

## Human Resource Management 4.0

Challenges in Global Talent Management and Employer Branding in the Automotive Industry

by

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**Abstract** 

This study examines the challenges related to global talent management (GTM) and employer

branding (EB) strategies of multinational enterprises (MNE) within the automotive industry.

Caused by increasing global talent shortages, the practices of GTM and EB have gained much

attention in academic literature but are argued to be subject to integration-responsiveness

tensions based on endogenous and exogenous factors. Therefore, the aim of this study is to

explore how MNEs within the automotive industry respond to these challenges while

identifying the most influential endogenous and exogenous factors, and their effect on these

human resource (HR) practices.

In order to achieve this goal, a multiple case study was conducted, based on semi-structured

interviews with HR representatives from two European-headquartered MNEs within the

automotive industry. Based on a flexible pattern matching approach, this study presents two

findings. Firstly, both case companies experience a need for adaptation, based on varying local

legislations and target group needs, but apply an overall global and integrated strategy to

guarantee alignment and consistency. Secondly, the integration-responsiveness challenge was

found to be predominated by challenges related to the fourth industrial revolution which is

significantly changing the automotive industry. Hence, the implementation of HR practices that

correspond with industry 4.0, i.e., human resource management 4.0, is considered to be the

most important challenge in GTM and EB. We, thus, argue that future research should devote

more attention to this challenge and further investigate whether it constitutes a key challenge

for GTM and EB in other industries.

Keywords: Human Resource Management, Global Talent Management, Employer Branding,

Integration-Responsiveness Tensions, Industry 4.0, Automotive Industry

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## List of Abbreviations

HR Human Resources

HRM Human Resource Management

IHRM International Human Resource Management

SIHRM Strategic International Human Resource Management

GTM / TM (Global) Talent Management

EB Employer Branding

MNE Multinational Enterprise

## 1 Introduction

## 1.1 Background

In 2001 authors Ed Michaels, Helen Handfield-Jones, and Beth Axelrod of McKinsey predicted in their book 'The War for Talent' that one of the key challenges facing organizations in the next two decades will be their ability to attract, develop, and retain talented employees (Michaels, Handfield-Jones & Axelrod, 2001). Indeed, 20 years later a recent global study shows that the global talent shortage is at a record high, indicating that out of half a million companies from 80 countries, 54% report talent shortages (Manpower, 2020). This issue is aggravated by a worldwide aging population, further decreasing the talent pool, and globalization intensifying the demand for qualified employees (Schuler, Jackson & Tarique, 2011 cited in Ewerlin, 2013; Vaiman, Scullion, Collings, 2012; Wilden, Gudergan & Lings, 2010). Furthermore, many industries experience disruptive changes caused by the so-called industry 4.0, i.e., technological advancements, such as robotics, and artificial intelligence (Whysall, Owtram & Brittain, 2019). Overall, organizations are looking for the same skills in employees, and true talent is scarce especially in competency areas that did not exist ten years ago (Baldassari & Roux, 2017; Elving, Westhoff, Meeusen & Schoonderbeek, 2013).

Consequently, labor shortages and the *war for talent* have become a reality for many organizations (Elving et al. 2013; Wilden, Gudergan & Lings, 2010). Some researchers even argue that future competition for the best employees might become as fierce as competition for customers (Berthon, Ewing & Hah, 2005). While the literature stresses the difficulty of finding the right talent, research also highlights the importance of human capital as an important source of a firm's sustainable competitive advantage and success, stemming from the research-based view of the firm (Barney, 1991; Berthon, Ewing & Hah, 2005; Brymer, Molloy & Gilbert, 2014; Elving et al. 2013; Graham & Cascio, 2018).

The possession of rare talent creates an opportunity to differentiate one's company from competitors and is crucial to an organization's success (Martin, Gollan & Grigg, 2011; Tymon, Stumpf & Doh, 2012). Hence, effective talent management (TM), i.e., attracting, developing,

and retaining talented individuals, becomes a relevant topic for organizations (Beamond, Farndale & Härtel, 2016; Tarique & Schuler, 2010). Multinational enterprises (MNEs) are especially affected by the challenge of managing knowledge workers and high-potential employees (Beamond, Farndale & Härtel, 2016; Caligiuri, Colakoglu, Cerdin & Kim, 2010; Ewerlin, 2013) as they "rely on the global talent pool with diverse cultural values to staff their worldwide operations" (Scullion & Collings, 2006 cited in Caligiuri et al. 2010, p.138). Hence, global talent management (GTM), the international equivalent to talent management, has become an important part of Strategic International Human Resource Management (SIHRM) (Brewster, Sparrow & Harris, 2005; Taylor, Beechler & Napier, 1996). SIHRM aims to explicitly link international human resource management (IHRM), i.e., the management of people across national borders by organizations, to an MNE's organizational strategy (Brewster, Sparrow & Harris, 2005; Taylor, Beechler & Napier, 1996). MNEs, thus, employ human resource (HR) activities that are focused on globally attracting and retaining key talent to reach their strategic goals and to maximize their employee talent pool as a source of sustained competitive advantage (Al Ariss, Cascio & Paauwe, 2014; Tarique & Schuler, 2010).

One of these activities within talent management that aims to respond to these recruitment and retention challenges is employer branding (EB) (Martindale, 2010 cited in Theurer, Tumasjan, Welpe & Lievens, 2018). The aim of the employer brand is to create "an image in the minds of the potential labour market that the company, above all others, is a great place to work [at]" (Ewing, Pitt, de Bussy & Berthon, 2002, p.12). Therefore, EB is an important tool for organizations to promote themselves and their unique and desirable qualities as an employer in order to recruit, retain talent, and increase the value of their human capital (Backhaus & Tikoo, 2004). Hereby, the employer brand addresses both current and potential employees as branding targets and, thus, internally and externally promotes an organization as an employer (Edwards, 2010; Theurer et al. 2018). The process of employer branding includes many different activities such as recruitment, staffing, training and development, and career management (Backhaus & Tikoo, 2004). This thesis will, however, focus on the external promotion of the organization, i.e., employer branding and talent management related to recruitment.

#### 1.2 Problem Discussion

The usefulness of both talent management and employer branding, especially for MNEs, has been established by various researchers (e.g. Backhaus & Tikoo, 2004; Beamond, Farndale & Härtel, 2016; Scullion & Collings, 2006 cited in Caligiuri et al. 2010; Ewerlin, 2013; Hughes & Rog, 2008). However, research also shows that the strategic decision making behind SIHRM as well as GTM and EB is influenced by various endogenous and exogenous factors (Beamond, Farndale & Härtel, 2016; Tarique & Schuler, 2010; Taylor, Beechler & Napier, 1996). According to the Cambridge Dictionary, the term 'endogenous' refers to factors within a particular system (Cambridge Dictionary, 2021a), whereas the term 'exogenous' describes factors that stream from outside a system (Cambridge Dictionary, 2021b). In relation to strategic decision making, previous literature commonly highlights internal strategy and corporate culture as influential endogenous factors, while local culture and institutions are seen as important exogenous factors (e.g. Di Maggio & Powell, 1983; Jackson & Deeg, 2008; Kogut & Singh, 1988; Martin, Gollan & Grigg, 2011; Tarique & Schuler, 2010).

Both factors contribute to a common issue for MNE strategy, namely the integration-responsiveness problem, which is related to two adverse strategic logics that drive MNEs and also SIHRM (Martin, Gollan & Grigg, 2011). On the one hand, there is a need for integration and interunit linkages, on the other hand, there is a necessity for differentiation in order to respond to the local environment of an affiliate (Taylor, Beechler & Napier, 1996). Finding a balance between these two logics is important, and MNEs have to master the challenge of being authentic towards local culture, employees, and stakeholders while not being over-responsive and losing the benefit of a strong corporate culture (Martin, Gollan & Grigg, 2011). Instead, they must ensure that their affiliates and employees remain true towards the organization's corporate logic, global cost leadership, and corporate stakeholder management while not becoming self-absorbed with corporate needs (Martin, Gollan & Grigg, 2011).

Since the 'think-global-act local' tension affects SIHRM, it also affects talent management and employer branding policies, especially when translating strategies to an affiliate or subsidiary (Martin, Gollan & Grigg, 2011 Mölk, 2018; Taylor, Beechler & Napier, 1996). On one hand, researchers argue for local responsiveness by adopting exclusive and desired employer branding and talent management policies that are consistent with local circumstances (Graham & Cascio, 2018; Martin, Gollan & Grigg, 2011; Stahl, Björkman, Farndale, Morris, Paauwe,

Stiles, Trevor & Wright, 2012). Simultaneously, however, a partially global approach is necessary to ensure strategic alignment and consistency with a firm's other branding strategies (Backhaus & Tikoo, 2004; Graham & Cascio, 2018; Stahl et al. 2012). Additionally, an MNE must employ "global standards of prestige and respectability, including inclusive talent management policies and a focus on the all-important social capital" (Martin, Gollan & Grigg, 2011, p.3627) to create social legitimacy. Overall, this creates a dilemma where the necessity for alignment with local circumstances contrasts the benefits of a global approach.

To conclude, we thus identify substantial integration-responsiveness tensions for MNEs concerning their global talent management and employer branding strategies that can be attributed to various endogenous and exogenous factors. From a theoretical perspective, MNEs are expected to apply both global and local talent management as well as employer branding strategies (Backhaus & Tikoo, 2004; Graham & Cascio, 2018; Martin, Gollan & Grigg, 2010; Taylor, Beechler & Napier, 1996). In order to understand emerging patterns of MNEs' decision making relating to this discrepancy, both in terms of global talent management and employer branding, three main objectives have been identified, which will be further elaborated in the next section.

## 1.3 Aim and Objectives

Based on the outlined adversity in the previous section, this study aims to explore how MNEs within the automotive industry respond to integration-responsiveness pressures stemming from exogenous and endogenous influences. Specifically, it is of interest to identify the most influential factors, and how they affect strategic decision making in relation to HR practices such as global talent management and employer branding. As a unit of analysis, MNEs within the automotive industry were chosen based on the industry's size, global scope, and financial resources, as well as its diverse labor force, and rapidly changing environment. A more detailed motivation can be found in Chapter 3.

To achieve the aim of this paper, three main objectives were identified. The first objective was to establish a theoretical framework based on concepts presented in literature streams of Strategic International Human Resource Management, global talent management, and employer branding. Additionally, influential endogenous and exogenous factors in relation to the aforementioned human resource practices were outlined. Furthermore, as previously

mentioned, the focus has been placed on external employer branding activities and their implications for organizational attractiveness due to the scope of this paper.

The second objective intended to understand the strategic decision-making process concerning global talent management and employer branding of the companies. Hereby, interviews with HR representatives of MNEs within the automotive industry were conducted. The primary data was further complemented by secondary data originating from each company's respective website, annual reports, and LinkedIn job postings. Finally, the third objective was to analyze the collected data based on a flexible pattern matching approach relating the empirical observations to previous research and the proposed framework. The analysis was hereby based on a three-step process, namely a within-case analysis, a cross-case analysis, and the flexible pattern matching.

## 1.4 Research Purpose

The purpose of this research is to get a greater understanding of how MNEs study within the automotive industry respond to integration-responsiveness tensions in relation to their global talent management and employer branding strategies caused by exogenous and endogenous factors. As suggested by academic literature, MNEs are in need to develop a global human resource strategy while locally adapting this strategy in a subsidiary context due to the aforementioned factors (e.g. Beamond, Farndale & Härtel, 2016; Jackson & Deeg, 2008; Napathorn, 2020; Tarique & Schuler, 2010). Based on the previously established problem of talent scarcity (e.g. Berthon, Ewing & Hah, 2005; Elving et al. 2013; Wilden, Gudergan & Lings, 2010), this is particularly important in order to attract the best local talent within the industry (e.g. Tymon, Stumpf & Doh, 2010) and ultimately gain a sustainable competitive advantage (e.g. Al Ariss, Cascio & Paauwe, 2013; Tarique & Schuler, 2010). Consequently, the research will contribute to the existing literature on integration-responsiveness tensions by investigating whether MNEs are truly affected, and what factors impact their SIHRM, global talent management, and employer branding strategies. More precisely, the study seeks to address the following questions:

1. How do MNEs within the automotive industry respond to integration-responsiveness pressures in relation to their global talent management and employer branding strategies?

2. What factors influence GTM and employer branding strategy of MNEs operating in the automotive industry?

#### 1.5 Delimitations

The scope of this research is restrained due to the following delimitations and set perimeters. Hereby, it is important to note that the theory guided the data collection process and analysis but did not hinder the authors perception for other relevant factors since it was deemed important to keep an open mind for new aspects. Furthermore, the aim of this study is not to discover the number of different influential factors relating to EB and GTM strategies but rather to describe important factors that companies within the automotive industry highlight when implementing global EB and TM strategies. Additionally, it has been acknowledged that the study presents numerous theories and concepts which may seem overwhelming to the reader at first. However, they were deemed necessary to provide a clear understanding of MNEs' human resource (HR) strategies to attract talent. Simultaneously, some streams of literature influencing the research development in the area of SIHRM, EB, and GTM have not been included in the theoretical framework, due to the limited scope of this paper. Nevertheless, we believe that the aforementioned streams of literature, conceptualizing the theoretical framework, present the most suited model to analyze and answer the research questions.

#### 1.6 Outline of the Thesis

This thesis is divided into five chapters. In Chapter 1, the research topic was introduced together with the study's aim and objective, purpose, and research questions. Chapter 2 contains a literature review presenting theories and concepts in relation to Strategic International Human Resource Management, global talent management, and employer branding. Furthermore, the integration-responsiveness challenge is outlined in more detail, presenting various endogenous and exogenous factors, to ultimately establish a theoretical framework based on all the themes. In Chapter 3, the methodological considerations are summarized while motivating the choices. In Chapter 4, the observed data is analyzed using a flexible pattern matching process. Lastly, Chapter 5 summarizes the findings of this research and answers the posed research questions while indicating the limitations of this study and making suggestions for further research.

