International employer branding

How European MNCs can win the war for talents in China

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Abstract

The increasing competition for high skilled employees has resulted in a war for talents. Companies in Europe and in Asia struggle to find employees with relevant skills and possessing the right talent. This problem is especially relevant for European MNCs that operate in China since skilled local Chinese talent is insufficient and Chinese employees are starting to value Chinese companies over European MNCs as their employer of choice. To overcome this problem, companies can use employer branding to attract high skilled applicants and win the war for talents. Employer branding serves as a long-term strategy to manage the awareness and perception of potential employees. Due to cultural differences, the awareness and perceptions of potential employees in terms of employer attractiveness differ across countries and therefore the strategies managing these perceptions require adaptation. Currently, there is a lack of research on how European companies operating in China adapt their employer branding to attract potential Chinese employees.

This Master thesis therefore analyses three European MNCs with Chinese subsidiaries to explore how they attract potential employees through an attractive employer brand by adapting it to the Chinese context. Through a qualitative study and interviewing a responsible HR manager in both the European headquarters and the Chinese subsidiary, this research analyses employer branding in the two different cultural contexts in an embedded multiple-case design. The research concludes that the interest value and development value are adapted to the Chinese context, as well as various aspects of the external employer branding strategies.

Keywords

Employer Branding, HRM, War for talents, Employer attractiveness, Recruitment, Employer branding strategies, Adaptation, MNC.
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1 Introduction

This chapter describes the background of employer branding by focusing on the labor market situation and outlining the companies’ need for employer branding. The problem discussion identifies gaps existing in the employer branding literature and gradually narrows down the topic from employer branding to international employer branding in China, thereby setting the focus of this thesis. The theoretical and practical relevance of the identified gaps is pointed out next, followed by the research question and the purpose, as well as the delimitations of this paper. The chapter will be closed with an overview on the structure of this thesis.

1.1 Background

Globalization and liberalization have led to an increasing war for talents, meaning that companies are competing intensively in attracting and retaining high skilled employees (Chhabra & Mishra, 2008; Wilden et al., 2010, Sehgal & Malati, 2013; Alnıaçık et al., 2014). Two main factors contribute to the war for talents: Firstly, there is an increasing demand for skilled labor which is a result of an increasing globalization (Chhabra & Mishra, 2008; Love & Singh, 2011) and an expanding economy, which have increased market competition (Chhabra & Mishra, 2008). This dynamic environment with few boundaries increases companies’ demand for executive talents to manage these challenging and complex economic conditions (Chhabra & Mishra, 2008; Chhabra & Sharma, 2014). Furthermore, technological advances (Sehgal & Malati, 2013) like automation, constraint demand mainly on high-skilled employees (Ambler & Barrow, 1996) as lower-skilled tasks can be replaced by machines. Thus, companies nowadays face a need for high-skilled talents with global management know-how, multicultural experience, technological and entrepreneurial skills and competencies in managing dispersed organizations (Chambers et al., 1998; Arachchige & Robertson, 2011).

Secondly, there is a decreasing supply of skilled labor as a result of an increasing shortage of labor in general and of skilled workforce specifically (Chhabra & Mishra, 2008; Sehgal & Malati, 2013; Chhabra & Sharma, 2014), resulting in decreasing numbers of applicants per vacancy (Wilden et al., 2010). The decreasing quantity of labor can be explained by changing demographic conditions in terms of an aging population (Wilden et al., 2010) and a simultaneously decreasing fertility rate (Yenilmmez, 2015). However, not only the quantity of workforce is declining, but also
the quality in terms of relevant skills and talent (Ma & Trigo, 2008; Moroko & Uncles, 2008; Kahn, 2015). The rapid growth of new industries contributes to a lack of skilled workforce, since industry sectors as nanotechnology, biotechnology and digital communication demand a skilled and specialist workforce (Moroko & Uncles, 2008). In the United States, firms encounter an insufficient supply of technically-skilled employees and a mismatch between the skills demanded by the firms and the skills potential employees possess (Kahn, 2015). Also companies in Europe face a high need for technical talent, especially engineers and computer specialists. According to EURES, a job portal for job seekers in the European Union, the need for high-skilled labor has increased from 18.6% in 2011 to 24.3% in 2012 (Schneiderman, 2013). However, not only western markets experience problems regarding an insufficient qualified work force. In China, the increasing foreign direct investments and continuing economic growth result in a very high demand for managerial talent, which cannot be fulfilled due to educational deficiencies (Ma & Trigo, 2008). The severity of this problem is supported by the fact that more than 90% of the graduates applying at multinational corporations (MNCs) in China lack qualifications for the vacant jobs (Beechler & Woodward, 2009). This is a problem for the more than 50.000 MNCs that enter the Chinese market every year. Each of these MNCs needs to find and recruit skilled employees for their business (Hartmann et al., 2010). The paradox of the large amount of available workers in China and the small amount of suitable applicants is related to the education system of the country. China has for example 1.6 million young engineers available, however due to lack in teamwork, project and practical experience and insufficient English language skills, only a 160.000 would be able to work for an MNC (Farrell & Grant, 2005).

The resulting “war for talent” requires firms to develop a strategy to recruit and retain the best skilled employees in order to remain competitive (Chhabra & Mishra, 2008; Almaçık et al., 2014). The relevance for such a strategy becomes especially apparent in the light of the resource based view, which considers valuable, rare, imperfectly imitable and non-substitutable resources as the basis of a firm’s sustained competitive advantage (Barney, 1991). The importance of human resources as the basis of competitive advantage is commonly recognized in the modern economy (Berthon et al., 2005; Wilden et al., 2010; Shaw et al., 2013) as employees largely contribute to a firm’s value (Backhaus & Tikoo, 2004; Almaçık et al., 2014), growth and sustainability
(Sehgal & Malati, 2013). The degree of value contribution however varies between employees due to differences in skills, knowledge and abilities, meaning that higher quality human resources lead to higher financial value for the firm (Wright et al., 1994). As a result, skilled human capital as a source of competitive advantage becomes increasingly important in order to win the war for talents (Shaw et al., 2013).

One strategy to successfully compete on such a contested labor market is employer branding. The concept of employer branding was developed in the 1990s (Love & Singh, 2011; Sehgal & Malati, 2013) as a merger of the two previously distinct disciplines of human resources and brand marketing, which has been addressed in Ambler & Barrow’s (1996) pioneering article “The employer brand”. The employer brand is commonly defined as “the package of functional, economic and psychological benefits provided by employment, and identified with the employing company” (Ambler & Barrow, 1996, p. 187). Employer branding is related to the concept of human resource management (HRM) that aims to guide human talent towards strengthening the capabilities of an organization (Boxall, 1996 in Vivares-Vergara et al., 2016) and to ‘internal marketing’ which ensures that the brand promise given by employers is delivered to employees (Backhaus & Tikoo, 2004). Sullivan (2004) specifies the concept of employer branding as a long-term strategy that manages the awareness and perception of a firm’s current and potential employees as well as related stakeholders (Sullivan, 2004). The definition of Sullivan (2004) indicates that employer branding is about the subjective perception of employees, which EasyJet’s HR director ‘Mike Campbell’ summed up well at a conference in 2007: “Your employer and corporate brand is not what you define it to be, but what your employees define it to be.” (Chhabra & Mishra, 2008, p. 58). Thus, it is crucial for firms to manage the (potential) employees’ perceptions and associations about the employer brand. Firms that are perceived as unattractive by potential applicants can receive up to 50% fewer job applicants as well as an overall lower quality of recruits (Turban & Cable, 2003; Kanar et al., 2015). Perceptions and associations can vary among different countries, due to cultural differences (Alnıaçık et al., 2014). These differences influence the employer branding strategies of a company due to different needs and requirements of employees (Love & Singh, 2011). Alnıaçık et al. (2014) conclude that the differences between countries make it impossible for a company to have a universal employer attractiveness strategy as part of the employer branding.
1.2 Problem discussion

1.2.1 Employer branding

Since Ambler and Barrow introduced the concept of employer branding twenty years ago, both managers and researchers have shown growing interest in this topic. However, it seems that employer branding has been valued considerably more by practitioners than by academia (Backhaus & Tikoo, 2004; Lievens et al., 2007; Love & Singh, 2011). Managers have extensively adopted formal employer branding strategies, techniques and practices to attract and retain employees by investing substantial resources in employer branding activities (Backhaus & Tikoo, 2004; Chhabra & Sharma, 2014). Despite this large recognition in practice, the amount of academic research on employer branding is comparably scarce (Backhaus & Tikoo, 2004; Lievens et al., 2007; Love & Singh, 2011, Edwards & Edwards, 2013), specifically in terms of employer attractiveness for potential applicants (Barber, 1998; Berthon et al., 2005). The lack of research on employer attractiveness is especially critical considering that attraction constitutes the most important activity in the recruitment process, since firms can only select and hire those employees that are de facto applying for a job position (Carlson et al., 2002; Collins, 2007). The lack of research on employer branding can be explained by the lack of a developed theoretical foundation (Moroko & Uncles, 2008; Love & Singh, 2011). Furthermore, for a long time customers were considered as only those being external to the company (Berthon et al., 2005), wherefore researchers focused rather on analyzing branding from the perspective of external customers, instead of examining the relevance of branding for internal customers, namely employees (Wilden et al., 2010; Sehgal & Malati, 2013). The notion of considering employees as internal customers is based on the concept of internal marketing, which states that a company’s employees are the first market of any firm (George & Gronroos, 1989 in Berthon et al., 2005) and that jobs should be treated as internal products (Berthon et al., 2005). With employer branding being considered as one component of internal marketing (Berthon et al., 2005), it is thus not surprising that most studies on employer branding have been conducted from the employee’s perspective (e.g. Berthon et al., 2005; Ma & Trigo, 2008; Wilden et al., 2010; Baum & Kabst, 2013; Sehgal & Malati, 2013; Alniaçık et al., 2014; Chhabra & Sharma, 2014; Zhu et al., 2014), while comparably little research covers the topic from the employer’s perspective (e.g. Jiang & Isles, 2011). It is however crucial to cover the perspective of both the potential employee and the employer as these two groups tend to have different perceptions about the company’s
image and attractiveness (Knox & Freeman, 2006; Arachchige & Robertson, 2011). Thus, there is a lack of research on employer branding in general, but on employer attractiveness from a company-perspective in particular.

1.2.2 International employer branding

The gap in perceptions about a company’s attractiveness between employers and potential employees can be expected to increase with growing cultural or psychic distance. This can be explained by the differences in values and needs underlying these perceptions. As Alnıaçık et al. (2014) state, employer attractiveness is not a universal concept and varies in different countries due to e.g. cultural differences. Hence, the differences in perception between recruiters and potential applicants about the attractiveness of an employer present an even bigger challenge for companies that operate across different countries, as in the case of MNCs. Although employer branding is universally important for firms in all countries (Alnıaçık et al., 2014), the non-universal concept of employer attractiveness seems to call for an adaptation strategy of international employer branding.

Simultaneously, there are various aspects of employer branding that have to be consistent, as the employer brand needs to be aligned with the corporate brand (Backhaus & Tikoo, 2004; Chhabra & Mishra, 2008; Wilden et al., 2010; Foster et al., 2010), the corporate brand’s values have to be consistent with the employees’ values (Berthon et al., 2005; Foster et al., 2010) and internal brand messages have to be aligned with external ones in order to assure consistency and credibility (Foster et al., 2010; Wilden et al., 2010). This limits the potential level of adaptation of employer branding.

Only a few authors have yet addressed the topic of employer branding in an international context and critically acknowledged the impact of adaptation. Berthon et al. (2005) developed a validated employer attractiveness scale but lacked the international aspect of employer branding. The authors however call for further research on the impact of culture and nationality on potential employees’ perceptions regarding employer brands. Roy (2008), Arachchige & Robertson (2011) and Alnıaçık et al. (2014) responded to this call by studying the perceptual differences regarding employer attractiveness attributes in different cultures (India, Sri Lanka and Turkey/Latvia respectively). Baum & Kabst (2013) and Peppas et al. (1999) analyzed the importance
assigned to different job attributes based on cross-national comparisons between China and other countries like e.g. Germany, Hungary and the US. Although they did not use the employer attractiveness scale developed by Berthon et al. (2005), both authors found that country culture impacts the perception of employer brand attributes. While these studies cover the international aspect of employer branding, they only take the perspective of potential employees into account and thus neglect the employer perspective. Backhaus & Tikoo (2004) in contrary specifically call for further research on employer branding from a company perspective regarding the adaptation or standardization of a company’s employer brand across different subsidiaries. Similarly, Love & Singh (2011) suggest further research on whether a global firm can maintain a consistent employer brand worldwide, thereby questioning the level of adaptation. None of these authors however developed a general model about the impact of adaptation on employer branding. Thus, there is a lack of research on international employer branding from a company-perspective in general, and on the impact of adaptation on international employer branding in particular.

1.2.3 International employer branding in China

As indicated above, country culture affects potential employees’ perception of employer attractiveness. Although only a limited variety of countries has been analyzed so far, the studies of Baum & Kabst (2013) and Peppas et al. (1999) clearly show that there are several differences in potential employees’ perception regarding employer attractiveness between China and western countries. Western companies should therefore be aware of these differences when trying to attract Chinese employees, as different strategies might be required than in their home countries in order to win the talents. Considering the importance of China today as one of the world’s biggest economies, with a foreign direct investment (FDI) of over $128 billion in 2014 (Lynton & Beechler, 2012; BBC news, 2015), this is a relevant topic for foreign MNCs, especially when considering the war for talent situation in China. Graduates are the main source of new talent in China and attracting them has become increasingly important for many Chinese enterprises (Jiang & Iles, 2011). In the past, Chinese employees viewed foreign MNCs as the employer of choice over Chinese firms. However, this attitude is shifting and a growing number nowadays values the domestic Chinese enterprises over the western MNCs due to decreasing investments of MNCs into HRM activities as well as simultaneously increasing subsidies for Chinese state-owned companies (Lynton & Beechler, 2012).
The shortage of skilled labor in China can result in big challenges for companies, which became clear for IBM China when it admitted that it lost half of its potential business because it did not succeed in finding sufficiently qualified staff (Lynton & Beechler, 2012). In order for western MNCs to recruit the best talents, they need to adapt their employer branding to a certain extent to the perceptions of Chinese recruits regarding to what they consider as important and attractive about an employer (Peppas et al., 1999; Baum & Kabst, 2013). Due to the importance of the Chinese market for many western companies, it is thus reasonable to expect that western firms adapt their employer branding in order to remain competitive and win the war for talent. This is supported by Child (2000) who states that MNCs often adapt their HRM to cultural norms.

In addition to the studies of Baum and Kabst (2013) and Peppas et al. (1999), a few other authors have conducted research regarding employer branding in China. Lynton & Beechler (2012) as well as Jiang & Isles (2011) focus both on attraction and retention of potential and existing employees in China. Both researches take the firm-perspective into account to some extent, but lack a cross-cultural aspect as they focus on China only. Ma & Trigo (2008) focus on retention of existing employees and analyze the job satisfaction and turnover intention of professionals in China. Ma & Trigo’s (2008) research is conducted from the employee-perspective and does not comprise neither a cross-cultural perspective and nor the component of employee attraction.

In general, there is still a lack of understanding on how the image of the employer potentially influences a prospective applicant in a cross national context (Baum & Kabst, 2013). Most studies regarding the image of an employer focus on North America and Europe, despite the fact that the currently fastest growing countries are situated in the Asia-Pacific region (Jiang & Iles, 2011). Baum & Kabst (2013) explicitly state that there is a lack of research on HR issues in China, specifically on the field of recruitment. This is inadequate with the economic relevance of the country. Furthermore, the few existing studies do not consider the cross-cultural context from a company-perspective, specifically from a European MNC’s perspective operating and hiring in China. Thus there is a lack of research regarding on how European MNCs can attract potential Chinese employees.
1.2.4 Research gaps, focus and contribution

To sum up three main gaps have been identified in the problem discussion:

1. The concept of employer branding in general but more specifically the concept of employer attractiveness from a company-perspective.
2. International employer branding in general, but more specifically the impact of adaptation on international employer branding.
3. International employer branding for European MNCs in China.

In order to fill these gaps, the focus of this thesis is on the concept of employer attractiveness within the scope of international employer branding across Europe and China from an employer-perspective. As the previously mentioned labor shortage contributing to the war for talents-situation specifically is about a shortage of highly-skilled labor (Chhabra & Mishra, 2008; Wilden et al., 2010) and a specialist workforce (Moroko & Uncles, 2008), this research focuses on employer attractiveness for potential employees on a management-level and for potential employees in specialized functions.

Filling these gaps is of both theoretical and practical relevance and hence contributes to academia and practitioners respectively. Theoretically, researching the concept of employer branding from a company-perspective specifically in regards to employee attraction gives new insights regarding employer attractiveness attributes and thus extends the list of dimensions identified in the existing literature. Furthermore, it complements the current state of research with a predominant focus on the employee-perspective, which is especially relevant considering the gaps in perceptions on employer attractiveness between recruiters and recruits (Knox & Freeman, 2006; Arachchige & Robertson, 2011). Moreover, in an increasingly globalizing world, the importance of international employer branding is recognized and thus leverages current research from a more national to an international level by raising other scholars’ attention for this topic. Finally, the development of a research model conceptualizes the impact of adaptation on employer attractiveness and respective external employer branding strategies. Although this is rather a means to an end, the model contributes to the theoretical understanding of the key concepts of international employer branding. The practical relevance lies in the identification of cross-cultural external employer branding strategies with regards to their level of adaptation to the Chinese context. By
comparing the empirical results with existing theory, specific recommendations for European MNCs operating in China are generated on how to design an attractive employer brand in China. Comparing European with Chinese external employer branding strategies helps firms to improve their understanding on cultural differences in attracting potential employees. Overall, this will contribute to the European MNCs’ potential to attract the best skilled Chinese employees in order to develop a competitive advantage within the global war for talent.

