Employer Branding and Corporate Reputation Management in Global Companies
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Published in:
The Conference Proceedings from the 2018 British Academy of Management Conference

Publication date:
2018

Document Version
Publisher’s PDF, also known as Version of record

Link to publication in Discovery Research Portal

Citation for published version (APA):
TOWARDS A THEORY OF EMPLOYER BRANDING

Employer branding has been an important element of HR practice since the late 1990s (Backhaus & Tikoo, 2004; Taj, 2016). As such it has gone beyond the faddish status that some sceptical HR academics initially attributed to it, suggesting to us an important research-practice divide. However, research is catching up with the practice (Brannan, Parsons & Priola, 2011; Edwards, 2010; Edwards & Edwards, 2013; Theurer, Tumasjan, Welpe & Lievens, 2016) as academics realise how employer branding may even be synonymous with HRM itself rather than just another ‘tool in the box’ (Sparrow & Otaye, 2015).

Perhaps more importantly, employer branding is seen as an essential element in corporate reputation management, a strategic problem which is increasingly important for global organisations (Dowling, 2016). In this regard, employer branding has been linked with a trend towards global integration or ‘corporateness’ (Balmer and Geyser, 2003). However, corporateness is also beset by the ‘paradox of uniqueness’ (Martin, Feldman, Hatch & Sitkin, 1983; Suddaby, Bitektine & Haack, 2017) - the need for organisations to position themselves as being different from others while simultaneously being the same as others (Deephouse & Suchman, 2008; Highhouse, Brooks & Gregarus, 2009). In the marketing and organizational theory literatures, this has been reimagined as a paradox of authenticity (Carroll & Wheaton, 2016; Caza, Moss & Vough, 2017; O’Connor, Carroll & Kovacs, 2017). Most organizations seek a form of authenticity by following an institutional script embedded in societal and field level logics. However, they also seek a form of moral authenticity in which they strive to be,
true to themselves’ or their core identity. This latter desire to ‘be genuine’ leads firms to differentiate themselves from others (Suddaby & Foster, 2017). Thus, firstly we argue employer branding is best explained by incorporating insights from the authenticity (or uniqueness) paradox and how firms attempt to deal with them by drawing on signalling theory (Connelly, Certo, Ireland et al, 2011; Highhouse et al, 2009; Taj, 2016) and organizational identity theory (Brown, 2017; Foreman, Whetten & Mackey, 2012). Secondly, we argue that recent calls for research into different levels of employee engagement - work engagement, engagement with each other and organisational engagement - are key to understanding and measuring the impact of employer branding signals and talent management practices in organisations (Bailey, Madden, Alfes & Fletcher, 2017; Beijer, Farndale & van Veldhoven, 2009).

Signalling Theory and its Application to Employer Branding.

Signalling theory has been widely used to explain communications between individuals and organisations (Goffman, 1956; Highhouse, Thornbury & Little, 2007; Spence, 2002). Central concerns of signalling theory are the honesty of signals - especially as interpreted by receivers - the costs associated with communicating honestly, and the possibility or potential for organizations and individuals to fake honesty. From an HRM perspective, honesty refers to the symbolic and cultural cues employees can expect to find from good employers, including deeply held cultural values, assumptions and beliefs, and the meaning they can expect to derive from working in an organisation (Taj, 2016). For such messages to be perceived by audiences as honest and trustworthy, communications specialists have identified novelty, credibility, authenticity and sustainability as important factors to be communicated through organizational stories (Van Riel, 2003; Giorgi, Lockwood & Glynn, 2015). Novelty is also important to make organisational signals distinctive from others, although this creates built-in incentives to fake
honesty. Credibility, authenticity and sustainability are needed to create a sense of respectability, social approval, prominence and prestige, criteria used by external and internal stakeholders to assess the legitimacy dimension of corporate reputations (Highhouse et al, 2009; Suddaby et al, 2017).

However, honesty in signalling theory terms refers not only to the content of the signal but also to its source, structures, processes and the channels used to convey and engage audiences in messages. For example, leadership and organisational culture can be re-interpreted in this light: both strategic leadership and culture change have been defined in terms of constructing and communicating novel, compelling and credible stories created by leaders for key stakeholders, including investors, the business press, employees and potential employees (Barry & Elmes, 1997; Girogi, et al. 2015). This signalling role of leaders has been brought to the fore because of recent events such as the role of banks in the global financial crisis and almost constant furore over senior executive pay, thus requiring banking leaders to re-brand themselves as a source of honest signals with varying degrees of success (Hamel, 2009; Ulrich & Smallwood, 2007).

There is further evidence that employees have less faith in official corporate communications channels for honest signals about organisations, instead turning to the internet and social media for credible information about prospective and their own employers (Bondarouk & Olivas-Lujan, 2013).