## 2 Literature Review

The literature review provides a comprehensive overview of relevant literature in relation to international HR practices (SIHRM, GTM, and EB) and the role of endogenous and exogenous factors. Since this chapter aims to cover a broad selection of topics, the literature was selected based on its relevance for the underlying research questions and chosen based on keywords, citation count, and overall recognition. Furthermore, the reference lists provided at the end of journal articles were used to identify further relevant literature. The literature was retrieved from Lund University's Library website LUBSearch as well as Google Scholar, and Scopus. Based on the presented previous research, a theoretical framework was established, illustrating the relationship between the various theories and concepts. Chapter Subheading

# 2.1 Strategic International Human Resource Management

As identified in the introductory chapter, human capital is considered a source of sustainable competitive advantage (Barney, 1991; Elving et al. 2013; Graham & Cascio, 2018). MNEs thereby use human capital to reach their strategic goals, leading research to explore the linkages between human resource management (HRM) and strategy, which can be summarized by the concept of Strategic International Human Resource Management (SIHRM) (Brewster, Sparrow & Harris, 2005; Taylor, Beechler & Napier, 1996). For this thesis, we use the definition from a frequently cited paper by Schuler, Dowling, and De Cieri (1993) who refer to SIHRM as "human resource management issues, functions and policies and practices that result from the strategic activities of multinational enterprises and that impact on the international concerns and goals of those enterprises" (p.720).

A model presented by Taylor, Beechler, and Napier (1996) distinguishes between three levels of the SIHRM system. In their study, the first level considers the parent company, thus, the corporate level of the SIHRM system, which decides on the SIHRM orientation. Hereby, the SIHRM orientation defines the overall design of the IHRM system both within the corporate

level and affiliates, whereas three different designs can be identified (Taylor, Beechler & Napier, 1996). Firstly, the authors introduce the exportive SIHRM orientation that focuses on directly translating the parent company's global HR strategy to all affiliates or subsidiaries. Hereby, the company aims to minimize local adaptation while focusing on high internal consistency (Taylor, Beechler & Napier, 1996). Secondly, the authors propose the adaptive SIHRM orientation which emphasizes strategy adaptation to an affiliate's local environments and low internal consistency. Lastly, the third orientation, that is the integrative SIHRM orientation, aims to find the most successful approach and converges it throughout the organization (Taylor, Beechler & Napier, 1996). Thereby, the authors claim that the company focuses on high internal consistency but still allows for moderate local differentiation.

According to the study by Taylor, Beechler, and Napier (1996), all three orientations are dynamic and shaped by the international strategy of a business as well as managerial beliefs. Subsequently, they propose that MNEs following a global strategy tend to have an integrative SIHRM orientation instead of an adaptive or exportive one, whereas companies with a multidomestic strategy are more likely to have an adaptive orientation. Nevertheless, recent literature suggests that in order to promote global mobility and the use of best practices, global companies typically opt for a more standardized procedure, such as integrative or exportive (Dragić, Kastratović, Ćilerdžić & Miletić, 2008).

The second level established by Taylor, Beechler, and Napier (1996) is the affiliate's HRM system. The authors claim that this level is influenced by the parent company's SIRHM orientation. Furthermore, depending on the strategic role of the affiliate and the respective entry mode used by the parent company to establish them, the chosen SIHRM approach for an affiliate may differ between countries (Taylor, Beechler & Napier, 1996). Additionally, the authors state that the affiliate HRM system is influenced by exogenous factors such as the host country environment. Overall, the orientation of the SIHRM strategy as well as the affiliate's HRM system are open to change, based on developments in a company's general strategic direction (Taylor, Beechler & Napier, 1996). Lastly, the final level identified by Taylor, Beechler, and Napier (1996) are the employees themselves. Due to the purpose of this paper, the focus will be placed on the parent's motivations for choosing a certain SIHRM orientation and its translation to subsidiaries, hence the first two levels of the SIHRM system.

Part of strategic human resource management is coordinating an international workforce in order to sustain a competitive advantage (Brewster, Sparrow & Harris, 2005). Thus, managers

aim to maximize the talent in their workforce and to further develop it (Al Ariss, Cascio & Paauwe, 2014). Therefore, more MNEs have realized the importance of successful talent management (TM) practices as part of their IHRM strategies to improve their overall performance (Al Ariss, Cascio & Paauwe, 2014). In order to understand the importance of these IHRM activities, the next section will further elaborate on global talent management (GTM) as part of MNEs' SIHRM approaches.

### 2.2 Global Talent Management

As identified in the previous section, TM is part of successful SIHRM processes (Brewster, Sparrow & Harris, 2005) and has become a topic of interest in the academic literature (e.g. Al Ariss, Cascio & Paauwe, 2014; Gallardo-Gallardo, Nijs, Dries & Gallo, 2015; Tarique & Schuler, 2010). However, researchers do not agree on the definition of talent management or, on an international scale, on the definition of global talent management (GTM) (e.g. Brewster, Sparrow, & Harris, 2005; Stahl et al. 2012; Tarique & Schuler, 2010). For the purpose of the of this study, we use TM and GTM interchangeably and define it based on a commonly cited paper by Tarique and Schuler (2010) as follows:

Defined most broadly, global talent management is about systematically utilizing IHRM activities (complementary HRM policies and policies) to attract, develop, and retain individuals with high levels of human capital (e.g., competency, personality, motivation) consistent with the strategic directions of the multinational enterprise in a dynamic, highly competitive, and global environment. (p.124)

#### Global Talent Management Approach

While GTM is thus an important IHRM activity, especially in a highly competitive global market with an ongoing *war for talent* (e.g. Elving et al. 2013; Martin, Gollan & Grigg, 2011; Schuler & Tarique, 2010), companies have different approaches when addressing potential talent (Stahl et al. 2012; Tarique & Schuler, 2010; Vaiman, Scullion & Collings, 2012). According to Stahl et al. (2012), companies following a differentiated approach identify their 'A players' and focus on them by offering extrinsic and intrinsic rewards. The second approach,

determined by the authors, is an inclusive approach which does not distinguish between top players and other employees in order to maintain morale and avoid missed opportunities. Lastly, they identified a hybrid approach which is a combination of both approaches.

#### Global Talent Management Success Factors

Moreover, a study by Stahl et al. (2012) emphasized several factors that influence the success of TM practices and strategies. The first factor identified by the authors, suggests that TM practices must be aligned with the strategy of an organization. However, it has been emphasized that strategy has to be generally flexible to be successful, since endogenous drivers of firms' strategies differ depending on the region and industry (Stahl et al. 2012; Tarique & Schuler, 2010). While it is advised that an organization should be consistent throughout its operations, it has been stressed to allow for local flexibility when implementing strategies (e.g. Beamond, Farndale & Härtel, 2016; Napathorn, 2020; Stahl et al. 2012). Stahl et al. (2012) refer to this as "a balance of global and local needs" (p.25). Additionally, they highlight the importance of cultural embeddedness in TM practices. Hereby, the authors claim that an organization's cultural core values and business principles are a main source of competitive advantage and should thus be accounted for in TM processes (e.g. hiring, training methods). Consequently, the authors identified that cultural fit is an added criterion for MNEs to hire potential applicants. For these TM processes to be effective, managers on all levels of an organization have to be involved in the processes (Stahl et al. 2012). This way, organizations do not only ensure the employment of applicants that share the same values and principles of the firm, but also further train their staff and strengthen culture throughout the organization (Stahl et al. 2012).

Finally, companies are urged to differentiate themselves if they want to attract employees that have not only developed the right skills but also share the same values and principles (Stahl et al. 2012). Thus, MNEs should focus on IHRM activities that highly influence GTM practices by attracting, developing, and retaining talent (Stahl et al. 2012; Tarique & Schuler, 2010). These types of practices can also be referred to as employer branding (e.g. Theurer et al. 2018) and affect the success of GTM by aiming to sustain competitive advantage, improve the overall HRM, and place talent in an organization (Tarique & Schuler, 2010). Due to the challenge of MNEs to manage a coherent global TM strategy while adjusting to the local environment of their subsidiary countries, MNEs have found different solutions to attract potential talent through employer branding (Stahl et al. 2012). In order to better understand the importance of

these HRM activities, the next section will further explain the concept of employer branding as part of a successful GTM strategy.

## 2.3 Employer Branding

As aforementioned, one practice within global talent management, that is highly relevant to its success, is employer branding (Stahl et al. 2012; Tarique & Schuler, 2010). As an intersection between HRM and marketing, employer branding applies marketing principles, or more specifically branding, to human resources activities that are related to current and prospective employees (Ambler & Barrow, 1996; Edwards, 2010). The branded product is an organization's particular and unique employment experience (Edwards, 2010) which organizations try to market to "improve recruitment and retention [of employees] and increase the value of human capital" (Backhaus & Tikoo, 2004, p.510). Hereby, the aim is to differentiate organizational characteristics from competitors and promote what makes a firm different and desirable as an employer, i.e., a unique employer value proposition (Backhaus & Tikoo, 2004; Theurer et al. 2018).

An important asset resulting from employer branding is the creation of brand associations, i.e., raising thoughts and ideas in the minds of the branding target (Backhaus & Tikoo, 2004). These, in turn, determine the brand image which will ultimately affect the perceived attractiveness of the organization (Backhaus & Tikoo, 2004). In relation to recruitment and talent acquisition, the employer brand can thus help an organization to build "an image in the minds of the potential labour market that the company, above all others, is a great place to work" (Ewing et al. 2002, p.12).

#### Dimensions of the Employer Brand Image

The employer brand image is built from a complex combination of differentiated features, which can be classified in two main dimensions, and is often based on the marketing-based instrumental-symbolic framework (Edwards, 2010; Lievens & Highhouse, 2003). As summarized in *Figure 1*, the employer brand image consists of an organization's concrete employment offering in terms of provided rewards and experiences (instrumental attributes) as

well as the organization's identity or character (including symbolic attributes). Hereby, each dimension is based on a variety of attributes (Ambler & Barrow, 1996; Edwards, 2010; Lievens & Highhouse, 2003; Lievens, van Hoye & Anseel, 2007).

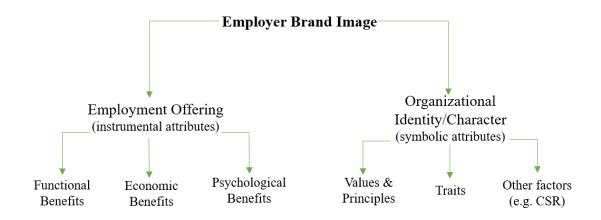


Figure 1 - Employer Brand Image Dimensions (own elaboration based on Ambler & Barrow, 1996; Edwards, 2010; Lievens & Highhouse, 2003)

The instrumental attributes of an employer brand image "describe the job/organization in terms of objective, concrete, and factual attributes" (Lievens & Highhouse, 2003, p. 80) and thus portray the concrete benefits of an organization's employment offering (Edwards, 2010; Lievens & Highouse, 2003). When Ambler and Barrow (1996) first introduced the concept of employer branding they divided these benefits in terms of functional, economic, and psychological benefits. Functional benefits refer to activities that are useful and/or enhance personal development, while economic benefits are financial and tangible rewards, and psychological benefits correspond to feelings such as a sense of belonging and purpose (Ambler & Barrow, 1996). In summary, the first dimension of the employer brand image conveys an organization's employment offering, i.e., instrumental attributes, in terms of concrete benefits, rewards (extrinsic and intrinsic) and experiences such as pay, bonuses, location, working hours, leave allowances, work environment, or job security (Backhaus & Tikoo, 2004; Edwards, 2010; Lievens & Highhouse, 2003; Theurer et al. 2018).

While these instrumental attributes are argued to partially explain the initial attraction of potential applicants towards an organization, researchers assert that these attributes alone are not sufficient to differentiate an employer from its competitors (Lievens & Highhouse, 2003; Theurer et al. 2018). This especially applies if there are few functional differences between companies which, for instance, concerns companies within one industry (Backhaus & Tikoo,

2004; Lievens & Highhouse, 2003; Lievens, van Hoye & Anseel, 2007). As a consequence, the employer brand image should also be built upon another dimension, i.e., the aforementioned organization's identity and symbolic attributes (Edwards, 2010). As the term implies, symbolic attributes "convey symbolic company information in the form of imagery and trait inferences" (Lievens & Highhouse, 2003, p.81). This dimension of the brand image is thus based on ideas and feelings that are represented by an employer brand such as innovativeness, prestige, or competence (symbolic attributes) as well as the company's corporate values and guiding principles (Backhaus & Tikoo, 2004; Edwards, 2010; Lievens & Highhouse, 2003).

Furthermore, other factors, such as an organization's Corporate Social Responsibility (CSR), company size, market success, or profitability, are considered to be influencing the image of the organization and, therefore, the attractiveness of an employer (e.g. Aggerholm, Andersen & Thomsen, 2011; Edwards, 2010; Gregory, 1997 in Caligiuri et al. 2010; Vaiman, Scullion & Collings, 2012; Verčič & Ćorić, 2018). Recent literature has especially acknowledged the importance of CSR in shaping the image of the organization and thus the attractiveness of an employer in order to attract talent (e.g. Aggerholm, Andersen & Thomsen, 2011; Edwards, 2010; Vaiman, Scullion & Collings, 2012). This has been identified to be particularly important for environments that are dynamic and fast-changing as it gives MNEs the ability to differentiate themselves as attractive employers from other companies operating in the relevant market and industry (Tymon, Stumpf & Doh, 2010).

In summary, the second dimension of the employer brand image portrays the organization's identity or character and is based on the organization's values, principles and traits as well other factors influencing an organization's image such as CSR. Backhaus and Tikoo (2004) argue that the ability of branding to "convey symbolic benefits to prospective employees makes employer branding especially useful" (p.506). Nevertheless, which symbolic attributes are considered attractive by employees depends on each individual's own traits (Lievens & Highhouse, 2003; Theurer et al. 2018). More precisely, based on social identity theory, (potential) employees choose an organization that gives them the ability to express themselves (Lievens & Highhouse, 2003; Theurer et al. 2018).