1.3 Research question

Unifying the identified gaps, the authors aim to conduct a research on how European MNCs operating in China adapt their employer brand in order to attract potential Chinese employees. This is expressed in the following research question:

“*How do European MNCs operating in China adapt their employer branding to attract potential Chinese employees?*”

To help the researchers answer the research question, two sub-questions have been formulated. Firstly, in order to know how companies attract potential Chinese employees, the researchers need to explore how European MNCs adapt their employer attractiveness to the Chinese context. Secondly, in order to discover how European MNCs promote the adapted employer attractiveness, the researchers need to explore how the external employer branding strategies are adapted by European MNCs to attract potential Chinese employees. This results in the following two sub-research questions:

1. *How do European MNCs operating in China adapt their employer attractiveness to attract potential Chinese employees?*

2. *How do European MNCs operating in China adapt their external employer branding strategies to attract potential Chinese employees?*

1.4 Purpose

Based on the identified gaps and the developed research question, the purpose of this paper is to explore how European MNCs operating in China attract potential employees through an attractive employer brand by adapting it to the Chinese context. The aim of this study is to provide recommendations to European MNCs regarding on how to design their employer branding in terms of employer attractiveness and external
employer branding strategies to attract potential Chinese employees, and to extent the
current state of research in terms of employer attractiveness attributes and external
employer branding strategies from a company perspective in China.

1.5 Delimitations

This thesis focuses on large enterprises, as the potential to conduct extensive employer
branding activities tends to be bigger in large companies than in SMEs, due to the
SMEs’ restricted resources (Duberley & Walley, 1995). Previous research has shown
that a large variety of HRM practices exists among SMEs, however most practices are
related to a traditional smaller firm approach instead of adopting an official, long-term
HRM strategy (Duberley & Walley, 1995, Cassel et al., 2002). Prior research has made
no difference in employer branding among different industries, however the companies
used in this research all operate in the manufacturing industry in order to ensure a
certain degree of consistency in collecting the empirical data. Furthermore, employer
branding comprises strategies focusing both on the retention of existing employees and
the recruitment of potential employees. As however the focus of this paper is on
strategies to attract potential employees, only the recruitment aspect of employer
branding is addressed in this thesis. As a last delimitation, this paper focuses on
European countries and China. There are more countries that experience a situation of
war for talents and hence would require the adaptation of employer branding, but these
are not taken into account in this research.
1.6 Report structure

To provide a clear overview of this paper, the funnel illustration below aims to clarify the structure of the research conducted.

The introduction contains background information about the “war for talent”-situation characterizing the labor markets. Three gaps existent in the employer branding literature are identified, leading to the research question and purpose, followed by the delimitations of this paper.

The theoretical framework presents the key concepts of employer attractiveness and external employer branding strategies and relates them in a research model, which is further discussed in the Chinese context.

This chapter discusses the research approach, methods and selection criteria for the four case companies, as well as the reliability and validity of this research.

In this chapter, the empirical data collected from the case companies is presented for each of the five firms, for Europe and China based on the conducted interviews.

This chapter analyses the empirical findings and compares the findings with the theory. It also contains a cross-case analysis and a comparison within each case between Europe and China (inter-case analysis).

In the last chapter the conclusions are presented together with recommendations for European MNCs and suggestions for further research.
2 Theoretical framework

The theoretical chapter discusses the concept of employer branding, starting with the overall topic of HRM and narrowing it down to the different components and strategies of employer attractiveness. Furthermore, employer attractiveness will be placed in the concept of international employer branding to analyze the cross-cultural differences and clarifying the need for companies to adapt their attractiveness strategies. A literature review about employer branding and employer attractiveness in China results in the development of theoretical propositions. In the end the different concepts and components are related into a model of international employer branding.

2.1 The broader scope of employer branding

In order to present the broader scope of employer branding, the related concepts of HRM and internal marketing will be addressed and explained in this chapter.

2.1.1 Human resource management

HRM involves practices and policies that guide the talent of humans in a company in order to strengthen its capabilities (Boxall, 1996 in Vivares-Vergara et al., 2016). Companies can use for example training, selection and financial incentives in order to increase the value, rareness, non-substitutability and inimitability of the human capital pool which can lead to a sustained competitive advantage (Shaw et al., 2012). HRM nowadays no longer has just an operative role (Vivares-Vergara et al., 2016) but is involved as a strategic decision maker in the company (Buller & McEvoy, 2012; Vivares-Vergara et al., 2016). Therefore, it is important to align the HRM practices and policies with other business areas such as marketing and production in order to secure the corporate strategy (Vivares-Vergara et al., 2016). HRM contributes in such a way that it develops the right organizational structure and culture in order to execute strategy (Buller & McEvoy, 2012). The most important tasks for HRM in an organization are to identify the human resource need, recruit superior employees, manage performance, manage employee compensation, train and develop employees, and manage labor relationships (Prabandh, 2012). This relates HRM closely to the concept of internal marketing, which places employees as the first market of the company (George, 1990). The internal marketing concept is discussed and explained further below.
2.1.2 Internal marketing

The concept of internal marketing was developed in 1976 and addresses why satisfying the needs of employees can increase customer satisfaction (Berry et al., 1976 in Kaur & Sharma, 2015). Internal marketing is considered as a subordinate concept of HRM, aiming at establishing and maintaining its effectiveness (Prabandh, 2012). Internal marketing argues that employees are the first market of a company, employees are internal customers and the jobs they fulfil are internal products (Seghal & Malati, 2013). When looking at jobs as products, jobs must attract, develop and motivate employees so that the needs of the internal customers are satisfied and at the same time match the organization’s goals (Seghal & Malati, 2013). The internal marketing principle has two main characteristics: Firstly, the needs of internal customers need to be fulfilled before the needs of external customers. Secondly, the same marketing rules apply for both the external and internal market of the firm (Berry et al., 1976). Internal marketing holds the ‘promise’ of the brand and incorporates it into the culture of the organization (Seghal & Malati, 2013). The brand promise is: “the marketer's vision of what the brand must be and do for consumers” (Kotler & Keller, 2009, p. 242) in this case internal consumers, which are the employees. The purpose of internal marketing is to establish a workforce committed to the goals and values of the company (Berthon et al., 2005). Internal marketing and managing talents is a key element in modern management strategies (Lazorko & Zajac, 2014). One element of internal marketing is employer branding which focuses on building an attractive image of the company as a ‘great place to work’ (Berthon et al., 2005). The concept of employer branding is thus subordinated to the internal marketing concept (Berthon et al., 2005; Roy, 2008) and is discussed in the next chapter.

2.2 Concept and components of employer branding

This chapter introduces the concept of employer branding and outlines its different components. The focus of this research is on external employer branding, wherefore the concepts of ‘employer attractiveness’ and ‘employer brand associations’ are discussed.

Employer branding emerged as a combination of human resources and brand marketing and defines employees as the most valuable resources of a company in combination with the company’s brand as its greatest asset (Ambler & Barrow’s, 1996). The employer brand comprises the sum of the functional, economic and psychological
benefits that a company provides to its employees (Ambler & Barrow, 1996). The functional, economic and psychological benefits are a result of the relationship between a company and its employees (Ambler & Barrow, 1996). These benefits are mutual and similar to the products a company offers to its consumers. The functional benefits comprise the development of employees and the useful activities they conduct. Economic benefits refer to the monetary rewards employees receive for conducting the activities. Psychological benefits are provided by giving employees a feeling of belonging, a direction and a purpose (Ambler & Barrow, 1996). These benefits can be used to position the company as an employer of choice resulting in the attraction of potential employees (Wilden et al. 2010). The value of the employer brand depends on the benefits perceived by the employees and other stakeholders of the company (Seghal & Malati, 2013). Hence, the employees decide to what extent the company is able to deliver and differentiate the benefits (Ambler & Barrow, 1996). The concept of employer branding comprises a long term strategy for managing the perceptions of (potential) employees and relevant stakeholders of a company (Sullivan, 2004). Employer branding has both an internal and an external component (Lievens et al., 2007) as it needs to promote internally and externally how the firm differentiates from other employers and why it is a desirable place to work (Sehgal & Malati, 2013). This research focuses on employer attractiveness which is an external component of employer branding. The internal employer branding component, focusing on existing employees, is therefore not addressed in this report.

2.2.1 External employer branding

While the internal component focuses on existing employees, external employer branding focuses on attracting potential employees towards the company (Backhaus & Tikoo, 2004; Sengupta et al., 2015). A company should communicate its values externally, as a match between the values of both the company and the potential employees, increases employer attractiveness (Schneider, 1987; Sengupta et al., 2015). The various corporate brand messages that are communicated to the external market create perceptions among existing and potential customers, and the resulting experience also affects the customers’ perception about the company as an employer (Foster et al., 2010). As regular customers could also be potential applicants, it is important to align the corporate brand with the employer brand in order to create a consistent identity (Foster et al., 2010). The corporate and product brand influence the potential employees’ perception of prospective employers (Wilden et al., 2010) through for
example products, corporate social responsibility activities, compliance to ethics by leaders and trust-building towards customers and shareholders through integrity (Sengupta et al., 2015). The higher the degree of positive perceptions of the brand, the more the consumer identifies with the brand (Backhaus & Tikoo, 2004). Especially the employees involved in customer-contact have a key role in creating a positive perception about the company and its brand (Balmer and Wilkinson, 1991 in Kahn, 2009) and thus also influence the employer image (Foster et al., 2010). Consequently, corporate external branding also impacts external employer branding and can indirectly influence employer attraction. The external promotion of the employer brand can support the employer attractiveness (Backhaus & Tikoo, 2004). For example, companies can attract potential employees through communicating employee benefits to external stakeholders (Wilden et al., 2010). How much a potential employee is actually attracted to an employer is defined by the potential employees’ perception about the communicated values and benefits. This is considered as the employer attractiveness which is discussed further below (Berthon et al., 2005).

2.2.2 Employer attractiveness

Employer attractiveness is defined “as the envisioned benefits that a potential employee sees in working for a specific organization” (Berthon et al., 2005, p. 151) and comprises the desire of a potential employee to work for a specific brand (Rampl, 2014). The attractiveness of the employer is an outcome of the employer image, which in turn is formed by employer brand associations that are created through employer branding (Backhaus & Tikoo, 2004; Sehgal & Malati, 2013). The employer image is described as the perceptions and associations of potential applicants regarding the employer brand (Kucherov & Samokish, 2016). According to Backhaus & Tikoo (2004), the employer image largely depends on the employer value proposition offered to the potential employees. The employer value proposition is the central employer brand message that aims to represent what distinct value the company offers to its employees (Eisenberg et al., 2001 in Chhabra & Sharma, 2014). The value offered through the employer value proposition promotes the unique attributes and the benefits of a company in order to motivate targeted candidates to apply for a job position (Botha et al., 2011) and thus is related to the employer brand associations. The more the attributes of the employer value proposition match the desired attributes of the potential employees, the higher is the perceived employer attractiveness (Backhaus & Tikoo, 2004; Chhabra & Sharma, 2014). This goes along with the theory of person-organization fit, which indicates that
potential employees “compare the employer image they have to their needs, personalities and values” (Backhaus & Tikoo, 2004, p. 506). As indicated previously, a high level of fit between the values of the potential employee and the firm leads to increased employer attractiveness (Schneider, 1987; Backhaus & Tikoo, 2004; Sengupta et al., 2015). As the employer brand associations form the image of the employer, shape its attractiveness (Backhaus & Tikoo, 2004; Sehgal & Malati, 2013) and hence constitute the core of employer attractiveness, these associations are explained next in more detail.

2.2.3 Employer brand associations

The employer brand associations comprise the ideas of existing and potential employees in regards to “rational and emotional employment attributes” (Kucherov & Samokish, 2016, p. 30). Various studies on employer branding identify different types of employer brand associations. Rampl (2014) identifies: job attributes in terms of wage, promotion prospects and geographical location. Lievens & Highhouse (2003) identify organizational reputation. Employer brand personality is identified by multiple authors (Turban & Cable, 2003; Collins, 2007; Rampl, 2014) as well as, employee benefits (Lievens & Highhouse, 2003; Lievens et al., 2007; Rampl, 2014). Ambler & Barrow (1996) describe three types of benefits that employer branding offers towards employees: functional benefits, psychological benefits and economic benefits. Berthon et al. (2005) refined and extended these benefits and propose five distinct dimensions in order to measure the attractiveness of an employer:

**Interest value** determines to what extent a potential employee is attracted to an employer that facilitates the potential employee in using his creativity to produce innovative and high-qualitative products or services. The employer can fulfill this by positioning the employer brand as innovative, by producing innovative products and services and by providing a challenging work practice and an exciting work environment, (Berthon et al., 2005).

**Social value** focuses on the social aspect of working for an employer. It determines the degree to which a potential employee is attracted to an employer that provides a collegial working environment and good relationships among members. The employer can fulfil this through good relationships with colleagues and superiors, supportive
colleagues, a team atmosphere and a work environment that is fun to work in (Berthon et al., 2005).

**Economic value** determines the degree to which a potential employee is attracted to an employer that offers a salary that is above average and an attractive compensation package. But also the security of a job and opportunities for further promotion as well as a hands-on inter-department experience are part of the economic value (Berthon et al., 2005).

**Development value** determines the degree to which a potential employee is attracted to an employer that provides the potential employee with confidence, self-worthiness and recognition. This is connected with possibilities for future employment and a career enhancing experience (Berthon et al., 2005).

**Application value** determines the degree to which a potential employee is attracted to an employer that provides the employee with a feeling of belonging and acceptance, as well as opportunity for the employee to apply what he or she has learned and whether the employee can also teach others in a humanitarian environment with a customer-oriented approach (Berthon et al., 2005).

These five dimensions are most suitable to represent the concept of employer attractiveness in this research for the following reasons: Firstly, they are in accordance with the definitions about employer brand and employer brand associations applied in this study. Secondly, the dimensions constitute a valid and reliable scale to reflect the concept of employer attractiveness (Berthon et al., 2005) and furthermore extend and specify the three dimensions of Ambler & Barrow (1996) as interest value and social value specify the psychological benefits, development value and application value refine the functional benefits and economic value represents the economic benefit (Berthon et al., 2005). Thirdly, these five dimensions are used by a number of different authors in prior studies dealing with employer attractiveness (e.g. Roy, 2008; Jiang & Isles, 2011; Arachchige & Robertson, 2011; Alnıaçık et al., 2014).
2.3 External employer branding strategies

This research focuses on external employer branding and therefore the employer branding strategies that focus on external, potential employees are discussed below. A literature review revealed four external employer branding strategies that can attract potential employees. These are ‘brand management’, ‘recruitment’, ‘employee benefits’ and ‘training and development’. In general, it is important for a company to first assess the most valued aspects of the target group and then develop the employer branding strategies accordingly (Moroko & Uncles, 2009; Alnçık et al., 2010).

2.3.1 Brand management

Effective employer brands are built from inside out, starting at the top of the company (Barrow, 2007 in Seghal & Malati, 2013) and go beyond the common HRM recruitment practices (Seghal & Malati, 2013). Building a strong employer brand can be done in five steps: “understand your organization”, “create a ‘compelling brand promise’ for employees that mirrors the brand promise for customers”, “develop standards to measure the fulfilment of the brand promise”, “ruthlessly align all people practices to support and reinforce the brand promise” and “execute and measure” (Berthon et al., 2005, p.154). Employer brand management influences the perception of the potential employee towards the company (Sehgal & Malati, 2013) by building an image as “employer of choice” or “best employer” (Chhabra & Mishra, 2008, p. 59; Love & Singh, 2011, p. 180). A good example of becoming an employer of choice is the story of McDonalds. McDonalds had a reputation for having low paid jobs without any stimulation or future prospects, referred to as ‘Mcjob’. To improve the reputation, the company started a campaign, promoting the career benefits of the company in combination with its slogan: ‘not bad for a Mcjob’. The campaign turned out to be a success and both the percentage of people that would consider applying for a job as well as the recommendation rate of internal employees recommending working for McDonalds rose considerably (Chhabra & Mishra, 2008). Companies can use several tools to promote and improve their employer brand through for example, social media, the sponsorship of events, charity donations and corporate social responsibility activities (Chhabra & Mishra, 2008). It is important for companies to invest in building the employer brand, as Wilden et al. (2010) point out that companies that dedicate resources to building an employer brand and invest in recruitment are perceived as more attractive than companies that do not. The recruitment strategy will be discussed further below.
2.3.2 Recruitment

“The key to retain good people is to hire good people” (Chhabra & Mishra 2008, p.54). This is particularly the case when it comes to attracting high-qualified talents as a good fit with the organization results in a better return on investment (Chhabra & Mishra 2008). Therefore, it is important that a company strives to recruit employees that have a good fit with the company and can be aligned with the mission, vision and culture of the organization (Chhabra & Mishra 2008). Recruitment can be described as “the discovering of potential candidates for actual or anticipated organizational vacancies” (Kumari, 2012 p. 32). An effective recruitment strategy to increase the company’s visibility and awareness, can be done through investments in advertising campaigns focusing specifically on recruitment (Chhabra & Mishra, 2008), building and maintaining good relationships with schools and universities and participating at job fairs (Sehgal & Malati, 2013). Furthermore, employee referral programs (Wilden et al., 2010; Sehgal & Malati, 2013) can make use of internal employees as brand ambassadors to communicate relevant messages to the labor market, as such referrals can be considered as a reliable source of employer brand information (Wilden et al., 2010). Finally, segment-specific recruitment strategies can be used to target specific employees (Love & Singh, 2011) by addressing their specific needs and requirements (Wilden et al., 2010). This can contribute to a more relevant base of applicants with the specific desired skills, but it also limits the number of applicants who are attracted by the specific employer brand (Love & Singh, 2011).