Sending honest signals are typically, though not always, costly (Cronk, 2005). Honesty, in this case, is the intention behind, and perception of, messages by prospective and existing employees as novel, credible and authentic, and sustainable. The costs of signalling honest messages are not only financial but are also connected with their strategic impact, which can turn out to be negative. In addition, they are associated with major handicaps, such as the multiple
organisational and national cultural milieu in which MNEs operate. Finally, honest signals also depend on their strength and consistency over time. Weak signals and/or inconsistent signals are typically seen by employees as delivering mixed messages and therefore lacking honesty or authenticity. For example, in our recent research we found the failure of senior leadership teams to communicate strong and consistent honest signals about the logics that underpin healthcare decision-making in the UK National Health Service is one of the main reasons for senior doctors in healthcare holding negative attitudes to their employers.

Consequently, organisations frequently engage in high cost signalling, sometimes using ostentatious advertising and promotional events, to communicate messages they hope will be seen not only as honest but lead to the creation of significant reputational capital (which may subsequently be drawn upon to reduce future signalling costs). One of the reasons used by HR and corporate communications staff for engaging in competitions run by media such as the Financial Times and the Best Place to Work Institute is the future leverage they gain from honest messages by doing well in such ‘games’ (Theurer et al, 2016).

**Engagement.**

We have also woven into our model three key foci or levels of engagement. These have a major impact on how employees perceive honest employer brand signals, and on employer brand capital and reputational capital. The first is the well-known concept of work engagement (Bakker & Schaufeli, 2008; Bailey et al, 2017; Salanova & Schaufeli, 2008). The second, we label ‘engagement with each other’, which refers to the extent to which employees in a work-group or team are relationally-coordinated and trust each other (Gittell et al, 2010; Siebert et al, 2016). The third is organisational engagement, which we take to mean the extent to which
employees identify with the organisation and its values (Brown, 2017; Edwards and Peccei, 2007). Distinguishing among these three foci of engagement and showing how they interrelate is an important step forward in making engagement a more useful concept to academics and practitioners.

**Work engagement**

Work engagement studies are increasingly based on a *demand-resources model of work engagement* (Schaufeli & Bakker, 2004). This model has identified three forms of engagement that people have with their work: levels of *vigour* employees invest in doing the job, *absorption* and *dedication* to their work. Work engagement has been shown to predict valuable outcomes such as positive evaluations of organisations, lower job turnover and higher levels of individual and unit performance. These forms of engagement are thought to be positively driven by the existence of key job resources and challenge demands, but negatively driven by hindrance demands, in turn resulting in employee burnout (Bailey et al, 2017).

*Engagement with each other*

The extent to which employees engage with, or relate to, each other in teams or workgroups has long been found to impact on organisational performance. To shed light on this we have extended existing research into relational coordination (Gittell et al, 2010) to include an assessment of trust dynamics within workgroups. Relational coordination refers to the attributes that support the networks of relationships between people in a work process to improve overall levels of coordination and team performance. These three attributes are shared goals, shared knowledge and mutual respect. According to relational coordination theory, these attributes of
teams will be most affected by the frequency, timeliness and accuracy of communications among clinical team members, and the extent to which teams focus on problem-solving rather than blaming others when problems arise.

We further argue that trust among team members is a critically important attribute of a relationship likely to affect team performance and relational (Siebert al, 2016). High trust dynamics between members in highly interdependent teams, such as those found in clinical settings or in research and development, help team members suspend judgements of uncertainty and vulnerability towards other members of the team, so allowing them to act as if these were no longer issues. These trusting relationships are affected by historical and present perceptions of other team members’ trustworthiness, defined by their abilities (competence and characteristics), integrity (in upholding acceptable values and principles important to other team members), and benevolence (working in the best interests of team members) (Mayer, Davis & Schoorman, 1995).

Organisational engagement

Recent academic work has sought to define organisational engagement in terms of emotions and attitudes - state engagement - and behavioural engagement (Beijer et al, 2009; Macey & Schneider, 2008). However, we propose that organisational identification (Douglas, Pugh & Deitz, 2008) is a more rigorous way of explaining employees’ engagement with their organizations. Brown (2017: 299) has suggested that a generally accepted definition of organisational identification refers to the extent to which employees individual identities align with collective identities, so leading to a ‘sense of unity between the person and their organization’. Drawing social identity theory (Ashforth & Mael, 1989), Edwards and Peccei (2007) and Edwards (2009) have proposed a three-factor explanation of employee
identification with organisations. The first refers to how employees self-categorise their personal identities. For many staff, employment in an organisation plays a major role in answering the questions: who am I and who I am not? The second refers to their sense of attachment and belonging to their organisations, often related to how long they have worked in it. The third refers to the extent to which employees share the goals and values of the organisation and can incorporate them into their own identities and practices. High levels of organisational identification have been shown to predict all categories of workers’ helping behaviours, turnover intentions and feelings of being involved in/engaged with the organisation and its mission (Bailey et al, 2017).

