not necessarily looking to stay with the company in the long run. To Blake, five years is "a long time", but to co-workers who have more experience, our interviewees cited thirty years as the expectation.

Ultimately, our data shows both positive and negative impacts of the APM model on Ingka Centres' employer branding efforts. However, the quotes examined above focus on Ingka Centres' *external* employer brand, or the perception non-employees have of Ingka Centres. Our next section will focus on the impacts of the APM model on Ingka Centres' *internal* employer brand, or the perception co-workers have of Ingka Centres as an organization.

5.3.1 Internal Impact

As researchers, we were very curious about the reaction Ingka Centres employees felt when the APM model was announced internally. The response we heard consistently from our interviewees was of shock and worry:

When we communicated [the APM model] in October, it sort of came as a shock. Because again, this is not how we usually have worked. (Jamie, Engagement & Change Manager)

And,

Of course, it was a shock. So [the employees] really went through the stages of grief, with the shock and the anger and the frustration, sadness, and guilt of not being part of this. (Quinn, Change Manager)

The shock and worry the Meeting Place co-workers felt is clearly expressed by our interviewees. MacKenzie further expressed that the communication by the Meeting Place Manager was a key factor in driving these negative emotions,

There was a meeting place that was in the process of being sold, and I don't think it happened because of [Covid-19]. They were taking it pretty badly, but I think it was because the Meeting Place Manager was not doing a very good job communicating it to the team and they were naturally freaking out. (MacKenzie, Recruiter)

These quotes highlight the emotions Meeting Place co-workers experienced when the APM model was introduced. Our interviewees specifically focused on the emotions of co-workers employed at Meeting Places that were on a to-be-sold list. Our interviewees noted the reactions the affected co-workers expressed, focusing mainly on the questions the employees asked. Such as:

People asked, "Could we have done something better to keep ourselves in the loop?" and "Why are we on the list [(to be sold)]?" (Quinn, Change Manager)

And,

There were more reflections on the shock and sadness and all of these other things. "We don't have any information, can you give us more?" They just wanted to have people to be there to hold their hands. Where in the beginning we really didn't see that taking on full leadership of what's happening and sort of giving that to the team. But they didn't really engage in this fighting level or try to really push for leadership and for leaders to take their responsibility that they should. (Quinn, Change Manager)

This is further exemplified by:

There is a lot of worry in the rest of the organization that has not been super involved in the work already to think, 'Am I next?' "Is Meeting Place the next one that will be sold? What will happen then? Should I be worried?" That is something that I think we need to start focusing on a little bit more or on, to prepare the organization for more Meeting Places being on that list, on the selling list, because there we have some work still to do. We focus so much on the affected ones right now, but we need to look into how to tell co-workers that they are next. (Jamie, Engagement & Change Manager)

Jordan expands upon this:

It's putting the people in an uncertain environment. Our people are connected with the brand. This is a very big thing. If the people perceive that they can lose the opportunity to connect themselves with the brand, because maybe in one year time someone will buy the Meeting Place and they will belong to another company, this is concerning to the people. In other cases, I guess this is some sort of trauma in some sense. (Jordan, Talent Manager)

These questions highlight the level of uncertainty Meeting Place co-workers felt, even if their

Meeting Place was not slated to be sold. In the next quote, MacKenzie reinforces the notion of uncertainty, but notes that sharing positive employee experiences of a Meeting Place sale will help mitigate this worry:

There's certainly an element of - I wouldn't want to say worry - people don't really know what to expect at this point I think, because we are just about to go through the first bits of sale and dismount. From the people angle, for the moment, it is a little worrying. It is going to take some time. It is going to take a couple of good examples to manage, to navigate that situation well. Where we can see that we have something that we can show that is fine. (MacKenzie, Recruiter)

Similarly, Jamie also highlights the importance of collecting positive employee experiences:

Also telling the story, because we do have a good story, of how this selling process has been. To educate, to share, and to have people learn more about what we've been doing. If these people who are in the process right now would leave us, then we need to find those stories somewhere else. So I think while we still have these co-workers in the organization, which we hope we will still have [after the sale], we need to try to gather those good stories to tell them this isn't so bad anyways. To bring comfort to the people that are worried. (Jamie, Engagement & Change Manager)

In collecting positive employee experiences, Jamie hopes to bring comfort and reassurance to other Meeting Place co-workers. Sharing positive experiences of the APM model in action may also help the APM model be seen as more “humanistic” and in-line with the established employer brand, as discussed previously. In agreement with Jordan, they elaborate on Ingka Centres’ humanistic values and on the important role that Ingka Centres has in supporting their co-workers through this business change:

But also, if you think about that, every process brings something uncertain. So maybe there are people that are thinking they could lose their jobs or something like this. From IKEA, or Ingka Centres in this case, it's time to support them, it's time to talk with all of them individually, invest time in them. Time to make sure they can combine needs & future opportunities. They can connect things in a very humanistic way. (Jordan, Talent Manager)

And,

We have one of those meetings in the beginning where we were there, but we didn't have our People and Culture partners there. I think we were just learning. I think we could have had our People and Culture partners even more close in the beginning. Because it was a lot led from [the] Communication [team] and possibly [the] Change and Transformation [team], but People and Culture were not as closely holding the hands of the Meeting Places. That was not a mistake done by People and Culture, it was

more maybe where we might have seen the leaders as stronger than they actually were. If we could have identified that. I think we had a stronger belief in our leaders that we actually maybe should have had. On the other hand, that led to something positive. (Jamie, Engagement & Change Manager)

Ultimately, our research showed the deep impact of the APM model on Ingka Centres' employer brand. Our interviewees expressed how the APM model affected the internal and external employer branding efforts, in both positive and negative ways, and discussed the shock and worry Ingka Centres co-workers felt throughout the organization. Uncertainty and frustration are other emotions the Meeting Place co-workers feel deeply and, as Jamie mentions below, have the possibility to significantly impact employee engagement, which we will explore next.