2.3.3 Training and development

Globalization, new technologies and a more diverse workforce (Noe, 2002 in Edralin, 2011) have changed the role of training from a traditional focus of teaching knowledge and skills, towards connecting business needs with training and using training as a tool to share and create knowledge (Martocchio and Baldwin, 1997 in Edralin, 2011). An employer should promote a variety of learning possibilities in the workplace, developed and guided by a training and development department that is responsible for updating the skills and knowledge of employees (Edralin, 2011). Through the provided learning possibilities, the training and development department promotes innovation and creativity and guides the workforce in achieving common goals (Marsick and Watkins 1990 in Edralin, 2011). Development can be described as efforts over a longer period of time focusing on enhancing the growth of human resources and leading them to fulfil
both personal and organizational goals. Development has to be connected to the company’s values, strategy and mission. In order for employees to develop professionally, a company must create a learning environment for professional development with specific leadership programs. A leadership program specifically helps employees to apply different learnings of their job and contributes to retaining employees for a longer time within the company. Employers of choice usually have a mix of traditional training programs in combination with a variety of continuous development efforts e.g. individual coaching and executive programs (Edralin, 2011). Companies can use employer branding to advertise their training and development opportunities in order to attract potential employees (Backhaus & Tikoo, 2004).

### 2.3.4 Employee benefits

An essential aspect of investing in human capital and employer branding are employee benefits, as they support not only employee retention, but also attraction and recruitment when communicated to potential employees (Brenner, 2010). There are two major types of employee benefits: monetary and experiential benefits (Moroko & Uncles, 2009). Monetary benefits comprise regular reward programs (Sehgal & Malati, 2013) including the level and potentiality of salary on the one side, and performance rewards through bonus schemes, company shares and tax benefits on the other side (Moroko & Uncles, 2009). As these monetary benefits are easily imitable through competitive employers, a sole reliance on this type of benefits can decrease a company’s competitiveness (Moroko & Uncles, 2009). Hence, an effective employee benefit strategy balances monetary benefits with a variety of experiential benefits, which comprise “the opportunity for promotion and travel; flexible working hours, childcare and parental leave; and autonomy, security and other work culture and practice related benefits” (Moroko & Uncles, 2009, p. 186), as well as retirement benefits, healthcare, sabbaticals (Moroko & Uncles, 2009), discounts on fitness center’s (Sehgal & Malati, 2013), holiday entitlements and a good work – life balance (Moroko & Uncles, 2008).

As companies have scarce resources, prioritizing these employee benefits is another important aspect of the employee benefit strategy. In order to prioritize, the company needs to segment the labor market and communicate specifically those employee benefits that meet the needs of the targeted potential employees (Moroko & Uncles, 2009). If an employer targets e.g. particularly graduates, then a focus on promoting parental leave and childcare might be ineffective (Moroko & Uncles, 2009) while targeting mature employees (50 years or older) might demand benefits in terms of
medical care, social security and pension plans (Brenner, 2010). By segmenting the labor market and understanding the specific needs of the targeted employees, a company is able to design more efficient and effective attraction strategies (Moroko & Uncles, 2009).

2.4 International employer branding and adaptation

International employer branding is defined by the authors as employer branding in an international context and focuses on how an international company can attract potential employees through external employer branding strategies across different countries (Brewster et al., 2005). Cross-cultural differences impact the perceived attractiveness among different countries and people (Berthon et al., 2005; Alnıaçık et al., 2014). Companies, as MNCs, that operate internationally have to be aware of these cross-cultural differences and hence should adapt their employer branding strategies accordingly. The factors influencing the level of adaptation are discussed below.

2.4.1 Adaptation factor: culture

Companies have to be aware of the fact that different national contexts impact the perception of potential employees on their employer brand because of differences in culture and nationality (Berthon et al., 2005, Alnıaçık et al., 2014). An MNC, which “coordinates and controls subsidiaries across national boundaries and is thus obliged to operate in different national contexts” (Heidenreich, 2012, p. 549), is thus especially affected by cultural differences. This research will focus on the cultural differences, first of all because of the substantial cultural differences between Europe and China (Ma & Trigo, 2008; Baum & Kabst, 2013). Secondly because it is important for western companies to understand the values of Chinese managers, so that they can establish appropriate systems to recruit and hire new employees. Research has shown that western MNCs often have difficulties with adapting to the Chinese values (Lynton & Beechler, 2012). Thirdly because the culture of a nation changes very slowly (Jansson, 2007b), making the results of this research more durable and relevant over a longer period of time. The need to adapt employer branding strategies is also a result of the different needs and requirements of employees (Love & Singh, 2011) as well as the different assigned levels of importance regarding the employer brand associations and hence different perceptions about employer attractiveness (Alnıaçık et al., 2014). Employer attractiveness is not a universal concept and thus differs between countries.
due to different influencing factors: socio-economic factors like culture, customs, economic trends, unemployment rate (Alnıaçık et al., 2014) and personal characteristics like gender, race, age, education and income (Newbury et al., 2006; Alnıaçık et al., 2014) influence the attractiveness of an employer. Lynton & Beechler (2012) extend the list with: generation, class and personal background. These influencing factors link the ‘employer attractiveness’ to the need for adaptation in an international context. The adaptation of the employer branding strategies and employer brand associations should match the organizational identity, as it has to fulfil the perception of the potential employee in terms of a consistent identity of the company (Lievens et al., 2007). The organizational identity is discussed further below.

2.4.2 Adaptation factor: corporate identity

The corporate identity can be defined as the main character of a company, an internal and consistent system of beliefs, norms and values, anchored to the companies’ mission that determines the companies’ behavior towards potential employees (Ashforth & Mael, 1996; Dell et al., 2001). The organizational identity is the basis of the corporate brand (Balmer, 2010; Foster et al., 2010) and reflects what the corporate brand stands for as it holds the ethics, values and aims of the company (Balmer 2001; Foster et al., 2010). As the organizational identity exists in the mind of both the employees and the customers (Chhabra & Mishra, 2008) it can differentiate the company from competitors (Balmer, 2001; Harris and de Chernatony, 2001 in Foster et al., 2010). When attracting potential employees through an attractive employer image, the employer image and thus the employer brand associations have to be consistent with the corporate identity (Lievens et al., 2007). The level of adaptation of employer attractiveness is thus constraint by the need to maintain consistency with the organizational identity, and thus favors a certain degree of standardization. As such, corporate identity does not work as an ‘enabler’ of adaptation (as does culture.) but as an ‘inhibitor’. Keeping a consistent employer image is important as it influences the attractiveness of a company towards relevant stakeholders (Balmer and Greyser, 2002; Lievens et al., 2007). Furthermore, aligning the employer brand with the corporate brand (see chapter 2.2.2 external employer branding) and thus with corporate identity (Harris and de Chernatony, 2001) increases the credibility as an employer. The concept of credibility for employer brands based on consistency can be derived from the marketing field, as the “credibility of a
brand has been shown to be higher for brands with higher marketing mix consistency over time” (Erdem and Swait, 2004, p. 192).

2.5 Theoretical synthesis

In this section all relevant theoretical concepts will be linked, resulting in the research model of this thesis. Furthermore, specific propositions are developed for the first key concept in the research model, namely employer attractiveness. The various concepts that have been addressed throughout the theoretical framework chapter are summed up for an overview in appendix A.

2.5.1 Research model

The previous discussed components of employer branding are now linked, resulting in a research model (see figure 1). Companies operating in an international context have to decide if and to what extent they adapt their employer branding to local circumstances. The level of adaptation of employer branding is hereby facilitated by cultural differences, but limited by the firm’s corporate identity in order for the company to be perceived as a credible employer. Adapting employer branding can result in an increase of the perceived attractiveness of an employer as these perceptions about attractiveness vary between different countries and cultures (Alnıaçık et al., 2014). The employer attractiveness is one of the two key concepts in the model and supports in answering the first sub-research question in terms of ‘how European MNCs operating in China adapt their employer attractiveness to attract potential Chinese employees’. The employer brand associations as the core of the employer attractiveness concept serve as the basis of employee attraction. Therefore, to adapt the employer attractiveness in an international context, a company can adapt its employer brand associations in terms of the five attractiveness dimensions: ‘interest value’, ‘social value’, ‘economic value’, ‘development value’ and ‘application value’. The employer brand associations are promoted to potential employees through external employer branding strategies. The external employer branding strategies comprise the second key concept and support in answering the second sub-research question in terms of ‘how European MNCs operating in China adapt their external employer branding strategies to attract potential Chinese employees’. A company has to first identify the employer brand associations most valued by the targeted employees and base the development of employer branding strategies on these attributes (Alnıaçık et al., 2014). This is in line
with Sullivan (2004) who states that employer branding is a targeted strategy managing the perceptions (employer brand associations) and awareness of potential employees. The strategies are thus derived from the employer brand associations and not vice versa. There are four main external employer branding strategies addressed in this research: ‘employer brand management’, ‘recruitment’, ‘employee benefits’ and ‘training and development. The four different employer branding strategies promote the appreciated values of the targeted applicants, resulting in the attraction of potential employees (Alnaçık et al., 2014). The level of employee attraction can be measured in terms of the quality and size of a company’s pool of applicants (Turban & Cable, 2003) and by the average lead time between publishing a vacancy and filling this open position (Marr, 2012). By linking the described concepts, a research model is created and illustrated below.

![Research model](Source: Own Illustration)

**Figure 1: Research model (Source: Own Illustration)**
2.5.2 Employer attractiveness in China

This chapter discusses the five attractiveness dimensions in the Chinese context. Analyzing these dimensions for potential Chinese employees will result in a specific proposition for each dimension in order to give an idea on how European MNCs can adapt their employer brand associations to design an attractive employer brand in the Chinese context. These propositions support in answering the first sub-research question: How do European MNCs operating in China adapt their employer attractiveness to attract potential Chinese employees?

Interest value

Baum & Kabst, (2013) discovered that the attractiveness of tasks in order to create a favorable employer image is generally important in China. Task variety and the ability to put skills in a job increases the satisfaction of fulfilling a job and gives Chinese employees a greater sense of accomplishment (Yang & Wang, 2013). However, in comparison to European countries, the importance of task attractiveness is lower in China than in European countries (Baum & Kabst, 2013). A potential reason for this could be that Asian people tend to satisfy the expectations of their parents and therefore tend to ignore their own personal interests and attitudes when looking for a job (Tang et al., 1999). Moreover, potential Chinese employees often find jobs through their social connections and networks (Kuang-chi Chang, 2015) wherefore task attractiveness and variety is not considered as most important when deciding for a job.

*Interest value proposition:* The authors expect European MNCs to decrease the level of promotion of the interest value in China as this tends to be less important for potential Chinese employees than for potential European employees.

Social value

The Chinese culture strongly supports a stable and harmonious workplace and a long-term employment relationship is appreciated by Chinese employees (Ma & Trigo, 2008; Wang, 2008). The relationships with supervisors and co-workers in China have to be personal and pleasant, and can be promoted through informal social events (Wang, 2008). The importance of these relationships can result in a strong bond between the companies and employees as Gamble and Huang (2008) discovered. Their research showed that Chinese employees in a British company had stronger feelings to stay than
their British colleagues due to relationships and their loyalty. Also the concept of Guanxi is important in the Chinese culture. Guanxi means developing social linkages and connections and can be used for building relationships with employees (Jansson, 2007a) resulting in a good word of mouth for attracting new employees.

**Social value proposition:** The authors expect European MNCs to increase the level of promotion of the social value aspect in China, as this tends to be more important for potential Chinese employees than for potential European employees.

**Economic value**

China is facing a period of economic transition in which wealth has become a symbol of success. Thus, it is common for young managers in China nowadays to place a lot of value on compensation in their work activities (Ma & Trigo, 2008). This is confirmed by Chiu & Francesco (2003), who state that Chinese managers consider their payment as a very important factor in their working career and argue that salaries and money are even more important in China than in other cultures. Despite this importance, income among individuals working in comparable job groups for the same company should be equal as Chinese employees do not appreciate large differences in payment among comparable groups (Budhwar, 2004 in Baum & Kabst, 2013). Because of this appreciation in income equality among comparable groups, recruiters in China should not solely focus on attractive payments (Baum & Kabst, 2013). Chinese employees also highly value the security of a job, as a job does not only result in having a salary and connections but is perceived as a social status. Thus, damage to job security has a bigger negative impact on attitude and performance in China than in Western countries (Ma et al., 2016), which further increases the importance of the economic value.

**Economic value proposition:** The authors expect European MNCs to increase the level of promotion of the economic value in China, as this tends to be more important for potential Chinese employees than for potential European employees.

**Development value**

Chinese employees are highly interested in development. Hence, the presence of training and development opportunities is an important criterion for evaluating the attractiveness of an employer (Turban et al. 2001). This can be explained by the fact
that China has a high degree of power distance and an authoritarian working culture with a hierarchical structure (Jansson, 2007b), resulting in an increased social status when developing. The power distance ‘is the degree to which members of an organization or society expect and agree that power should be shared unequally’ (Hofstede, 2001, p. 75). Individuals in China are attracted to raise the social status and climb a quick career ladder for social prestige (Baum & Kabst, 2013). The power distance in China in comparison with European countries like Germany, Sweden, and Italy is much higher in China (Hofstede, n.d.). Chinese individuals perceive high parental expectations for achievement and socio-economic status which encourages them to be competitive (Chen et al., 2016).

**Development value proposition:** The authors expect European MNCs to increase the level of promotion of the development value in China, as this tends to be more important for potential Chinese employees than for potential European employees.

**Application value**
China is a collectivistic culture, in which harmony between people and the tendency to build strong connections with other employees is given special attention by individuals. A feeling of belonging is thus especially important for Chinese employees (Ma et al., 2016). This goes along with a strong desire for job security, as losing a job will not only result in a loss of salary, but also in a loss of connections and even social status. Once Chinese employees identify themselves with a group, they are willing to contribute to the success of the group as the success of the group is seen as part of the individual success (Ma et al., 2016). The self-concept overlaps with the group and the employees thereby meet and advance the organizational goals (Blader & Tyler, 2009).

**Application value proposition:** The authors expect European MNCs to increase the level of promotion of the application value in China, as this tends to be more important for potential Chinese employees than for potential European employees.
3 Methodology

This chapter presents the methodology of this research by applying general theories of business research methods and specific theories regarding qualitative and case study research in order to justify the decisions taken in this study. The authors elaborate on the research approach, research method, research design, type of data, sampling method and selection criteria. Furthermore, the chapter outlines the interview method, operationalization and method of analysis. Next, the research process is made transparent by illustrating it in a sequential pattern. The chapter is finalized with evaluating the quality of this research.

3.1 Research approach

The authors took a deductive approach by using existing theories about employer branding strategies and employer attractiveness in general and related to the Chinese context in particular as a starting point. These theories were then applied to the specific case companies (Sekaran & Bougie, 2010). As research in the field of employer branding is predominantly conducted from the employees’ point of view, a deductive approach was chosen in order to take the employees’ perspective about employer attractiveness as a basis for propositions regarding on how the authors expect the companies to attract Chinese employees, which was then complemented by the employers’ perspective on how the selected companies are actually attracting potential Chinese employees in practice. The propositions are derived from theory about the Chinese culture and from prior empirical research on Chinese employees’ perception about employer attractiveness and thus address the first sub-research question and the key concept of employer attractiveness. This approach was chosen in accordance to theory, which indicates that the employer brand exists in the mind of the (potential) employees as it is defined by their subjective perceptions (Sullivan, 2004; Chhabra & Mishra, 2008; Arachchige & Robertson, 2011). Thus, these subjective perceptions deduced from existing literature served as a profound basis for data collection from European companies with subsidiaries in China regarding the key concept of employer attractiveness. Moreover, developing propositions deduced from theory rather than inducted from empirical data allowed the authors to verify these propositions empirically in order to explore the topic in more depth and further the researchers’ understanding. This approach has also been applied by other scholars (e.g. Andersen et
A deductive approach was further applied to detect common employer branding strategies that are used to attract external potential employees, which served as a profound basis for the empirical data collection.

3.2 Research methods

A qualitative research method was applied which supported the researchers understanding of the case companies’ subjective meaning (Merriam, 1998; Saunders et al., 2012) regarding employer attractiveness and employer branding strategies. Qualitative research considers reality as being created by individuals (Merriam, 1998) and thus reality is seen as subjective through the view of the participants in the study (Smith, 2016). This was a suitable approach regarding the adaptation of employer attractiveness and related external employer branding strategies, as employer attractiveness varies between different countries due to differences in perceptions (Alınacı et al., 2014). These perceptions are subjective and had to be taken as the foundation of the reality the employer brand is constructed on, in order for the employer to be perceived as attractive. By using the perspective of Chinese employees as theoretical background and focusing on the employer’s perspective empirically, the authors were able to detect gaps between the employees’ perception on employer attractiveness and the firms’ interpretation of these perceptions as well as the implementation of respective external employer branding strategies for implementing these perceptions. Furthermore, a qualitative research allowed a more in-depth exploration on how the employer attractiveness and external employer branding strategies are understood by employers, wherefore a qualitative research method is the appropriate choice of method to answer the “how-research questions” (Corbin & Strauss, 2008). A qualitative research method is further in line with a deductive research approach in order to test existing theories through e.g. interviews (Yin, 2014).

3.3 Research design

According to Creswell (2003), there are five distinct qualitative research designs: ethnographies, grounded theory, phenomenological studies, narrative research and case studies. According to Yin (2014, p. 16), a case study is defined as “an empirical inquiry that investigates a contemporary phenomenon (the “case”) in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident”. Based on this definition, a case study was a suitable research
design, as it fulfilled all the addressed aspects: The companies’ employer branding was researched in depth, as a qualitative research method was used. The real-world context was covered by interviewing the firms both in the respective European country and in China and thus without any manipulation of the natural setting as requested within qualitative research (Merriam, 1998). Finally, the boundaries between the phenomenon and the context were rather vague, due to the impact of the European and Chinese context on employer attractiveness perceptions (Peppas et al., 1999; Baum & Kabst, 2013). Furthermore, a case study was the preferred research design in order to answer the research questions of this paper, since they were designed as “how” – questions that cover contemporary events in the form of current perceptions of employer attractiveness and conducted employer branding strategies over which no influence by the researchers is required (Yin, 2014). To be more specific, the research design was a multiple-case design, as the researchers predicted that similarities in the findings (replications) exist, in the way that the case companies adapt their employer branding to a certain extent to the Chinese context. Based on the replication logic in contrast to the sampling logic underlying multiple-case study designs, each case company was selected based on the notion of ‘literal replication’, meaning that the researchers exactly selected multiple companies because they predicted that similar results would be found (Noor, 2008; Yin, 2014). A multiple-case design further increases the robustness, accuracy, validity and reliability of the overall research, as the empirical findings are considered to be more rigorous than with a single-case design (Herriott and Firestone, 1983; Noor, 2008; Yin, 2014). Finally, a multiple-case design also allowed for a cross-case analysis, resulting in more profound managerial implications. As within each case company two HR managers were interviewed, the applicable research design applicable is an embedded multiple-case design (Yin, 2014).