#### Benefits and Key Success Factors of Employer Branding

As previously mentioned, employer branding provides an organization with an opportunity to differentiate itself both in terms of instrumental attributes and symbolic attributes based on its organizational character (Edwards, 2010). This ultimately results in an employer brand image perceived by an external audience such as potential employees (Edwards, 2010). It is argued that positive image perceptions increase both the quantity and quality of potential applicants, making employer branding especially valuable in knowledge-based and highly competitive job markets that are often subject to skilled employee shortages (Elving et al. 2013; Ewing et al. 2002; Hughes & Rog, 2008). Furthermore, while reputation management is an important issue for all kinds of organizations, it is especially relevant for MNEs due to their liability of foreignness in overseas markets causing financial and reputational costs (Martin, Gollan & Grigg, 2011). Considering its talent management and employee engagement agendas as well as its alignment with strategic goals, employer branding is generally considered to have wide strategic implications especially for MNEs (Backhaus & Tikoo, 2004; Martin, Gollan & Grigg, 2011). This is further strengthened by the argument that not just the outcome of employer branding but also the employer brand itself can represent something valuable, rare, and difficult to imitate and thus presents a source of sustained competitive advantage (Cascio & Boudreau, 2012 cited in Graham & Cascio, 2018).

However, for employer branding to be successful and generate these benefits, an employer brand must be consistent with other branding efforts, such as the product or corporate brand, and must be well balanced, i.e., realistic and accurate (Backhaus & Tikoo, 2004). The latter are important to avoid unrealistic expectations that could conversely affect employee retention (Edwards, 2010; Wilden, Gudergan & Lings, 2010). Moreover, employer branding is found to be more effective when accompanied by other general branding efforts that increase the exposure of the organization as an employer (Edwards, 2010). Subsequently, Edwards (2010) argues that "organisations that already have an existing high profile are likely to have the most successful employment brands that attract new recruits" (p.18).

# 2.4 Influences of Endogenous and Exogenous Factors on HR Strategy

In order to investigate the strategic behavior of companies, it is important to acknowledge the previously mentioned challenges MNEs face concerning integration-responsiveness tensions (Martin, Gollan & Grigg, 2011). Hereby, endogenous factors internally shape the formulation of coherent strategies globally while exogenous factors typically pressure companies to adapt to the local environment (e.g. Beamond, Farndale & Härtel, 2016; Martin, Gollan & Grigg, 2011; Tarique & Schuler, 2010; Taylor, Beechler & Napier, 1996). By identifying the influences of endogenous and exogenous factors, the complexity of MNEs' strategic decision-making processes can be analyzed (e.g. Di Maggio & Powell, 1983; Tarique & Schuler, 2010). Since endogenous and exogenous factors, thus, influence strategic decision making, they are also argued to influence SIHRM and its related procedures, i.e., GTM and EB (e.g. Martin, Gollan & Grigg, 2011; Stahl et al. 2012; Taylor, Beechler & Napier, 1996).

#### **Endogenous Factors**

An important endogenous factor is the need for strategic alignment which is particularly important to establish a strong corporate culture and gain legitimacy as a company (Martin, Gollan & Grigg, 2011; Stahl et al. 2012). Because the firm operates on multiple levels and in different nations, it is essential for the parent company to control these different units and lead them in one direction by ensuring one organizational culture through a shared understanding of the business purpose (Martin, Gollan & Grigg, 2011; Rosenzweig, 2006). Furthermore, these endogenous factors play an important role when implementing performance management practices to ensure consistency across management levels in order to constantly encourage development and deployment globally (Rosenzweig, 2006).

The need for strategic alignment and consistency also influences GTM and EB. Accordingly, a company's TM strategy is a dynamic process and should evolve along with its business strategy (Farndale, Scullion & Sparrow, 2010; Stahl et al. 2012). Moreover, Stahl et al. (2012) state that a united global talent management strategy ensures that the intentions of the MNEs are aligned across the world, which encourages organizational learning on a global scale. Similarly, researchers argue that employer brands should be aligned with the corporate logic, especially

to not lose the benefits of a strong corporate culture (Martin, Gollan & Grigg, 2011). This is particularly important since the employer brand must be, as previously mentioned, consistent with other branding efforts (Backhaus & Tikoo, 2004). Overall, this speaks for a globally integrated approach to an MNE's HR practices and against local differentiation. Nevertheless, the employer brand should be directly aligned with specific business unit strategies, meaning that it can be differentiated based on different business units' needs (Matin, Gollan & Grigg, 2011).

#### **Exogenous Factors**

While MNEs aim to establish a coherent global strategy with a strong corporate culture, there is a fine line between having no identity due to differences in local leadership and exceeding subsidiary management with corporate policies that are not adapted to the local environment (e.g. Martin, Gollan & Grigg, 2011; Rosenzweig, 2006). Therefore, MNEs also need to account for exogenous factors, such as national culture, when implementing business strategies (Hofstede, 1994; Kogut & Singh, 1988). Hofstede (1994) suggests that management must acknowledge national culture as a given fact when managing international companies since it influences the ability to find and attract the right people for a certain position. Correspondingly, when comparing perceived organizational attractiveness in different countries, researchers identified cross-cultural differences (e.g. Caliguiri et al. 2010; Eger, Mičík, Gangur & Řehoř, 2019; Gowan, 2004; Graham & Cascio, 2018; Ma & Allen, 2009).

Another commonly highlighted exogenous factor is institutions which are influenced by exogenous drivers such as globalization, demographics, and demand-supply gaps (Elving et al. 2013; Jackson & Deeg, 2008; Kogut & Singh, 1988; Lewis, Cardy & Huang, 2019; Tarique & Schuler, 2010; Vaiman, Scullion, Collings, 2012). Hereby, formal institutions are referred to as laws and regulations while informal institutions are referred to as norms and values that shape a nation (Ahlstrom, Levitas, Hitt, Dacin, & Zhu, 2014; North, 1991). Whereas the latter is also commonly referred to as culture (e.g. Redding, 2005) and has been outlined in the previous section, institutional legislations are particularly important when implementing business strategies and lead to adaptation of HR practices (Beamond, Farndale & Härtel, 2016; Napathorn, 2020; Rosenzweig, 2006; Sidani & Al Ariss, 2014; Tarique & Schuler, 2010). Thus, MNEs should aim to establish a flexible fit when introducing strategies, including talent

management and employer branding, to different countries with different institutional settings (Beamond, Farndale & Härtel, 2016; Jackson & Deeg, 2008). However, strong institutional and rational pressures based on global brand identities, global governance and performance standards, and investor demands can also pressure MNEs to adopt similar top-down employer branding strategies (Martin, Gollan & Grigg, 2011). Institutions can therefore cause pressure for both standardization and differentiation.

Besides culture and institutions, research has identified other influential exogenous pressures such as the applicant pools' age as well as the nature of the MNEs industry (Bartlett and Ghosal, 1989 cited in Rosenzweig, 2006; Elving et al. 2013; Tarique & Schuler, 2010; Theurer et al. 2018). The latter has received rising attention in recent literature. While the industry of an organization alters the necessity of local adaptation and employees' perceptions of employer value propositions (e.g. Bartlett and Ghosal, 1989 cited in Rosenzweig, 2006; Williams & Connell, 2010 cited in Theurer et al. 2018), it is especially the changing nature of many industries, led by the fourth industrial revolution, that causes the increasing interest (Araújo & Oliveira, 2017; Whysall, Owtram & Brittain, 2019). Hereby, the trends of the so-called *industry* 4.0 challenge human resource management through enlarging skill shortages concerning specific competencies while erasing others (Araújo & Oliveira, 2017; Whysall, Owtram & Brittain, 2019). Thus, businesses have to anticipate trends in the industries in order to compete for skillful labor and adapt their talent management and employer branding strategies accordingly (Araújo & Oliveira, 2017; Whysall, Owtram & Brittain, 2019). Adjusting the global employer brand is particularly important for traditional industries since their current employer brands do not match the needs of these new talents (Araújo & Oliveira, 2017; Whysall, Owtram & Brittain, 2019).

To summarize, one of the main challenges for companies in managing human capital on an international scale is to formulate a strategy that is global while being locally adapted with both, endogenous and exogenous factors, influencing their HR practices and leading to this differentiation-standardization tension (Martin, Gollan & Grigg, 2011; Stahl et al. 2012). This means that MNEs have to adapt their corporate practices to the local context of their subsidiaries, even though they internally aim to develop a unified global strategy (e.g. Napathorn, 2020; Stahl et al. 2012; Tarique & Schuler, 2010). However, recent literature further highlights the need for adaptation of the overall strategy in case the industry of an MNE is rapidly changing (e.g. Araújo & Oliveira, 2017; Whysall, Owtram & Brittain, 2019).

#### 2.5 Theoretical Framework

Due to the different streams of literature identifying the influential factors on companies' decision-making processes behind talent management strategies and employer branding, a theoretical framework was established. The framework aims to provide an overview of the connection between the different concepts and emphasizes the influence of both endogenous and exogenous factors. Furthermore, the framework assisted in structuring the interviews and acted as a guide when analyzing the collected data. Specifically, the theoretical framework established a guideline that supported the technique of flexible pattern matching as part of the analysis.

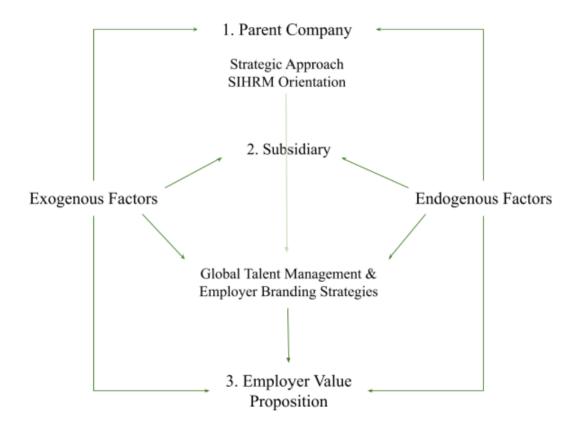


Figure 2 - Theoretical Framework (Spielmann & Kemp, 2021)

The first level (1) identifies the parent company and the decision by the headquarter concerning an appropriate strategy approach. Hereby, the approach refers to an adaptive, exportive, or integrative SIHRM orientation (Taylor, Beechler & Napier, 1996). The second level of SIHRM has been identified as (2) the respective subsidiaries. As part of SIHRM strategy, global talent

management practices, including employer branding, are exercised by the parent company and subsidiaries. The strategic approach to the practices, i.e., the level of freedom by subsidiaries, is thereby influenced by the parent company's chosen SIHRM orientation. These activities establish the third level, (3) the employer value proposition that shapes the perception that (potential) employees have of the organization. Here, companies highlight their employment offerings (instrumental attributes) as well as their organizational character (symbolic attributes). These will, in turn, form the employer value propositions and thus influence the employer brand image. All three levels, (1) the parent company, (2) the subsidiary, and (3) employer value proposition, are influenced by endogenous and exogenous factors.

Furthermore, talent management strategies and employer branding activities are influenced by these endogenous and exogenous factors. On one hand, firms aim to develop a global approach when implementing talent management and employer branding in order to show a strong coherent corporate culture and strategic alignment (Martin, Gollan & Grigg, 2011; Stahl et al. 2012). On the other hand, differentiation between headquarters and subsidiaries is necessary due to differences in the local environment, hence exogenous factors influence the implementation of talent management and employer branding (e.g. Martin, Gollan & Grigg, 2011; Stahl et al. 2012).

Overall, this theoretical framework is derived from the reviewed literature, based on concepts of SIHRM, GTM, and EB. The aim was to conceptualize important connections between these HR practices and endogenous and exogenous factors which can be summarized as follows: The parent company proposes a strategic IHRM orientation that is followed to a great extent by the subsidiary with necessary local adaptation. Based on the chosen approach, a talent management strategy, including employer branding activities, is formulated. Hereby, a differentiated employer value proposition is established to enhance the perceived organizational attractiveness and attract and recruit talent. All three levels and the respective activities are influenced by endogenous and exogenous factors which lead to the introduced integration-responsiveness tensions.

## 3 Methodology

## 3.1 Research Approach

In the following section the chosen research approach, which describes how theory and research are connected to one another, will be outlined and motivated (Bryman & Bell, 2011). For the purpose of this thesis an abductive approach with a strong deductive influence was chosen, as it highlights the importance of existing theories throughout our research while allowing openness for emerging themes. A deductive approach aims to test a hypothesis or assumption that is based on previous theories with empirical data that is gathered as part of the study (Bryman & Bell, 2011). Hereby, the theoretical knowledge guides the data gathering process as well the analysis as previous theory, and empirical findings are compared to one another (Bryman & Bell, 2011). The abductive approach, on the other hand, establishes hypotheses based on unexpected research evidence by matching theory and observations (Timmermans & Tavory, 2012).

The integration-responsiveness problem, identified as a key challenge for MNEs and their HRM strategies, was deducted from previous literature and served as a foundation for this research. Similarly, the influence of both endogenous and exogenous factors, such as institutions and culture, on both global talent management and employer branding have been derived from previous research. Subsequently, a theoretical framework based on previous literature was established to guide the data collection process as well as the analysis of the data, characterizing a deductive approach. However, no formal assumptions or hypotheses have been established, and the data collection process was approached with maximal openness in order to identify potential challenges and influential factors in relation to global talent management and employer branding strategies of MNEs. Furthermore, the study applied a flexible pattern matching process in order to identify unexpected themes and potentially establish new hypotheses, which further supports the choice of an abductive approach. Hence, an abductive research approach with strong deductive influences was considered to be most suitable for the purpose of this study and to answer the underlying research questions.

### 3.2 Research Design

In order to comprehensively understand and address the problematization identified in the previous section, the research design helps to outline the direction of research (Bryman & Bell, 2011). More specifically, it provides a framework that allows the researcher to efficiently answer the research question by structuring the processes of data collection and analysis of information (Bryman & Bell, 2011; Sreejesh, Mohapatra & Anusree, 2014). The appropriate research design was established based on determinants such as available data, time scope, and research objectives (Sreejesh, Mohapatra & Anusree, 2014). Following, the next sections will address and motivate the chosen research design, namely a qualitative multiple case study.

#### 3.2.1 Qualitative Research

For the purpose of this study, a qualitative research design was chosen which is associated with the analysis and interpretation of words rather than numbers (Bryman & Bell, 2011; Hyde, 2000). Hereby, qualitative research aims to develop theories based on emerging patterns of the collected data (Bryman & Bell, 2011). Additionally, researchers enjoy a higher degree of flexibility throughout the study, since units of analysis are small, and the design is generally unstructured (Bryman & Bell, 2011). Furthermore, the aim of qualitative research is to "explain the particular" (Hyde, 2000, p.84) as the collected data is typically rich in order to understand the complexity and depth of the studied phenomenon (Hyde, 2000). Therefore, the intention behind qualitative research is not to reach a generalized conclusion but rather to emphasize the uniqueness of each individual case and compare this to broader theory, referred to as analytic generalization (Hyde, 2000; Riege, 2003; Yin, 2009).