**MODELLING EMPLOYER BRANDING**

Synthesising these ideas, our revised model is set out in Figure 1, which we now explain in more detail. Following a well-established logic of model building in management research (Whetten, 2002) what needs to be explained should precede the explanation. Thus we begin with the intended outcomes of employer branding.

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**The Outcomes of Employer Branding**

The intended outcomes of employer branding can be defined in terms of two types of capital assets. These are *employer brand capital*- the extent of employee advocacy of the organisation, its products, services and reputation as an employer of choice (CIPD, 2007, 2008; Joo & McLean, 2006), and *reputational capital* - the degree of: (a) corporate differentiation and
prominence in product and labour markets and (b) legitimacy with key stakeholders for good corporate governance, leadership and corporate social responsibility (Barnett & Pollock, 2012; Deephouse & Suchman, 2008; Highhouse et al, 2009; Lievens, Van Hoye and Anseel, 2007; Martin et al, 2016). These capital assets are critical to the short term and long term performance and sustainability of organisations. This is particularly so in knowledge-intensive industries (Kay, 2004), including high-technology firms (Birnik & Bowman, 2007), international consulting firms (Armbruster, 2006) and financial services (Burke, Martin & Cooper, 2010).

To achieve positive outcomes, organisations need to secure and manage human capital - the appropriate quality of stocks and flows of individual skills and competences. In turn, human capital depends on (a) attracting the right numbers and kinds of people in the right locations and right time frame interpreting positive and honest signals about working in the organisation, and (b) having existing employees accept the honesty, consistency and value of the signals sent by employers. These two foci of engagement are related but distinct. While work engagement is likely to be associated with moderate organisational engagement, employees can be engaged in their work without being engaged in the organisation. This lack of engagement or, indeed, positive disengagement (de-identification) with an organisation is evident among professionals such as doctors and academics (Brown, 2017). However, it should be noted, the reverse is also possible: employees can feel pride in their organisation without being particularly engaged in their work.

**Designing Employer Brand Signals: The Interactions among Organisational Culture, Corporate Identity, Organisational Identity and Strategic Choices on Branding.**
The first stage of the model comprises five interacting factors: the existing organisational culture shaping and being shaped by a collective sense of organisational identity, strategic choices on the customer-facing brand and a corporate identity to produce an employer brand image. It is these conscious and unconscious signals that create employer brand images among prospective employees and existing employees.

Organisational identity, culture and strategic choice

Identity has become a core concept in management research over the last decade (Brown, 2017). For our purposes we use a definition of organisational identity as the collective answer by employees and managers to the ‘who are we’ question, revealed in the organisation’s shared knowledge, beliefs, language and behaviours (Foreman, Whetten & MacKey, 2012). This organisational self-concept is not just a collection of individual identities but has been described as having a metaphorical life of its own, independent of those who are currently employed in a corporation. In other words, it is a ‘social fact’, capable of having an impact on organisations’ abilities to attract and retain resources, cause individuals to identify with its values, handle critical incidents, including brand advocacy, and prevent organisations from fragmenting (Oliver & Roos, 2007). Foreman et al (2012), drawing on social identity theory (SIT), argue that the ‘who we are’ question is answered by describing the central (C) and enduring (E) characteristics that make it distinctive (D) from others. SIT predicts that these characteristics will be drawn from categories of organizations that they wish to identify with, and those they do not wish to identify with. In turn, this suggests that organizations may be most concerned with being the same as others – a search for legitimacy or social approval by certain categories of organizations or stakeholders. However, it also predicts that organizations will seek to be different from others, which creates the authenticity paradox (Suddaby et al, 2017). Resolving this difference/
similarity tension often leads organizations to occupy a subjective ‘middle ground’, which may be optimal in some circumstances but seen, in others, as not making a choice. In contrast, the concept of corporate identity has been depicted as an organisation’s projections of ‘who we want to be’ or ‘what we want to be known for’, expressed not only in the form of tangible logos, architecture and public pronouncements, but also in its communication of mission, strategies and values (Balmer & Geyser, 2003). In employer branding, this is known as the employee value proposition (EVP) or employment proposition (Theurer et al, 2016).

