SMEs GAINING GROUND

How employer branding could be used as a strategic tool for competitive advantage

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SMEs gaining ground: How employer branding could be used as a strategic tool for competitive advantage

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We would like to say a special thank you to all respondents which were able to give us some of their valuable time. Their insights, knowledge, and ideas were very helpful for us, and this thesis could not have been completed without their participation.

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___________________  ___________________
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**Abstract**

**Title:** SMEs gaining ground: How employer branding could be used as a strategic tool for competitive advantage

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**Keywords:** Employer Branding, SMEs, Human Capital, Value-adding employees, Competitive Advantage

**Background:** In a world that is becoming more knowledge-based, and where it gets harder to find value-adding employees, employer branding could be used as a way to attract and retain employees, which later can create competitive advantage.

**Research Question:** In order to experience competitive advantage, how do SMEs use the strategies and tools of employer branding as a way to attract and retain value-adding employees?

**Purpose:** The purpose with this study was to explore how employer branding is used by SMEs as a way to experience competitive advantage.

**Method:** A qualitative research method with six case studies of SMEs located in different industries was adopted. Primary data was based on semi-structured interviews with respondents at the different SMEs.

**Theoretical framework:** With the basis of the RBV, theories about this and the human capital as a resource as well as a competitive advantage, is presented. This continues with theories about the employer brand, attractive attributes about employers, employer branding strategies, and what the outcomes of employer branding is.

**Findings and Conclusions:** SMEs do not use the strategies and tools of employer branding in the generic way. Instead, much communication is carried out first when the recruitment process starts, with the aim to find employees who could deliver competitive advantage through their fit with the organization. Once onboard, different benefits are provided in order to retain them. Involvement and engagement are the most prominent ones, due to SMEs ability to offer cross-functional management.
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1. Introduction

This chapter aims to provide background information for this study. It will also present the problem which this study concerns. A research question is provided for the reader, as well as a purpose and chosen delimitations.

1.1 Problem background

Generally accepted basic economic principles tell us that the market is based on supply and demand. When scarcity of supply occurs, power is given to those who are the suppliers. Today, skill shortages and tight labour market conditions are existing problems, forcing employers to compete more fiercely with one another when it comes to recruit and retain effective employees (Jenner & Taylor, 2007). The labour market has therefore started to become a competitive market where employers are investing in recruiting right employees; a sign of a shift in power between employers and employees (Barrow & Mosley, 2005).

Parment (2010) mentions that some scholars state that work activities which can be regarded as simple are becoming eliminated, automated, or moved to low-wage countries. Instead, more focus are put on performance and value-creating activities, making them more and more important as a part of organizations’ evaluation criteria (Parment, 2010). Employees as a Tayloristic notion of human as raw material is therefore a distant memory, instead, employees are recognized as meaning-making individuals (Cunha, Rego, & Cunha, 2008). Furthermore, loyalty to a specific company is no longer a given, and the idea of a job for life is no longer the aim (ibid.). To go back to the notion about supply and demand, this means that skilled workers are in demand, putting the power into their hands (Housley, 2007). At the same time, today’s workforce has a huge flexibility, moving between industries with an increased recruitment competition between companies as a result, making it challenging to find and retain the right and competent people (Universum, 2011).

Previous studies indicate that employees are important factors for business success (e.g. Joo & McLean, 2006; Bakanuaskiene, Bendaraviciene, Krikstolaitis & Lydeka, 2011; Van Hoye, 2011). In fact, Universum (2011) even argue that if companies want to be successful in the 21st century, they need to build on their human capital. A strategy which is focused on requiring high skilled human capital can therefore be seen as a way of gaining competitive advantage (Barney, 1991). Correspondingly, EU is pushing to a knowledge-based economy and people are recognized as being crucial to business success, and therefore considered a key factor for contributing to value creating processes (Galabova and McKie, 2013). Similar to this, Bergstrom and Anderson (2000) argue that if a company is to create a competitive advantage in the marketplace, focus on employees’ satisfaction when it comes to their work life, can result in external customer satisfaction and positive business results. This was highlighted already in the 1990s through Rucci, Kirn, and Quinn´s (1998) work at Sears, explaining that employee attitudes toward their company and job had an effect on both employee loyalty as well as behaviour towards customers, leading to higher revenue. In fact, employees’ attitudes had a greater impact than any other factor (ibid.). “Our model shows that a 5 point improvement in employee attitudes will drive a 1.3 point improvement in customer satisfaction, which in turn will drive a 0.5% improvement in revenue growth” (Rucci et al., 1998, p. 91. See appendix 1 for a detailed model). Focus on employees´ satisfaction can therefore be very beneficial (Bergstrom & Anderson, 2000), something more recent research
also highlights, mentioning employer well-being as an important component for high productivity (Galabova and McKie, 2013).