It is of course a lot of frustration and a lot of frustration not knowing, which is causing a lack of engagement of course. (Jamie, Engagement & Change Manager)

5.4 Employee Engagement

If you have happy co-workers, you will have happy customers. If people fulfill their talents they develop faster, they feel more ownership of the company they work for. And I think this employment is in-line with that. Because we are saying. "We hire you and things may happen with this meeting place, but if you are open to it, we want to know you, see your talents, apply those talents." (Peyton, Leadership & Culture Manager)

As indicated in this quote by Ingka Centres' Leadership and Culture Manager, the engagement and motivation of employees is vital to the success of a business. Ingka Centres values co-workers that are motivated to take ownership and be open to changes as they come. Ingka Centres, as a new company, relies on their co-workers heavily as they seek to create successful Meeting Places. As expressed in section **5.3 Employer Branding**, the APM business model, and its focus on Meeting Place divestment, has created feelings of worry and uncertainty in Ingka Centres employees. As researchers, we wondered how this business model change may impact employee engagement. To begin our analysis, we interviewed recruiters about communicating the APM model during the recruitment process:

As I think we're doing it right now and don't be really transparent about it, then it can be a surprise when people actually start. When they get to know about this. And can be disappointed. Maybe they quit or they talk bad about us. Then it's like okay, I didn't get to know this from the beginning. Then a

bad start in the company can affect how you perform, how long you stay, everything. (Avery, Recruiter)

And,

I think we're not doing it the way we could, but I think the way we could do it is to talk about it in a way that, like, we're doing it in a way that we need to be attractive in the future and to have a good business. If you're really stuck in what we've got and you don't want to change, then we're not going to have success. Now I'm just thinking out loud, and of course you have to do this in a good way. But it really shows how we're being agile. We're not only talking about being agile, we need to find agile people and agile people will maybe find this model attractive, that we do this, being kind of brave, so it will be kind of fast now. (Avery, Recruiter)

In these quotes, Avery expressed a concern about co-workers becoming disappointed upon learning that their job security within a Meeting Place was a bit uncertain. Additionally, she worried that their initial disappointment would transfer into future work, resulting in poor performance and a shorter length of employment. Another recruiter mirrored this concern, noting:

I would want them to have all of the information that is necessary for them to make an informed decision. I wouldn't want to be in a situation where we hire somebody and it does happen that we have to sell the Meeting Place and, you know, we leave people with a really sour taste in their mouth because it is like, "Oh, well I didn't know this was going to happen." (MacKenzie, Recruiter)

As indicated in these quotes, the goal is for current and future co-workers to have all the information about their employment before joining the company. According to these recruiters, if candidates are hired with knowledge of the APM model, they are prepared to work within the business model Ingka Centres is utilizing. Conversely, as the quotes note, when the APM model has not been communicated to the new hires, there are feelings of frustration and disappointment.

During our interviews, recruiters expressed high amounts of fear and worry about the future of employee engagement due to lack of clarity during the recruitment process. We decided to ask managers and co-workers directly involved in the change about their thoughts on engagement. When asked how co-workers felt regarding the possibility of their Meeting Place being sold, it was said:

They are still engaged in the business and what they do, but there is an underlying sadness or idea that we really liked this company and we liked our

friends and we still want to be part of it. We want to be part of it. We want to have the new systems that are coming. They are still engaged. (Quinn, Change Manager)

And,

It is of course a lot of frustration and a lot of frustration not knowing, which is causing a lack of engagement of course. (Jamie, Engagement & Change Manager)

These feelings of disappointment and sadness at the thought of leaving their Meeting Place highlight what recruiters Avery and MacKenzie feared. However, while Jamie expressed the frustration that many co-workers felt about the uncertainty of their situation, she also highlighted the engagement as a result of proactive management:

I also see a lot of engagement. If I have a Meeting Place that is going to be sold, I also want to be sure it is going to be sold to the best possible owner. So that if I am not part of the retaining management, then I would make sure that my Meeting Place is getting the best possible owner. So then I would try to make my Meeting Place look the best. And we have seen a lot of that. So we have seen a lot of engagement going from, not Ingka Centres specific, but going to the Meeting Place specifically, trying to make the Meeting Place look and feel as good as possible for the selling process. (Jamie, Engagement & Change Manager)

And,

All of the hard work they are putting into this. It is all on them. They created their own engagement, We support it. We have the best Meeting Place Managers I could possibly believe any company could have. They have stepped up. They have taken the lead on this. They have guided their teams through this change. It has been such a pleasure to watch from the side and to support them in that work. They are brilliant, really brilliant. (Jamie, Engagement & Change Manager)

In reality, this strong sense of engagement is a stark contrast to the worries expressed by the recruiters. These combined quotes by Jamie indicate the high level of engagement in each Meeting Place. Jamie attributes the high engagement to the dedication of the managers on site, specifically in how they proactively worked to influence the sale of the Meeting Place. It is highlighted that managers have taken the initiative upon themselves to encourage engagement at each location. When asked about employee engagement at a Meeting Place slated to be sold, one Meeting Place manager explained:

The commitment remains high. I think that one of the explanations is when you have a very small team, you have to remain very united, and if you start to go

aside, it has a big impact on the Meeting Place. So everyone has to do the job. And the more united you are, the more you share. (Taylor, Meeting Place Manager)

And,

When people feel that we care for them, they can be calm. That it's not the end of the line. (Taylor, Meeting Place Manager)

These quotes highlight the important role Meeting Place Managers have on making their co-workers feel valued and united as a way to motivate and bring the team together. The importance of the Meeting Place Manager was reflected previously in section **5.3.1 Internal Impact**, when MacKenzie expressed that the Meeting Place Manager played a key role in driving the negative emotions of worry and frustration:

There was a meeting place that was in the process of being sold, and I don't think it happened because of [Covid-19]. They were taking it pretty badly, but I think it was because the Meeting Place Manager was not doing a very good job communicating it to the team and they were naturally freaking out. (MacKenzie, Recruiter)

Additionally, this idea of a “united” community within each Meeting Place is a reflection of IKEA Group and Ingka Centres’ value of “Togetherness” and “Caring for People and Planet” (IKEA, 2019). One of our interviewees, Jordan further expands on the concept of alignment between personal and organizational values driving employee engagement:

