Employer Branding

Measuring the practical effects of a theoretically sound EVP

A Case Study of ABB

Executive Summary

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Overview
This study was developed during the Swedish spring semester of 2013 for the Bachelor of Science in Business Administration of the now graduates Rafael Moser and Thor-Björn Käck. The students, authors of this research, were selected by ABB Sweden for a research internship on the field of Employer Branding (EB).

Employer Branding (EB) is an increasingly popular practice within multinationals. It is applied to develop in the minds of current and potential employees, brand associations related to the organization as an employer. In this research, the employer branding process has been defined as:

“A strategic approach to harness the firm’s identity based on its values, current employees and external interest, communicating that identity externally in the form of an employer brand that appeals to the right potential applicant and reflects a sense of personality to all stakeholders”.

(Moser & Käck, 2013, pp.12)

This study consisted of creating a set of indicators or measures of the Employer Branding process’ performance. To do so, the authors relied on theoretical support as well as consistent feedback from Joakim Forsberg, employer branding manager at ABB Sweden. A conceptual model of the employer branding process was developed and internal measures, or Key Performance Indicators (KPI), were placed in the context of the three stage model. The KPI’s were proposed as a solution for the lack of internal measurement of the EB process, and were developed based on the objectives of each stage of the process as well as in Human Resources and Marketing theory.

Once the model was developed to the point where internal measures could be incorporated into the EB process, an empirical study was executed and respondents were asked to scrutinize the applicability of the proposed solution in current business environment as well as the applicability of certain KPI’s. Among different findings, results from the empirical study point to a variety of issues that currently inhibit the development of employer branding and consequently its measurement i.e. lack of managerial autonomy, poor integration and communication among departments, misguided resource allocation within EB, etc.

Research Question
“How is the implementation and use of employer branding performance measurement as proposed by this research, limited by current internal barriers in organizations?”

Research problem & Solution proposed
Guidance and valuable input from ABB Sweden, the second most popular employer in the country, helped the author’s identify a critical and yet currently unexplored area within the field of employer branding, namely the EB performance measurement. Employer branding professionals consulted in this study agree that current measures of EB performance are
ineffective in providing enough relevant information to be used as support for decision making. That limits the power of managers who need reliable information and performance data in order to manage the employer branding campaign. In addition, over the last decade academic research has also emphasized the demand for more accurate internal measures of employer branding performance. Therefore, it was observed that despite approaching employer branding from different perspectives, organizations as well as researchers agree about the need for performance measurement studies in the field.

The lack of internal process measures results in uncertainty regarding the fulfillment of the objectives of EB. Common objectives are attraction of fewer but better applicants, facilitation of value matching at selection process, matching employee expectations and firm’s values, employee retention, among a variety of other important goals. In practice, it is unknown to organizations such as ABB that the right potential employee is being recruited or if wrong expectations are being internalized, even though the message being sent out by the brand is adequate and well thought out (Figure 1).

![Figure 1: Research Problem (Moser & Käck, 2013)](image)

The employer brand message or Employer Value Proposition (EVP) is built internally (Figure 2), making the lack of EB performance measurement potentially destructive to the continuation of an EVP. This is represented in Figure 1 where the different color of the EVP in practice could be interpreted as lack of consistency. Given the importance of a consistent value proposition for processes like future recruitment, socialization, internal and external marketing to name a few, the long term objectives of employer branding may be risked if no performance measurement is achieved.
Based on the objectives of the Attraction, Selection and Retention stages of the EB process as well as on employer branding theory such as the EB framework of Figure 3, a model of the process was developed (Figure 4) where internal measures of employer branding performance could be contextualized.
Emphasis is placed on the mutual relationship of each stage of the model while each stage possesses its own objectives. KPI’s are proposed in this study as process optimization measures and are placed at different stages of the EB process, striving to achieve its stage’ objective and reflect performance of specific areas. That way, unwanted flaws within specific parts of the process can be identified with more precision and possible issues identified at the source, increasing the efficiency of managerial action and decision making.

**Attraction indicators** should reflect the efficiency of the attraction stage of employer branding. The objective to facilitate the selection process, as the appropriate applicants are attracted to the firm as theory suggests.

**Selection process indicators** should reflect results that help managers ensure selection is done efficiently and by sticking to the firm’s EVP, therefore minimizing emotional and discretionary input from the process as much as possible.