However, there exist a difficulty in attracting and retaining the requested workforce (Edwards, 2009; Universum, 2011). Research conducted in the field of person-organization fit suggests that applicants’ selection of organizations is based on their perception of their own ‘fit’ with the particular organization’s values (Cable & Judge, 1994, 1996; Chatman, 1989). This is supported in the communication-, psychology-, and human resources literature, stating that people have a natural attraction to similar entities (Backhaus, 2004). This has practical implication for corporate descriptions, suggesting that firms should provide sufficient information about themselves so that prospective applicants can determine to what degree they will fit with the organization (ibid.). Furthermore, Rynes and Cable (2003) noted that skilled job applicants were likely to concern as much about choosing the appropriate organization as choosing the most appropriate job for them to perform. This means that focus goes beyond the job and its sets of skills, knowledge and abilities required, to focusing on organizational compatibility as a fit between an applicant’s personality, values, and beliefs with an organization’s espoused culture, values, and norms (Morley, 2007).

A strategy for attracting and retaining employees, with the ambition to create higher revenue, is employer branding. First to mention employer branding was Ambler and Barrow (1996), and with the publication of their article ‘The Employer Brand’, the concept of employer branding experienced a drastically increase of interest among practitioners (Kuckerov & Zavyalova, 2011). This lead to multiple numbers of conferences about it, as well as the launch of several consulting companies specializing in employer branding (ibid.)

The practice of employer branding assumes that through competent investment in human resources, value is created which can improve an organization’s performance (Backhaus & Tikoo, 2004). Edwards (2009) has a similar view of it, arguing that high value and influence can be created when an organization carefully manage its ‘employment experience’. As explained by Ambler and Barrow (1996), employer branding holds the assumption that potential applicants are attractive to a company based on their perception of the company’s attributes, their assessment of the brand image, and the perceived benefits. According to Edwards (2009), the use of the concept employer branding means that human resources management recognizes what long has been understood, organizations’ attractiveness is of great importance when it comes to recruiting and retaining employees (Edwards, 2009).

Bergstrom and Anderson (2000) suggest that employer branding also could be used to improve overall retention, since the use of employer branding techniques help applicants to screen companies’ values, priorities, and work styles in order to see if they match their own. Lievens et al. (2007) argue that it is of great importance to examine which factors company insiders (employees) as well as company outsiders (applicants) associate with a given employer. This correct match between the employer and the employee can in later stage mean higher revenue, as for example explained through Rucci et al.’s (1998) employee-customer-profit chain. If companies understand how to optimize the use of their human capital, competitive advantage which is hard to imitate may arise (Backhaus & Tikoo, 2004). Human capital could therefore be considered as resource to emphasize on (ibid.).
1.2 Problem discussion

Skilled, value-adding workers, the so called pool of talent, may be challenging to find, which is why companies have started to put a greater focus on human resources, including employer branding (Berthon, Ewing & Hah, 2005). Love and Singh (2011) argue that employer branding will become more prominent in the future, since organizations are striving to gain competitive advantage through every legal way; a view which is in line with other scholars’ suggestions (e.g. Martin et al., 2011; Oladipo, Iyamabo & Otubanjo, 2013; Parment, 2010). This can be linked to the discussion of the resource-based view (RBV), which explains how internal resources and competencies of a company could work as a source of sustainable competitive advantage, whereas human capital is one of these resources (Barney, 1991).