The majority of the people working with us are engaged because they feel an instant connection with the brand. (Jordan, Talent Manager)

From a Meeting Place co-worker perspective, we were curious as to if their feelings of engagement mirrored the managers’ positive perceptions of engagement as previously noted. One interviewee noted:

Despite the current situation [(COVID-19)], I am very motivated. I feel that, in this, moment I must give the best version of myself. (Blake, Meeting Place Co-Worker)

When asked if Ingka Centres’ new business model, specifically the divestment aspect, impacted their level of engagement, it was said:

Not really. (Blake, Meeting Place Co-Worker)

In conclusion, our research indicates that our interviewees believe the employee engagement level at Ingka Centres remains high, despite the concern for worry and uncertainty generated

by the organizational change, as expressed previously. Multiple interviewees claimed that this high level of employee engagement is due to the dedication of Meeting Place Managers to maintain unity within their teams. However other interviewees expressed concern for the future, specifically that the lack of communication of the APM model during the hiring process may impact the employee experience and influence the length of employment with Ingka Centres.

5.5 Chapter Summary

This chapter has presented the perceptions and inconsistencies we encountered when interviewing co-workers regarding Ingka Centres' changing business model. Our research and analysis has acted as a platform in finding both commonalities and deviances in the perspectives of our interviewees. We have explored the reasoning behind Ingka Centres' entrance into the market, as well as the perception of whether the values of this subsidiary are in line with their parent company's. We then transitioned into examining how well the APM model is understood within Ingka Centres. Here, we looked into the co-workers' understanding of the APM model, again exposing differing perceptions and opinions concerning the ideal communication of the APM model. While some interviewees thought the communication should happen earlier in the recruitment, others agreed that later was more realistic. Similarly, while it was agreed upon by all interviewees that the communication of this model should happen at some point during the recruitment process, our interviewees again had diverging opinions of whom should communicate the APM model to the job interviewees. Ultimately, our research showed that our interviewees did have a general consensus that Ingka Centres is currently falling short of their communication goals.

Following the examination of understanding and communication of the APM model, we discussed the effects of this organizational change on Ingka Centres' employer branding efforts. We explored the difficulties of maintaining an employer brand image while changing to a new business model, and discussed the risks of Ingka Centres' employer brand being too closely associated with the long-standing IKEA Group brand. Furthermore, a look into the APM model's effect on Ingka Centres' internal and external employer branding efforts revealed differing opinions in both positive and negative ways, and discussed the shock and worry Ingka Centres co-workers felt throughout the organization. We then explored how the

internal effects of this change manifested within Ingka Centres' level of employee engagement. It became apparent in our interviews that the employee engagement level remains high, despite previous concerns expressed by our interviewees. These findings, combined with a revisitation of the theoretical framework, will further be discussed in the following chapter.

6. Discussion

In analyzing our empirical material in the previous chapter, we have addressed our two research questions in the context of Ingka Centres: 1.) How is corporate restructuring interrelated with an organization's employer branding efforts? and, 2.) How is organizational change interrelated with an organization's level of employee engagement? With the aim of exploring the interrelation of employer branding and employee engagement in the context of corporate restructuring and organizational change, this chapter will discuss our empirical findings in relation to our theoretical background.

6.1 Employer Branding

From our analysis, we have seen that IKEA Group is an organization with a well-developed and well-known employer brand. Being that IKEA was first founded in 1943, 77 years ago at the time of this writing, that observation is unsurprising. Ingka Centres, however, was formed in October 2019, just seven months before the publication of this thesis. In addition to being a new company, Ingka Centres is also a subsidiary of IKEA Group. As noted by researchers Brexendorf and Keller (2017), building a completely new employer brand image is challenging work. If the organization is a subsidiary, Brexendorf and Keller (2017, p.1532) suggest utilizing the parent company's brand to establish and embed

a corporate brand image that elicits distinct associations in the minds of key constituents has the potential to differentiate the corporate brand as well as produce a "trickle down" effect to create differentiation at the product and service brand level too.

Kapferer (2008, p. 386) echoes this suggestion, stating:

Capitalising on a flagship brand by applying its name to the group makes it possible to take advantage of the halo effect, even if this involves two clearly distinct sources, since the image of the one influences the perception of the other.

Each of these quotes emphasize the positive impression - mentioned respectively as the "trickle down" effect and halo effect - that the parent company's existing brand can cast on the new subsidiary's unestablished brand. The "trickle down effect" or halo effect may not always produce a positive impression, however. Throughout this section, we will address this

and more, and discuss how two key factors - being both a new company and a subsidiary of a well-known organization - has led to our main finding surrounding employer branding.

Through our research it became clear how deeply embedded IKEA Group's organizational culture is in Ingka Centres' employer brand. For reference, employer brand stems from the field of marketing (Amber & Barrow, 1996; Christopher, Payne & Ballantyne, 1991; Kotler, 1992; Morgan & Hunt, 1994) and is the attributes and qualities that help organizations attract and retain top talent (Amber & Barrow, 1996; Sokro, 2012; Gaddam, 2008; Schulte, 2010). As IKEA Group (2019) notes on their website, at the center of their employer branding and recruitment efforts is their commitment to preserving the company's culture. This was reiterated time and time again by externally-available documents and by our interviewees. This approach strongly correlates with Dell and Ainspan's (2001) research noting that the employer brand encapsulates the organization's value system and facilitates the employee internalization of those values. The CIPD (2012), similarly states that a strong employer brand must be authentic, linking together the organization's values and strategy.