Both drivers of employer brands are products of the more deep-seated root metaphors of organisational culture (Giorgi et al, 2015), one of which is culture as values - the often hidden values, assumptions and beliefs of organisations that shape external adaptation and internal integration (Schein, 2004). This adaptation-integration definition highlights the two faces of organisational culture – the customer and employee faces - so synthesising marketing and HR in a common project. Hatch and Schultz (2008) argue organisational identity is the central link between organisational culture and its image with outsiders. Culture shapes how organisational members define themselves collectively and through time, employees and managers self-consciously reflect on cultural values and assumptions develop a collective sense of ‘we’. In turn, organisational identity refracts on culture to form a mutually-reinforcing relationship.

Both organisational and corporate identity, however, are consequences of strategic choices by key decision-makers. These choices are shaped by, and reflect back on, the organisational culture. They include the clarity of strategic objectives, especially in firms characterised by unrelated diversification, perhaps across international boundaries, and the feasibility of developing standardized customer or employee-facing branding; and, in an international context, choices over how to segment markets.
Employer and employee authorship of the employer brand signals.

Cultural, identity and strategic drivers shape the intended design of employer brand signals, comprising signals senior managers intend to communicate to existing and potential employees about the package of extrinsic functional and economic benefits and intrinsic psychological benefits on offer (Theurer et al, 2016). As noted earlier, however, it is not only the communications content of message that comprise signals but also cues associated with bundles of HR practices intended to reinforce signals. These cues include the use of bonuses to reinforce the importance of key outcomes, workplace architecture to signal, for example, the importance of team working, and career development to signify relational psychological contracts. We can liken all of these signals and cues to an ‘autobiographical account’, which communicates to employees the company’s intentions and forming expectations among them and potential employees of the psychological contract ‘deal’ on offer (Conway & Briner; 2005; Rousseau, 1995). However, just as strategy and autobiographies can be intended/official and unintended/unofficial (Mintzberg, 1994), so too are employer brand signals. As a number of authors have noted (Dowling, 2016; Knox & Freeman, 2006; Mangold & Miles, 2004; 2005), often the most powerful source of signals of an employer brand are the messages employees communicate to outsiders and new recruits about the ‘reality’ of working in the organisation, and their views of the honesty of the signals, including the material, symbolic and cultural signals (Dowling, 2016; Highhouse et al, 2009). Miles and Mangold (2007) suggest the failure of employees to understand and/or treat as honest the intended signals of employers’ internal branding is a main point of fracture in this design phase of the employer brand promise or employment proposition (Whetten & MacKay, 2002). As we noted earlier, signalling theory predicts dishonest signals are relatively easy to send but can incur significant future costs in the
evolution of any organisation. Moreover, honest signals are typically costly in the amount of
senior management commitment needed to make them credible and authentic, and in removing
barriers to change such as unnecessary organisational politics and bureaucracy, ‘turf wars’,
perceptions of procedural injustice, bullying or incompetent line managers, all factors which
inhibit employee engagement with their work and their organisations (Rich, Lepine & Crawford,
2010).

Researchers have also identified refracted identity as an important influence on employer brand
signals (Foreman et al, 2012). This notion refers to how employees view external stakeholders’
perceptions of their organisation, including family, friends, employees of other organisations, the
press and other media. Press influence in shaping the reception of employer signals is one of the
main rationales underlying the establishment of corporate communications departments in
institutions as diverse as financial services, universities and healthcare, and for developing
‘employer of choice’ award schemes such as the those produced by national media such as
Business Week and the Financial Times (Joo & MacLean, 2006; Van Riel, 2003). These
communications and awards schemes raise the costs of signalling initially but, as noted earlier,
are deemed by participating organisations to reduce them in the longer run because of the
reputational capital they create (Theurer et al, 2016).

The Evaluation of the Employer Brand Signals by Employees and Potential Applicants

Employer brand reputations as biographies

If employer brand signals are self-authored, employer brand images refer to multiple audiences’
perceptions of honesty, credibility, consistency and strength of these signals. We liken these to
the multiple biographical accounts of what an employer brand holds in terms of meaning for
potential and new employees who, along with others, begin to write different stories about the
signals. In doing so, they form themselves into distinct segments of interest and lifestyles. This notion mirrors debates in the literature on psychological contracting (Conway & Briner, 2005), whereby employee psychological contracts are sometimes defined in terms of expectations arising from perceptions of employers’ promises or obligations (the employer brand image), what value employees place on these promises, obligations or employment propositions, and the extent to which they perceive employers to have delivered on promises (Martin & Hetrick, 2006). The critical point here is that just as psychological contracts are essentially individual phenomenon, so too are the signals received and the biographies written about an organisation.

In the literature on reputation management, images are seen as plural (Foreman et al, 2012); different audiences with different answers to the question of who they are and, equally important, who they are not. Thus, images are always ‘for something (specific) with someone (specific)’ rather than macro-level constructs.

The instrumental and symbolic aims of employer branding.