Since the aim of this study is to understand how MNEs within the automotive industry respond to integration-responsiveness pressures in relation to their global talent management and employer branding strategies, a qualitative research strategy was deemed more suitable. Due to the complexity of the decision-making processes concerning strategies of MNEs, a quantitative study would not have been sufficient enough to give a comprehensive answer to the research problem. Thus, the decision to conduct a qualitative study was further supported. Additionally, due to the changing nature of the automotive industry, an exploratory approach was chosen in order to potentially discover influential factors of the firms' strategic choices besides the factors identified by previous literature. The research sought to understand the reasoning behind

strategic decision-making processes of MNEs in the automotive industry which further motivated the choice of qualitative research.

#### 3.2.2 Multiple Case Study

While qualitative research can be conducted through several designs, such as experiments and surveys (Bryman & Bell, 2011), the case study was chosen to explore the complexity of the research problem which, according to Yin (2009), a survey could not sufficiently address. A case study design describes components of a particular event in detail while using multiple sources to support its argumentation (Yin, 1994 cited in Eisenhardt & Graebner, 2007). Hereby, each case provides a unique analytical aspect that can be used to identify patterns and, thus, descriptively develops emerging theory (Eisenhardt & Graebner, 2007; Yin, 2009). Hence, a case study seeks to understand research questions through developing an exhaustive understanding of the related factors involved in the case (Bryman & Bell, 2011; Swanborn, 2010).

While a single case study discovers important aspects of an incident under specific circumstances (Eisenhardt & Graebner, 2007), the use of multiple cases strengthens the development of theory and, thus, the generalizability of the findings (Bryman & Bell, 2011; Yin, 1994 cited in Eisenhardt & Graebner, 2007). According to Bryman and Bell (2011), a case comparison can assist in revealing significant patterns by showing the commonalities and differences between each case. By choosing to analyze each case separately as a unit of analysis and then conducting a comparative analysis, multiple case studies can support objective theory building (Eisenhardt & Graebner, 2007).

Therefore, the choice for this study was to conduct a multiple case study in order to objectively strengthen the development of theory and potential generalizability of the study. Firstly, the aim was to establish patterns explaining strategic decision-making regarding talent management and employer branding of different multinational companies operating in the automotive industry. Due to the uniqueness of strategy formulation of companies, within-case studies appeared to reveal important information, while cross-case analysis would support the theoretical argumentation and recognize potential patterns across companies' decision-making processes (Eisenhardt & Graebner, 2007). Secondly, using multiple cases in studies strengthens validity and reliability and supports theory development based on the discovered findings (Bouncken, Qiu, Sinkovics & Kürsten, 2021; Bryman & Bell, 2011; Eisenhardt & Graebner,

2007; Riege, 2003; Yin, 2009). Based on these factors, a multiple case study was the appropriate choice of study design in order to limit subjectivity and bias.

#### 3.3 Data Collection Method

According to Bryman and Bell (2011), the objective of the data collection method is to develop a sampling strategy, select the primary and secondary data sources, and form the method used to collect these data sources. Subsequently, this section will elaborate why MNEs within the automotive industry were chosen as a unit of analysis, and how the case companies were selected based on a purposive sampling strategy. Lastly, the choice of using both primary and secondary data sources is motivated, and the design of semi-structured interviews, serving as the central data source, is outlined.

#### 3.3.1 Industry Selection

According to Baum, Gsell, and Kabst (2012 cited in Mölk, 2018), companies with sufficient financial resources are capable of continuously investing in talent management strategies and employer branding practices on a global scale. Hence, it was necessary to choose an industry with established multinational players and the financial resources to employ global talent management strategies. Furthermore, the respective industry was required to have a diverse and skillful labor market (e.g. Covarrubias & Ramírez Perez, 2020) in order to identify potential trends for MNEs talent management strategies.

Since the automotive industry has been steadily growing by approximately 3% annually over the last five years and has been identified to be the number two export product (Covarrubias & Ramírez Perez, 2020; Workman, 2021), the size of the industry was identified as compatible with the selection criteria. Furthermore, Covarrubias, and Ramírez Perez (2020) state that the automotive industry supplies the majority of engineers and industrial employees. This is especially present in the automotive labor market in emerging countries which has indications for local policies concerning employment, development, and attracting workers (Covarrubias & Ramírez Perez, 2020). Therefore, global automotive companies aim to attract a diverse workforce not only in developed markets but also in countries with emerging markets which makes the industry an interesting environment for this study. Furthermore, automotive

companies with headquarters in Europe were chosen given that 55% of the share of exported products of the industry originate in European countries (Covarrubias & Ramírez Perez, 2020).

Furthermore, the automotive industry experiences rapid changes following digital transformation, environmental policies, and customer experience offerings (Covarrubias & Ramírez Perez, 2020; Guzik, Domański & Gwosdz, 2020; Llopis-Albert, Rubio & Valero, 2021). In order to continuously compete and gain a sustainable competitive advantage, companies need to develop products and related services according to these trends (Llopis-Albert, Rubio & Valero, 2021). Hence, automotive companies need to enable not only technological changes but also organizational changes (Guzik, Domański & Gwosdz, 2020). According to a study by Doucette, Hensley, Kaas, and Rittstieg (2020), the surveyed companies within the automotive industry acknowledged that employing the right talent for these emerging trends is more important than owning sufficient capital. Thus, they found that companies in the automotive industry put more emphasis on talent management strategies than other industries.

To summarize, the automotive industry was chosen based on three main reasons. Firstly, the industry has global coverage. Secondly, the established multinational companies within the industry obtain sufficient financial resources needed to deploy employer branding and talent management strategies globally. Finally, the rapidly changing environment causes the global players to adapt their strategies towards new talents, thereby, attracting a diverse labor force.

#### 3.3.2 Case Company Selection

For the purpose of this thesis, purposive sampling, a non-probability form of sampling, was chosen. Although not allowing for generalization of a population, non-probability sampling, such as purposive sampling, is considered to be more feasible in qualitative case research, especially when working with small samples as is applicable in this study (Bryman & Bell, 2011; Saunders, Lewis & Thornhill, 2007). Additionally, due to the limited time frame of the study this sampling method was considered most efficient. Purposive sampling is thereby focused on sampling cases in a strategic way, i.e., based on a case's relevance to the research question (Bryman & Bell, 2011). In other words, organizations and participants should be able to give insights to understanding a social phenomenon and should thus be chosen based on a clear set of criteria (Bryman & Bell, 2011).

Subsequently, the following criteria for the selection of the case companies were established: (1) Based on the argumentation outlined in the previous section, case companies had to be MNEs within the automotive industry and headquartered in Europe, (2) the selected companies must have subsidiaries or affiliates in various foreign countries, in order to be relevant for the underlying research question. Furthermore, the criteria for the respondents within the case companies were: (1) a senior position within the company's headquarters, (2) a position within global HR and the competency areas of talent management and/or employer branding. These criteria were chosen based on our interest in the parent company perspective and to ensure that each respondent had personal knowledge of the company's HRM strategy as well as their global talent management and employer branding strategies.

In order to identify suitable companies, a Google search based on the aforementioned criteria was performed and a list of European headquartered MNEs within the automotive industry was generated. These companies were then searched on LinkedIn and the list of company employees was filtered based on the respondent criteria. More precisely, keywords, such as 'HR', 'Talent Management', and 'Employer Branding', were used to filter the list of each company's employees to identify potential respondents that could then be contacted via their LinkedIn profiles. The message to each potential respondent included detailed information on the purpose of the study, the required information, how that will be used, and the practicalities surrounding the interview.

Overall, we contacted 22 respondents from 10 different companies. Our aim was to conduct interviews with three to five companies, interviewing one employee per company. Furthermore, all interviews had to be conducted until the 6th of May in order to allow sufficient time for transcription and analysis. Ultimately, four companies responded to our request, whereas only two companies (i.e. two respondents) finally agreed to an interview. For the other two companies, the contracted employees forwarded our interview request to colleagues but the colleagues with the necessary knowledge were not available for interviews.

#### 3.3.3 Primary and Secondary Sources

Throughout this thesis both primary and secondary data was collected. Primary data can thereby be defined as data that has been directly collected by the researcher (Bryman & Bell, 2011). Being a qualitative study, the primary data in this thesis was generated through semi-structured interviews conducted with the selected case companies which served as the central data source as it provided in depth information related to the research question. However, due to the limited number of respondents and potential bias, it was decided to complement the primary data with secondary data as proposed by Bouncken et al. (2021). The authors suggest that this can be particularly useful in order to obtain additional insights and different perspectives. Furthermore, using more than one source of data, i.e., triangulation, is recommended to increase validity in qualitative research (Bryman & Bell, 2011). Secondary data can thereby be described as data that has been collected by someone other than the researcher (Bryman & Bell, 2011). The secondary data used in this thesis was obtained through each company's respective company career website, job postings on LinkedIn as well as information in the latest annual report.

#### 3.3.4 Interview Design

Defined as a purposeful discussion between two or more people, interviews are considered a particularly useful method for the detailed examination of a case (Eisenhardt & Graebner, 2007; Kahn & Cannell, 1957 cited in Saunders, Lewis & Thornhill, 2007). They are widely used as a primary data source in qualitative research since they are an efficient tool to generate valid, reliable, and rich empirical data relevant to the research question (Bryman & Bell, 2011; Saunders, Lewis & Thornhill, 2007). The interview can be structured in various ways, whereby a semi-structured interview approach was chosen for the purpose of this thesis based on the following reasons.

Firstly, as the study is exploratory in nature, a semi-structured interview approach is typically recommended due to its ability to generate extensive answers and new insights (Saunders, Lewis & Thornhill, 2007; Swanborn, 2010). Secondly, as the study seeks to establish a genuine understanding of how MNEs within the automotive industry respond to integration-responsiveness pressures in relation to GTM and EB and the reasoning behind their actions, a more unstructured approach may be preferable (Bryman & Bell, 2011; Saunders, Lewis & Thornhill, 2007). Lastly, however, with this paper being based on a multiple case study, some

structure is necessary to ensure cross-case comparability which speaks for a semi-structured approach compared to an unstructured interview (Bryman & Bell, 2011).

The semi-structured interview is commonly based on an interview guide including a list of topics and initial questions that ought to be covered during the interview (Bryman & Bell, 2011; Saunders, Lewis & Thornhill, 2007). However, the questions are typically open to avoid bias, giving the interviewee freedom to speak in order to maintain maximal openness towards unknown topics (Saunders, Lewis & Thornhill, 2007; Swanborn, 2010). Hence, rich and detailed answers by the interviewee are encouraged (Bryman & Bell, 2011). Additionally, the interviewer has the freedom to be flexible and deviate from the initial interview guide by changing the order of the questions, omitting questions, adding additional or follow up questions if applicable, and changing the wording of the questions (Bryman & Bell, 2011; Saunders, Lewis & Thornhill, 2007). Consequently, the interview guide was based on open questions, giving the interviewee the ability to speak freely and elaborate on various topics.

As argued by both Saunders, Lewis, and Thornhill (2007) and Bryman and Bell (2011), the interview questions and themes should also be derived from the literature and the established theoretical framework. This approach is further emphasized by the framework that was chosen for the analysis, i.e., flexible pattern matching (Bouncken et al. 2021). Therefore, the interview guide followed the structuring of the literature review in chapter two and the themes summarized in the theoretical framework. *Table 1* below compiles how themes and questions are related to one another in more detail, while the interview guide in its entirety can be found in *Appendix A*.

Table 1 - Connection between Theory and Interview Questions

Theory & Theme	Interview Question
Respondent background and overall business strategy	1-2
SIHRM approach	3-4
Global Talent Management	5-9
<ul> <li>Approach</li> <li>Key Success Factors</li> <li>Endogenous and Exogenous Factors</li> <li>Challenges</li> </ul>	
Employer Branding	10-17
<ul> <li>Approach</li> <li>Key Success Factors</li> <li>Endogenous and Exogenous Factors</li> <li>Challenges</li> </ul>	

Before the interviews were conducted, each respondent received a copy of the interview guide in advance to be able to prepare and give more detailed answers. Additionally, it is argued that this procedure increases credibility and can also promote validity and reliability of the study (Bryman & Bell, 2011; Saunders, Lewis & Thornhill, 2007). Furthermore, the respondents were asked to give their consent for the interview to be recorded, transcribed, and used for the purpose of this study. One respondent chose for their name and the name of the company to be hidden and were thus given a fictional name. The interviews were then conducted via Microsoft Teams due to differences in location and the ongoing Covid-19 pandemic, with each interview lasting between 45 and 70 minutes. Afterwards, each interview was verbatim transcribed although, as suggested by Bryman & Bell (2011), verbal 'tics' and repeated words within a sentence were removed to facilitate understanding. To aid the transcription process the artificial intelligence software Otter was used, however, each transcription was proofread and corrected manually. Lastly, each transcript was sent to the respective respondent, giving them the option to confirm their answers and resolve misunderstandings. This process, which is commonly referred to as respondent or member validation, was performed in order to further increase the validity of the research (Bryman & Bell, 2011).

## 3.4 Data Analysis

For the purpose of our thesis, a flexible pattern matching approach was chosen based on the perception that it best corresponds with our abductive research approach as it combines deductive and inductive logic, standardization and flexibility, and is well suited for exploratory research designs (Bouncken et al. 2021; Sinkovics, 2018). Additionally, the standardized framework of the approach allows the reader to follow the thought processes from conceptualization to data interpretation and the argumentation and conclusions that are made (Bouncken et al. 2021). It is, therefore, argued to respond to some extent to the criticism that is often brought forward in relation to qualitative research, which is its limited replicability and rigor (Bouncken et al. 2021).