In linking employer branding efforts to organizational values, a company is able to create a brand personality (Barrow & Mosley, 2005). We see this in IKEA Group, as they tout themselves as a company with "*shared values and shared culture that make [them] unique*" (IKEA, 2019). As a member of IKEA Group, this branding lent itself to becoming central to Ingka Centres' identity. The IKEA Group employer brand further reflects the idea that brand personality can be largely defined and represented by the company's founder (Barrow & Mosley, 2005). IKEA founder Ingvar Kamprad instills his personal mentality in his 1976 manifesto *The Testament of a Furniture Dealer* (referred to hereafter as the "*Testament*"). The *Testament* is used as a philosophical guide for all IKEA Group co-workers, including those at Ingka Centres. In the *Testament*, Kamprad notes, "*The IKEA spirit is a strong and living reality*" (Torekull, 2011, p. 334). Kamprad then continues to say that the culture, or spirit, of IKEA can be felt in all aspects of the business. Kamprad outlines the IKEA values, and how they hold constant despite changing times:

Things were more concrete in those days -- the readiness to give each other a helping hand with everything; the art of managing on small means, of making the best with what we had; the cost consciousness to the point of being stingy; the humbleness; the unconquerable enthusiasm and the wonderful sense of community through thick and thin. But both IKEA and society have changed

since then. The spirit is still to be found, however, in every one of our workplaces, among old coworkers and new ones. (Torekull, 2011, p. 334-335).

Here, we see a small example of Kamprad's personal actions and beliefs being used to influence IKEA Group's brand personality. Kamprad was stingy, IKEA is cost-conscious; yet in terms of brand personality, they reflect each other. Having an employer brand image that is too closely tied to the organization's founder can present problems in itself, as suggested by Gaddam (2008). What should happen to the employer brand image should the founder pass away, as was the case with IKEA founder Ingvar Kamprad in 2018? To avoid possible impact on the employer brand image, Gaddam (2008, p. 3) suggests instead, *"It is not just about having a charismatic leader; it is related to the very heart of the organization, and involves the process of creating emotional connectivity in the heart and soul of the workforce."*

In both this reflection on Kamprad's *Testament* and in our interviews, we can see, understand, and even feel how deeply established IKEA Group's employer brand is. In respect to Ingka Centres specifically, our research presented their employer brand as yet-to-be defined. Our interviewees highlighted the complicated challenge Ingka Centres faces in defining their employer brand as a relatively new organization. This realization is consistent with research by Barrow and Mosley (2005, p. 62) acknowledging that an organization's brand personality *"can only mean something if they are defined in relation to a target audience that values what is being offered."* This underlines the importance of clearly defining an employer brand image. New brands, however, face particular problems with employer branding efforts, as the brand personality and image are often still in the process of being defined internally and may not yet be well-known or understood externally (Barrow & Mosley, 2005).

Ingka Centres' employer branding efforts further face the challenge of being a subsidiary under a well-known parent company. As discussed at the start of this section, IKEA Group has a well-established and recognizable employer brand, both internally and externally. As expressed by our interviewees, this ingrained perception of the *"IKEA way"* and close association between Ingka Centres and IKEA Group is a potential obstacle for Ingka Centres' employer branding efforts, particularly as they communicate the APM model. IKEA Group has adopted an umbrella brand strategy, where the entire corporate group is branded in a

unified way (Kapferer, 2008; Brexendorf & Keller, 2017). In this, both IKEA Group and Ingka Centres are meant to share an employer brand image. Typically, an umbrella brand strategy is very beneficial to both organizations. As Brexendorf and Keller (2017, p.1532) note,

Corporate brands can act as an umbrella brand to confer equity to its product portfolio but also, in turn, potentially benefit from feedback effects from product and services at lower levels of the brand hierarchy to enhance its own corporate brand equity.

Researchers, such as Balmer (1995) and Lei et al. (2008), similarly concur with this finding. In this, Brexendorf and Keller's (2017) research would suggest that both the parent and subsidiary companies may benefit from the shared umbrella branding. In the case of Ingka Centres, however, our research has found that this shared brand image may be harmful to Ingka Centres, specifically in the context of recruitment.

Our research found that the root of this potential harm is the false expectations that potential and current employees have of Ingka Centres due to IKEA Group's employer brand promise. As our research displayed, IKEA Group is branded as a stable, long-term, and traditional employer. Conversely, Ingka Centres wants to be seen as adaptable and modern. This poses a contradiction and discrepancy between parent and subsidiary organizations. Can one employer brand image be both modern and traditional? Simultaneously stable and adaptable? For our case company, our research showed this manifested as a clash between IKEA Group and Ingka Centres' employer branding efforts. Our interviewees expressed the contradiction between the humanistic perspective touted by IKEA Group and the APM model employed by Ingka Centres. Being that divestment - and, by extension, increased potential for employee termination - is a key aspect of the APM model, our interviewees expressed concerns that the APM model may be counter to the humanistic perspective IKEA Group and Ingka Centres have developed as part of their employer brand image. Avery expressed concern that dissatisfied co-worker experiences will be shared outside of the organization, negatively impacting Ingka Centres' employer branding efforts. Sam similarly echoed this concern, adding that while transparency of the APM model is key, the contradiction it poses to the employer branding promise may become a burden to recruiting efforts. This concern was reflected in our research by the CIPD (2012) in their statement that a strong employer brand must be authentic, and by maintaining that authenticity, an employee can come to expect that

employer brand promises will be fulfilled. Gaddam (2008, p. 11) similarly espouses authenticity in employer branding, stating organizations “*need to show the real picture like growth, identity, vision, mission and benefits of the organizations to the employees instead of showcasing unrealities about themselves.*” As long as Ingka Centres’ employer brand falls under IKEA Group’s brand umbrella, the brand image and promise of the parent company will be projected onto the brand image and promise of the subsidiary. But again, for our case company, this poses a contradiction and discrepancy between parent and subsidiary organizations. Our research displays Ingka Centres as attempting to differentiate itself from IKEA Group’s employer brand through the use of their value “motivators”. However, by trying to distance two employer brand images under the same umbrella brand, there is a potential to create a blurred brand image (Barrow & Mosley, 2005) or be seen as inauthentic (Rosethorn, 2009; Schulte, 2010). To borrow Gaddam’s (2008) word, our empirical data has shown that IKEA Group’s umbrella brand image as a stable and traditional employer is an “unreality” for the brand image that comes with Ingka Centres’ execution of the APM model. This projection - if inauthentic to and divergent with the business strategy of the subsidiary - has the potential to damage the subsidiary’s employer branding efforts. This was a key finding in our research.