In discussing meaning, a further feature of shaping the reception of employer brand signals is that they are intended to fulfil two levels of expectations, needs and meaning – the instrumental and symbolic levels – both of which have been identified as forming employees’ views of their psychological contract (Conway & Briner, 2005) and the honesty with which signals are treated. These distinctions also parallel developments in the branding literature (Holt, 2004; Lievens & Highhouse, 2003; Lievens, Van Hoye & Anseel, 2007). Instrumental needs and expectations of employees refer to objective, physical and tangible attributes that an organisation may or may not possess (Lievens, 2007; Lievens, et al, 2007). Symbolic needs broadly translate into perceptions and emotions about the abstract and intangible image of the organisation, for example, employees’ feelings of pride in the organisation and the extent to which it gives them a
sense of purpose. (Davies & Chun, 2007; Lievens, Van Hoye & Schreurs, 2005). Distinguishing between instrumental needs and symbolic meaning mirrors recent trends in branding models. These models have moved away from a focus on so-called *mind-share approaches*, which refers to a brands’ capabilities to occupy a central, focused appeal to individuals (through specific employee value propositions on rewards, career development, etc) to an *emotional* level, in which the brand interacts and builds relationships with people (Holt, 2004).

**CONTEXTUALISING THE EMPLOYER BRANDING PROCESS IN MNES**

**Four Levels of Context**

The design of employer brands, assessment by potential recruits and existing employees, and the outcomes of employer brands are context-dependent (Birnik & Bowman, 2007). We have identified four levels of receptive contexts for strategic HR change and employer branding in domestic and international organisations. These are the *industry context* of the organisation and its subsidiaries, the *corporate context* or relationships between HQ and its divisions, the *relational context*, which refers to the nature and quality of personal relations among managers and levels of resource-dependence of subsidiaries on organisational headquarters (HQ), and, in the case of MNEs, the *national cultural and institutional context* of HQ and its subsidiaries.

To illustrate the influence of context, the marketing and strategy literature have been strong in showing how industry and national-level institutional logics are influential in shaping key strategic decisions and industry recipes (Spender, 2007; Thornton, Ocasio & Lounsbury, 2012) and key elements of the marketing mix (Birnik & Bowman, 2007). However, this literature also shows that different types of brands tend to be more standardized than others across international boundaries, though consumer products perceived to be culture bound or related to use in the home tend to be less standardized. In addition, the intensity of local competitive rivalry among
subsidiaries in a country or region has been found to be related to local adaptation of branding and marketing strategies, thus we propose that such a finding would also apply to labour market competition.

In previous work (ref removed), we have also shown how relationships among managers in a US-based MNE were influential in shaping strategic choices on branding and organisational culture and in the outcomes of a major rebranding exercise. In this case, attempts by the US headquarters to impose a corporate branding strategy on local subsidiaries failed because of the greater international experience of managers in the subsidiaries and because they enjoyed less dependence on financial resources from head office.

The Tensions between Corporateness and the Search for Authenticity.

The balance of evidence points to standardisation of brand signals and a growing corporateness as the preferred strategy of most MNE (Stiles et al, 2007). Yet, many organisations seek to promote and benefit from authenticity and to give customers and employees greater voice, which is an important limitation on one-size-fits-all branding strategies. So marketers have turned to the interactivity of social media and the street to ‘discover’ their own authentic ‘brands’ (Kovacs, Carroll & Lehman, 2014). Authentic brand images are typically local in origin, thus authenticity in one community is not necessarily seen as so in others. For example, the same MNE can attract markedly different reputation rankings in countries as close in national culture and institutional make-up as, for example, Sweden, Norway and Denmark, as different criteria are used in these same countries (Apéria, Simcic Brønn & Schultz, 2004). Thus in signalling theory terms, one of the most difficult decisions facing MNEs is securing an appropriate balance between honesty and costs of signalling in relation to one-size-fits-all versus segmented employer brands. Since honesty is most likely to be achieved when there is a close co-
incidence between the signaller and individuals receiving the signals, the likelihood, especially in complex organisations such as MNEs, is that initially higher cost, tailored signals - based on extensive research into the values, expectations and desires of different groups of employees - will be less costly in the long run. Investment in honest signalling in employer branding helps reconcile the competing logics of integration with local responsiveness; they also respond to the degree of value creation potential and unique market position of different groups of employees (Highhouse et al, 2009; Lepak & Snell, 2002).