3.4 Type of data

Data was gathered in the form of both primary data through the researchers directly, and secondary data through already existing sources (Sekaran & Bougie, 2010). Although there is a variety of different sources for both types of data like direct observations, archival records and physical artefacts, the sources most suitable and hence used in this study are interviews and documents (Yin, 2014). Interviews, as a common method of collecting qualitative data (Sekaran & Bougie, 2010; Bryman & Bell, 2015), were used to collect primary data of the case companies. In total, three MNCs were interviewed.
regarding the employer attractiveness and external employer branding strategies. Secondary data comprised information derived from company websites in order to ensure that the case companies fulfilled the selection criteria, to find the correct contact person and to complement the primary data obtained.

3.5 Sampling method and sample size

The authors used non-probability sampling methods, a common sampling technique in qualitative research since the research questions and the exploratory purpose of this thesis required an in-depth study with a small amount of cases that provided rich information rather than statistical conclusions about the characteristics of a sample’s population (probability sampling) (Saunders et al., 2012). The specific non-probability sampling techniques most suitable for this paper were purposive sampling and haphazard (convenience) sampling. Purposive sampling as a common technique for qualitative research (Kumar, 2014) was used in order to select those case companies that were considered as most suitable to answer the research questions of this paper. The selection is conducted based on the authors’ judgement (Saunders et al., 2012; Kumar, 2014) and the sample selection criteria. More specifically, homogeneous sampling was used, as the researchers focused on one specific type of case companies and respondents with similar characteristics. Due to the two different contexts of Europe and China, two different but internally homogenous groups existed in the sample. Considering that the authors expected to find rather similar results in terms of the adaptation of employer attractiveness and employer branding strategies (literal replication, see chapter 3.3) (Noor, 2008; Yin, 2014), homogeneous sampling was a suitable method in order to be able to detect also minor differences in results (Saunders et al., 2012). Furthermore, due to the limited time frame of this research and to ensure sufficient access to the data (Yin, 2014), convenience sampling was used in order to select case companies with a high level of accessibility (Kumar, 2014). As a type of non-probability sampling, this is a common method within qualitative research. Furthermore, it is a suitable method to conduct an in-depth study focusing on a smaller number of companies to explore the research questions of this study (Saunders et al., 2012). Combining convenience and purposive sampling was an adequate approach (Saunders, 2012 in Saunders et al., 2012) and met the purpose of this paper. Although the sample size in qualitative research is usually determined by the data saturation point (Kumar, 2014), the authors’ limited resources do not allow a collection of data according to this principle. The sample size
in form of the amount of case companies included depends on the researchers’ available resources (Merriam, 2009), wherefore, in accordance with the guidelines of this thesis and due to the limited timeframe, the sample comprised three companies with six interviews. The three case companies are located with their headquarters in Germany, Sweden and Italy. All case companies requested confidentiality and anonymity due to the fact that information about strategic topics was addressed and because all case companies asked for access to the final thesis, which means that potential competitors have access to the case companies’ strategic information. Hence, due to ethical considerations, the case companies were given fictional names, related to their home country in Europe. The case company from Germany was named “Gertecho”, the case company from Sweden was called “Swedenca” and the case company from Italy was labeled “Itaconi”.

3.6 Sample selection criteria
The authors interviewed three companies that needed to fulfil the following criteria: First, only large enterprises were targeted, as the potential to conduct extensive employer branding activities tends to be bigger in large companies than in SMEs due to SMEs’ restricted resources. Previous research has shown that few SMEs have adopted an official, strategic HRM approach (Duberley & Walley, 1995) and that HRM practices are rather ad hoc in small firms (Wagar, 1998). Thus it is reasonable to expect that SMEs are less likely to be engaged in an extensive, long-term employer branding strategy. Therefore, the targeted company needed to have at least 250 employees and a turnover of 50 million euro or more (European Commission, n.d.). The companies further needed to have a European headquarters and a Chinese subsidiary which was relevant in order to cover the cross-cultural aspect in comparing European and Chinese firm-perceptions on employer attractiveness attributes and the degree of adaptation of external employer branding strategies. However, it was not enough to only have a subsidiary in China staffed with expats from Europe - the company had also to conduct local activities aiming at attracting Chinese employees for this subsidiary. This implied that the Chinese subsidiary had to employ HR managers on site. The interviewees of the case companies had to be employed in the HR department, responsible for recruitment activities. The authors targeted the ‘functional experts’, which is a common way to conduct exploratory research (Saunders et al., 2012). Moreover, these ‘functional experts’ were most familiar with employer branding. Next, the interviewee needed to
have already gained some experience in the field of recruitment, minimum however one year within the respective company. This was important in order to derive reliable and qualified responses.

3.7 Method of interview

Due to the limited time frame and the relatively large amount of interviews, the authors conducted shorter case study interviews which lasted about one hour on average (Yin, 2014). The authors used semi-structured interviews which are a suitable type of interview for exploratory studies (Saunders et al., 2012). Semi-structured interviews instead of unstructured interviews ensured a higher degree of comparability between the findings, since all questions were asked in a similar manner to all interviewees (Noor, 2008; Bryman & Bell, 2015). As the authors aimed to compare the results in the analysis, the comparability was an important evaluation criterion. Moreover, the purpose of this research required asking questions on specific topics (Bryman & Bell, 2015) like employer attractiveness and employer branding strategies. Thus, the variables were already identified and did not have to be determined in the first place, which is however the aim of an unstructured interview (Sekaran & Bougie, 2010). Furthermore, semi-structured interviews instead of structured interviews offered more flexibility in the structure of the questions and allowed the interviewers to include new follow-up questions (Noor, 2008; Thomas, 2011; Saunders et al., 2012; Bryman & Bell, 2015). The interview guide was sent to the interviewees in advance to ensure a smooth interview process. As qualitative interviews are often criticized for being non-scientific and subjective, the author’s paid specific attention to the quality of the interviews, as it largely impacts the quality of the following analysis (Brinkmann & Kvale, 2015). One aspect that can diminish the quality of an interview is interviewer bias resulting from “voice inflections, differences in wording, and interpretation” (Sekaran & Bougie, 2010, p. 186). The authors decreased this bias by being open to contrary evidence and carrying out research ethically (Yin, 2014), avoiding leading questions (Saunders et al., 2012) and generally acknowledging the possibility of bias (Brinkmann & Kvale, 2015). To further decrease the bias, the interviews were audio-recorded where permission was given in order to provide a complete and accurate record. In parallel, the interviewers took notes to have a back-up of the audio-recording. Finally, as each interview was conducted with an individual, the unit of data collection (HR manager) differed from the unit of analysis (case company), wherefore the interview questions primarily targeted
the firm. Awareness of this difference was important in order to avoid bias of the unit of analysis (Yin, 2014). The interview with Swedenca was conducted face-to-face as the firm was located in geographic proximity to the researchers’ location. This was the preferred interview method as it allowed the authors to capture also non-verbal cues of the interviewee (Sekaran & Bougie, 2010), which allowed the researchers to pose further probing questions. Due to a lack of resources, the firms outside Sweden were interviewed via telephone (Saunders et al., 2012) or Skype.

In order to provide an overview about the interviews and case companies, a case study database is provided below.

![Table 1: Case study database](Source: own illustration)

### 3.8 Operationalization

As the authors follow a deductive research approach, the relevant theoretical concepts described in chapter two were operationalized (see appendix B) (Saunders et al., 2012). Operationalization comprises the “translation of concepts into tangible indicators of
their existence” (Saunders et al., 2012, p. 677). Hence, the abstract concepts were broken down into sub-concepts, dimensions and elements (Sekaran & Bougie, 2010). As a result, the concept of employer attractiveness e.g. comprised five different levels. This operationalization was taken as a basis for the development of the interview guides (see appendix C and D). In general, the questions for each topic were first addressed in a rather broad manner related to the overall concept in order to provide space for the interviewees’ interpretation and understanding of the topic. The further questions were more narrowed by using the dimensions and elements in order to be able to capture specific topics in case the interviewee did not address those by him-/herself. Dimensions that overlapped were addressed by the same question to avoid repetition. All topics were addressed in a qualitative manner, however the topic of employer attractiveness was complemented by one quantitative question (see Q3h). This allowed a direct comparison between the European and Chinese perceptions about the importance of the attractiveness dimensions. Combining qualitative and quantitative aspects is an applicable procedure in case study research (Yin, 2014).

3.9 Method of analysis

After collecting the data, the recorded interviews were transcribed. As the analysis focuses on the meaning instead of the linguistic style as in conversation analysis (Gubrium & Holstein, 2001), the transcription focused on the content and excluded pauses, partial words or overlaps (Gubrium & Holstein, 2001; Brinkmann & Kvale, 2015). Due to time constraints, the method of data sampling was applied, wherefore only relevant parts of the interview were transcribed (Saunders et al., 2012). These transcriptions formed the basis for the subsequent analysis. The qualitative data was firstly analyzed through a cross-case synthesis (Yin, 2014) which allowed the identification of uniform categories, themes and patterns across all cases. The authors chose this analysis technique for two main reasons: Firstly, it applies specifically to multiple-case studies with at least two cases. Using more than two cases as done in this research further increases the robustness of the results. Secondly, a cross-case synthesis allowed a comparison between employer branding in Europe and China, thereby providing a foundation to answer the research questions by analyzing similarities and differences. Yin (2014) suggests starting the cross-case synthesis with a table which presents the data from each individual case company according to different consistent categories. Based on this example, the authors developed an outline of a table used for
the analysis in this research (see appendix E). It displays the data according to the two relevant groups (Europe and China) that are the target of the comparison in order to evaluate the adaptation of employer branding, and further allocates the data to the relevant categories. Thereby, the authors primarily follow the notion of concept-driven categories, as the labels for the categories are based on the existing theory (Saunders et al., 2012). As a second analysis strategy, the authors conducted pattern matching (Saunders et al., 2012; Yin, 2014) in order to compare the empirical findings with the theory and the developed propositions. According to Yin (2014, p. 143), pattern matching is “one of the most desirable techniques for case study analysis” and thus an appropriate technique for analyzing the obtained qualitative data. Applying this technique and testing propositions allowed the authors to give recommendations to practitioners and to extent the current state of research respectively by comparing the employee-perspective with the employer-perspective regarding the employer attractiveness.
3.10 Research process

In order to increase the transparency and potential replication of this research, the applied research process is illustrated in the following.

Figure 2: Research process (Source: Own illustration, based on Yin, 2014)
3.11 Quality of research

The quality of this research is assessed based on the four commonly used tests: Construct validity, internal validity, external validity and reliability. However, internal validity is only relevant for causal studies or explanatory studies. Hence, the test of internal validity is not relevant for this study for two reasons: Firstly, it is an exploratory research and secondly, the chosen case study research design is not related to causal studies (Yin, 2014). As a result, the quality of this study is assessed based on construct and external validity and reliability.

Construct validity, in terms of identifying correct operational measures for the theoretical concepts of this research, was increased by various sources of evidence (Yin, 2014). The items representing the five dimensions of employer attractiveness are considered as correct operational measures due to the validity and reliability of the scale (Berthon et al., 2005). It was furthermore used by numerous authors in prior studies (e.g. Roy, 2008; Jiang & Isles, 2011; Arachchige & Robertson, 2011; Alnıaçık et al., 2014). The operationalization of the different external employer branding strategies and corporate identity has been based on a broad literature review, whereby various sources were used to define the components of each concept. External validity, regarding the extent to which the empirical findings can be generalized, is given with the constraints resulting from qualitative case study research conducted through non-probability sampling. Generalization can hence not be achieved statistically in terms of representing the population, but it is existent in terms of analytic generalization (Saunders et al., 2012; Yin, 2014). Thus, the results can be generalized regarding the theory instead of the population (Saunders et al., 2012). As this research used multiple-case studies which follow a replication instead of a sampling logic, generalizations are appropriate (Noor, 2008). Reliability, meaning showing that this research can be replicated with the same results, is limited to some extent due to the requested anonymity of the case company. This was counteracted by developing a case study database (see Table 1, Case study database) which increases the level of reliability (Yin, 2014). Furthermore, reliability is increased through the illustration of the research process, thereby increasing the transparency on how to conduct this study in case of repetition. Finally, the authors increased the reliability of this study by decreasing the bias during data collection through various techniques (see chapter 3.7). Thus, the overall quality of this study was ensured due to given construct validity, external validity as well as reliability.
4 Empirical findings

The empirical findings chapter presents the information collected by the researchers through interviews with the case companies and through secondary sources. The findings are presented case-wise and separated between Europe and China in order to provide a profound basis for comparing how the employer branding is adapted. Due to requested confidentiality, information regarding sales and the amount of employees is provided in approximate numbers to confirm the fulfillment of the selection criteria of the case companies.

4.1 Gertecho

Gertecho is a large German MNC that operates business to business in the technology sector. It is present in more than 100 countries worldwide and employs over 300,000 people, of which about 50,000 are employed in China. Gertecho comprises over 400 subsidiaries worldwide and the annual sales exceed € 50 billion. The company is characterized by a “think global – act local” approach and conducts employer branding activities for about ten years in Germany.

4.1.1 Europe

For Gertecho in Germany, the director of personnel marketing and talent relationship management was interviewed. The interviewee is worldwide responsible for personnel marketing and talent relationship and manages a team of ten people situated at the headquarters. The interviewee has two years of experience in the field of employer branding for Gertecho.

Employer attractiveness: Firstly, task variety and challenging tasks are considered as very important because the company wants to provide an authentic insight into future positions for applicants. Secondly, the work environment at Gertecho was described as a very open and diverse culture with an emphasis on feedback and appreciation of employees, in combination with a creative and inspiring work environment. According to the interviewee, task variety, challenging tasks and the work environment are promoted through testimonials by using existent employees in videos, articles, posters, the website and social media in order to ensure the authenticity of the communicated message for attracting new employees. Thirdly, salary and compensation is considered
as a fundamental basis for motivation but is not promoted to attract employees because Gertecho takes a very good market-based salary for granted. According to the interviewee, Gertecho has experienced that a meaningful job is more important for potential employees than salary. Fourthly, training and development is used to attract external employees in terms of offering personal development, functional change opportunities, and stating the investment of the company into employee training. Fifthly, Gertecho makes sure that its employees feel appreciated through an open feedback culture, which is measured through employee surveys. The results are used for external communication to promote that employees are proud to work for Gertecho. Gertecho differentiates itself as an employer from competitors by offering meaningful work “where your ideas can contribute to something big” in order “to improve people’s life” as the main value. This is further supported by different “employer core messages” which promote the company as a more tangible employer to attract potential employees.

**Brand Management:** According to the interviewee, several social media channels like Facebook, Xing, LinkedIn, Glassdoor and Kununu are used to promote Gertecho as an employer in Germany. Furthermore, CSR activities are considered as a core driver of employer attractiveness and according to the interviewee, Gertecho is very active in CSR related activities. The company’s CSR activities are communicated via the previously mentioned social media channels. Also charity is considered as important for Gertecho. According to the interviewee, charity activities are not actively communicated to external employees but only indirectly as these activities are based on the corporate values and not conducted because of employer branding. Therefore, it is communicated in an authentic manner. Sponsorships are done in the form of university and sports event sponsoring, e.g. the event “Formula Student Germany”, which the company uses to get in direct contact with students.

**Recruitment:** In order to recruit potential employees, Gertecho participates at job fairs, builds relationships with schools and universities, invests in advertising campaigns and conducts employee referral programs. According to the interviewee, Gertecho does not customize its overall recruitment strategy according to different target groups. However, Gertecho is aware of the different target groups and their different needs, as e.g. graduates need more support and feedback than professionals. As the interviewee states, such different aspects are promoted more intensively for the specific target groups and
thus customized to a certain extent, but always based on the same strategy in order to ensure authenticity as the strategy is based on the corporate values and too much customization would negatively affect the company’s authenticity.

Training and development: Development is one of Gertecho’s core messages, and therefore the company offers a large variety of traditional trainings such as workshops and seminars, as well as development programs, e.g. executive programs and personal coaching. The interviewee further emphasized the importance of the candidates’ personal development, both for the company, but also for the candidate itself. A global training center, in form of a corporate university, is responsible for the training and development activities of Gertecho. While this training center provides global standards, there is also a linkage to each local HR department, which adjusts the training and development activities to the local sites. According to the interviewee, Gertecho promotes the different career paths like leadership careers but also personal development in the external media in order to attract potential employees.

Employee benefits: Gertecho does not have a common standard regarding employee benefits because they depend on the location. As the interviewee states, there is no central target group orientation in terms of benefits, as the locations decide themselves what they offer and promote. According to the interviewee, some non-monetary benefits that are promoted on the company’s job portal are canteens, bakery shops, laundry possibilities, gas stations, post offices, childcare, inspiring work conditions like modern furniture and a work environment with the possibility to work flexibly and mobile. The interviewee is aware of the fact that benefits vary in their importance according to different target groups, wherefore a prioritization is done by promoting some core messages more specifically to certain target groups. However, as the interviewee states, the benefits are not differentiated on the job posts themselves.