Penrose (2009), with her book ‘The theory of the growth of the firm’, first published in 1959, was one of the first to mention companies in terms of a collection of resources. When talking about human resources, Penrose (2009) mentions how it could be treated as a more or less fixed or durable resource, and when skilled employees leave the company, the company suffers a loss akin to a capital loss (ibid). This once more leads us back to the discussion of the RBV, since standing out from the crowd is important in the highly competitive market for winning both customers and employees (Bergstrom & Anderson, 2000). Companies should therefore do all they can to differentiate themselves with non-substitutability, imperfectly imitable, valuable, and rare resources (Barney, 1991).

Creating competitive advantage has become increasingly difficult since what used to be differentiation parameters, now can be imitated (Bergstrom & Andersson, 2008). Due to this, focus is drawn to human resources, since the human capital is a way to find differentiation (Backhaus & Tikoo, 2004). So why has employer branding won favour now? The answer is rather obvious; with a highly competitive labour market and population decline, as well as the difficulty in finding competitive resources, companies need to focus on attracting and retaining value-adding employees (Backhaus & Tikoo, 2004; Kuckerov & Zavyalova, 2011). This could for example be done through new approaches to HR systems, such as employer branding (Backhaus & Tikoo, 2004.).

Human capital is a distinctive resource which could, if properly managed, become an abundant source of competitive advantage (Galaboba & McKie, 2013). It is mentioned in the RBV as a way to add value through employees’ skill levels, experiences, judgments, social relationships, intelligences, and insights (Barney, 1991; Taylor & Collins, 2000). In particular, Barney (1991) argues that companies’ fundamental source in order to distinguish themselves from competitors is the human capital, which according to Barrow (2007) could be made by using employer branding as a strategy.

However, employer branding is so far mainly practiced by multinational companies, participating in various job fairs and studies about great place to work (e.g. Joo & McLean, 2006), advertising heavily about themselves as a workplace, and hiring specific employer branding managers to work with this full-time (Universum, 2013). According to Backhaus and Tikoo (2004), companies appear to spend considerable resources on employer branding campaigns; an indication of the value they found in this practice. At the same time, small- and medium-sized enterprises (SMEs) is a growing sector in economies around the world (Levy & Powell, 2004), but often with structural handicaps such as size, managerial capacity, tie, skills and experience, and access to information and finance (Lu & Beamish, 2001; Wynarczyk, 2013). In the current economic climate, it is generally difficult to gain competitive advantage
through access and control of financial and physical resources, and particularly difficult for SMEs, due to above mentioned restraints (Galabova & McKie, 2013).

At the same time, most companies at the marketplace are considered to be SMEs, representing 95% of the existing companies within the OECD-countries, employing between 60% and 70% of the workers (Levy & Powell, 2004). This means a high number of companies who are interested in attracting and retaining employees who could create competitive advantage, making employer branding essential not only for large companies, but also for SMEs. In relation to this, Galabova and McKie (2013) argue that SMEs often acknowledge the relevance of a strong human capital for their competitiveness and performance, which makes it relevant to study how employer branding strategies could be applied by them.

Furthermore, SMEs are considered as often having a more personal nature of the management structure compared to larger organizations, which are brought up as a suggestion of a unique position which SMEs should try to leverage (McAdam & Keogh, 2005). As organizations, and in particular SMEs, look to sustain themselves and grow, it is important to remain aware of and understand the needs of the workforce in order to attract and retain employees (Flynn, 1996; Brindley and Ritchie, 2000).

According to Olapido et al. (2013), the research conducted in the topic of employer branding has suggested several advantages, even though the research field of employer branding is still said to be rather limited (Kuckerov & Zavyalova, 2011: Olapido et al, 2013). When Ambler and Barrow first mentioned the employer brand in 1996, they argued that the employer brand appeared to be more visible in people-intensive companies where employees tend to interact more closely with customers. But with the upcoming knowledge-based economy where also capital-intensive industrial companies are moving to focus more on people and their individual added value (Galabova and McKie, 2013), it is possible that more industries could derive leverage from employer branding. This makes it important to provide more findings from academic research (Backhaus & Tikoo, 2004). Jenner and Taylor (2007) are having similar thoughts, arguing that there are more questions than answers when it comes to understanding the nature of employer branding as well as its level of adoption, suggesting that more research is needed, which for example can be done in order to explore SMEs level of adoption of employer branding.