Flexible pattern matching thereby compares theoretical patterns also referred to as the theoretical realm with observed empirical patterns, i.e., the observational realm (Sinkovics, 2018). Based on Trochim (1989), a pattern is defined as "the arrangement of objects or entities that are non-random and describable" (cited in Bouncken, Qiu & García, 2021, p.2). In more detail, this means that the initial theoretical patterns, which are established through a systematic literature review, are matched with the empirical data that is observed in the study (Bouncken et al. 2021). However, through mismatches, i.e., emerging, and unexpected patterns in the data, the theory can be further developed. Subsequently, the framework can be used to test existing theory but also allows for problematization and development of existing theories (Bouncken et al. 2021).

The flexible pattern matching process can be summarized in three steps. In the first step, which aims to establish the theoretical realm, theoretical patterns are deducted from previous studies which in term constitute the foundation for a theoretical framework (Bouncken et al. 2021). This step of the process was performed in chapter two of the thesis. In step two, the observational realm is established, i.e., actual observed patterns are formed based on the collected data, whereby the theoretical framework serves as a guideline (Bouncken et al. 2021). For this purpose, the first two sections of the analysis provide a within-case analysis as well as a cross-case analysis as proposed by Eisenhardt (1989). The aim of the within-case analysis is thereby to provide a detailed case study write up for each case company to gain first insights into the data as well as preliminary theory generation (Eisenhardt, 1989). The cross-case analysis then establishes patterns across both cases. Both parts of the analysis are hereby based

on thematic coding of the interviews and secondary data and guided by the categories established in the theoretical framework (Bouncken, Qiu & García, 2021; Eisenhardt, 1989). Lastly, and in accordance with the third step of the pattern matching process, the third section of the analysis compares the theoretical and observed patterns to establish new patterns and potential theory development (Bouncken et al. 2021; Eisenhardt, 1989).

## 3.5 Validity and Reliability

In order to assure the highest quality of research, the following criteria were addressed: construct validity, internal validity, external validity, and reliability (Bryman & Bell, 2011; Riege, 2003; Yin, 2009). Firstly, construct validity refers to the appropriateness of a measure being applied in a study (Bryman & Bell, 2011; Riege, 2003; Yin, 2009). Due to the nature of this case study, the criterion can be met by using several sources as triangulation to ensure the objectiveness of the researchers (Bryman & Bell, 2011; Riege, 2003; Yin, 2009). Since data collected for this study originates from both primary and secondary sources, it supports the validity of this research and underlines its argumentation.

Secondly, according to LeCompte and Goetz (1982 cited in Bryman & Bell, 2011), internal validity suggests that the findings have to be consistent with the development of theory of the study. For case studies, this is important when analyzing patterns and identifying the important factors (Riege, 2003). According to research, one way of strengthening internal validity is to conduct within-case analysis, cross-pattern matching as well as applying the tool of flexible pattern matching (Bouncken et al. 2021; Riege, 2003; Yin, 2009). These three steps were therefore applied within the analysis of this study. Furthermore, the interviewees were given the opportunity to review and validate the written transcript in order to ensure the validity and accuracy of the findings, and to clarify possible misunderstandings or misinterpretation (Bryman & Bell, 2011).

Moreover, external validity aims to ensure that the study can be used for generalization (Bryman & Bell, 2011). Due to the unique nature of a qualitative case study, the aim is to generalize the findings to a broader scope of theory (Riege, 2003; Yin, 2009). The external validity was strengthened by using flexible pattern matching to exploit existing theory by comparing it to the findings and identifying discrepancies to contribute to the development of future research. Nevertheless, it is acknowledged that the presented findings and the ability to

be generalized across different contexts is limited which is why the scope of this study has been clearly defined (Riege, 2003).

According to Bryman and Bell (2011), reliability is "the degree to which a measure of a concept is stable" (p.718). Hereby, the outcome of the study should be consistent when repeated assuming the study environment and processes are the same (Riege, 2003). Due to the uniqueness of case studies and the use of primary data from unique individuals (e.g. Riege, 2003; Yin, 2009), the degree to which this study adheres to reliability can be seen as a limitation. Nevertheless, the goal of this study is to minimize the issues concerning reliability. Therefore, several suggestions by Riege (2003) were accounted for when conducting this study, such as the record of data collection and findings, having multiple researchers, and highlighting parallels between primary and secondary data. Overall, it has been acknowledged that the nature of case studies limits generalizability and reliability.

### 3.6 Research Ethics

According to Bryman and Bell (2011), there are several key principles following the codes of ethics for business and management (e.g. Academy of Management (AoM)) that should be accounted for when conducting research to ensure its integrity. Firstly, no participant, whether the researcher themselves nor the interviewee, should be harmed throughout the research process (AoM, 2021; Bryman & Bell, 2011). In order for us to follow this principle, the firms and each interviewee were given the liberty to stay anonymous. Furthermore, consent had to be given prior to the interview being conducted. Finally, before using the interviews for data analysis purposes, the written transcript of each interview was given to the respective interviewee in order to find discrepancies and misunderstandings that should be adjusted accordingly.

Secondly, the AoM Code of Ethical conduct suggests that researchers should "protect the privacy, dignity, well-being, and freedom of research participants" (AoM, 2021). Hereby, Bryman and Bell (2011) refer to the importance of informed consent. They state that participants should be informed about the necessary details in order for them to decide on whether they accept to participate in the study. In accordance with this principle, each interviewee was given information about the general topic of the study and the selection

process. As previously mentioned, the interviewees were asked to give their consent that the interview would be recorded, transcribed for analysis purposes, and then later used in the study.

Thirdly, researchers should respect the participants' privacy and thus keep the respect for each individual's values (Bryman & Bell, 2011). As the interviewees were informed prior to the interview about its content while also being informed that the interview would be recorded, this ethical standard has been maintained. Additionally, the questions relating the subject were business related, thus leaving out private information regarding the interviewee themselves. Finally, the interviewees were given the opportunity to stay anonymous.

The last principle refers to violations occurring if the researcher does not truthfully represent the content of the study (Bryman & Bell, 2011). Hereby, Bryman and Bell (2011) claim that deceptions should be put to a minimum when conducting a study. Since the interviewees were informed about the content of the study and were given the questions prior to the interview, this study adheres to this standard of ethics.

Overall, Bryman and Bell (2011) note that researchers should adhere to the law when conducting a study. This study adhered to the highest standards of ethics and followed the law truthfully. Firstly, the data obtained from the interviews did not contain any sensitive information about the companies nor the interviewees. Furthermore, secondary data was collected from the companies' public websites, their respective official annual reports, and each company's public job advertisements. Finally, the information presented in the literature review and problem discussion is accessible through libraries and public websites.

# 4 Analysis and Discussion

Based on the flexible pattern matching framework introduced in the previous section, the following analysis and discussion presents the findings. Three steps were taken in order to support the pattern matching technique, namely: within-case analysis, cross-case analysis, and flexible pattern matching. Firstly, each case was analyzed separately by utilizing a detailed within-case analysis based on the concepts presented in the theoretical framework. Hereby, the primary data was complemented by secondary data in order to underline important aspects. Secondly, both cases were compared in order to identify commonalities and differences between the companies arguing for emerging patterns. Finally, the observed patterns collected from the primary data were compared and matched with previous literature guided by the theoretical framework. By comparing the theoretical realm with the observational realm, three main patterns were identified that mainly support previous literature while also further developing the theory.

## 4.1 Within-Case Analysis

### 4.1.1 Volvo Car Group

Volvo Car Group, hereafter referred to as Volvo, was founded in 1927 in Sweden. In 2010 the premium car manufacturer and mobility service provider was acquired by the Chinese holding company Zhejiang Geely Holding but is still headquartered in Gothenburg, Sweden (Volvo Car Group, 2020; Volvo Cars, n.d.). The company operates in more than 100 countries belonging to three regions, i.e., EMEA, the Americas, and Asia Pacific, whereas administrative functions, R&D or production, and manufacturing are located in Sweden, Belgium, the US, China, and Malaysia (Volvo Car Group, 2020; Volvo Cars, n.d.). Currently, Volvo employs about 43 000 employees (Volvo Cars, n.d.). The interviewee, Stefan Begall, hereafter Mr. Begall, serves as the company's Global Head of Recruitment, with his official title being 'Business Owner Global Manning'. Mr. Begall works at the Volvo headquarters in Gothenburg, Sweden, and has been with the company since 2017. He is responsible for recruitment and manning of both

white- and blue-collar employees, as well as onboarding and offboarding. Additionally, he oversees employer branding initiatives.

Following the background introduction, Mr. Begall was asked about the general strategy of Volvo. He noted that the company has a rather global approach and that only the available product ranges might slightly differ.

"[...] they can differ a little bit depending on the product we want to release. But overall, the company's strategy is the same, regardless of if we are operating in Australia, in South America, Sweden or the US."

He then explained that this global approach is also reflected in Volvo's HRM approach, leading to the company not fundamentally differentiating between the different subsidiaries or affiliates.

"Then our people strategy is exactly the same. There's also a global, let's say document, a global guideline. And so, there isn't any difference between subsidiaries or affiliates. If they're wholly owned by us, and that's a Volvo Car Group company, then the same strategy applies."

However, he acknowledged that in some instances exogenous pressures, such as local legislation or cultural preferences, can influence how the strategy is being practically implemented although Volvo aims to be as standardized as possible.

"So there of course, we tailor some of our solutions to reach out to that particular market, to that cultural difference that exists in that particular country. So I mean, you got to be a little bit smart about how you use and how you want to bring your message across. But the overall strategy and guidelines are the same, then more, what deviations do you have to make from a legal point of view, and there I'm happy to do deviations, but otherwise, it's not a tailored process. It's more trying to go as standard as possible."

Being asked about global talent management as part of SIHRM, Mr. Begall first of all highlighted its importance since he believes that Volvo is affected by a *war for talent*.

"For many years, there was this saying there is a war on talent. I can tell you that it's over. Everybody lost. Or it's still ongoing and it's ongoing every day. And with a more

globalized arena, or a globalization in general in our societies, we as an employer, or as a group, are echoing there as well."

According to Mr. Begall, Volvo addresses all kinds of employees with its talent management initiatives and not only the highest achievers as he believes that the meaning of the term high performance itself is inconclusive.

"That is, you can hire for skill, or you can hire for potential. And there is, I would say the best combination is, of course, both. But you cannot look at your talent that elitistically is saying we only want to achieve those high high achievers, because how well do they work in a group of people."

He considered this to be particularly important, as he believes that to be successful a talent management strategy must be embedded in the company's corporate culture. This also means that cultural fit in relation to Volvo's corporate culture becomes an important topic in the recruitment process.

"So, it's a combination today. Of course, having the skill set for the job, but also having the potential and the ability to be integrated into our culture and our company. And that's, of course, something we talk a lot about towards our candidates and markets."

Additionally, he noted that the talent management strategy has to be aligned with the target group it aims to address.

"So, for us, it is constantly also looking into okay, what is it we actually need? How do we find that talent? Where is that talent located? How can we attract that talent? How can we retain that talent? And that can change a little bit from target group to target group. Because some areas are still a little bit more traditional than others"

However, Volvo's main challenge concerning talent management is the change in the automotive industry from combustion engines to electric. According to Mr. Begall, that shift in the strategic direction of the company led to a competence shift that affects talent management and the kind of companies Volvo has to compete with in regard to talent.

"Now, when you then look into those different types of areas we are moving into as a company, that also means that we need to attract competence from areas we've never attracted competence from before. So, do we hire today from a traditional automotive

industry? Rarely. We hire from the Spotifys, the Amazons, the Google's, the Facebook's, the entertainment industry, the music industry."

According to Mr. Begall, these strategic changes within the industry also led to another challenge for the company in relation to talent management. More precisely, it is increasingly important to anticipate trends and change early on and plan recruitment accordingly.

"So, our challenge is to make sure to have early on an understanding of what is it we gonna need for the next quarter, the next quarter, next quarter, next quarter, so that we don't overrun our recruiters with too many requisitions. And that we have a good understanding of okay, how can we convert passive candidates into active candidates? And you don't do that in the blink of an eye. And that takes time. So, we need of course a very good people plan."

After moving on to employer branding, Mr. Begall highlighted that the same exogenous factors, i.e., industry change and the competency of the target group, also influence the execution of the company's employer branding strategy. Most importantly, he pointed out that the strategic change in the industry also portrays a main challenge in relation to employer branding.

"It is having the right skill sets within the recruitment team to recruit for those new competencies that are just coming. It is identifying trends of where the workforce is going and what is important to individuals, because if they're early on in their career in the mid or at the late stages. It is about maintaining an employable workforce. Because when we have really paradigm shifts, as we have now going from combustion to electrical, going from selling via dealers to selling ourselves, that puts a huge pressure on our existing workforce to keep up."

In relation to target groups and employer branding he further noted that it can influence how the typically standardized employer brand is presented.

"I mean, we talk about software developers, that's one market, we talk about individuals within communication, that's another one. And we might tailor our wordings to fit their likings. It is still going to be on the same content as it is going to come from the same value-based proposition. So, the employee value proposition is the same regardless of where we are."

However, as indicated in the previous statement, Mr. Begall emphasized that, in line with Volvo's global approach to HRM, the company does not want to specifically differentiate its employer brand for its different subsidiaries.

"So, we do not try to single out certain countries or certain subsidiaries, it's what we put in place from a, let's say, branding perspective and employee experience point of view that needs to be the same everywhere, because otherwise we are either mistreating or singling out certain areas, and that's nothing we're interested in."

Nonetheless, in relation to the more instrumental attributes of the employer brand, such as pensions, Mr. Begall noted that different national institutions can influence how the global employer branding strategy is implemented in different countries. Volvo aims, however, to standardize these instrumental attributes whenever possible as has for instance been done with the Family Bond initiative. The parental leave benefit, which is also strongly emphasized on Volvo's career website (Volvo Cars, n.d.), gives every employee, regardless of location or gender, the option to stay at home with their newborn child and receive 80% of their pay for six months.

"They, I mean, how the setup is might differ because you have different pension systems, and you have different tax systems. But overall, they are about the same. So, when we say we, yeah, we offer, let's say, a pension plan, we do that in every country, but it might look a bit different depending on how that particular state has set up their rules and regulations, because we cannot overrule that. But then with some things like the Family Bond, for instance, there we can say yes here we can contribute more."

Another global attribute of Volvo's employer brand and mentioned by Mr. Begall is to give purpose to employees by highlighting that they are and will be part of something bigger.