**HOW DOES EMPLOYER BRANDING WORK IN PRACTICE?**

Thus far we proposed a model of how employer branding might work in theory and practice. We now draw on largely secondary data to illustrate our model through one major MNE’s ‘real time’ attempts to integrate employer branding into their strategic HR and global talent management processes. The company is Volvo Cars, which like many MNEs, it is wrestling with the problems of reconciling the tensions between the dual logics of global integration and local responsiveness (Lengnick-Hall, et al, 2009; Rosenzweig, 2006). To present the case, we follow the logic of our model by setting out the context of employer branding for the company, the different stages of signalling and the processes used implement these. In our view, this case illustrates a sophisticated attempt to design, communicate and evaluate an employer brand that meet the demands of global integration and local responsiveness by resolving the uniqueness or authenticity paradox.

**The Company History, Strategy and Organisation**

Volvo Cars was established in 1927 and remained part of the Volvo Group (Sweden) until 1999 when it was bought by Ford Motor Company (US). In 2010, Zhejiany Geely Holding Group (hereafter referred to as Geely), one of the largest independent private car manufacturers in
China, acquired Volvo Cars from Ford. They have attempted to address the global integration/local responsiveness problem in part by retaining its headquarters in Gothenburg in Sweden. This Swedish heritage and location of the headquarters influences all aspects of its corporate culture, ethos, values and practices. However, with aspirations to become a global brand, Volvo Cars currently manufactures in Sweden, Belgium, and China with plans to enter the US and India. They have also established design hub centres in Barcelona, Shanghai, and Los Angeles. One measure of its progress towards achieving its global aspirations are published growth figures in 2015, which saw Volvo Cars selling over half a million cars for the first time and growing by 8% during the year. To realise these growth figures Volvo Cars employs 30,000 people worldwide (with 62% in Sweden, 15% in Belgium, 14% in China, and other countries accounting for 9%) and sells in 100 countries across 2300 dealerships.

The company attempts to answer the who are we question by describing itself as ‘a company with a purpose’ - *people*. This corporate identity is consistent with Geely who proclaim employees as their ‘first resource’ using a “人本” (RenBen)” management method. This translates into ‘people are the base of every activity and every activity should be conducted in consideration of people’ (Wenku, 2014 cited in Von Bismark, et al 2016). However, Volvo Cars focus on people is not new: VC has consistently presented *the safety of people* at the heart of its corporate message since 1927. The original owners’, Assar Gabrielsson and Gustav Larson, philosophy is reflected in corporate messaging that: ‘*cars are driven by people. The guiding principle behind everything we do, is – and must remain – safety*’ (Volvo Cars, 2015).
Volvo Cars has stressed innovation and technological advancement in its corporate identity. Thus, Nils Bohlin, a Volvo engineer, created the first 3-point seatbelt in 1959 (which he subsequently gave away its patent for so all cars would benefit from this safety – essentially the creation of a global safety mechanism) and in 1976 the company’s engineers created the first catalytic converter which reduced harmful exhaust emissions by 90%. In 2017, Volvo Cars developed an even greater focus on sustainability and human life – with the landmark move as the first multinational car manufacturer to say that from 2019 all new cars launched by the company will be partially or completely battery powered (battery only or plug in hybrid) to meet EU carbon targets. The corporate communications of Volvo Cars embodies the safety of people, captured in its ‘Vision 2020’ “…that by 2020, no one should be killed or seriously injured in a new Volvo car” (Hakan Samuelsson, President and CEO, Volvo Car Group Annual Report, 2017).

This focus on people and safety has also been expressed in its employer brand, which is a core part of its corporate vision. As the company’s 2016 annual report highlights, its vision is:

‘to be the most desired and successful transport provider in the world’ by....

1) Have leading customer satisfaction for all brands in their segments – the only true measure of customer satisfaction

2) Be the most admired employer in our industry – by being the most admired employer we attract and retain the best people – create a culture of highly-engaged employees

3) Have industry leading profitability – through strong performance we are able to invest in products, services and people – and our own destiny (Volvo Annual and Sustainability Report, 2017: p16).

The report elaborates on the admired employer concept by defining it as: ‘being the most admired employer in our industry. Leading and embracing change. Attracting people with a
strong business instinct and developing a skilled and agile workforce with the optimal
knowledge and competencies at all levels. Trusting and empowering colleagues to use their
intuition and make the right decisions’ (ibid, p28).

The Contextual Background

The context for the case is an industry which is facing multiple challenges, an unpredictable
global economy, accelerated impact/change of digital technologies such as autonomous driving,
social change in how cars are used (diverse or shared) mobility issues such as a demand for
‘city’ cars, and sustainability policies (on issues such as carbon emission targets, tightening
regulations on cars being cars allowed in cities, and a demand for electrification of vehicles).
These changes are forecast to create opportunities, not only for existing car producers but also
for different players from new industries and collaborations outside the ‘traditional’ automobile
networks. For example, the advancing technology for autonomous driving has seen new
entrants such as Tesla, Apple and Google enter the industry. As the industry diversifies into new
technology, companies have identified recruiting talented employees with different types of
skills as a fundamental competitive requirement, thus the need for credible, novel and effective
employer brands/branding strategies has become a core HR problem.