6.2 Employee Engagement

As previously defined in our thesis, employee engagement can be understood as:

The degree of an employee’s positive or negative emotional attachment to their job, colleagues and organization, which profoundly influences their job satisfaction and their willingness to learn and perform at work (Beardwell & Thompson, 2017, pp. 391).

In relation to our empirical data, employee engagement at Ingka Centres is seen as essential to the success of the organization. As an organization that places a high value on people and “Togetherness”, we found our interviewees highlighting the importance of employee engagement multiple times during interviews. However, it became clear during our interviews that the perceived level of employee engagement at the Meeting Places differed: some co-workers believed that engagement was strong, while others worried for the future. Attridge (2009) writes that when engaged, employees can be seen not only as fully involved in, but also enthusiastic about, their work. Additionally, engaged employees will also act in

ways that advance the interests of the organization. When speaking with Ingka Centres, some of our interviewees insisted that the level of employee engagement within the Meeting Places was high. This, according to interviewees, was due to the management. As Meeting Places are usually made up of small teams, many of our interviewees shared that managers took the initiative to lead engagement and bring their employees together through common goals. As mentioned by Jordan, a Talent Manager, *“The majority of the people working with us are engaged because they feel an instant connection with the brand.”* This was exemplified as managers at Ingka Centres were able to engage their co-workers by creating meaning. The ability to create meaning through work has been identified by Kahn (1990) as a strong contributor to the level of personal engagement. Kahn (1990) wrote that meaningfulness can be achieved when people feel worthwhile, valuable, and that they matter. The three factors that he attributed to meaningfulness were task characteristics, role characteristics, and work interactions. This suggests that employers can promote engagement if the work is meaningful to the employee. Though the Ingka Centres co-workers face differing levels of job security, and some have expressed uncertainty about the timeline of their employment under the APM model, the meaning they can cultivate in their work helps to mitigate uncertainty. In creating their own meaning, we found that Ingka Centres co-workers increased their levels of personal engagement.

While gathering empirical data, it became apparent that the responsibility falls upon Meeting Place Managers to create an environment in which their co-workers feel valued and united as a way to motivate and bring the team together. Additionally, this idea of a “united” community within each Meeting Place is a reflection of IKEA Group and Ingka Centres’ value of “Togetherness” and “Caring for People and Planet” (IKEA, 2019; see **Appendix B**). In the midst of a worldwide pandemic, combined with uncertain circumstances surrounding job stability, Meeting Place co-workers remained motivated and engaged. In relation to the Job Demands-Resources framework, it can be said that Ingka Centres co-workers are well equipped with both the appropriate job resources and demands to engage them in their work. During our interviews, multiple interviewees noted the support that managers and employees alike felt while working in the Meeting Places:

All of the hard work they are putting into this. It is all on them. They created their own engagement, We support it. We have the best Meeting Place Managers I could possibly believe any company could have. They have

stepped up. They have taken the lead on this. They have guided their teams through this change. (Jamie, Engagement & Change Manager)

According to Schaufeli and Bakker (2004), job resources including performance feedback, support from colleagues, and supervisory coaching contribute to enhanced employee engagement. Employees that are supported and encouraged in these three areas are more likely to have increased job performance, and continue to engage with their work (Schaufeli & Bakker, 2004). Our research suggests that as a result of this strong internal support from managers and colleagues, Ingka Centres employees remain highly engaged.

Agarwala (2007) stresses the important role that employers play in the success of change initiatives through clear communication. In order to mitigate change and encourage employee engagement, employers should be prepared to speak candidly with employees, work to decrease uncertainty, and provide meaning for change (Bateh, Castaneda, & Farah, 2013). During our analysis, it became apparent that there was doubt and confusion in regards to the communication of the APM model and associated changes. Furthermore, it became evident that co-workers were concerned about the outlook of engagement within the organization because of these discrepancies in communication. While our interviews did not expose any form of employee resistance or burnout at the time, many interviewees expressed concern for the future, citing specifically that the lack of communication of the APM model during the hiring process may impact the co-workers' engagement at later stages. Richardson and Denton (1996) write that timing when communicating change is crucial to the outcome and way that it is received by employees. Employees that are given as much information as possible early on are more likely to feel prepared, involved, and respected during the change process (Richardson & Denton, 1996). This sentiment was exemplified during our interviews, as employees feared the potential impacts of waiting to disclose information until much later in the recruitment process. As noted in section **5.2 Understanding APM**, there is no clear consensus as to when communication should and does take place in regards to the APM model. This discrepancy in timing presents potential problems for the organization as they communicate information that bears weight in recruitment candidates' decision-making and will potentially impact their perception of the authenticity of the employer brand and their future engagement. Employers that communicate key information in a later time frame risk the aforementioned impacts of burnout and/or resistance as a result.

A lack of clear communication was a key finding as we studied Ingka Centres' approach to change. This gap between communication and understanding resulted in fears and worries expressed by interviewees about the future of the organization and employee engagement. These fears prompted us to further explore transparency in communicating change and the potential impact transparency may have on employee engagement.

6.2.1 Transparency within the Organization

Transparency, or the extent of openness in relaying information, is seen as a way to signal the trustworthiness of the speaker during communication or negotiations (Ball, 2009). Our empirical material suggests that Ingka Centres struggles with transparency in their communication of the APM model. The importance of transparency in organizations has been noted by researchers as an indicator of moral health (Bennis, Goleman & Biederman, 2008) and promoter of "*good governance in organizations*" (Pasquier & Villeneuve, 2007, p. 160). Our findings are very much in line with this research, and exemplify the point that transparency in communication is important to successful reception and implementation of the change. The formation of transparency as defined by Rawlins (2009), can be separated into two construct types. The author determined that these types can be defined as 1.) referring to an organization's reputation for transparency, and 2.) the way in which the organization puts forth communication.