"So, it's understanding but then also being able to convey what we are doing, what we're about. What are the benefits of joining us? What are you a part of? Because we all want to be part of something bigger than just ourselves. So, it is extremely important for us to be able to showcase, okay, you're working on this piece, but it's a part of so much more. So that we can really give purpose"

This attribute of a purpose-driven culture is further highlighted in Volvo's latest Annual Report, stating:

"It also means showing our people that they contribute to, and are part of, something greater than themselves. Through our commitment to safety and sustainability, and our focus on making lives easier for our customers, we do exactly that." (Volvo Car Group, 2020, p.28).

Additionally, Mr. Begall highlighted that the image and principles Volvo aims to emphasize as part of its employer brand are also always the same, regardless of the target group or country and reflect the company's overall purpose.

"I mean, our slogan is freedom to move, in a personal, sustainable and safe way. And that's covers basically everything we do."

More particularly in relation to employer branding he noted:

"And so when we say safe, we say sustainable, we say personal. That's how we design our EVs, our employer value propositions that how we design our cars. And that's how we grow people."

Furthermore, Mr. Begall stressed that diversity is a central aspect of Volvo's global employer brand.

"However, what we put in place for this year is on all leadership hires, it needs to be 50/50 regardless of where you want to go, and regardless of what cluster you belong to, or what part of the business you belong to. Because we believe [in]diverse teams, and this year it is gender. But diversity is about more than gender. It is also about cultural backgrounds, etc. And those are global targets."

This aspect is also strongly emphasized by Volvo on their career website as an elemental part of the company's culture and values.

"We want to bring out the best in our employees, and our history of automotive innovations is the result of a collaborative, diverse and inclusive working environment." (Volvo Cars, n.d.)

When asked about the key success factors of employer branding, Mr. Begall further noted that the employer brand should be based on the general direction of the company, thus explaining the need for a globally consistent brand image that is based on the company's overall values and purpose.

"So, we want to mimic our general strategic initiatives and how we brand ourselves as an employer, about the same way. Because if you have discrepancies saying, okay, this is who we are as a brand, but this is who we are towards our employees, it doesn't really make sense, at least not to us that you want to have one case, you should in one area show this and then here you showed that."

Lastly, when asked about future challenges and developments in employer branding at the end of the interview, Mr. Begall once again emphasized the previously mentioned challenge of the industry wide strategic change, making the anticipation of trends a key success factor.

"Anticipating trends, staying on top, challenging the status quo. Just because it worked two years ago doesn't mean it's gonna work this year. And just because it didn't work two years ago, doesn't mean it can't work right now. So, it is finding that balance, being bold. And I think we are pretty bold, continue to stay that."

#### 4.1.2 Alpha Cars

Based on the request by the second case company to remain anonymous, the company will hereafter be referred to as 'Alpha Cars'. Alpha Cars has its roots in Central Europe and has been a traditional car manufacturer since the 19th century. Since the company employs over 100 000 people on a global scale, has production plants in multiple countries, and serves more than 30 different markets worldwide, it has built its reputation as an established player in the automotive industry. The interviewee, who also requested to stay anonymous, will hereafter be referred to as Ms. Martin and has been at Alpha Cars for a total of 6 years. She started working for the employer branding department in 2010 where she was part of establishing the first global employer branding initiatives. While she left the company in 2014, she rejoined in 2019 as part of the global talent management department. She has since been responsible for bigger projects concerning the development and rethinking of global policies in relation to global talent management.

After giving information regarding her background at the company, Ms. Martin provided some general information about the company's strategic restructuring based on changes in the executive management team. Based on the new structure, each subsidiary now follows the strategy of one of the company's brands that is most dominant in the country.

"So, because of that change in structure, the countries that now belong to a brand will have a more targeted strategy per country based on the brand that they are associated with."

Due to these organizational changes, Alpha Cars reorganized its HRM strategy accordingly. Ms. Martin elaborated that by employing one global HR vice president (VP), the company moved towards a more global approach of HRM strategy translation which should mimic the overall brand strategy of the respective subsidiary.

"So, we now reflected the HR structure to reflect the brand structure, which means that we have one global HR VP, which is the person actually giving a strategic direction to the whole company."

Nevertheless, the countries continue to have substantial autonomy in regard to everyday talent management. She pointed out that the overall global policies are developed at the corporate headquarters and implemented in all countries, while smaller activities differ between nations.

"So, we don't do day to day talent management for the countries, that is done on a country or on a regional level. But we do establish the policies. On the other hand, we do it ourselves when we talk about top leadership."

According to Ms. Martin, this differentiation is caused by significant legal and institutional differences between countries. Therefore, the company consults with each country in order to establish global policies that are possible to be implemented through a standardized approach.

"Of course, each country continues to have their own needs, in terms of legislations, and especially when we talk about labor law and things like that, and then there are things we cannot change. [...]. Like when I do performance management, I never do it on my own on my side, and not taking into account the countries it should rather be the other way around."

However, Ms. Martin emphasized that the overall SIHRM approach by Alpha Cars moves towards a more global and standardized approach, minimizing the external adaptation to the subsidiary context.

"There's a lot of direction, I think that that is even growing. Countries do have some flexibility, depending on the context and the type of area that we're talking about."

She then further explained what Alpha Cars understands under GTM. Hereby, the emphasis is placed upon a global approach by providing general policies that each subsidiary must follow.

"So basically, with global talent, in general the scope is, we define the policies and the procedures for the whole company in regard to talent. So, we act like a center of expertise in corporate for all of the countries."

The policies implemented by Alpha Cars distinguish between potential applicants that the company identifies as high performers and all types of candidates and potential employees.

"It depends a little bit on which process we're talking about. So, performance management, we talk about all employees, this is really for everyone. [...]. Now, when we talk about high potential performers, for example, then we tackle just one specific type of performer [...]. So, it depends, we'll do both."

When referring to employer branding and the implemented approach by Alpha Cars, Ms. Martin noted that the activities need to be differentiated based on exogenous factors. Hereby, she emphasized that the influential factors that must be accounted for are the interests of the different target groups from which Alpha Cars wants to attract and retain talent. Furthermore, specific institutional factors such as different legislation need to be considered.

"And so, we will have both overall employer branding [...]. And then it goes all the way to very specific targeted actions, such as if we need to attract, like tech talent, we might do a hackathon, for example, that will attract specific people in this area. And then we do have countries, they have their very specific employer branding actions as well. So, I know some countries, they have a very aggressive quota for handicap, for example, they will certainly do specific employer branding for handicaped in order to achieve the quota that they need to hire."

In order to successfully implement the employer branding and talent management approach globally, Ms. Martin highlighted several key factors that the company needs to adhere to. For example, the overall business strategy of the company needs to be in sync with the employer branding and talent management strategy in order to show consistency throughout the organization.

"I think the most important one is to have clarity on business strategy and how do you define your policies to make sure you're tackling business outcomes."

Moreover, the interview emphasized the image that the company aims to portray externally needs to be consistent with the actual organizational culture and values embedded in the firm. The emphasis is, thereby, on the positive gains, or negative outcomes respectively, from word-of-mouth experiences by employees.

"I think the first one is to make sure that you correctly reflect your identity as a company and not just a projected image. [...]. And if you don't have the coherence between internal and the image that you're projecting externally, you will very quickly have trouble in your employer branding, because employees talk."

As previously mentioned, the employer branding approach and the talent management strategy have to be differentiated in order to meet the needs and wishes of the desired talent. According to Ms. Martin, this is one of the main challenges that Alpha Cars currently faces due to its current reputation. While the company aims to apply a standardized, global approach, it needs to take into account that each target group is different and has different desires.

"Like, when you talk about tech talent, you talk to very specific people, like you have a specific vocabulary, you have a specific way of presenting yourself. [Alpha Cars] is seen as a very conservative, traditional company. This is not the typical company that attracts tech talent. They want to go to Google, they want to go to Tesla, they want to go to more avant-garde types of companies and companies that really are known for breakthroughs."

These symbolic attributes add to another challenge that Alpha Cars needs to overcome. Due to the necessity of new competencies of future talent, including tech talent, the company needs to reshape its organizational approach to be regarded as an attractive employer. Accordingly, the company underlines its future driven orientation on the company's website by showing their innovative, sustainable approach while enabling digital transformation in different parts of the value chain<sup>1</sup>. Hereby, the emphasis is placed upon the changing nature of the automotive industry, referred to as industry 4.0. Nevertheless, Ms. Martin pointed out that the company still has to reshape its environment and corporate culture to attract new talent.

"But eventually we come to them. They don't want to work for [Alpha Cars], because it's not really perceived as a fertile environment for tech talent. And it's not just that it's not perceived, it really isn't fertile because we didn't develop that as much."

Furthermore, Ms. Martin highlighted the rapid changes that the automotive industry experiences which urges the global players to implement organizational and strategic changes in order to sustain a competitive advantage. Therefore, the main challenge is to predict future trends of the industry.

"I think it will be that. To really adapt to the changes in the strategy. To like become a tech company, to attract specific types of talent and to reflect all that in actual practices within the company. I think that will certainly be our major challenge."

While Alpha Cars aims to establish global policies, there are several instrumental attributes that the company offers that must be adjusted to the local environment of the subsidiaries, mainly due to exogenous factors such as institutions and legislations. These differences in benefits are visible in various job recruitment advertisements published by the company. As for instance, current LinkedIn job postings in Switzerland highlight instrumental attributes such as flexible working hours and vacation time, whereas current Romanian job postings stress a calm and friendly working environment<sup>2</sup>.

"So, benefits, it's very much according to countries, it changes a lot country from country, on the local legislation and what type of like, what type of benefits we offer can vary a lot."

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<sup>&</sup>lt;sup>1</sup> Due to the anonymity of the case company and the interviewee, all information relating to secondary sources was aggregated to be used in the analysis. No direct quotes or references could be used. For further information, please contact the authors.

<sup>&</sup>lt;sup>2</sup> Job postings accessed via LinkedIn in May 2021

On the other hand, Ms. Martin noted that the image portrayed as well as principles and values are the same throughout the company and its subsidiaries. Ms. Martin stressed that it is of great importance for the company to portray the same image across the globe to show that they all move towards the same goal.

"I think there are things which are related to the DNA of the company. [...]. Some strategic things, like that we want to be in the front end of technology, really develop the mobility of the future, this will also be something that we'll be talking about. We also want to be green."

Additionally, the company puts efforts in implementing global policies that may in the future cover instrumental attributes, thus enhancing the attractiveness as an employer and their employer value proposition. Hereby, the brand reported in the annual general meeting of 2021 that the pay gap between men and women should be eliminated as well as gender diversity in leadership positions should be promoted. This aspect was also highlighted by Ms. Martin.

"So, this will definitely be something that we will put forward a lot in the coming years, because we want to increase a lot of women talent. And so that means that we will certainly put an effort and accent on all the policies that are favorable to a great place to work for women."

Overall, Ms. Martin emphasized that all new implemented policies aim to be applied on a standardized global scale. Furthermore, the company does not only follow the strategic changes of the industry but anticipates future trends. Ms. Martin exemplified that the management recently decided on a global CSR strategy which is further highlighted on the respective company website stressing the goal of being a carbon neutral company within the upcoming years.

"And we just communicated last Friday, our global new corporate social responsibility policy. So that's a new trend. [...]. Because I think we have a very integrated way of seeing the company in the future, like tech driven, sustainability, new mobilities of the future, increasing the diversity on top leadership. All of those things, those are going to be unique and the same."

## 4.2 Cross-Case Analysis

#### 4.2.1 Towards a Global Human Resource Approach

Throughout the interviews it became apparent that both companies are generally aiming for a global and standardized SIHRM approach with policies and guidelines being determined by corporate and applied in the subsidiary context. While Volvo's approach is hereby fully global, Alpha Cars' SIHRM approach has only recently become more global based on the changes implemented by the new executive management. Furthermore, Alpha Cars has not one global approach but several since there is one global strategy per brand. Additionally, the company's global policies are designed in collaboration with the countries and subsidiaries, leading to the policies reflecting best practices based on the needs of the majority of the subsidiaries. While all of Volvo's subsidiaries are represented in the executive management team, it was not specifically highlighted that the subsidiaries are involved in the design of specific global policies.

Nevertheless, the overall global approach of both companies is also reflected in SIHRM related procedures such as GTM and EB. In relation to talent management both companies provide a substantial amount of direction in terms of global policies. However, once again Volvo's approach is more standardized than the one by Alpha Cars, where day to day talent management activities still reside in the hands of the local subsidiaries. Despite these differences, Volvo also acknowledges that some flexibility is required depending on the context. Both companies thereby highlight institutions in terms of legislation and the nature of the target group as the most influential factors leading to some form of differentiation. The latter refers to activities and policies being differentiated based on the needs of different professional groups, such as white collar and blue collar, or specific kinds of talent such as tech talent. Additionally, Alpha Cars further differentiates based on the different brand strategies and types of employees, i.e., what they consider to be talent with extensive value to the company.

Similar patterns can also be observed in relation to employer branding. Especially in terms of recruitment activities both companies highlighted that differentiation may be needed based on the target group and their professional backgrounds. Both companies also emphasized that institutions are relevant in relation to the instrumental and tangible attributes of their employer brands, that is, the specific benefits and rewards each company offers. While the provision of certain benefits and the like is guided by global policies, their implementation in the context of

subsidiaries is very much dependent on local legislations, such as local tax systems or leave allowances. Volvo, however, is aiming to standardize as much as possible by for example implementing their own parental leave allowances. If possible, the company thus began to replace local regulations with company policies.

While instrumental attributes of the employer brand are hence not fully global, the opposite is true for the organizational identity and the image each company aims to convey as part of their employer brand, i.e., its principles and values. Both companies do not differentiate and instead highlight the same attributes globally to align their employer branding strategy with their corporate strategy and culture. Interestingly, both companies emphasize similar values and principles such as gender diversity, sustainability, and being or wanting to be a tech-driven or innovative company. Hereby, CSR is an important building block for both of the company's global employer brands although it is a particularly strong attribute for Volvo, whereas Alpha Cars only recently initiated a global standardized approach.

Overall, both companies aim to have a global approach to its Human Resource strategy and its related activities such as GTM or EB. While this is already widely the case for Volvo, Alpha Cars just recently began to further strengthen its standardization, meaning that more activities are differentiated compared to Volvo. However, both companies highlight strategic alignment and consistency with the corporate brand as the main reason for differentiation whereas local institutions, in terms of legislation, and target group needs are emphasized as reasons for differentiation. Subsequently, if applicable both companies allow for locally differentiated implementation of their global policies.