Corporate identity: According to the interviewee, Gertecho creates a consistent employer brand presence across different countries through relationships, understanding, commitment and enabling. The various countries have to understand that there are guidelines from the headquarters to ensure integrated communications. However, the headquarters have to understand that there is a need for local adaptation,
for example, using seasonal recruitment in China and the fact that career opportunities and salary are considered as more important in China than in Germany.

**Level of employee attraction:** Gertecho measures and tracks the level of employee attraction through target-group specific surveys in which the target groups are asked about their opinion of Gertecho as an employer. Furthermore, published external rankings are considered as well as media-specific rankings, and tracking the click rates on different media platforms.

### 4.1.2 China

Gertecho started with employer branding activities in China in 2007 and focuses on local activities which are extended on a world-wide scope in order to attract global talents to China. Since three years, the interviewee is the HR director for Gertecho’s employer branding and recruitment operation in China and leads a team of five people.

**Employer attractiveness:** Gertecho specifically promotes career development and diversity in order to attract Chinese employees. According to the interviewee, promoting career development opportunities is important to attract high-skilled Chinese employees because of a strong competition from private owned companies and startups in China. Gertecho promotes its career development opportunities through its employer core messages. The interviewee stated that Gertecho is considered as one of the top employers in Germany, however in China multinational companies are considered as less attractive employers than Chinese private owned companies, such as Alibaba, as employees can earn a lot of money in a very short period of time in these companies. Furthermore, diversity is promoted in terms of culture, functions and genders. According to the interviewee, an increasing number of highly educated women in China aspire leadership positions and expert roles. Gertecho has a ratio of about 25% female leaders in China and thereby attracts talented female employees that appreciate gender diversity. Another aspect that is promoted to attract Chinese potential employees is task variety and challenging tasks, by promoting the wide range of job functions and career paths offered by Gertecho. This is communicated by videos of associates that perform challenging tasks and by sharing their stories at career events with external candidates. For graduates this is promoted by inviting employees from different functions to the university campus in order to get in direct contact with students. The work environment at Gertecho in China was described as an open, fair and friendly atmosphere with a low
level of hierarchy which differentiates the company from Chinese state owned companies. This working environment is promoted mainly through social media. The interviewee furthermore described the salary and compensation as not very competitive and as market average. Because of the corporate strategy, this aspect is not specifically used to attract employees. However, the interviewee tries to change the organization in this regard, as many competitors offer a more competitive salary and compensation package. Training and development is another aspect that is used to attract Chinese employees. This is mainly done by promoting Gertecho’s training center in China externally via social media as well as by collaborating with universities and organizing learning days. Ensuring that employees feel valued and appreciated is done through investing in leaders that take care of the associates and through offering “best employee awards”. The company uses an inside-out strategy for employer branding, by using the company’s associates as ambassadors for promotion. Secondly, the company intensively uses social media channels in China in order to communicate the associates’ life and career development stories. According to the interviewee, using social media and employees as channels is very effective and attracts employees that are alike due to authentic communication.

**Brand management:** Gertecho intensively uses social media to promote its employer brand. The interviewee states that the main channels are WeChat and LinkedIn, partially complemented by Youku. Facebook is not used as it is not officially legalized in China. Furthermore, there are many CSR activities conducted by Gertecho in China, but the Chinese unit also participates in the headquarters’ CSR programs. The promotion towards external potential employees is conducted via the associates by applying the inside-out strategy, and through social media. Charity donations are promoted in the same manners as CSR activities, as both topics are managed by the same person. Within China, the company also participates in the sponsoring of universities and professor chairs, which is communicated through the corporate website and social media.

**Recruitment:** Gertecho creates awareness as an employer in China through social media, which is very applicable and effective due to the high penetration rate of social media in China in comparison with Europe. Furthermore, awareness is created through collaboration with the corporate marketing department, because “people need to know ‘Gertecho’ first”. This is done by e.g. positioning an HR booth at events and trade shows. Thirdly, awareness is created through collaboration with universities and
developing relationships with target students in an early stage. This is implemented by e.g. offering guest lectures, scholarships and internship opportunities. Chinese HR managers use recruiting seasons with periodical personnel marketing activities and visits at universities. In order to directly promote Gertecho as an employer, Gertecho in China also participates at job fairs, invests in advertising campaigns and uses employee referral programs for recruitment. In order to target different applicant groups, Gertecho customizes its recruitment strategy in China according to different functions, cities and levels. The different channels and methods used are for example: universities, job boards, active sourcing and job fairs for professionals. Certain trade shows are used to find very specific talents. Head hunters are used to cover senior positions or positions in niche markets.

**Training and development:** Gertecho’s training center in China offers a large variety of training and development activities and is actively promoted to the external market. Traditional training programs for soft skills, communication skills and functional trainings in sales, purchasing and HR are communicated to attract employees. Moreover, continuous development programs like leadership programs, coaching and graduate programs are promoted to the external market. Gertecho in China promotes its training and development initiatives through career development stories of existent employees. The interviewee stated that it is especially important to promote career development opportunities to attract high-skilled Chinese employees.

**Employee benefits:** According to the interviewee, Gertecho uses monetary benefits such as bonuses based on the company’s and individual’s performance as well as best employee elections. Non-monetary benefits comprise sports activities organized by the company, clinics, doctors, nurses, team-travels and family days. These benefits are not actively promoted on vacancies, the website or social media because they are too specific, but are discussed during a job interview. The employee benefits are differentiated to some extent based on the different applicant groups in terms of location and seniority. Gertecho in China considers the potential employees’ needs and the market practice when designing the employee benefit program, in order to compare its benefits with the competitors’ benefits to stay competitive.

**Corporate identity:** The interviewee stated that Gertecho in China is relatively free in the design of its employer brand. A global framework exists, e.g. in terms of quality and
corporate design, but local adaptations are conducted. The interviewee further states that employer branding is not standardized for Asia but differs among the countries.

**Level of employee attraction:** The interviewee stated, that intensive investment in employer branding result in a clear improvement of the applicant quality, quantity and the lead-time of filling a position. The level of employee attraction is further measured via surveys from universities and surveys among external potential employees to evaluate the awareness, the target audience, the channels to target them, and how Gertecho is positioned as an employer in the potential employees’ minds. The surveys have shown a general improvement for Gertecho in China, but also some new challenges. Firstly, there is a lack of competitiveness regarding the attraction of software talents. Secondly, the employer attractiveness of MNCs is generally decreasing in China as Chinese firms like Huawei and Alibaba have entered the top employers list.

4.2 Swedenca

Swedenca is a large Swedish MNC operating in the manufacturing industry and present in more than 40 countries worldwide. The company employs more than 15,000 employees and has 1600 employees working in China. The annual sales exceed € 2.5 billion and the company is characterized by local and decentralized management.

**4.2.1 Europe**

Swedenca has started to conduct employer branding activities in 2015 and currently has two people directly working with employer branding. The interviewee holds a position as HR Officer at the company’s headquarters in Sweden and has one year of experience in employer branding for Swedenca. Swedenca follows a global approach regarding employer branding in terms of e.g. common tools and communication elements in order to create awareness and recognition. As Swedenca has started with its employer branding activities about one year ago, the roll-out is still in an early stage and a global approach is considered as a challenge due to the high degree of decentralization.

**Employer attractiveness:** Swedenca offers and promotes jobs with complexity and a variety in task, but it depends on the type of role (general or specialist role) and the type of function. Challenging tasks are promoted, in terms of taking on new responsibilities. The work environment at Swedenca in Sweden was characterized by an open culture and good relationships between employees and managers, a flat hierarchy, open door
policy, a collegial atmosphere and a lot of responsibility. The interviewee stated that the work environment differs across countries due to differences in culture, but considers the corporate culture as higher level. The work environment aspect is promoted rather on a local level when the applicant is on site for an interview, but the work culture is also communicated to promote the employer brand in Sweden. Salary and compensation are handled by the company’s compensation and benefits policy and are not specifically promoted to attract employees in Sweden. According to the interviewee, “pay and climbing in hierarchy” are not the most important aspects to attract Swedish employees in comparison with emerging countries, which are more compensation and benefits driven as employees change their jobs quicker if they get a higher salary somewhere else. This is not the case for developed countries if the employees are happy with their colleagues and the development opportunities. Training and development are used to attract Swedish employees through promoting personal development and career development in terms of offering the possibility to grow in the organization. Due to the flat hierarchy, this does not necessarily mean a position on a higher hierarchical level as the interviewee explained, but can also mean an increased responsibility or a broader role on the same level. Furthermore, Swedenca ensures that employees feel appreciated through relationships with their colleagues and managers, by providing the right resources and by conducting an annual global employee survey to measure the employees’ engagement. The appreciation of employees is promoted in terms of giving feedback and clearly communicating the expectations of the job. Furthermore, employees can become a key player within the industry and be part of something big.

**Brand management:** Swedenca uses various social media channels in order to promote itself as an employer in Sweden, e.g. LinkedIn, Facebook, Twitter, YouTube and Glassdoor. According to the interviewee, there is one official account from a group perspective, but the different business areas or units also have their own, local social media channels. Furthermore, Swedenca conducts CSR activities such as a school initiative and on-going programs. These are promoted not specifically for Sweden, but globally on the corporate webpage, in the annual CSR report, the annual report and in social media. In terms of charity, the interviewee explained that there are charity activities on a local level, e.g. regarding the refugee situation in the headquarters’ location. This is promoted sometimes externally, but not regularly.
Recruitment: Swedenca creates awareness as an employer through initiatives at the local sites. As the interviewee states, the headquarters tries to gather feedback from the local sites in order to communicate these initiatives via social media. Furthermore, the company participates at job fairs and career days, which are handled locally. The company also builds relationships with high-schools and universities through giving guest lecturers, cases, career days and sponsorships; invests in advertising campaigns and posts its vacancies on the corporate webpage, LinkedIn, Facebook and other channels. Swedenca does not conduct employee referral programs. According to the interviewee, there are different target groups among the potential employees, but the message communicated is not customized or changed.

Training and development: Development is an important focus point for Swedenca. In order to attract employees, Swedenca promotes the company university on the corporate webpage, which centrally offers regular training initiatives that cover more functional specific trainings, as well as managerial and leadership development programs. Furthermore, there are training initiatives at local sites or within business areas or units. As the interviewee states, Swedenca also has a large focus on personal development by offering possibilities to grow in the organization not only in terms of a higher level, but also through increased responsibility or a broader role on the same level.

Employee benefits: The interviewee explained, that employee benefits are not as flexible in Sweden as in other countries, as benefits like e.g. vacation, overtime pay, parental leave are regulated in the collective bargaining agreements. Hence, there are not many add-ons from the company side, resulting in similar benefits among all Swedish companies. Additional benefits include for example a local gym at the headquarters, however such benefits are local. Furthermore, the interviewee stated that there is no specific differentiation and adaptation of benefits to attract potential Swedish employees. For these reasons, Swedenca does not promote its employee benefits officially in external communication or on vacancies, but promotes them during a job interview. When designing the employee benefits program to target employees, Swedenca holds an overall compensation & benefits policy within the group, which is however adapted locally e.g. in terms of salaries depending on living costs. Overall, the interviewee concluded that there are policies and governance structures that local sites have to comply with but that there is room for local adaption.
Corporate identity: According to the interviewee, Swedenca’s employer brand is related closely to and derived from the corporate brand. A consistent brand presence across different countries is considered as difficult due to the decentralization. However, the global approach taken for employer branding aims to ensure a common recognition of Swedenca as an employer.

Level of employee attraction: Swedenca was not yet able to compare the level of employee attraction to previous years, due to a short operating time of employer branding and a lack of feedback from local sites due to the decentralized structure. At the time of the interview, there was no method existent to measure or track the effectiveness of the employer branding activities. The interviewee however named different KPIs that can be used, which are external surveys on students in terms of the company’s awareness among different countries, the turnover rate, traffic to the company’s career pages and social media, and the time to fill an open position.

4.2.2 China

The person interviewed for Swedenca in China holds a position as HR manager and has eight years of employer branding experience at Swedenca. The company has started with its HR activities in 2008 and utilizes a global strategy. The employer branding team comprises nine people.

Employer attractiveness: Swedenca promotes itself in China as a company where employees are part of a bigger family and where employees get their own responsibilities, resulting in a lot of commitment towards the company. The company utilizes four core values in its global strategy, one of them being ‘innovation’. According to the interviewee this core value is essential and the most important one for attracting technical employees in China. The company furthermore does not specifically promote task variety in China but offers a graduate program that comprises different sites and different functional tasks. According to the interviewee, Swedenca offers a good working environment in China, which was described as “happy family”. There are good relationships among employees and the hierarchy was characterized as rather flat. Swedenca does not specifically promote this working environment to external Chinese applicants. The company offers a market average salary and does not specifically use
salary or compensation to attract new employees as the salary is discussed after the employees have applied. According to the interviewee, Chinese employees like to be trained and further developed. Training and development opportunities are discussed during the job interview as well. Swedenca ensures that Chinese employees feel appreciated through the company’s working culture, employee satisfaction surveys and best employee awards, which are not actively promoted by Swedenca. The interviewee further describes that within China, most potential employees will join either foreign companies or state owned companies, but expects this to change in the future to mainly state owned companies.

**Brand management:** The company manages its brand through different channels which are the company website, job websites and LinkedIn. Also WeChat is used to share success stories of employees. Swedenca does not conduct any CSR, charity or sponsorship activities in China. However, according to the interviewee, the headquarters is involved in these activities and decides upon the participation in CSR activities.

**Recruitment:** Swedenca creates awareness through participating at two to three job fairs in China annually. The company also has relationships with universities. According to the interviewee, the company has a relationship with a technical school for creating awareness during the graduate season as part of a seasonal recruitment strategy. Furthermore, the company invests in advertising campaigns and has an employee referral program. Swedenca does not specifically target different potential employee groups, but sometimes uses headhunters to find certain senior employees as they can be hard to find. The company targets mostly experienced employees and fewer graduates.

**Training and development:** Within China, Swedenca offers a variety of training and development programs mostly through the companies own university, e.g. management and manufacturing programs, excellence programs, functional trainings as well as training programs for graduates. The HR department is responsible for local training and development programs and uses success stories of its employees to promote career enhancement.

**Employee benefits:** Swedenca in China offers both: monetary benefits such as salary and a remunerated best employee award, as well as non-monetary benefits such as
teambuilding activities, company outings, sports activities and parties. Within China, Swedenca promotes these benefits to some extent externally, namely through job interviews, recruitment advertisement and vacancies. The company provides similar benefits for all employees and does not take the potential employee’s needs specifically into account. Thus, all benefits listed on a vacancy are similar for all job ads.

**Corporate identity:** The interviewee explained that the employer brand can have some local adaptations but that there are few. Overall, there is a global strategy.

**Level of employee attraction:** Since Swedenca started using employer branding activities in China, the interviewee perceived an increased quantity of applicants. However, there is currently no hard data to back this up, as the employer branding effectiveness is currently not tracked in any way. Filling a senior position takes six months on average and filling a manager position takes between two to three months.

4.3 Itaconi

Itaconi is an Italian based MNC, consisting of a group of companies supplying innovative industrial solutions and automated machinery in a business to business environment. The group is headquartered in the northern part of Italy, operates in over 30 countries and has more than 6000 employees worldwide. The group is family owned and its annual turnover exceeds € 1.4 billion. Furthermore, the group operates according to a global strategy with local adaptation.

4.3.1 Europe

For Itaconi in Europe, the global talent acquisition manager located in the company’s headquarters in Italy was interviewed. The interviewee has two years of experience in the field of HR for Itaconi and is responsible for recruitment. The company actively started with employer branding in 2014 and utilizes a global employer branding approach while applying local adaptations. The employer branding team in Italy comprises four people.

**Employer attractiveness:** Itaconi mainly promotes the so called ‘local to global’ opportunity that it provides to its potential applicants. According to the interviewee, when joining one of the companies that fall under the umbrella of Itaconi, ‘employees
are part of something big’, and have the opportunity to work in a local environment with global development benefits such as global training and development programs. The company furthermore promotes its strong brand and the strong points of the different companies that are part of the Itaconi group. The main and distinct value offered to potential employees according to the interviewee is the dynamic working environment. The company promotes task variety in terms of moving employees across different roles, in order to give them broader knowledge and understanding of activities at different steps of processes. The working culture in Italy was described as pleasant throughout the entire company with a culture of feedback and improvement and a focus on the individual employee. The company does not attract people specifically through offering high salaries or compensation packages within Europe. The salaries offered to potential employees are market average and the company has a system in place to assure that employees fulfilling the same job get a similar salary, relevant to their respective operating country. The training and development opportunities are promoted through the possibilities that the global company holds for its potential employees. Itaconi has a working culture in which a lot of feedback is given to employees in order to assure that the employees feel appreciated.

**Brand management:** The company participates in CSR, charity and sponsorship activities which is mainly done on a local level and promoted through the corporate website. Itaconi actively uses LinkedIn and YouTube, as these social media channels fit best to the company’s professional environment as stated by the interviewee.

**Recruitment:** Itaconi creates awareness in Europe through attending local events, relationships with universities, the company website and the usage of LinkedIn and YouTube as social media channels. The company also actively uses advertising campaigns such as poster presentations and job fairs. Itaconi attends at least six to seven fairs in Italy annually. Furthermore, the company maintains a close relationship with schools and universities, mainly top engineering faculties, and sponsors graduates. A formal employee referral program is also being constructed at the time of the interview. The company furthermore promotes different benefits and values for different target groups, the overall values are similar, but different parts are promoted according to the respective target group.
**Training and development:** Training and development plays an important role for Itaconi in Italy. A wide variety of global training programs are offered to employees, ranging from training opportunities to leadership programs and graduate programs which are coordinated by the ‘center of expertise’ within the company. Furthermore, the interviewee emphasized the importance of local training programs which are designed by the local sites and according to their specific needs. The training and development activities are promoted through the website and during job interviews.