During interviews with company HR managers, it appears that Geely have largely left control of
the company’s operations and decision making to its headquarters and management team in
Gothenburg. This decision was aided by the degree of compatibility of Geely’s RenBen
management philosophy and methods. Senior HR staff stated that Geely management had left
the Swedish-based team in charge of its Swedish heritage and culture, which shapes their
corporate identity, communications style and signalling. These moves and their interpretation by senior Swedish HR staff points to Volvo Cars remaining a company with a strong Swedish identity but needing to find a solution to how an inherently Swedish-infused message would resonate across different national and cultural contexts. Thus much of their global messaging, advertising and corporate communications links to its Swedish heritage, culture and landscapes. Nevertheless, they have also created sophisticated social media advertising and merging of branding and employer branding campaigns to target specific national regions in which they operate, particularly in the UK. To do so Volvo Cars (UK) have entered a unique collaboration with premium telecommunications company, Sky UK Limited. This collaboration shows how a company’s corporate objectives can be signalled differently across international contexts with the assistance of unique collaborations outside the car industry. In addition, Volvo Cars have made the strategic decision to promote and ‘tell their story’ of how they build/intend to build their brand by becoming involved with a firm of international employer brand strategists - Brett Minchington. According to senior HR staff, this cooperation is intended to send a powerful message to employees, potential recruits and competitors in the industry of the extent to which they are dedicated to becoming an ‘employer of choice’.

**The Signal Design Stage**

Volvo Cars make extensive use of social media content, especially advertising and YouTube clips, to promote their corporate and employer brands. In 2014, VC HR staff elaborated how they felt the need to ‘update communication channels with a new global career site structure, a global umbrella strategy for employer branding in social media, along with a new ‘tone of voice,’ and new visual guidelines for recruitment ads’ (Minchington, 2014). Thus the company introduced
what they labelled as a people-centric message in their flagship advert “Volvo – Made by People” (2016), a portrayal of a day in the life of an average employee. This short film cast a range of employees of diverse age groups, backgrounds, nationalities, and religions. The clip is intended to capture what it was like to work in the company: people waking up at home, going to work, employees interacting and enjoying their work in an environment, attempting to send a message of an ethos of design, craftsmanship, engineering, team working and innovation. The clip finished with the message:

“MADE BY CROATIA, GREECE, BELGIUM, FINLAND, GERMANY, CHINA, FRANCE, NORWAY, THE NETHERLANDS, POLAND, REPUBLIC OF KOREA, SPAIN, TURKEY, UK, MADE BY SWEDEN, MADE BY PEOPLE.”

The company’s corporate and employer branding focused on this simple message of ‘Made by People’ and lists of diverse countries contributing to the creation of Volvo Cars in all its communications literature, video clips on TV and You Tube to send honest brand signals to audiences worldwide. These are important in creating an employer brand image, including those that refract the image such as powerful media.

In 2014, Volvo Cars (UK) became the official sponsor of Sky Atlantic. Building upon the initial globally-reaching story for ‘Volvo - Made by People’, this unique collaboration saw the later creation in 2016/17 of a campaign called Human Made Stories:

‘…a depiction of the Volvo philosophy centred around people ... Human Made Stories is a series of short films portraying defiant pioneers. People who do things differently and go their own way. Whose relentless pursuit of craft and innovation will change
our world. These are the types of people that inspire each and every one of us at Volvo
every day. We hope their stories will inspire you too’ (Human Made Stories, 2017).

These short films are made in a highly refined and stylish manner. With behavioural nudges
towards the company’s Swedish heritage, they seek to engage with a broad audience as they cover
a range identifiable issues, including art, engineering, music, sustainability and technology. They
can be seen as a highly differentiated collaboration between a car manufacturer and premium
TV network to create a sophisticated approach to building an internal and external employer
brand. These messages in the films are aimed:

a. Internally, by projecting of an organisational culture intended to resonate with current
employees and help create, or further embed, strong personal and organisational
identification.

b. Externally, to potential recruits, with the intention they interpret these clips in line with
their self-identity - their work ethic, values and attitudes - and begin laying foundations
for psychological contracts.

Employees’ voices are communicated to audiences through the theme underlying the challenges
depicted in the clips. However, these messages are communicated subtly: the clips do not
explicitly tell the viewer what it is like to work day-to-day at VC, since the ‘Made by People’ clip
creates this narrative, but seek to create an impression of culture and work ethic that characterise
Volvo Cars.