### 4.2.2 Strategic Alignment and Consistency as Key Success Factors

As indicated in the previous section, it became evident that both companies emphasized two key factors for successfully implementing employer branding and talent management strategies on a global scale. The two determinants for successful implementation of the TM and EB approach were endogenous factors, namely strategic alignment and consistency. While strategic alignment, hereby, refers to aligning EB and TM with the overall corporate strategy, consistency guides the positioning of a unified corporate culture worldwide.

Firstly, both companies have sustainability goals which are not only reflected in their overall business model but also highlighted as part of their employer branding activities and talent

management strategy. With Volvo's purpose being "freedom to move, in a personal, sustainable and safe way" (Volvo Car Group, 2020, p.22), the company has adjusted its overall strategy towards a more innovative, sustainable company making an effort to compensate for their carbon footprint. Likewise, Alpha Cars has established a strong culture based on shaping mobility in the future. Finally, both companies put emphasis on their goal of becoming carbon neutral within the upcoming years and highlight this as part of their employer brand.

Secondly, as aforementioned both companies move towards a global approach regarding TM and EB based on their global business strategies. Hereby, Alpha Cars reorganized its organizational structure resulting in a change of its talent management strategy and employer branding practices whereby the countries will continuously have less autonomy. These changes result in the implementation of global and standardized talent management policies in order to maintain global strategic alignment. Similarly, Volvo utilizes global TM policies, established by the headquarters, in order to show a consistent strategy not only in all business areas but also between national markets.

In order to align the corporate strategy with TM and EB strategies, the brand needs to be represented in a consistent way in all parts of the company. Therefore, both MNEs highlight the importance of portraying the same corporate image as a brand and as an employer in the different markets. Hereby, Volvo and Alpha Cars stress the importance of a truthful representation of the company. As aforementioned, both companies have identified themselves as tech driven, sustainable companies which they aim to portray as their global image. However, they noted that if the principles, values, and norms are not consistent with this image, their efforts to portray themselves this way would result in adverse reactions rather than positive outcomes. Since both companies highly rely on word-of-mouth communication between employees, they not only need to brand themselves as a tech driven, innovative, and sustainable company, but they need to implement policies and take actions to support their image.

Lastly, Volvo includes an assessment concerning values and principles of potential candidates in their hiring process to ensure a cultural fit for new employees. Thereby, emphasizing the cultural embeddedness throughout the company. According to Mr. Begall, rather than selecting the highest achievers, the company aims to employ talent that share the same values and principles. Overall, both cases demonstrated the importance of consistency and strategic alignment in order to successfully implement employer branding activities and talent management strategies.

#### 4.2.3 Industry Change as a Key Challenge for GTM and EB

As previously mentioned, both cases indicated that the most influential exogenous factors companies within the automotive industry account for when adjusting TM strategies and EB activities relate to the target group and institutional settings in different countries. While both companies emphasize a global, standardized approach concerning GTM and EB, they do acknowledge that legal deviations in countries need to be made while also recognizing the differences of interests and desires in their target groups. Hereby, it became apparent that rather than adapting one's strategy to the cultural context of a country, the companies aimed to utilize a standard approach and only differentiate between different professions they aim to attract, for example, when attracting tech talent.

While both companies recognize these exogenous factors and related challenges, the cases provided insights into a more urgent challenge within the industry and thus affecting talent management strategies and employer branding activities. According to the companies, the current changes in the automotive industry bear the main challenges for players in the industry. Not only do these changes cause the companies to restructure their business models in order to sustain a competitive advantage, but they also need to rethink their talent management and employer branding strategies in order to attract talent that they previously did not target. Hereby, the companies highlighted the urgency of obtaining new competencies, such as software engineering, while continuously attracting traditional talent from the industry. The emerging patterns of the cases demonstrated that both companies need to rethink their business model and restructure their company in order to be attractive for this new type of talent.

Furthermore, the cases show that both companies not only face internal challenges in order to attract new types of talent but also external challenges as they have to compete with established companies within these competency areas. While MNEs within the automotive industry previously did not consider these tech companies to be competitors, the changing industry urges them to suddenly compete with them for talent, further increasing the talent shortage in these areas. Accordingly, both companies highlighted that even though they address tech talent, these individuals often choose to go to firms, such as Google and Spotify. Due to the history of both case companies, they are not perceived as fertile and innovative as original companies within the tech industry. This has been especially highlighted by Alpha Cars as the company noted that their national roots shape the overall values and principles of the company, resulting in a perceived conservative and traditional image.

Overall, it became evident from the cases that both companies face the challenge of having an aligned corporate image while anticipating future trends of the industry in order to be perceived as an attractive employer. The ongoing *war for talent* is seen as a main challenge, which is further intensified by the changes in the industry, and the resulting strategic shifts. In order to sustain a competitive advantage, Mr. Begall, speaking for Volvo, in particular highlighted that they do not only need to follow trends in the industry but also anticipate new trends and possible future changes in the industry to be able to attract talent before its competitors.

## 4.3 Flexible Pattern Matching

### 4.3.1 Towards a Global Human Resource Approach

The first pattern emerging from the data, i.e., towards a global human resource approach and the influential exogenous and endogenous factors guiding this strategic direction, exemplifies both differences and similarities with the propositions made throughout the literature review. Firstly, based on Taylor, Beechler and Napier (1996), Volvo's global approach to IHRM with differentiation applied only if absolutely necessary, responds with an exportive SIHRM orientation. According to the authors, this approach is characterized by high internal consistency as the parent company's HRM policies and practices are replicated in oversea affiliates. Alpha Cars' approach, which allows for more differentiation in affiliates and subsidiaries while aiming to base global policies and guidelines on best practices that have been established in cooperation with the subsidiaries, can be related to what Taylor, Beechler and Napier (1996) describe as an integrative SIHRM orientation. Following the authors, this approach allows for high internal consistency but still enables a moderate amount of local differentiation and most importantly shared decision-making.

The design of a company's SIHRM approach is thereby strongly influenced by exogenous and endogenous factors, whereas the company's general international strategy is typically considered to be the most influential endogenous factor (Martin, Gollan & Grigg, 2011; Taylor, Beechler & Napier, 1996). Taylor, Beechler and Napier (1996) thus propose that MNEs following a global strategy tend to have an integrative SIHRM orientation, which partially corresponds with our findings. While the strategy of Alpha Cars correlates with an overall integrative design, Volvo's overall global strategy is reflected in a rather exportive SIHRM orientation. However, both approaches strongly standardize procedures which, according to

Dragić et al. (2008), is typically the best solution for HRM in global companies as it facilitates global mobility and the use of best practices, which has also been confirmed by the interviewees.

However, as the overall strategy can change, it also means that the SIHRM orientation can change over time (Taylor, Beechler & Napier, 1996). This has been confirmed by our empirical research. Ms. Martin, thereby, noted that she believes that the subsidiaries will become less autonomous over time due to changes in the company's global strategy. As the company's HRM as well as GTM and EB strategies now reflect the new global brand strategies, the countries will have less autonomy, meaning that Alpha Cars might also apply a more exportive approach in the future.

While the chosen SIHRM orientation is thus strongly based on endogenous factors, such as the MNEs overall strategy, exogenous factors are also argued to influence the design of the SIHRM system (Schuler, Dowling & De Cieri, 1993). MNEs that aim to have a globally standardized strategy in relation to HRM and practices sometimes have to adjust it based on the context (e.g. Napathorn, 2020; Stahl et al. 2012; Tarique & Schuler, 2010). This has also been highlighted by the interviewees, who both indicated that differentiation of their standardized, global practices and policies is typically based on various exogenous factors. The literature thereby especially highlights the role of local institutions as well as cultural differences (e.g. Eger et al. 2019; Martin, Gollan & Grigg, 2011; Stahl et al. 2012; Taylor, Beechler & Napier, 1996). The latter has been shortly mentioned by both interviewees but was not highlighted as the most influential factor. However, institutions, especially various local legislations, have been emphasized as an important factor in both cases. Additionally, both respondents further highlighted the nature of the target group as the second most influential factors. While the literature typically highlights target group differences in terms of nationality or age group (e.g. Eger et al. 2019; Elving et al. 2013), the empirical data revealed that target group differences in terms of (potential) employees' professional backgrounds is the main reason for differentiation.

Overall, the first observed pattern thus mostly corresponds with the theoretical constructs, although some differences exist. The empirical observations confirm that the MNEs chosen SIHRM orientation as well as its GTM and EB strategy are influenced by both endogenous and exogenous factors. As proposed by literature, strategy alignment is thereby the most influential endogenous factor. However, while the literature typically highlights institutions and culture as

the most influential exogenous factors, the case companies emphasized institutions and target groups in terms of (potential) employees professional background.

#### 4.3.2 Strategic Alignment and Consistency as Key Success Factors

The second pattern emerging from the obtained data, namely the importance of strategy alignment and consistency within the organization as well as between different countries concerning EB practices and TM strategies, demonstrates mainly similarities with the theoretical framework while recognizing some inconsistencies. Firstly, research stresses the importance of aligning TM strategies and EB practices including the employer image with the overall corporate strategy since it is seen as a key factor for their success (e.g. Backhaus & Tikoo, 2004; Martin, Gollan & Grigg, 2011; Stahl et al. 2012). Hereby, Stahl et al. (2012) highlight that companies can utilize TM strategies that are aligned with the corporate strategy to differentiate themselves from its competitors in order to attract talent and thus encourage organizational learning. Furthermore, by establishing a common sense of purpose amongst managers (Bartlett & Ghoshal, 1989 cited in Rosenzweig, 2006), a coherent global culture can be established which in turn increases the MNE's social legitimacy throughout the organization (Martin, Gollan & Grigg, 2011). Additionally, according to research, the employer brand should be consistent with the company's values, principles, and traits reflecting the overall corporate culture in order to utilize its respective benefits (e.g. Backhaus & Tikoo, 2004; Martin, Gollan & Grigg, 2011).

As aforementioned, the significance of aligning TM strategies and EB practices with the general business model and the corporate culture has become evident throughout the cases. Both representatives stressed their approach of global standardized TM strategies and employer branding efforts in order to show consistency throughout the organization. Moreover, the companies highlighted their future approach of TM and EB strategies towards common goals aligned with their general business model concerning sustainability, innovation or tech-driven. Finally, Volvo established hiring processes that focused on finding candidates sharing the same values and principles as the company in order to further strengthen its organizational culture. This process is supported by Stahl et al. (2012) who state that the organizational culture is one main competitive advantage resulting in the necessity of including cultural embeddedness in TM practices.

Nevertheless, literature underlines the importance of adapting the implementation of the business strategy to the local environment (e.g. Martin, Gollan & Grigg, 2011; Rosenzweig, 2006; Stahl et al. 2012). Hereby, Martin, Gollan, and Grigg (2011) as well as Rosenzweig (2006) acknowledge the benefits of a coherent organizational culture while stressing that omitting subsidiary management with corporate policies disregarding the local environment can result in perceived ignorance of the headquarters by respective subsidiaries. Furthermore, Stahl et al. (2012) state that business strategies need to be flexible, thus, considering local adaptations when necessary. The literature suggests that exogenous factors, such as industry, national culture, institutions, and demographics of the applicant pool, have strong influence on the perceived attractiveness of a potential employer and should therefore be accounted for when translating TM strategies and EB practices (e.g. Caliguiri et al. 2010; Eger et al. 2019; Gowan, 2004; Ma & Allen, 2009; Theurer et al. 2018).

While the literature stresses the importance of adapting the business model and strategy to the local environment, both companies put emphasis on a global, standardized approach. Hereby, it becomes apparent that the respective interviewee is employed by the headquarters representing a corporate point of view when referring to implementing global policies. Both companies noted that a standardized approach would be the most efficient way of formalizing talent management and employer branding strategies. On one hand, the strategy by Alpha Cars can be considered to be more inclusive due to the consulting of subsidiary countries. On the other hand, the company stated that the tendency is to adopt a global, standardized approach giving countries less autonomy.

Overall, it becomes clear that neither company stressed the importance of national culture as highlighted by literature to be a main influential factor when translating business strategies to local context. However, the companies acknowledged that local adaptations have to be made due to legal deviations between countries. Nevertheless, the data indicated that the overall approach of GTM and EB strategies by MNEs within the automotive industry aims towards minimizing local adaptation and emphasizing standardization.

#### 4.3.3 Industry Change as a Key Challenge for GTM and EB

The final pattern identified based on the collected data places emphasis on the disrupting changes of the automotive industry and its implications for businesses and their strategies, including talent management and employer branding processes. While it has been acknowledged by recent literature that industry change affects GTM and EB strategies, the main influence has been placed upon other exogenous factors, such as cultural and institutional differences. The data, thus, highlights another important exogenous factor influencing strategic choices in businesses while still demonstrating the overall alignment with the theoretical framework.

Literature has identified recent trends in different industries changing the overall labor market and, thus, global human resource management (Araújo & Oliveira, 2017; Whysall, Owtram & Brittain, 2019). These changing trends are referred to as the fourth industrial revolution, or industry 4.0, and have disrupted work structures by creating new jobs while erasing existing jobs (Araújo & Oliveira, 2017). Due to the restructuring of industries, human resource management faces many key challenges such as skill shortages (Araújo & Oliveira, 2017; Whysall, Owtram & Brittain, 2019). As emerging job roles have not previously existed, the development of relevant skills is scarce (Araújo & Oliveira, 2017; Whysall, Owtram & Brittain, 2019). Therefore, businesses are urged to anticipate trends in the industries in order to compete for skillful labor and "[fight] harder in the war for talent" (Whysall, Owtram & Brittain, 2019, p.120). Accordingly, both cases stated that the key challenge the companies face are the rapid changes in the industry. Hereby, they highlighted that they need to adapt the current talent management strategies and employer branding practices towards talent that they have not attracted before. Additionally, they also need to compete with companies that have already established their employer brand according to the needs of the talent market in the industry 4.0.