**Employee benefits:** Different benefits are offered by the company, depending on the local site. The interviewee mentioned that a kindergarten, restaurant and gym are e.g. offered at the headquarters facility. These benefits are not specifically designed for a targeted group of potential applicants and are not based on the employees’ needs, as the same benefits are available for every employee. The company does not actively promote the employee benefits and does not publish them on the vacancies.

**Corporate identity:** Through standardizing the way the company presents itself, the corporate brand and employer brand are aligned. The interviewee described innovation and customer orientation as the main attributes of the corporate brand. Besides that, the interviewee stated that the company is characterized by an international environment and opportunities on a local and global level. A consistent brand presence is ensured through standardizing the way the company presents itself in for example presentations and through maintaining the same four corporate values globally.

**Level of employee attraction:** The effectiveness of the employer branding strategies is currently not measured in terms of KPI’s. However, the interviewee stated that the amount of applicants has significantly grown since the company actively started with employer branding activities and that the company currently receives 2000 applications per month.

**4.3.2 China**

For Itaconi in China, the HR business partner was interviewed. The HR business partner is responsible for all HR matters of Itaconi in China and has two years of experience in employer branding for Itaconi. Itaconi started in 2013 with employer branding activities
in China and the scope of these activities is a national Chinese approach. The employer branding team comprises three people.

**Employer attractiveness:** According to the interviewee, Itaconi is known by people in the industry as a cash healthy and growing company that invests in the Chinese market. The interviewee explained that the company respects its employees, wherefore there are good internal relationships and a nice working environment. Furthermore, employees have the opportunity to make decisions within the boundaries of their job functions. Task variety is not specifically promoted but can be a topic of discussion during an interview with an applicant. The interviewee further described the work culture as ‘European’. Hierarchy is still quite important within the company in China, but decisions are made through communicating with employees. According to the interviewee, the best practice is not to use the hierarchy but to communicate with co-workers, as this creates an open work culture which is promoted in the job interviews with applicants. Itaconi has a system in place to determine how much salary fits a specific job. Salaries are quite important in China for the simple fact that this is what people live from, according to the interviewee. The company provides its employees with a decent salary and makes sure that the salaries offered are not under the market price. The salaries are however not specifically promoted. Furthermore, the interviewee mentions that giving feedback to employees is an important way for Itaconi to make the Chinese employees feel appreciated and valued. Itaconi also has different training and development opportunities that are offered and based on the individual performance review of the employee.

**Brand management:** According to the interviewee, the company promotes its brand through several channels: its products, the company website, roadshows and social media channels, such as LinkedIn. WeChat is described as a channel that could potentially be used but this needs approval from the management. Furthermore, the company does not specifically conduct CSR activities. However the headquarters’ in Italy does conduct CSR activities and decides upon which and where CSR activities are conducted. The company is furthermore involved in charity activities but does this out of a feeling of responsibility and not in order to attract potential employees. Itaconi does not participate in sponsorships in China but the interviewee referred to the headquarters in Italy that sponsors two students.
**Recruitment:** Within China, the company creates awareness among potential employees through relationships with schools and universities, participating in job fairs and promotion through its website. The interviewee also gives an example of searching for employees through employee connections as for example high skilled sales and marketing employees can be very hard to find in China. Itaconi also uses different recruitment methods for different applicant groups. For example, when recruiting employees for senior positions, the job interviews are less formal and information is exchanged during dinners as this is preferred by the applicants.

**Training and development:** The responsibility for training and development lays at the headquarters in Italy but the HR business partner in China is responsible for the local initiatives, which comprise regular trainings in the form of courses, workshops, and language initiatives, as well as e.g. long-term leadership trainings. The training and development activities are promoted on the company’s website in order to attract employees.

**Employee benefits:** According to the interviewee, Itaconi offers monetary benefits such as a bonus system based on the company and individual performance as well as a remunerated employee award. As for non-monetary benefits, the interviewee named appreciation, events and sports games within teams. The benefits are differentiated during the job interview and are based on the applicants’ needs. However, the benefits are not promoted to external applicants or published on vacancies as the individual preferences among applicants differ according to the interviewee.

**Corporate identity:** The employer brand in China has to comply with the corporate guidelines in order to be aligned with the rest of the company. However, the HR business partner in China is allowed to conduct local adaptations. The employer branding strategies are different for each Asian country and are taken care of by the respective HR business partners throughout Asia.

**Level of employee attraction:** At the time of the interview, Itaconi had no measures for the level of employee attraction and the effectiveness of its employer branding activities in place in China. According to the interviewee, filling a vacancy takes two to three
months on average but varies based on the specific job function. Low level positions are usually filled quickly whereas high level positions can sometimes take up to one year.

4.4 Employer brand associations

During the interview, the interviewees were asked to rank the relative importance for each of the five attractiveness dimensions (Question 3h). The interviewees were asked to state the importance according to five different categories ranging from ‘unimportant’ to ‘very important’. The ranking of the European and Chinese interviewees’ in terms of the five different attractiveness dimensions is shown in the two tables below.

**Europe**

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<td>Economic value</td>
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*Table 2: Ranking of attractiveness dimensions in Europe (Source: Own illustration)*

**China**

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<tr>
<td>Interest value</td>
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<td>Social value</td>
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*Table 3: Ranking of attractiveness dimensions in China (Source: Own illustration)*
5 Analysis

This chapter applies the theoretical framework to the empirical findings in order to analyze through pattern matching whether the empirical findings match the theory. Furthermore, a cross case analysis is conducted to compare how European companies adapt their employer branding activities in China, which is done by analyzing the two key concepts of employer attractiveness and external employer branding strategies.

5.1 Employer attractiveness

In order to analyze the first sub-research question, the five attractiveness dimension/brand associations (Berthon et al., 2005) applied in this research in relation to the first key concept of employer attractiveness, are discussed according to the collected data. The importance of the different brand associations as assigned by the interviewees is shown in table 4 below. The attractiveness dimensions are calculated through assigning points to the level of importance. ‘Unimportant’ was assessed with one point, ‘slightly important’ with two points etc., up to ‘very important’ with five points. The combined points are divided by the amount of case companies, three respectively. For example, interest value was rated three times as “very important” in Europe = 15 points / 3 = 5 total points.

Table 4: Importance of brand associations in Europe and China (Source, own illustration)
5.1.1 Interest value

The interest value determines to what extent an employer facilitates a creative, challenging and exciting work environment (Berthon et al., 2005). The authors expected that the interest value was given less importance in China than in Europe, as Asian people in general tend to ignore their personal interests when looking for a job (Tang et al., 1999) and because the importance of task attractiveness is lower in China than in Europe (Baum & Kabst, 2013). Therefore, the interest value proposition was developed as follows: *The authors expect European MNCs to decrease the level of promotion of the interest value in China as this tends to be less important for potential Chinese employees than for potential European employees.*

**Europe:** The interest value was ranked as ‘very important’ by all interviewees from the European case companies. One of the companies actively promotes task variety and challenging tasks with an inside-out strategy, by using existing employees as ambassadors to promote the different tasks offered by the company. This aims to provide an authentic insight for future applicants. The other two companies promoted task variety in terms of the challenging tasks existent in the company and the movement of people within the organization so that the employees can experience different working aspects. Within Europe, one company actively promoted the contribution to “improving people’s life” and offering a place where ideas can contribute to something big as a major part of interest value towards potential applicants. Another company promoted the fact that employees can become key players in the industry and be part of something big as well.

**China:** The ranking of the interest value by the Chinese interviewees varied to a large extent, since each of the interviewees chose a different ranking. Just one of the companies ranked it as ‘very important’ and stated that task variety and challenging tasks were actively promoted together with an active promotion of gender diversity in terms of a high percentage of females in leading positions. The other two companies ranked the interest value as ‘important’ and as ‘moderately important’ and did not specifically promote this attractiveness dimension. One of the companies promoted the responsibility given to employees but stated that task variety was not promoted at all. The third company only promotes the employees’ autonomy of taking decisions within their job boundaries, but communicates this only during job interviews.
Based on the empirical findings, the interest value proposition is strengthened. European MNCs do not promote the interest value as much in China as within Europe. Furthermore, the interest value was ranked with less overall importance in China than in Europe. This thus strengthens the theory that task attractiveness is less important in China than in Europe in order to attract potential employees (Baum & Kabst, 2013).

5.1.2 Social value

The social value determines to what extent an employer facilitates a social working environment with a friendly working culture as well as good relationships among colleagues and superiors, and a supportive working atmosphere (Berthon et al., 2005). The authors expected that the social value would be rated as more important in China than in Europe, since relationships have to be personal and pleasant (Wang, 2008) and a harmonious workplace is highly supported by the Chinese culture (Ma & Trigo, 2008; Wang, 2008). Furthermore, the concept of Guanxi is important within the Chinese culture and underlines the importance of relationships (Jansson, 2007a). The social value proposition was therefore developed as follows: The authors expect European MNCs to increase the level of promotion of the social value aspect in China, as this tends to be more important for potential Chinese employees than for potential European employees.

Europe: The social value was ranked as ‘important’ by two of the case companies and as ‘very important’ by one of the companies in Europe. All interviewees described the work culture within the MNCs as an open culture with good relationships among employees and managers. Different aspects where mentioned such as an inspiring work environment and an emphasis on feedback in one of the case companies. Another company highlighted the open door policy, and the third company had a specific focus on the individual employee. One of the interviewees mentioned that the work culture differs among different sites but the overall corporate culture is the same for the entire company. Just one of the companies actively promotes the work culture with an inside-out strategy through using existing employees as ambassadors to authentically show the working culture to potential employees via social media. The other companies do not actively promote the social value and communicate it primarily during job interviews. The authors assume that this approach is followed because it allows the employers to give an on-site impression of the working environment.
China: Similar to Europe, the social value is ranked as ‘important’ by two of the case companies and as ‘very important’ by one of the case companies. Remarkably, the social value was ranked according to the exact same value by the interviewees from the same case company. This means that both interviewees within the same company have a similar perception about the importance of the social value for Europe and China. Another similarity is the interviewees’ emphasis on the good working environment within the company in China. One of the interviewees stated that the company had a non-hierarchical structure with a fair and friendly atmosphere, which was promoted through social media. Another interviewee mentioned the flat hierarchy within the company and the fact that employees are part of a bigger family. Similar to the previous company, the last interviewee mentioned the good internal relationships and open work culture. However, both companies do not promote these aspects externally. One interviewee in China stated that the social value is promoted during the job interview. Based on the empirical findings, the social value proposition is not strengthened. From the empirical findings it became clear that there is a good working atmosphere at the companies within China, with good relationships among the employees. However the social value was ranked equally important for China and Europe, and the promotion of the social value in China was done by just one company through social media which was similar for Europe. The interviewees did not give a clear answer on why the social value was not of more importance in China. The authors got the impression that the social value is considered as relatively important among the case companies in Europe, and that this level is high enough to satisfy Chinese potential employees, wherefore the importance of the social value has been ranked equally. Hence, an adaptation of this brand association to the Chinese culture is not necessary. Instead, the case companies seem to approach this aspect in a consistent manner, as the same rankings and ways of promotion within one company across Europe and China show. Therefore, the social value is in line with the corporate identity of the firms.

5.1.3 Economic value

The economic value focuses on monetary rewards and determines to what extent an employer offers an attractive salary and compensation package (Berthon et al., 2005). The authors expected that within China, the economic value was given a higher importance than in Europe because wealth has become a symbol of status within China
and young managers place a lot of value on compensation (Ma & Trigo, 2008). Furthermore, Chiu & Francesco (2003) argue that salary and money are more important in China than in other cultures. Therefore, the economic value proposition was developed as follows: The authors expect European MNCs to increase the level of promotion of the economic value in China, as this tends to be more important for potential Chinese employees than for European potential employees.

**Europe:** The economic value was ranked as ‘important’ by the interviewees of all case companies within Europe because salary and compensation are on the one side considered as fundamental to attract employees but on the other side are not the main focus point. According to one of the companies, having a meaningful job is more important than salary. This was confirmed by an interviewee from another case company mentioning that the payment aspect of a job is not considered as most important for applicants. Furthermore, it is supported by the fact that two companies focus on being part of something bigger and having a meaningful job. All case companies offer a market average salary and do not promote salary and compensation specifically. Furthermore, two of the three interviewees mentioned that the economic value is more important in China than in Europe, which strengthens the proposition about the economic value from the perspective of European employers.

**China:** The economic value is ranked as ‘important’ by two of the case companies and as ‘very important’ by the third case company. Similar to Europe, all companies offer a market average salary in China. No effort is made by the companies to promote the salaries or compensation packages as a means to attract potential employees. However, the interviewee of one of the case companies mentioned that salary plays an important role and that competitors sometimes double the market average salary to attract the company’s high-skilled engineers. Furthermore, privately owned Chinese companies such as Alibaba are considered as more attractive employers than MNCs, since Chinese employees can make a lot of money in a very short period of time, as mentioned by two interviewees. This also strengthens the theory that an increasing number of employees prefer Chinese companies over western MNCs (Lynton & Beechler, 2012). Due to the importance of salary in the Chinese society one interviewee in China mentioned that the economic benefit should be promoted more extensively. However this is not implemented due to the corporate policy of the European headquarter.
Based on the empirical findings, the economic value proposition is not strengthened. The economic value is more important in China and the case companies showed awareness of this. The importance of the economic value is confirmed by two of the Chinese interviewees who stated that Chinese employees will choose state owned companies or privately owned companies in the future because of the economic value offered by these firms. However, the corporate identity seems to limit the companies in terms of adapting the economic value to the Chinese context, as for example one of the case companies has a system to ensure similar salaries worldwide. The other firms have corporate guidelines for compensation and benefits that limit the adaptation possibility.

5.1.4 Development value

The development value comprises a career enhancing experience and possibilities for future employment and development (Berthon et al., 2005). The authors expected that within China, the development value was given a higher importance than in Europe. Chinese employees are highly interest in development which makes training and development an important criterion for becoming an attractive employer (Turban et al. 2001). Due to the power distance in China, the social status is increased when developing wherefore Chinese individuals are attracted to a quick career growth and an increased social status for more social prestige (Baum & Kabst, 2013). Therefore, the economic value proposition was developed as follows: *The authors expect European MNCs to increase the level of promotion of the development value in China, as this tends to be more important for potential Chinese employees than for potential European employees.*

**Europe:** The development value is ranked as ‘important’ by one of the case companies and as ‘very important’ by the other two case companies within Europe. According to the interviewees, all companies offer a wide variety of training programs and actively promote the development value within Europe. One case company focuses on global training and development benefits and the improvement of individual employees. Two of the case companies focus on promoting personal development, e.g. in terms of functional change and increased responsibility on the same hierarchical level. In contrary, the interviewee of Gertecho in Europe specifically mentioned that career development is more important in China.
China: Within China, the development value is ranked as ‘important’ by one of the case companies and as ‘very important’ by the other two case companies. All companies offer a variety of training and development programs in China as well. One of the case companies has a specific focus on promoting the career development of employees through the core messages communicated towards the potential Chinese employees. Furthermore, one company mentioned innovation as an important part of development, as innovation specifically goes along with the development of new skills, in this case technical skills for engineers. This seems to indicate a possible link between the development and interest value. This company promotes the training and development opportunities through success stories of existent employees. The last case company has a similar approach and offers training and development activities focusing on individual employees and on improving individuals’ performance specifically which is promoted through the company’s website.

Based on the empirical findings, the development value proposition is not strengthened. Despite the fact that also the interviewee from Gertecho in Europe confirmed that training and development was more important in China, the development value was ranked equally important for China and Europe. This might be explained by the fact the development is already on a relatively high level in Europe, and therefore does not need to be adapted in China. Overall the development value was ranked as the most important attractiveness dimension within China relative to the other brand associations, which underlines the importance of this aspect when attracting Chinese employees.

5.1.5 Application value

The application value comprises to what extent an employer provides a feeling of belonging and acceptance, as well as a humanitarian working environment for employees (Berthon et al., 2005). The authors expected that within China, the application value was given a higher importance than in Europe, due to the fact that China is a collectivistic culture with a focus on harmony and where a feeling of belonging is considered as important (Ma et al., 2016). This resulted in the following application value proposition: The authors expect European MNCs to increase the level of promotion of the application value in China, as this tends to be more important for potential Chinese employees than for potential European employees.
Europe: The application value in Europe is ranked by two companies as ‘important’ and by one company as ‘very important’. The application value is mainly offered through having a culture of feedback as stated by two of the interviewees. One of the interviewees further mentioned that appreciation is ensured through good relationships with colleagues and managers and that providing resources for employees gives a feeling of appreciation. Two of the companies measure the application value in terms of appreciation through employee surveys. One of the companies also uses this survey to promote the application value of the company, while the other two companies do not actively promote the application value.

China: The application value in China is ranked as ‘moderately important’ by one of the case companies and as ‘important’ by the other two companies. Similar reasons for providing appreciation were mentioned as in Europe. Two companies linked the appreciation value to the social value, in terms of appreciating employees through a culture of feedback and the working culture in general. Investing in leaders within the company was also mentioned as a way to ensure the application value within the company. A specific difference between the European and Chinese application value is the ‘best employee award’ which all three case companies have in place for China. Every now and then an employee was selected that had performed exceptionally well. This employee was rewarded with additional money and the honor of becoming the best employee. The ‘best employee award’ was appreciated among employees in all the case companies in China. However, none of the companies promoted the application value or having a ‘best employee award’ in place.

Based on the empirical findings, the application value proposition is not strengthened. The application value was given less importance in China by the interviewees in comparison with the ranking of the European interviewees. Employees received appreciation in a similar way in Europe and China, except for the best employee award which was a noticeable difference in China and adapted by all MNCs, however not promoted externally. No specific reason for a comparably lower assigned importance of the application value was given, except for the Chinese interviewee from Gertecho. According to the interviewee, the company cannot focus on all values and in comparison with the other four values the focus was least on the application value. It is thus not an unimportant value but compared with the other values, it is the least
important. Another possible explanation is that the interviewees focused on rather different aspects of the application value.