There are three determinants of organizational transparency: integrity, respect for others, and openness, as researched by Rawlins (2008). Integrity, or "*that a person's behavior is consistent with espoused values and that the person is honest and trustworthy*" (Yukl & Van Fleet, 1992, p. 151), has been identified by interpersonal and group relationship theorists as a central determinant of trust in organizations (Becker, 1998). Respect signifies an organization's or person's regard for the interests and needs of its stakeholders. Defined as the perceived "*worth accorded to one person by one or more others*", respect is consistently ranked as one of the top characteristics employees value most in a job (Spears, Ellemers, Doosje, & Branscombe, 2002, p. 750). Finally, openness, which is often a term associated with transparency, and is often used as the definition of transparency (Auger, 2010). Rawlins (2008) characterizes openness as the summation of concepts including truthfulness, consistency, disclosure, candidness, and sincerity.

Consequently, our empirical material highlights the fact that Ingka Centres does not exemplify all determinants of organizational transparency as defined by Rawlins - specifically, integrity and openness. During our research, we observed a lack of openness in the way that Ingka Centres is currently communicating the APM model to job candidates. Similarly, our research displayed two contradictory employer brand images between IKEA Group and Ingka Centres. The discrepancies between these images may produce emotions counter to that of integrity, such as inauthenticity (as discussed in section **5.1. Employer Branding**) or frustration (as discussed in section **5.3.1 Internal Impact**). This can be interpreted as a lack of integrity as the organization's promise and values are not consistent with their actions. While the IKEA Group's values have been defined multiple times throughout this thesis, it stands to reason that Ingka Centres' APM model is not in line with these values, as argued by our interviewees. The co-workers we interviewed consistently expressed worry of the false sense of employment security Meeting Place co-workers may develop, potentially resulting in a poor employee experience and decreased engagement. Emotions of uncertainty and frustration expressed by the Meeting Place employees further illustrate the misalignment of these values. Alongside the withholding of critical information that may affect candidate attitudes when accepting a new job, our research indicates that Ingka Centres has not acted in a way that encourages transparency, potentially resulting in the loss of trust.

6.2.2 The Effect of Trust on Engagement

The discrepancies of communication in our empirical material highlights the importance of transparency, which gives way to trust, thus encouraging employee engagement. Goodman (2006) writes on the importance of adequate communication and the role it plays in helping employees understand both the need and effects of organizational change. In times of uncertainty, employee trust is a crucial asset to organizations as they mitigate change in order to avoid negative implications (Robinson, 1996). The construct of trust, as described by Tan and Kim (2009, p. 45), has been explained as *"being the basis of quality interpersonal relationships and a source of competitive advantage for organizations"*. This trust within organizations involves the readiness of employees to be vulnerable to their organization's actions (Tan & Kim, 2009). Additionally, the authors go on to say that this readiness can only

be rendered in the event that the organization clearly communicates its intentions to employees. Goodman (2006) notes that strong communication, collaboration, information flow, and trust all work together to enhance employee engagement. As found in our research, Ingka Centres does not have a clear procedure for communicating the APM model to candidates during recruitment. Additionally, our research suggests that there is a clear disconnect between recruiters, strategists, and managers as to when and whom should communicate this model. These findings on communication within new and subsidiary organizations are in line with existing literature on established organizations. In both situations, communication has strong effects on transparency and trust within.

According to Robinson (1996), trust develops based on mutuality and reciprocation between participants. The actions of the trustee (e.g. the organization) will yield trust if the trustor (e.g. the employee) views these actions as trustworthy. Thus, the amount of trust hinges on one participant's interpretation of the other's actions. A relationship between two parties founded on a basis of respect, honesty, and sincerity bears the presence of trust (Isaksen & Ekwall, 2010).

When an organization fails to give employees something they had expected to receive, the trustworthiness of the organization is at risk (Robinson, 1996; Rayton & Yalabik, 2014). In the case of Ingka Centres, co-workers came to expect job security and stability when presented with a permanent contract. As a result, there is a greater opportunity for employee attitudes in the form of cynicism, frustration, and disillusionment to develop (Cartwright & Holmes, 2006). These expectations by employees of reciprocity from their organization, in exchange for their engagement are what constitute a psychological contract (Rosseau, 1988). As addressed in section **2.1.3 Employer Branding and the Employer-Employee Relationship**, this psychological contract is “*an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between that focal person and another party*” (Rosseau, 1988, p. 123). In organizations, this contract is created between the employee and the organization, and is a subjective perception formed by the employee (Rosseau, 1988). Robinson (1996) writes that psychological contracts have an ever-growing importance in modern employment relations. The rapidly expanding and competitive business environment in which organizations exist allows them to become subject to change in order to maintain a competitive edge. This is exemplified as Ingka Centres has adjusted their business model to

emulate a more agile environment. However, due to IKEA Group's established employer brand as a stable and long-term employer, our interviewees expressed that co-workers hired into the company make assumptions of the stability of their employment, which may prove to be untrue under the APM model. In turn, these changes have the potential to influence the co-workers' view of the viability of the contract, both physically and psychological, due to possible changes in the terms and basis of the employment relationship. If the psychological contract is breached, Rayton and Yalabik (2014) have noted impacts that include employees feeling less dedicated to, enthusiastic in the performance of, or immersed in their jobs (Rayton & Yalabik, 2014). In addition, after a breach, most research has found that employees respond with negative attitudes and behaviors, including decreased job satisfaction, thus lowering their willingness to engage in a relationship with the employer (Rayton & Yalabik, 2014). As a result, a revaluation of the psychological contract between employee and employer is needed (Rosseau, 1988). A key finding in our research was that poor communication of organizational change impacts not only the credibility and transparency of an organization, but impacts the trust that employees feel. Consequently, this may result in poor engagement and negative employee experiences.

6.3 Chapter Summary

Throughout this chapter, we have discussed two main topics: 1.) How corporate restructuring is interrelated with an organization's employer branding efforts, and 2.) How organizational change is interrelated with an organization's level of employee engagement. In respect to employer branding, our empirical data tells us that employer branding efforts of a new subsidiary are significantly impacted by the established employer brand of the parent company. If the parent and subsidiary companies share an umbrella brand, the established organization's employer brand will be projected onto the subsidiary's. Should the subsidiary attempt to differentiate itself from the parent's employer brand image, there is the potential to blur the brand image (Barrow & Mosley, 2005) or be seen as inauthentic (Rosethorn, 2009; Schulte, 2010). Ultimately, if the subsidiary operates in a way that is contradictory to the established umbrella brand image, the subsidiary may be seen as inauthentic, which may result in negative consequences for the subsidiary's employer brand. This was our first theoretical contribution.