This is further highlighted by Araújo and Oliveira (2017) as well as Whysall, Owtram, and Brittain (2019) who state that companies within changing industries do not attract the necessary talents due to a mismatch between the current traditional employer brands and what these talents perceive as an attractive employer. Therefore, employer branding activities need to be focused on a future approach on how the company image develops in the future (Araújo & Oliveira, 2017; Whysall, Owtram & Brittain, 2019). Similarly, the case companies state that their current employer brand is not attracting these types of talents. This was especially acknowledged by Alpha Cars claiming that their organizational culture is significantly influenced by their

traditional roots and history. However, both companies aim to portray their employer brand as future oriented, which research underlines as an important factor in order to attract talent with the necessary skills (Araújo & Oliveira, 2017; Whysall, Owtram & Brittain, 2019).

Nevertheless, the majority of the literature has identified strategy translations of MNEs to the cultural context and institutional settings in subsidiaries as a challenge (e.g. Hofstede, 1994; Jackson & Deeg, 2008; Kogut & Singh, 1988; Martin, Gollan & Grigg, 2011). Hereby, literature claims that cultural differences affect the perception of individuals and shape their values and norms, these differences, thus, need to be accounted for (e.g. Caliguiri et al. 2010; Eger et al. 2019; Gowan, 2004; Hofstede, 1994; Ma & Allen, 2009; Theurer et al. 2018). Furthermore, formal institutions, such as laws and regulations, impact the local labor market and therefore companies' strategy translations (e.g. Ahlstrom et al. 2014; Jackson & Deeg, 2008; North, 1991). While most of the literature highlights national culture and institutions as significant aspects for strategy formulation and a need for local adaptation (e.g. Stahl et al. 2012), the case companies do not consider this to be the main challenge. To conclude, the case companies highlight that the main challenge for MNEs within the automotive industry is and will be adapting to the changes of the industry and anticipating new trends in the future. While these changes have been investigated by recent studies and have been identified as the fourth industrial revolution, there is still a gap in the literature exploring the impact of industry 4.0 on talent management and employer branding practices.

## 5 Conclusion

## 5.1 Summary of Findings

The first observed pattern presented the general orientation of both case companies towards a global standardized approach of talent management and employer branding strategies. Hereby, the companies emphasized that the aim is to minimize local adaptation in order to establish a coherent global approach. It has been acknowledged that human resource strategies are influenced by endogenous factors. Accordingly, Volvo aims to form an overall global strategy approach which corresponds to their respective SIHRM approach. Based on Taylor, Beechler and Napier (1996), Volvo's SIHRM orientation can be described as exportive, indicating that local adaptation is minimized while internal consistency is emphasized. On the other hand, Alpha Cars tends to consider local adaptation to a greater extent while still emphasizing internal consistency, implying an integrative SIHRM approach (Taylor, Beechler and Napier, 1996). Nevertheless, the company pointed out that the overall direction moves towards a more standardized approach giving the subsidiary countries continuously less autonomy. Thus, it shows that when the overall business strategy changes, the HR strategy of a business is being adapted.

Overall, it becomes apparent that MNEs human resource strategies are influenced by endogenous factors. Hereby, the cases suggest that MNEs emphasize strategy alignment of the overall business model with talent management and employer branding strategies. Furthermore, exogenous factors play an important role when establishing HR strategies. While the literature highlights culture and institutions as significant determinants, the cases provide insights on different implications shaping MNEs human resource practices. The case companies agree hereby that local adaptations need to be made due to institutional differences between subsidiaries, while less emphasis is placed on culture as an influencing factor. However, the interviewees pointed out that the nature of the target group, such as the profession, determines the design of MNEs global talent management strategies and employer branding practices.

The second observed pattern demonstrated two determinants that were considered as key success factors when implementing talent management and employer branding strategies. Hereby, these endogenous factors refer to strategy alignment and consistency. As previously mentioned, the SIHRM approach is highly influenced by the overall business strategy of the company. Both companies emphasized the importance of aligning the overall objectives of the business with their respective talent management and employer branding strategies. These findings are consistent with the literature since it has been acknowledged that a global strategy differentiated from its competitors aids to attract talent and encourages organizational learning (e.g. Stahl et al. 2012).

Furthermore, strategy alignment indicates that the values, principles, and traits of the company are reflected through talent management and employer branding strategies globally. This consistency allows the company to gain social legitimacy which literature has identified as one of the main competitive advantages. Therefore, literature and the cases affirm that the brand needs to externally portray the same principles and values that the employer supports internally. Accordingly, Volvo includes the determinant of cultural fit in its hiring practices in order to find potential candidates that share the same values and principles as the company. This practice further strengthens the organizational culture on all levels of the company and between markets in different countries.

While literature implies that local adaptation needs to be accounted for in order to successfully translate business strategies to subsidiaries due to cultural and institutional differences, the case companies mainly disregard these aspects. The cases do present the necessary local adaptations due to deviations in legal legislations. However, neither of the companies considers culture as a main influencing factor when implementing talent management and employer branding strategies. To summarize, MNEs within the automotive industry emphasize a global approach of talent management and employer branding strategies in order to align business strategies and show consistency throughout the company.

The final pattern discovered that the key challenge concerning talent management and employer branding strategies is the changing nature of the automotive industry. While the majority of literature claims that integration-responsiveness tensions are considered to be the main challenge for MNEs' global strategies, the cases highlighted another factor as the key challenge. Both companies have acknowledged that the talent management and employer branding strategies and their implementation need to be adjusted to local contexts due to institutional

differences, such as deviations in labor laws. However, the companies underlined that the key challenge is to adjust global talent management policies and employer branding practices to the rapidly changing industry while simultaneously anticipating future trends in order to stay competitive.

Indeed, recent literature has identified industry 4.0 to be one of the main challenges for MNEs to implement business strategies. Since MNEs do not only need to acquire new competencies in areas they have never targeted before, they also need to compete with established players in these areas. Accordingly, both the literature and the interviewees note that in order to attract this new type of talent, the companies need to adjust their overall employer brand and image to the needs of these talents. Currently, the traditional rather conservative symbolic attributes of car manufacturers hinder these businesses from attracting the types of talents they need to develop new competencies. Therefore, literature suggests that organizations need to place emphasis on an employer brand that is future oriented (Araújo & Oliveira, 2017; Whysall, Owtram & Brittain, 2019). Subsequently, both companies stress their future goals as a company and give priority to a future oriented brand and employer image. To summarize, the key challenge for MNEs within the automotive industry is to anticipate trends of the changing industry in order to attract the talent with the necessary skills to sustain a competitive advantage.

### 5.2 Conclusion

The aim of this study was to explore how MNEs within the automotive industry respond to integration-responsiveness pressures in relation to HR practices including global talent management and employer branding. Specifically, it was of interest to identify the most influential endogenous and exogenous factors, and how they affect strategic decision making regarding these practices. Subsequently, the study intended to answer the following research questions.

- 1. How do MNEs within the automotive industry respond to integration-responsiveness pressures in relation to their global talent management and employer branding strategies?
- 2. What factors influence GTM and employer branding strategy of MNEs operating in the automotive industry?

In order to address this aim, the study established three main objectives. Firstly, the literature in relation to SIHRM, GTM, EB, and exogenous and endogenous factors was summarized leading to the establishment of a theoretical framework. Secondly, based on the indicated themes in the theoretical framework, interviews with HR representatives of MNEs within the automotive industry were conducted. Lastly, the collected primary data as well as secondary data stemming from each company's website, annual report, and LinkedIn job advertisements were analyzed using a flexible pattern matching process.

Based on the flexible pattern matching process three main patterns could be identified: (1) The general orientation of both companies towards a global and standardized HR strategy as well as global talent management and employer branding practices, (2) strategy alignment and consistency as key success factors for global talent management and employer branding, and (3) the changing nature of the automotive industry as the main challenge in global talent management and employer branding, outweighing the integration-responsiveness challenge. Overall, these findings are consistent with the patterns identified in the previous literature, however some important differences exist, especially in the relation to which concepts are most emphasized. Based on these observed patterns and the comparison with existing theories aiming to explain those patterns the aforementioned research questions could be answered.

In relation to the first research question, it was found that both companies acknowledge the integration-responsiveness tensions but choose to respond to it with an overall integrated and global approach based on the necessity for strategic alignment and consistency. However, both companies do allow adaptation of their global policies if necessary, whereas Alpha Cars demonstrated greater responsiveness than Volvo. The companies hereby named local institutions, especially in terms of legislations, and a target groups professional background as the most influential factors leading to differentiation of the otherwise standardized global talent management and employer branding strategies. The latter indicates that the companies do not only refer to integration-responsiveness tensions in the subsidiary context since only institutional differences lead to local responsiveness. Target group differentiation is, however, irrespective of national differences. Additionally, both companies emphasized another highly influential factor, i.e., the nature of the industry which, based on industry 4.0, is drastically changing. This factor is thereby considered to be especially challenging. In relation to the second research question, it can thus be said that strategic alignment and consistency were considered to be the most influential endogenous factors. Furthermore, formal institutions, the

target group's professional backgrounds, and the changing nature of the automotive industry were seen as the most influential factors in relation to GTM and EB strategies.

Overall, this study presents two main findings. Firstly, although the investigated MNEs within the automotive industry are subject to integration-responsiveness tensions, both in terms of varying local needs and target group needs, the companies choose an overall global and integrated approach due to the need for strategic alignment and consistency. Secondly, the integration-responsiveness challenge is acknowledged but not considered to be the most relevant challenge in terms of GTM and EB. Instead, the changing nature of the automotive industry forces both companies to adjust their GTM and EB strategies in order to attract and retain the necessary talent and remain competitive.

Accordingly, the main contribution of this study is a confirmation of previous research investigating the relevance of the fourth industrial revolution. More importantly, it highlights that its implications for HRM should receive more attention. Our findings therefore stress that HR managers should not only contextually adjust HR practices to respond to integration-responsiveness tensions but need to change the approach in its entirety to correspond with the trends of industry 4.0. Consequently, our study promotes the adoption of what could be called human resource management 4.0. Lastly, the presented framework can be used by management as a guideline for analyzing the changing nature of HRM processes due to industry 4.0, while *Figure 1*, related to employer brand dimensions, can provide a comprehensive overview when creating an employer brand.

### 5.3 Limitations

While this research was able to answer the posed research questions and contribute to the SIHRM literature and its related fields, it has to be acknowledged that there are several limitations. The majority of the limitations, in terms of findings and generalizability, thereby stem from the research being a qualitative multiple-case study. Firstly, with respect to time constraints and scope, the study is not based on a representative sample, especially in relation to the limited number of cases that were considered. Since the study is based on only two cases, both with headquarters in Europe, one has to account for bias in terms of cultural background, limiting the generalizability and reliability of the findings. The findings can therefore not be generalized for other companies and companies from different countries. Secondly, the study is based on MNEs within the automotive industry and the findings cannot simply be generalized for other industries. Thirdly, the findings are strongly based on unique cases and primary data from unique individuals hence being influenced by the biased perspectives of these individuals as well as their opinions that only represent the companies' corporate perspectives. Although we referred to secondary data to include several perspectives, the degree to which this study adheres to reliability can be seen as a limitation. Fourthly, the findings are not only dependent on the interviewee's subjective opinions but also the authors' subjective interpretations. Albeit we tried to avoid personal bias in the data collection process and analysis by using a known analytical process, it is not possible to fully exclude any subjectivity. Lastly, the theoretical framework guiding the data collection and analysis is based on various selected theories, but it cannot be ruled out that important aspects of the different themes have been overlooked, thus further increasing potential bias.

## 5.4 Suggestions for Future Research

Based on the presented data and its limitations, there are several approaches for future research to further explore how MNEs respond to the aforementioned integration-responsiveness challenges, and which factors mainly influence the strategic decision-making process. Firstly, this study was based only on two cases within the automotive industry, both with headquarters in Europe. Future research could strengthen the generalizability of the data by collecting data from a larger sample of companies with the possibility of including companies with headquarters in other parts of the world. Secondly, as identified by the findings, the case companies adjust their talent management and employer branding strategies according to the different professions they are targeting. Hence, future research may investigate to what extent target groups of talents are an influential factor of talent management and employer branding practices. Thirdly, the industry studied was identified as a rapidly changing industry strongly influenced by the fourth industrial revolution. It would be interesting to compare if there are other factors influencing HR strategies if the industry is relatively steady. However, as implied by previous research it is likely that the fourth industrial revolution is going to impact various industries which future studies could confirm. Finally, due to the purpose of this study, the perspective of the headquarters was studied indicating a possible bias of successful strategy formulation. Thus, future research could explore the differences of perspectives including the point of view from several subsidiaries within one organization as well as different employee groups.

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# Appendix A – Interview Guide

#### General

- 1. What is your position in the company and for how long have you been with the company?
  - What are your responsibilities? Especially related to talent management & employer branding.
- 2. Describe the general business strategy of your company.
  - Does it differ between countries? If so, briefly explain in what way?

#### **HRM Strategy**

- 3. Briefly describe your company's Human Resource management strategy especially in relation to subsidiaries.
- 4. How has your IHRM strategy developed over time and how do you think it will develop further?

#### **Global Talent Management**

- 5. What does your company understand under global talent management?
- 6. What kind of activities does your company perform in order to attract talent?
- 7. What factors do you consider important in order to have an effective talent management strategy?
- 8. Please describe if and how you adjust your talent management strategy/activities in subsidiary contexts.
- 9. What challenges does your company experience in relation to global talent management?

#### **Employer Branding**

- 10. Which factors do you consider essential in order to build a strong employer brand?
- 11. How do you decide which job and organizational characteristics (i.e., concrete benefits) you want to highlight as part of your employment offering?
  - Do these benefits you highlight differ depending on the country? If yes, why?
- 12. What kind of image does your company want to portray as part of your employer brand and does this differ depending on the context/country? If yes, why?
- 13. Are there any essential characteristics, benefits and/or traits that are always part of your value proposition irrespective of the context? Why?
- 14. As part of your employer branding efforts, would you consider one of the attributes (e.g. the concrete characteristics or the image of your organization) to be more important? Is that perspective the same in all countries?
- 15. Explain if and how Corporate Social Responsibility (CSR) is a part of your employer brand. Is this the case in all countries?
- 16. What kind of challenges has your company encountered as part of your employer branding activities?
- 17. Looking ahead, what do you think will be the main challenges and developments in employer branding?