5.2 External employer branding strategies

This chapter analyses the four external employer branding strategies. Firstly, the relevant theory is described for each strategy, followed by an analysis of the empirical data by outlining similarities and differences across the case companies in order to estimate the level of adaptation between Europe and China. This is complemented by stating whether the empirical findings match the theory. If the empirical findings contradict the theory, explanations are provided based on the empirical data or the authors’ understanding of the topic.

5.2.1 Brand management

Brand management serves as a strategy to influence the potential employees’ perceptions about an employer (Sehgal & Malati, 2013) and can be implemented by using four different brand management tools that promote the employer brand: social media, CSR, charity and sponsorships (Chhabra & Mishra, 2008). Investing in the development of a strong employer brand can increase the employer attractiveness (Wilden et al., 2010), which needs to be measured (Berthon et al., 2005) as part of the brand management strategy in terms of the level of employee attraction. This can be done by tracking the quality and quantity of the applicants (Turban & Cable, 2003) as well as the average time to hire (Marr, 2012).

Brand management was conducted by all case companies to different extents. All companies in Europe use social media to promote their employer brand, with LinkedIn being the channel commonly mentioned by all three companies and YouTube, Glassdoor and Facebook being used by two companies. Other channels that were mentioned individually are Twitter, Xing and Kununu, with the latter two being only available in German-speaking countries. Similar to Europe, LinkedIn is used by all case companies in China. The other social media channels have been adapted to the available channels in China, since e.g. Facebook and YouTube are not legalized in China as the interviewee of Gertechno in China stated. The most common social media channel specifically used in China is WeChat, which was used by two companies, with the third
company considering it as potential channel. One company furthermore used Youku to promote its employer brand, however to a rather low extent.

CSR activities are conducted by all three case companies in Europe and communicated externally by the majority of the case companies via social media or the company website in order to attract employees. Overall, CSR is considered as very important by the case companies in Europe and is even considered as a core driver of employer attractiveness according to the interviewee of Gertecho in Germany. In contrary, CSR is not a major topic in China as two out of the three case companies do not conduct CSR activities in China. Gertecho is active in CSR in China, but additionally uses the headquarters’ activities for promotion. This is similar to sponsorships, which are used by all case companies in Europe with a focus on university sponsoring in order to target students. However, similar to the CSR activities, the majority of the companies in China is not active in sponsorships and relies on the headquarters’ activities. One possible explanation is the centralized function of CSR and sponsorship activities as part of brand management, as two interviewees in China stated. This is different for charity activities, which are also conducted by all case companies in Europe and two out of three case companies in China, where donations have been adapted to local issues. However, charity activities are not promoted actively towards the external labor market by the majority of the case companies, as these activities are conducted in an authentic manner, in accordance with the company values and out of a feeling of responsibility, and not primarily to attract applicants, as Gertecho Germany and Itaconi China stated. As such, charity cannot be considered as a major tool of brand management within employer branding, wherefore the theory is not strengthened (Chhabra & Mishra, 2008). Social media, CSR and sponsorships are however used by all case companies to promote the employer brand externally, wherefore the empirical findings strengthen the theory (Chhabra & Mishra, 2008).

In terms of measuring the effectiveness of the respective employer branding activities, only Gertecho both in Germany and China has implemented extensive measures by using media-specific ranking, online marketing, click rates, surveys with the target group and external rankings in Germany, and the quantity and quality of applicants, as well as the lead time in China. The other two companies have no measures implemented in China, and only measure it to a low extent in Europe, namely through the traffic to
the career page and social media and through the quantity of applicants. This lack of measurement can also be explained by the fact that the other two companies started with employer branding only one to two years ago, compared to Gertecho which conducts employer branding for about ten years already. Furthermore, three interviewees specifically stated that the employer branding activities led to an increased number of applicants. The interviewee at Gertecho in China further stated that the company was able to improve the quality of the applicants and the time to hire, and that there is a direct link between a high level of investment in employer branding and these positive results. This strengthens the theory that a high level of investment in the employer brand results in an increased level of employer attractiveness (Wilden et al., 2010) and furthermore that the level of employee attraction can be measured in terms of the quality and quantity of the applicants (Turban & Cable, 2003) and the lead time to fill a position (Marr, 2012).

5.2.2 Recruitment

An effective recruitment strategy increases the employer’s visibility and awareness among potential employees, which can be done through job fairs, relationships with schools and universities (Sehgal & Malati, 2013), advertising campaigns (Chhabra & Mishra, 2008) and employee referral programs (Wilden et al., 2010; Sehgal & Malati, 2013). Furthermore, a segment-specific recruitment strategy helps to target specific employees (Love & Singh, 2011) by taking into account their specific needs (Wilden et al., 2010).

The interviewed case companies use various tools to increase the visibility and awareness as an employer. All case companies in Europe and China participate at job fairs and build relationships with schools and universities. The latter one is adapted in the Chinese context through “recruitment seasons”. According to the interviewee at Gertecho in Germany, companies go to universities during specific periods and conduct a high level of personnel marketing activities directly at the university to promote the company as an employer. In fact, two out of three companies mentioned in the interview that they conduct seasonal recruitment in China. Furthermore, advertisement campaigns are a common method to increase the awareness, as all companies in Europe and two companies in China mentioned that they invest in advertisement campaigns. An employee referral program is implemented in all companies at the Chinese site, but is
only fully implemented at Gertecho in Europe, while it is in process at Itaconi and not existent at Swedenca. A possible explanation is that Chinese people are more used to rely on connections and relationships due to the importance of Guanxi in the Chinese culture (Jansson, 2007a). Overall, the empirical findings confirmed the importance of job fairs, relationships with schools and universities (Sehgal & Malati, 2013), investments in advertising campaigns (Chhabra & Mishra, 2008) and employee referral programs (Wilden et al., 2010; Sehgal & Malati, 2013) in order to create awareness and attract applicants. Two of the case companies in Europe and respectively one company in China furthermore named their corporate website and social media as a means to create awareness among European applicants.

In terms of segment-specific recruitment strategies, all case companies in both Europe and China are aware of the different target groups that exist among the potential employees in Europe. However, the overall recruitment strategy and message is not customized in order to target specific applicant groups in Europe. Different needs and requirements are only addressed in a customized manner by promoting some aspects, benefits and values more intensively but always based on the same recruitment strategy and values. A possible explanation was given by the interviewee of Gertecho in Europe, which stated that the company needs to remain authentic. Thus, a too high degree of customization might result in a lack of credibility due to inconsistencies in the communication. This alignment of communicated recruitment aspects with the overall recruitment strategy and values strengthens the theory of keeping a consistent employer image, which also influences the employer attractiveness (Balmer and Greyser, 2002; Lievens et al., 2007). Hence, maintaining a consistent corporate identity seems to be more important than adapting the recruitment strategy to specific target groups in Europe. In China in contrast, all three case companies customize their recruitment strategy by using different channels and approaches. Two companies in China use head hunters to find senior employees and the third company in China adapts the interview method with this applicant group in terms of conducting it in a rather informal way during a dinner. Graduates are targeted by all companies in China through universities and by two of them through using a seasonal recruitment strategy. In order to recruit professionals, Gertecho in China uses job boards, active sourcing and job fairs. The findings thus show that a segment-specific recruitment strategy is more implemented in China than in Europe, wherefore the theory is only partially strengthened (Love &
Singh, 2011). This can be explained by the findings that companies in Europe place more value on a consistent and authentic communication, while the subsidiaries in China adapt their recruitment strategy according to the different functions, cities and levels, as explained by the Chinese interviewee in Gertecho. Overall, the recruitment strategy is thus adapted from a more general approach in Europe to a segment-specific approach in China.

5.2.3 Training and development

The training and development strategy is developed and coordinated by a training and development center or department that is responsible for the training and development activities of the company’s employees. These activities can comprise traditional training programs and continuous development programs like leadership programs, executive programs or individual coaching (Edralin, 2011). Promoting these training and development activities can attract potential employees to the company (Backhaus & Tikoo, 2004).

All three case companies in Europe follow a glocal training and development strategy. In Europe, the case companies have a central training center in form of a corporate university or center of expertise that is responsible for global training and development activities and provides global standards within the company. This is in accordance with the theory about a training and development department, responsible for coordinating these activities (Edralin, 2011). Simultaneously, the European interviewees also stated the importance of local training and development programs that are adapted by the HR departments on site according to their needs. The subsidiaries in China confirmed the existence of local training programs, which are coordinated at Gertecho by a training center, in Sweden by the HR department and in Itaconi by the local HR Business Partner. All case companies offer a variety of different traditional training programs and continuous development programs in Europe and China which hence strengthens the theory (Edralin, 2011). The European interviewees described these traditional trainings in a more general way, e.g. in terms of workshops, seminars, regular training initiatives and training programs, while the Chinese interviewees described them in more detail e.g. in terms of traditional training programs for soft skills, communication skills and functional trainings in sales, purchasing and HR as offered by Gertecho. These descriptions can be taken as examples of locally adapted training and development initiatives. Continuous development programs comprise leadership programs which
were commonly mentioned by all interviewees in Europe and by two interviewees in China and thus strengthen the theory (Edralin, 2011). Moreover, graduate programs were mentioned by Itaconi in Italy and Gertecho and Swedenca in China. All interviewees furthermore stated that they promote their training and development activities externally on the website and directly in the job interview to attract employees, which strengthens the theory (Backhaus & Tikoo, 2004). Two companies in China further use their existent employees in order to promote their career development stories in an authentic way.

A noticeable difference between the European and Chinese interviewees was the divergent emphasis of development: The European interviewees of Gertecho and Swedenca emphasized personal development, while the Chinese counterparts stressed the career development aspect. A possible explanation for the adaptation of this aspect was delivered by Gertecho in Europe, who mentioned that the importance of being successful and having a career has decreased over the last years, and instead was replaced by the desire of having a meaningful job. In China instead, employees are interested in climbing the career ladder quickly for social prestige (Baum & Kabst, 2013), which explains the emphasis on career development and thereby strengthens the theory. However, as the equal importance ranking of the development value shows, development is a very important aspect for employers both within Europe and within China, but with a different emphasis. Adaptation is thus conducted in terms of stressing career development instead of personal development and in terms of adjusting the global training and development programs to the local needs of the Chinese subsidiaries.

5.2.4 Employee benefits

Employee benefits that are communicated to external potential employees can support attraction and recruitment (Brenner, 2010). An effective employee benefit strategy balances both monetary benefits, such as salary, bonuses, company shares, tax benefits and non-monetary benefits, such as travels, flexible working hours, work culture, pension, healthcare, holidays, work-life balance (Moroko & Uncles, 2009). Furthermore, an efficient employee benefit strategy prioritizes the benefits by promoting those benefits that meet the needs of the respective target group (Moroko & Uncles, 2009).
All companies in Europe follow a localized approach of employee benefits by adapting them to the local site. While this adaptation has to comply with the global compensation and benefits policy of Swedenca, Gertecho and Itaconi do not have a global standard. All case companies offer both monetary and non-monetary benefits, and thereby strengthen the theory in terms of differentiating between and balancing these two types of benefits (Moroko & Uncles, 2009). While the interviewees in Europe did not mention specific monetary rewards apart from the regular salary, two interviewees in China named bonuses schemes based on the company’s and individual’s performance as a form of monetary benefits, which further strengthen the examples provided in the theory (Moroko & Uncles, 2009). Moreover, all case companies in China offer a “best employee award” which is remunerated by money. In terms of non-monetary benefits, all companies in Europe and Gertecho in China offer additional facilities on site such as restaurants, kindergarten, gyms, medical centers, post offices or gas stations. A common non-monetary benefit offered commonly by all case companies in China are sports activities. Furthermore, all interviewees in China mentioned team events such as team-travels, teambuilding activities, company outings, parties or team sports games as non-monetary benefits, while this was not specifically mentioned by the interviewees in Europe. Although this does not mean that companies in Europe do not offer these team events, it still shows that the subsidiaries in China are more aware that these offers are considered as actual benefits for the employees, wherefore team events can be considered as an important benefit in China. This strengthens also the theory of Guanxi (Jansson, 2007a) in terms of the importance of personal relationships with supervisors and co-workers, which are promoted through social events (Wang, 2008).

However, in order to attract potential employees with these employee benefits, they also need to be promoted. Two case companies in Europe and China respectively do not promote their benefits actively to external potential employees and only address them in the interviews with applicants. Gertecho in Germany only promotes the non-monetary benefits on the company’s job portal, while Swedenca in China only promotes them to some extent, e.g. on recruitment ads and vacancies. The other five interviewees stated that they do not publish their benefits on vacancies. In China, Swedenca lists the benefits on the vacancies, but does not differentiate the benefits between different job ads. A possible explanation for the lack of promotion of benefits in general and on vacancies in particular is given by the interviewee of Itaconi in China, who stated that
the individual preferences of benefits vary and therefore cannot be promoted to generally attract employees. A solution could be to adapt the benefits according to the different target groups of potential employees (Moroko & Uncles, 2009). However, also here all case companies in Europe and one company China do not have a differentiated employee benefit strategy. The two companies in China differentiate the employee benefits based on location and seniority and based on the applicant directly in the interview. Furthermore, only one company in Europe and two companies in China consider the different needs of potential employees when designing the employee benefit programs. The other three case companies offer the same benefits for all employees without adapting them to their needs. Gertecho in China furthermore considers the market practice when designing the employee benefit strategy, in order to stay competitive. The case companies lacked a profound explanation for this lack of differentiation. Swedenca in Europe stated that the employee benefits are regulated by the collective bargaining agreements wherefore a common benefit standard exists among all companies in Sweden. The benefits are thus publicly known and there is no need to differentiate them. Gertecho in Europe indicated that the benefits do not need to be differentiated as the potential employees themselves will pick the benefits that are relevant for them. Hence, a differentiated benefit strategy is not considered as relevant to attract employees, as the differentiation will be done by the applicants themselves. Although not mentioned by the case companies, another possible explanation for the lack of differentiated benefits might be to maintain consistency in the communication, in order to be perceived as an authentic and credible employer.

Overall, the theory of differentiating the benefits according to the employees’ needs was not strengthened. A pattern could however be detected, as those interviewees that are differentiating the benefits and base them on the employees needs are all located in China. This indicates that differentiated benefits that address potential employees’ needs are more relevant in the Chinese context in order to attract potential employees. Furthermore, the benefits themselves are adapted to the Chinese context by offering and emphasizing team-related benefits that fulfill the potential Chinese employees’ need of building personal relationships.
6 Conclusion

This chapter presents the most important findings and conclusions of this research. Firstly, the main research question is answered by answering the two sub-research questions based on the empirical findings and the analysis. Next, the managerial implications in terms of recommendations for European MNCs in China and theoretical implications are outlined. The chapter concludes with the limitations and suggestions for future research.

6.1 International employer branding in China

This research was guided by the purpose to explore how European MNCs operating in China attract potential employees through an attractive employer brand by adapting it to the Chinese context. The two key concepts ‘employer attractiveness’ and ‘external employer branding strategies’ have been identified and related to each other in a research model, which further depicts the influencing factors of adaptation in a cross-cultural context. Hence, the following main research question, specified in two sub-research questions, is discussed and answered.

“How do European MNCs operating in China adapt their employer branding to attract potential Chinese employees?”

To answer the main research question, firstly the conclusions that can be derived from the analysis of sub-research question one will be discussed, followed by the conclusion derived from sub-research question two.

1. How do European MNCs operating in China adapt their employer attractiveness to attract potential Chinese employees?

2. How do European MNCs operating in China adapt their external employer branding strategies to attract potential Chinese employees?

In order to answer the first sub-research question, the authors researched the five distinct attractiveness dimensions and found out that contrary to the expected results addressed in the theoretical propositions, the social, economic, development and
application value are not adapted as expected to the Chinese context in terms of the promotion of these aspects. As mentioned in the methodology, the authors heeded to be open to contrary evidence and thus sought to analyze and explain these results. First of all, European MNCs adapt their employer attractiveness in terms of the interest value, as less importance is placed on the interest value in China than in Europe, resulting in a lower degree of promotion in China. Thus, a major adaptation is conducted by investing fewer resources in promoting an exciting workplace with diverse and challenging tasks. The social and development value are equally important for employers in China and Europe, wherefore no adaptation in terms of the level of promotion to external applicants is conducted. However, considering the fact that the authors expected to find rather similar results regarding the adaptation of employer attractiveness as stated in the methodology, the homogenous sampling allowed to identify even minor adaptations, wherefore the authors could find out that the focus of promoting the personal development in Europe is adapted to promoting career development in China. The social value however is promoted to the same extent and in the same way in Europe and in China, wherefore it is not adapted but approached consistently in alignment with the corporate identity. The economic value is more important in China than in Europe in order to attract employees, but is not promoted more intensively or differently in China due to the headquarters’ corporate policy. The economic value is thus not adapted to the Chinese context, as adaptation is limited by the corporate identity. The application value is adapted in terms of different ways of implementation according to the culture, e.g. in terms of a ‘best employee award’ and investing in leaders. As the application value is however not promoted externally in China, it does not serve as an aspect to attract potential Chinese employees. Overall, European MNCs operating in China adapt their employer attractiveness to attract potential Chinese employees by adapting the interest value in a major way through decreasing the amount of resources spent on promotion and the development value in a minor way through emphasizing career development instead of personal development.

In order to answer the second sub-research question, the authors conducted research on the four different external employer branding strategies. Firstly, the brand management strategy is adapted to the Chinese context by using country-specific social media channels such as WeChat in order to reach potential Chinese employees with their messages. Secondly, the recruitment strategy is adapted in terms of ‘seasonal
recruitment’ at universities in order to attract graduates and in terms of employee referral programs in order to attract employees through social connections by adapting to the notion of ‘Guanxi’ in the Chinese culture. Furthermore, the recruitment strategy is adapted from a more general approach in Europe to a segment-specific strategy in China, by adapting the disposition of a consistent employer image to a target-group oriented approach. Thirdly, the training and development strategy is adapted to the Chinese context by emphasizing career development instead of personal development, which is based on the development value. Thereby, the European MNCs adapt to the Chinese culture where career enhancement and success in the job are very important to employees. Furthermore, the central training and development programs are adapted to the needs of the local sites in China. Finally, the employee benefit strategy is adapted to attract potential Chinese employees by specifically promoting team-related benefits that support the creation of Guanxi, and by applying a target-group oriented benefit strategy that takes the needs of the potential Chinese employees into account.