The release of a second set of chapters in August, 2017 of the Human Made Stories reaffirm the
relationship the company wish to portray between their core values and innovation ethos. These
chapters first introduce a father and son, with no farming experience, finding a solution to ensure
successful harvest – literally, under the sea. However, it is in final chapters that the underlying Volvo Cars corporate identity is fully revealed. One of these stories concerns a young aspiring violinist ‘robbed of her speech and movement in a tragic car accident. Twenty eight years later, she learns to create music again, using only the power of her mind’ through current technology and innovation (Volvo Cars UK, 2017).

Building upon these chapters, the company has released the advert for their latest vehicle, the Volvo XC60, which portrays a young child telling her mother the story of what she wished for the rest of her life; friends, university, career, marriage and children of her own. The end of the advertisement shows the latest vehicle release using modern ‘stop technology’ to brake as the young child crosses the road – depicting that a car accident could have happened. Volvo Cars describes this advertisement, and thus the new technology, as ‘sometimes the moments that never happen, matter the most’ thus allowing her ‘future’ to continue (Volvo Cars, 2017).

CONCLUSIONS FOR THEORY AND PRACTICE

We have argued that employer branding has become an essential element in global HR talent management, and set out a model illustrating how the connections between different aspects of corporate identity management, organizational identity and branding activities create positive employer brand images among existing and prospective employees. Our model has incorporated signalling theory concepts, especially the need for honest signals which are seen as authentic by different groups of employees who view these messages through different lenses. It has also built on social identity theory to explain how corporate identity and signalling needs to be firmly
embedded in organizational identity. The model has also highlighted the complex interactions and relationships that shape employer branding in MNEs as they seek to engage new and existing employees to help the organisation build reputational capital. Thus our principal message for research in the field of talent management in global companies and, indeed, HR in general is to assess the relevance of signalling theory and identity theory as relevant constructs for developing more sophisticated models of HR and HPWS.

Evidence from existing employer branding research points to the honesty of symbolic and culturally authentic features of employer brands being the most important to employees but also the most costly and ‘hard-to-fake’ signals. Currently much employer branding practice relies on rather simplistic, one-size fits all corporate messages and employer of choice propositions, which highlight instrumental benefits and corporate spin (Becker, Huselid & Beatty, 2009). The strength and consistency of signals, which are contingent on the sources, structures, systems and processes of employer branding, as well as the extent to which leaders and followers ‘live the brand’, will have a major impact on receivers’ perception of the honesty of such signals and, through these, their willingness to engage with the organisation.

We also see employer branding and engagement being interrelated and interdependent, with more academic research needed to develop the potentially useful notion of engagement. Our model has made a distinction between work engagement, engagement with each other and organisational engagement or identification (Bailey et al, 2017) as key influences on the creation of reputational capital by building brand advocacy and sending positive signals to potential employees. However, as we have also alluded to in the chapter, there are other potentially relevant engagement foci, including, as demonstrated in our case, the nature of the industry and
its reputation for social responsibility and sustainability. Employer brand images and engagement are also an important test of the honesty with which employer branding signals are received by employees. Somewhat contrary to the trends towards global corporate branding, which is intended to reduce the costs of signalling vital messages to customers and employees, potentially more costly signalling of employer brands is more likely to reconcile the dual logics and negative capabilities inherent in the integration-responsiveness problems faced by global companies. Costly signals, in the form of extensive research, testing and evaluation, are likely to pay proportionately larger returns in the long run, which is the basic belief underlying the corporate HR team in the case study. Such costly signals are inherent in the needs to strike a dynamic balance between standardisation and integration on the one hand and local responsiveness and authenticity on the other. Short term costs are also inherent in giving employees greater voice in the design and implementation of employer branding, but doing so may reduce the long term costs by improving local responsiveness and authenticity.

Finally, we have used the case of VC to illustrate certain aspects of our theory, how they have attempted to resolve key tensions, and how they have introduced the prospect of the use of social media and big data to improve employer branding in large MNEs. VC has attempted to resolve the authenticity paradox through its commitment to the protection of human life. VCs traditional focus on safety and in highlighting the dangers and outcomes of car accidents are intended to signal its authenticity, arguably by recognising errors and mistakes in existing motor vehicle design. In short, it is a portrayal of inherent weakness in motor vehicle use and how it is attempting to take a lead in dealing with this problem. We also regard ‘Human Made Stories’ as a thought-provoking example of how MNEs can conduct employer branding activities and assess their effectiveness. However, the lack of published data on issues such as engagement
and their veracity make it very difficult to assess the effectiveness of their employer branding activities, which is a common problem in this field and suggests how further independent research by academics might assist breaking down the research-practice divide in HR.

REFERENCES


FIELDNOTES

Children should travel rearward facing until they are three-four years old (2007) Available at: https://www.media.volvocars.com/global/en-gb/media/pressreleases/11479 (accessed 27/08/2017).