In respect to employee engagement, our empirical data tells us that transparency and timing in the communication of a new business model is key to the success and encouragement of employee engagement. Communication is key when it comes to managing change. Our research has shown that lack of transparency within communication may contribute to a lack of trust, which further has the potential to result in employee disengagement throughout the organization. To mitigate the negative effects of poor communication, management's role is vital in the creation of meaning and unity. The role that management plays in our case study is clearly reflected in the way that the actions of Ingka Centres' Meeting Place Managers encouraged engagement. Through their creation of meaning and unity within the group, they have managed to keep employees engaged and motivated during times of change. Uncovering the important role managers played in creating meaning and building unity during times of change was our second theoretical contribution.

As we reviewed these findings, an analogy began to appear. IKEA furniture - purchased in flat-pack boxes at inexpensive prices - can be seen as light, flexible, and disposable. Could these adjectives similarly represent Ingka Centres' view of employer branding? When Ingka Centres adopted a new business model with practices counter to their value of "Togetherness" and "humanistic" perspective, did the employer branding become light, something that doesn't bear much weight or importance? When Ingka Centres worked to differentiate itself from IKEA Group's image through the use of value "motivators", did the employer branding become flexible? When IKEA Group's brand image of "traditional" and "stable" no longer fit Ingka Centres' desire to be seen as "agile" and "modern", did it become disposable? Therefore, is a brand, like IKEA furniture, light, flexible, and disposable?

Overall, our empirical data makes clear that if a subsidiary has a business model that is differentiated from its parent company's brand promise, the subsidiary's employer branding may be seen as inauthentic and therefore affected negatively. Similarly, if there is a lack of clear communication and transparency during times of organizational change, trust and levels of employee engagement may be significantly impacted. Our final chapter will specify our contribution to the research on employer branding and employee engagement, and will summarize our key findings in order to fully illustrate our results.

7. Conclusion

This exploratory thesis has aimed to facilitate a deeper understanding of the concepts of employer branding and employee engagement, specifically in the context of corporate restructuring and organizational change. We explored the interrelation of these concepts through a qualitative case study of Ingka Centres. Our objective was to contribute to the literature of employer branding and employee engagement and to address the research gaps that we identified and explained in section **1.1 Problematization**. In this chapter, we summarize our empirical findings and demonstrate our contribution to the literature as it relates to our aim and research questions. We also indicate our research limitations and suggest areas for further research.

7.1 Concluding Remarks

When looking at the interrelation between employer branding and corporate restructuring, we have found that there is a strong link between the parent organization's employer brand and that of the subsidiary company if the two companies are branded together under the same umbrella brand (Kapferer, 2008; Brexendorf & Keller, 2017). This is seen with our case company Ingka Centres and its parent company IKEA Group. As mentioned in section **2.1.2 Employer Branding in New and Subsidiary Organizations**, Brexendorf and Keller (2017, p.1532) suggest utilizing the parent company's brand to *'produce a "trickle down" effect to create differentiation'* at the subsidiary. brand level too. Kapferer (2008, p. 386) echoes this suggestion, stating that *"Capitalising on a flagship brand by applying its name to the group makes it possible to take advantage of the halo effect, even if this involves two clearly distinct sources, since the image of the one influences the perception of the other."* Each of these quotes emphasize the positive impression - mentioned respectively as the "trickle down" effect and halo effect - that the parent company's existing brand can cast on the new subsidiary's unestablished brand. While some subsidiaries enjoy the positive impressions they may benefit from under an umbrella branding strategy, others may not. In regards to our case company, Ingka Centres has enjoyed IKEA Group's employer brand and has worked to associate itself closely with its parent company, as demonstrated by their shared corporate values. Yet, our empirical data has explored Ingka Centres' potential risks of being too

closely associated with IKEA Group. Our interviewees mentioned numerous times the false expectations candidates may have of what it would be like to work with Ingka Centres based on assumptions about Ingka Centres being a member of the IKEA Group. In respect to this, our interviewees worried that IKEA Group's prominent branding of "humanistic" and "stable" values would be projected onto Ingka Centres' values, overshadowing Ingka Centres' desire to be seen as "adaptable" and "agile". Should Ingka Centres act in a way that is not seen as "humanistic" or "stable" then Ingka Centres' employer brand image may be viewed as inauthentic. In terms of our case company, this "humanistic" brand value may be seen as counter to the APM model that Ingka Centres is currently utilizing, causing a disparity and inauthenticity in the employer brand. From this, our empirical data tells us that employer branding efforts of a new subsidiary are significantly impacted by the established employer brand of the parent company. In sum, if the parent and subsidiary companies are under the same umbrella brand, the corporate brand will be projected onto the subsidiary. Ultimately, if the subsidiary operates in a way that is contradictory to the established umbrella brand, the subsidiary may be seen as inauthentic and the subsidiary's employer branding efforts may be harmed.

Our second finding shows that employee engagement at Ingka Centres remains high due to actions taken by managers to create a sense of meaning and unity within the group. Despite the uncertainty surrounding the new employment model, managers have been able to provide their employees with the needed resources and balance of job demands that foster positive employee engagement. In addition, co-workers at the Meeting Places further reflected their managers' feelings of motivation and engagement as they felt a connection to the work they were involved in. Interestingly, while our interviews did not expose any form of employee resistance or burnout at the time, many interviewees expressed concern for the future, specifically that the lack of communication of the APM model during the hiring process may impact the employee experience.