**Retention indicators** should provide evidence of the quality of employees and the success of the previous two stages, reflecting the benefits to the firm as outlined in the theory of employer branding.

Measures of internal performance should provide the organization a more comprehensive view of the employer branding process. The results of internal performance measurements
may represent the likelihood that the right applicants are being attracted, selected and retained in the organization. For further detail, all KPI’s proposed and the conceptual model showing KPI’s in the context of the EB process developed in this research, please contact the authors or access the link given at the end of this summary for the full thesis document at DIVA. A power point presentation with a more thorough explanation of the KPI’s can be sent by the authors on request.

**Method**
This research was based on a case study framework using a deductive approach. It used a qualitative research method and the empirical findings were based mostly on primary data gathered through semi structured interviews. The theoretical framework was developed using existing academic research data gathered using Mälardalen University’s library and online databases where scientific articles and books were explored.

There were three main respondents in this research which were divided in two different categories:

**Organizations applying employer branding:** Respondents were employer branding managers from ABB and Company X (anonymous), both multinationals employing over 100 thousand people in over 100 countries worldwide. Both these companies have been applying employer branding for nearly a decade. At ABB further input for the interviews was also given by professionals in the field of recruiting in order to assess the applicability of some of the indicators proposed. Respondents in this category provided an organizational view of the problem and solution proposed in this study based on their experience. Their duty to share only limited information on record was acknowledged by the authors and was the reason why a second category of respondents was added to the empirical study.

**Independent Employer Branding Consultant:** The CEO of CoreWorkers AB Sweden, considered an expert in Employer Branding was selected. The respondent was secured with the help of Joakim Forsberg from ABB. CoreWorkers is an independent consulting company that provided a practical as well as academic view on the content developed in this research. This respondent was much freer to share information based on his experience in the field of employer branding. As opposed to the respondents in the previous category, this respondent was not bound by organizational rules within his firm preventing him from sharing information that may represent a competitive advantage. Furthermore, the respondent could also provide valuable insights and strong confirmation of this research’s problem and solution, since he possesses a broad experience from different organizations on different levels of application of employer branding.

**Results & Conclusions**
By proposing a conceptual model of employer branding where a few key performance indicators were incorporated to measure performance, this study gathered practical input
from professionals in regards to the validity of the solution proposed. A number of results pointed to the conclusions described below:

- The KPI’s proposed were considered a solution for increasing the accuracy of applicant internalization and optimizing EB campaign.
- The conceptual model created by the authors was considered optimal but too theoretical depending on the level of development of EB campaign in the firms.
- The professionals interviewed are in common agreement that solving the problem discussed in this research with the solution proposed can be seen as the future path for Employer Branding development.
- Addressing the EB process by stages permits better resource allocation within the process as well as EVP clarification, reinforcing the creation of internal brand ambassadors.
- Organizational barriers such as; low integration between functions, poor internal communication, inappropriate resource allocation, lack of manager autonomy as well as the current lack of relevant performance measurements, are slowing the development of EB, the improvement of the process and consequently its performance’ measurement.
- Performance measurement as proposed in this research is a long term achievement for most organizations.
- Organizations such as ABB see great potential for this research as a source for further academic development in the field of EB, but also for improvements in their current EB campaign through the application of KPI’s proposed.

These results are motivating since it was an objective of the authors to develop a bachelor thesis project that could be of actual use for businesses currently in operation. The fact that a multinational such as ABB has manifested interest in the research and its results, and considers the application of the performance measurement proposed, is a great achievement. Furthermore, as this study began the exploration in the relatively unexplored area of EB performance measurement, some future research options for researchers and organizations alike were proposed.

**Further Research**

- The study of the relationship between the three different stages of employer branding as a way to improve the quality, relevancy and accuracy of KPI’s.
- Further studies into KPI’s in the context of EB process of specific organizations, possibly identifying the links between organizational barriers and EB measurement/development.
- Develop theoretical and empirical support for more KPI’s in the context of this study.
- Qualitative research assessing the results of executed KPI’s in the context of this study.
- Same study to be done with a larger respondent group.
By classifying companies by levels of EB development, emphasis could be given to
different areas within this study, i.e.: Analyzing and solving barriers that inhibit EB
development and/or enhancing KPI’s and the utilization of its results.

For the full thesis document, please follow this link.

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