After having answered the two sub-research questions, the main research question of this study can be answered. European MNCs operating in China adapt their employer branding to attract potential Chinese employees, by adapting the employer attractiveness in terms of interest value and development value and by adjusting the different aspects of the brand management strategy, recruitment strategy, training and development strategy and employee benefit strategy to the Chinese culture and the needs of the Chinese employees. By following this international employer branding strategy, European MNCs can win the war for talents in China.

6.2 Managerial implications

As stated in the beginning of this study, this research aimed to provide recommendations to European MNCs on how to design their employer branding to attract potential Chinese employees. This is done by comparing the Chinese employees’ perception on employer attractiveness based on theory, with the companies’ management of employer attractiveness based on the empirical findings of this study. This allowed the authors to detect gaps and to provide recommendations for creating and promoting an attractive employer brand in China. Managerial implications are thus provided regarding the two key concepts of this research: employer attractiveness and external employer branding strategies.
As the theory and the findings of this research show, an exciting work environment and challenging and diverse tasks are not as important in China as in Europe in order to attract employees, wherefore managers should not primarily invest resources in promoting these aspects. A collegial and an open work culture are more important for Chinese employees and employers, wherefore European MNCs should promote themselves as a social employer, by actively communicating this aspect to the external labor market in China. Next, promoting salary and compensation externally is crucial to attract high skilled talent in China according to potential employees and local employers. The empirical findings however showed that promotion of this aspect is restricted in China, as a result of the necessary compliance with corporate policies of the European headquarters. The authors thus recommend the practitioners to apply a local approach for salary and compensation by offering the Chinese subsidiaries more freedom in the design and promotion of the salary and compensation level. Furthermore, training and development is a major decision criterion for potential Chinese employees to evaluate the attractiveness of an employer, which is also considered as the most important aspect for Chinese employers. Thus, the authors recommend European MNCs to strongly promote this aspect in China. Finally, providing a feeling of belonging, appreciation and acceptance is especially important for Chinese employees but is the least important aspect for Chinese employers. MNCs should thus make sure to not neglect this aspect and promote it externally. All in all, the authors recommend the managers to emphasize training and development, the social work environment, salary and compensation and a feeling of belonging when promoting their employer brand to the Chinese potential employees.

In order to promote these aspects effectively, four different external employer branding strategies are applicable. Firstly, the authors recommend the companies to develop a brand management strategy that comprises the usage of social media channels such as LinkedIn and WeChat in order to promote the employer branding messages to external Chinese applicants. Furthermore, increasing CSR and sponsorship activities on the local sites in China instead of centralizing them in the headquarters can increase the employer attractiveness among Chinese talents. The authors further recommend the practitioners to invest in their employer brand and to establish KPIs that measure the success of the investment in terms of the quality and quantity of applicants as well as the lead time to
fill an open position. Secondly, in order to establish an effective recruitment strategy in China, the authors recommend the European MNCs to participate at job fairs, use employee referral programs and establish relationships with schools and universities by using a seasonal recruitment approach. Furthermore, a segment-specific recruitment strategy is an applicable approach in China, wherefore the authors suggest adapting the recruitment strategy in China by customizing it to the respective target groups. Thereby, the MNC can target high-skilled employees specifically for senior positions or niche markets in China. Thirdly, a successful training and development strategy in China can be implemented by promoting opportunities with a focus on career development and adapting training and development programs to the local Chinese needs. Providing an authentic insight by using the success stories of existing employees can be considered as a good way to promote career development. Finally, in order to develop an effective employee benefit strategy, European MNCs should actively promote bonus schemes and a ‘best employee award’, as these benefits are considered as valued monetary benefits in China. Non-monetary benefits should focus on strengthening social relationships and team building related activities such as sports games and company outings. It is furthermore relevant to differentiate the employee benefits according to the respective target group in China. This target-group oriented benefit strategy should however be in line with the overall corporate messages in order to build a credible and trustworthy employer brand.

6.3 Theoretical implications

It became clear in this research that some theoretical concepts regarding the five attractiveness dimensions were not in line with the empirical findings. Specifically, the theory about the social, economic, development and application value in the Chinese context could not be strengthened by the empirical findings. The theory used to discuss the social, development and application value in the Chinese context suggested that these aspects would be more important in China than in Europe due to cultural differences. However, due to a relatively low amount of research on the comparison between China and Europe in terms of employer branding (e.g. Wang, 2008; Baum & Kabst, 2013), additional literature with a specific focus on the Chinese culture was used (Chiu & Francesco 2003, Chen et al., 2016). This helped in assessing the importance of these dimensions for the Chinese context, however not in a relative manner compared to
Europe. This indicated that further research regarding the employer attractiveness dimensions in China is needed.

6.4 Limitations

An important limitation of this study is the relatively small sample size. This research is based on a total of three European MNCs operating in China. Extending the sample size can validate the conclusions or show different results in the future. Furthermore, this research was limited to manufacturing companies. European MNCs operating in the service sector might have a different approach in the adaptation of employer branding in China. This research is further limited to Europe and China and can thus not be generalized towards different cultural contexts. Moreover, the respective cultures within Europe have not been differentiated but considered as similar and thus aggregated on a European level, wherefore the single cultures are not represented in this study. Finally, all Chinese subsidiaries of the case companies are located in Shanghai. Therefore, the results might not be representative for China as a whole.

6.5 Future research

This research has addressed a gap on the topic of employer branding within academic research, however certain aspects addressed in this thesis are in need for further research. Firstly, the propositions on social, economic, development and application value could not be strengthened in this research. Hence, further qualitative research is needed to validate these results and evaluate the influence of culture and corporate identity on these four values across the European and Chinese context. Secondly, the findings of this research indicate that promoting the interest value is of less importance in China than in Europe in order to attract employees. Transforming the initial interest value proposition into a hypothesis and testing it in a quantitative research with a larger sample size can potentially support and generalize this finding. Thirdly, this research has addressed employer branding in the European and Chinese context, wherefore the results are not representative for other countries due to cultural differences. More research on cross-cultural employer branding from an employer perspective is thus required to give insights about how companies adapt their employer attractiveness and external employer branding strategies in other cultural contexts. Conducting further research on these topics can help MNCs to win the war for talents.
References


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Online sources


Appendices

Appendix A – Concept overview

[Diagram showing the hierarchy of employer attractiveness, employer image, employer brand associations, and external employer branding strategies leading to human resource management, internal marketing, employer branding, and external employer branding, with branches to brand management, recruitment, training and development, and employee benefits, and further sub-branches to interest value, social value, economic value, development value, and application value.]
### Appendix B – Operationalization

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<th>1st level</th>
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<th>4th level</th>
<th>5th level</th>
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<tbody>
<tr>
<td>Employer brand</td>
<td>Functional benefits</td>
<td>Development value</td>
<td>Q3f</td>
<td>1. Working in an exciting environment</td>
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<td>(Q3a)</td>
<td></td>
<td>Q3g</td>
<td></td>
<td>2. Innovative employer - novel work practices/forward-thinking</td>
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<td></td>
<td>Economic benefits</td>
<td>Economic value</td>
<td>Q3e</td>
<td>3. The organization holds values and makes use of your creativity</td>
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<td></td>
<td>Psychological benefits</td>
<td>Interest value</td>
<td>Q3c</td>
<td>4. The organization produces high-quality products and services</td>
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<td>Q3d</td>
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<td>5. The organization produces innovative products and services</td>
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<td>Employer attractiveness</td>
<td>Employer image</td>
<td>Social value</td>
<td>Q3d</td>
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<td>(Q3b)</td>
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<td>1. A fun working environment</td>
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<td>Employer brand associations</td>
<td>Economic value</td>
<td>Q3c</td>
<td>2. Having a good relationship with your superiors</td>
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<td>Q3e</td>
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<td>3. Having a good relationship with your colleagues</td>
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<td>4. Supportive and encouraging colleagues</td>
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<td>5. Happy work environment</td>
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<td>Employment value proposition</td>
<td>Differentiation</td>
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<td>(Q4a)</td>
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<td>1. Recognition/appreciation from management</td>
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<td>Value</td>
<td>Application value</td>
<td>Q3g</td>
<td>2. A springboard for future employment</td>
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<td>Q4c</td>
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<td>3. Feeling good about yourself as a result of working for a particular organisation</td>
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<td>4. Feeling more self-confident as a result of working for a particular organisation</td>
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<td>5. Gaining career-enhancing experience</td>
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<td>Value</td>
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<td></td>
<td>Q4c</td>
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<td>1. Humanitarian organisation - gives back to society</td>
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<td>2. Opportunity to apply what was learned at a tertiary institution</td>
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<td>4. Acceptance and belonging</td>
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<td>5. The organisation is customer-orientated</td>
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<td>External employer branding strategies (Q5, Q6, Q7, Q8)</td>
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<td>Participating at job fairs (Q6bii)</td>
<td>Building and maintaining good relationships with schools and universities (Q6bui)</td>
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<td>Investments in advertising campaigns (Q6bii)</td>
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<td>Lead time to fulfill open position (Q10c)</td>
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Appendix C – Interview Guide Europe

Interview “case company” – European country

International Employer Branding

Introduction:
The purpose of this research is to explore how European MNCs operating in China attract potential employees through an attractive employer brand by adapting it to the Chinese context. We focus on the recruitment aspect of employer branding in terms of the attraction of external, high-skilled employees.

We aim to answer the following research question, including two sub-questions:

“How do European MNCs operating in China adapt their employer branding to attract potential Chinese employees?”

1. “How do European MNCs operating in China adapt their employer attractiveness to attract potential Chinese employees?”

2. “How do European MNCs operating in China adapt their employer branding strategies to attract potential Chinese employees?”

We would like to interview the “functional expert” for employer branding and recruitment with minimum one year of experience in this field at “case company” in “European country”. In total, we aim at interviewing 4-5 companies from different European countries.
Questions:

1) General information about interviewee
   a. Background
   b. Years of experience
   c. Job title
   d. Responsibility
   e. Relationship to HR manager in China

2) General information about employer branding at “case company” in “European country”?
   a. In what year did you start with employer branding activities?
   b. What is the scope of employer branding activities (local, regional, national, Europe, global)?

3) Employer attractiveness
   a. How do you describe your employer brand? What are the main attributes of your employer brand?
   b. What aspects about “case company” as an employer do you promote in order to attract “European” employees?
   c. Does “case company” specifically promote task variety or challenging tasks when hiring new employees in European? If yes, how do you promote this?
   d. How would you describe the work environment at “case company” (e.g. in terms of the relationship between employees and supervisors, collegial atmosphere, work culture)? Do you also promote this externally to potential applicants?
   e. In what way do you use salary and compensation to attract employees?
   f. In what way do you use training and development to attract employees?
   g. How do you ensure employees feel appreciated and valued at “case company” in “European country”?
   h. Which of the following aspects do you consider as important in order to attract high-skilled “European” employees? Please assign a level of importance to each category and motivate your choice (see table).
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<td>v. Application &amp; teaching of knowledge, belonging, acceptance, customer orientation, humaneness</td>
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4) Employer value proposition

a. Do you have an employer value proposition (EVP)? If yes, what is your EVP?

b. How do you differentiate your employer brand from your competitors?

c. What is the main and distinct value that you offer to your employees?
5) **Brand management**
   a. Which social media channels do you use to promote “case company” as an employer within “European country”?
   b. Are you conducting CSR activities? If yes, how do you promote that within “European country”?
   c. Are you involved in charity activities in “European country”? If yes, do you promote that externally?
   d. Are you involved in sponsorship of e.g. local events or activities?
   e. How many people are involved in employer branding at “case company” in “European country”?

6) **Recruitment**
   a. How do you create awareness of “case company” as potential employer in “European country”?
   b. Do you conduct one or more of the following activities in “European country”?
      i. Participating at job fairs
      ii. Relationships with schools and universities
      iii. Investments in advertising campaigns
      iv. Employee referral programs
   c. How do you target potential employees? Do you use a similar strategy for all target groups or do you customize your recruitment strategy towards different groups?

7) **Training and development**
   a. What training and development offers do you use to attract “European” employees?
   b. Do you offer one or more of the following activities?
      i. Traditional training programs (e.g. workshops, seminars, courses)
      ii. Continuous development programs (e.g. leadership program, executive program, personal coaching)
   c. Who is responsible for training and development programs at “case company”? 
8) Employee benefits
a. What type of employee benefits do you use to attract “European” employees?
   i. in terms of monetary (e.g. salary, bonuses, company shares, tax benefits)
   ii. e.g. in non-monetary benefits (e.g. travels, flexible working hours, work culture, pension, healthcare, holidays, work-life balance)
b. How do you decide what benefits you promote when publishing a vacancy?
c. Do you promote different benefits for different applicant groups (e.g. graduates, mature employees, families)?
d. Do you consider specific needs of the targeted employees when designing your employee benefit programs?

9) Corporate identity
a. How do you describe your corporate brand? What are the main attributes of your corporate brand?
b. In what way does your employer brand relate to your corporate brand?
c. How do you ensure a consistent brand presence across different countries?
d. Is the “European” employer branding strategy the same for entire Europe? Is it standardized in Europe?

10) Level of employee attraction
a. How do you measure and track the effectiveness of your employer branding activities in “European country”?
b. Have you noticed any difference in terms of the level of employee attraction in “European country” between the time you started using employer branding and the time before (e.g. in terms of quality and quantity of applicants)?
c. What is the average time between posting and fulfilment of a published vacancy?
11) **International/China**

a. Have you experience in recruiting foreign/Chinese employees? If yes, have you done anything differently compared to “European” employees?

b. What do you know about employer branding in the Chinese context?

c. Do you have some “lessons-learnt” from cross-cultural recruitment?
Appendix D – Interview Guide China

Interview “case company” - China

International Employer Branding

Introduction:
The purpose of this research is to explore how European MNCs operating in China attract potential employees through an attractive employer brand by adapting it to the Chinese context. We focus on the recruitment aspect of employer branding in terms of the attraction of external, high-skilled employees.

We aim to answer the following research question, including two sub-questions:

“How do European MNCs operating in China adapt their employer branding to attract potential Chinese employees?”

3. “How do European MNCs operating in China adapt their employer attractiveness to attract potential Chinese employees?”

4. “How do European MNCs operating in China adapt their employer branding strategies to attract potential Chinese employees?”

We aim to interview the “functional expert” for employer branding and recruitment with minimum one year of experience in this field at “case company” in China. In total, we aim at interviewing 4-5 companies.
Questions:

1) General information about interviewee
   a. Background
   b. Years of experience
   c. Job title
   d. Responsibility
   e. Relationship to HR manager in “European country”

2) General information about employer branding at “case company” in China
   a. In what year did you start with employer branding activities?
   b. What is the scope of employer branding activities (local, regional, national, Asia, global)?

3) Employer attractiveness
   a. How do you describe your employer brand? What are the main attributes of your employer brand?
   b. What aspects about the “case company” as an employer do you promote in order to attract Chinese employees?
   c. Does “case company” specifically promote task variety or challenging tasks when hiring new employees in China? If yes, how do you promote this?
   d. How would you describe the work environment at “case company” (e.g. in terms of the relationship between employees and supervisors, collegial atmosphere, work culture)? Do you also promote this externally to potential applicants?
   e. In what way do you use salary and compensation to attract employees?
   f. In what way do you use training and development to attract employees?
   g. How do you ensure employees feel appreciated and valued at “case company” in China?
   h. Which of the following aspects do you consider as important in order to attract high-skilled Chinese employees? Please assign a level of importance to each category and motivate your choice (see table).
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4) Employer value proposition

   a. Do you have an employer value proposition (EVP)? If yes, what is your EVP?
   b. How do you differentiate your employer brand from your competitors?
   c. What is the main and distinct value that you offer to your employees?
5) Brand management
   a. Which social media channels do you use to promote “case company” as an employer within China?
   b. Are you conducting CSR activities? If yes, how do you promote that within China?
   c. Are you involved in charity activities in China? If yes, do you promote that externally?
   d. Are you involved in sponsorship of e.g. local events or activities?
   e. How many people are involved in employer branding at “case company” in China?

6) Recruitment
   a. How do you create awareness of “case company” as potential employer in China?
   b. Do you conduct one or more of the following activities?
      i. Participating at job fairs
      ii. Relationships with schools and universities
      iii. Investments in advertising campaigns
      iv. Employee referral programs
   c. How do you target potential employees? Do you use a similar strategy for all target groups or do you customize your recruitment strategy towards different groups?

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   a. What type of employee benefits do you use to attract Chinese employees?
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   c. Do you promote different benefits for different applicant groups (e.g. graduates, mature employees, families)?
   d. Do you consider specific needs of the targeted employees when designing your employee benefit programs?

9) Corporate identity
   a. How do you describe your corporate brand? What are the main attributes of your corporate brand?
   b. In what way does your employer brand relate to your corporate brand?
   c. How “free” are you in the design of your employer brand in China? Are there regulations and guidelines from the headquarters that you need to follow?
   d. Is the “Chinese” employer branding strategy similar for entire Asia? Is it standardized in Asia?

10) Level of employee attraction
   a. How do you measure and track the effectiveness of your employer branding activities?
   b. What is the average time between posting and fulfilment of a published vacancy?
11) **International/China**

a. Have you experience in recruiting foreign/European employees? If yes, have you done anything differently compared to Chinese employees?

b. What do you know about employer branding in the European context?

c. Do you have some “lessons-learnt” from cross-cultural recruitment?
## Appendix E – Cross-case synthesis layout

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