Our final finding demonstrates the challenge of maintaining transparency in the face of organizational change. Specifically, our research highlights problems that arise due to poor communication and further result in a lack of trust. In our study, it was concluded that there was confusion and disagreement over the appropriate time to disclose important employment information during the recruitment process. Failure to communicate information, such as the

APM model, in a timely manner puts Ingka Centres potentially at risk for a decrease in trust and employee engagement. In addition, the lack of standard practice regarding this communication contributed to feelings of doubt and confusion. As our discussion highlighted, transparency and communication are vital as organizations attempt change. Poor transparency may result in lack of trust, contributing to disengaged and burnt out employees. We found that IKEA Group and Ingka Centres' organizational values did not seem to be in line with their practices, and that there was a high risk for disengagement in the future due to the lack of transparency in their communication of change.

In conclusion, based on our findings we were able to meet the aim of this thesis by exploring employer branding and employee engagement in the context of corporate restructuring and organizational change. Through our case study, we were able to take a closer look into these topics through the lense of Ingka Centres, a subsidiary of IKEA Group. Overall, our findings reinforce the current literature on employer branding and employee engagement and further add to these areas with our three research contributions, summarized again below:

1. If the subsidiary acts in a way that is inauthentic to the established employer brand of the parent company, then the employer branding efforts of the subsidiary may be significantly impacted.
2. In creating meaning and building unity within their teams, managers can keep employees engaged and motivated during times of change.
3. Poor communication of organizational change impacts the credibility, transparency, and trust that employees feel toward an organization.

7.2 Limitations

As noted in the section **3.2.2 Collection of Empirical Material**, our research contained only eleven interviews. Should we have conducted more interviews, our findings may have altered. Nevertheless, we feel strongly that we gathered a wide range of interviewees, specifically within the context of different hierarchies and employees groups (strategists, recruiters, and new hires).

Similarly, the interviews were conducted solely through video conferencing software due to the COVID-19 pandemic. Our research would have benefited from in-person interviews and in-person observations, as originally planned. Although video conferencing was not our desired approach, we feel that it did not affect our interviewees' ability to talk openly about the challenges that exist within the organization.

Another point we would like to acknowledge is the relative newness of Ingka Centres as an organization. As the company and the APM model was introduced in October 2019, just five months before we began our research, we need to highlight the early phase in which Ingka Centres is currently situated. Similarly, at the time of our interviews, Ingka Centres had not yet completed the sale of any Meeting Places through the APM model. Ultimately, our empirical material reveals insights about Ingka Centres' *plan* for a sale and our interviewees' *predicted* impact on the employer brand and level of employee engagement. Consequently, we cannot foresee the *actual* degree of impact on the employer brand and level of employee engagement. However, based on our current knowledge, we can demonstrate that if a subsidiary has a business model that is differentiated from its parent company's employer brand promise, the subsidiary's employer branding efforts and level of employee engagement may be significantly affected. As a result of our findings and limitations, the subsequent subchapter will propose areas of future research that build upon our findings.

7.3 Future Research

As a whole, the research on employer branding and employee engagement is well-studied and thoroughly understood. Yet, as explained in section **1.1 Problematization** and examined in **Chapter 2**, we have thoroughly identified gaps in the research of employer branding and employee engagement in the context of corporate restructuring and organizational change.

In terms of employer branding, the research we have presented is derived mainly from the work of Barrow and Mosley (2005). Few other researchers have explored the interrelation of employer branding and corporate restructuring. This is an area ripe for future research. Similarly, we propose additional research areas, such as corporate brand hierarchy and unintentional projection of employer brand from parent to subsidiary companies. Barrow and Mosley (2005, p. 64) also provided potential research questions:

To what extent should employees identify with the corporate brand?

What degree of influence should the corporate owner try to exert over the employment experience of its company portfolio?

In examining the topic of employee engagement, the majority of the research we have cited derives from studies on engagement and change in established organizations. There is limited research in reference to creating or maintaining engagement during organizational change, specifically in subsidiary organizations. Therefore, we believe it would be interesting to explore the effects of organizational restructuring on engagement, specifically creating and maintaining engagement in subsidiary companies.

Finally, and closely connected to the previous recommendation, we believe it would be interesting to conduct further research into exploring transparency and its influence on employee engagement. As we have demonstrated in this paper, transparency in communication and its ability to cultivate trust between employee and employer, greatly impacts employee engagement. Thus, we believe the topic would be interesting to research further, specifically in regards to the level of transparency regarding organizational change and the effects on employee attitudes and motivation.

Appendix

Appendix A - List of Interviewees

Name	Position
Avery*	Recruiter
Blake	Meeting Place Co-worker
Jordan	Talent Manager
Jamie	Engagement & Change Manager
MacKenzie	Recruiter
Sam *	Recruitment Manager
Peyton	Leadership & Culture Manager
Quinn	Change Manager
Taylor	Meeting Place Manager

**Interviewed twice*

Appendix B - IKEA Group Values

<i>Togetherness</i>	Togetherness is at the heart of the IKEA culture. We are strong when we trust each other, pull in the same direction and have fun together.
<i>Cost-consciousness</i>	As many people as possible should be able to afford a beautiful and functional home. We constantly challenge ourselves and others to make more from less without compromising on quality.
<i>Renew And Improve</i>	We are constantly looking for new and better ways forward. Whatever we are doing today, we can do better tomorrow. Finding solutions to almost impossible challenges is part of our success and a source of inspiration to move on to the next challenge.
<i>Give And Take Responsibility</i>	We believe in empowering people. Giving and taking responsibility are ways to grow and develop as individuals. Trusting each other, being positive and forward-looking inspire everyone to contribute to development.
<i>Caring For People And Planet</i>	We want to be a force for positive change. We have the possibility to make a significant and lasting impact – today and for the generations to come.
<i>Simplicity</i>	A simple, straightforward and down-to-earth way of being is part of our Småland heritage. It is about being ourselves and staying close to reality. We are informal, pragmatic and see bureaucracy as our biggest enemy.
<i>Different With A Meaning</i>	IKEA is not like other companies and we don't want to be. We like to question existing solutions, think in unconventional ways, experiment and dare to make mistakes – always for a good reason.
<i>Lead By Example</i>	We see leadership as an action, not a position. We look for people's values before competence and experience. People who 'walk the talk' and lead by example. It is about being our best self and bringing out the best in each other.

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