Galabova and McKie’s (2013) study revealed that SMEs find the human capital as relevant for competitiveness and performance. However, little has been said about SMEs adoption of the strategies and tools of employer branding, leaving a gap in the research field of how SMEs work with attracting and retaining the, for them, most value-adding employees.

1.3 Research question

With this in mind, this study will take its starting point in the following question:

- In order to experience competitive advantage, how do SMEs use the strategies and tools of employer branding as a way to attract and retain value-adding employees?

1.4 Purpose

The purpose of this study is to map and explore how employer branding is used by SMEs as a way to experience competitive advantage. This will be done in order to make a contribution to
the research field of both employer branding and SMEs, providing insights of employer branding as a possible way for them to experience competitive advantage.

1.5 Delimitations

This study is intended to focus on employer branding within SMEs. Furthermore, this study acknowledges the linkage between employer branding and marketing, but will have the human resources perspective as its focus when describing how SMEs can gain competitive advantage through employer branding activities.

1.6 Key concepts

Employer branding: “the process of building an identifiable and unique employer identity” and “… the differentiation of a firm’s characteristics as an employer from those of its competitors” (Backhaus & Tikoo, 2004, p. 502)

SMEs: Small and medium-sized enterprises. Based on number of employees: Micro >10, Small 10-50, and Medium 50-250 (Europeiska kommissionen, 2006)

Human capital: Knowledge, skills, ideas, health, and information of individuals (Becker, 1964)

Competitive Advantage: “A firm is said to have a sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy” (Barney, 1991, p. 102)

Value-adding Employees: This thesis uses the collected name ‘value-adding employees’, when talking about employees which by others have been mentioned as talents, forward-thinkers, the best, and highly-skilled (e.g. Backhaus & Tikoo, 2004; Bakanuaskiene et al., 2011; Edwards, 2009, Galabova & McKie, 2013; Lawler, 2009). The meaning of value-adding employees is that something extra beyond standard expectations is added, and as Backhaus (2004) explains, this could differ between companies from the best and the brightest to one who fit with the organizational values
2. Theoretical framework

This chapter will provide a framework of theories which will enhance our understanding of human capital and employer branding, and how employer branding could be used to shape the human capital of a company to competitive advantage. Different relationships are explained and will work as a basis for the continued study.

2.0 Layout of the theoretical framework

A theoretical framework which is relevant for this study’s research question will be used as a basis for the continuing study. The problem background revealed that human capital could be a resource of competitive advantage (Barney, 1991), and that employer branding could be used in order to attract and retain the most value-adding employees (Backhaus & Tikoo, 2004; Edwards, 2009). The theoretical framework will therefore have the following layout:

![Diagram showing the layout of the theoretical framework]

**Figure 2.0:** An overview of the theoretical framework

2.1 The Resource-Based View

The Resource-Based View (RBV) of a company explains how internal resources and competences of a company could work as a source of sustainable competitive advantage (Barney, 1991). A machine, a person, a brand image, knowledge, and a patent can all be labeled as resources (Ramanantsoa Métais, Moingeon, & Orton, 1998) Through the RBV of strategic management, companies possess rare, valuable, non-substitutable, and difficult to imitate resources, which could create competitive advantage (Barney, 1991).
The RBV, which came into prominence in the 1990s, was inspired by the writings of Penrose (1959), viewing the company as a bundle of resource which included both tangible and intangible assets. The dynamics of how companies’ resources are acquired and managed should be given much attention in the creation and sustaining of the company’s competitive advantage (Ramanantsoa, Métais, Moingeon, & Orton, 1998). Barney (1991) argue that a company develops competitive advantage through acquiring, combining, developing, and effectively deploying its organizational, physical, and human resources in ways that are difficult to imitate and adds unique value. These resources enable the company to implement strategies that improve its efficiency and effectiveness, which increase the opportunity to gain competitive advantage (ibid).

These resources are explained as follows:

- **Capital resources**: such as manufacturing plants, finances, and equipment
- **Organizational capital resources**: such as different sorts of systems when it comes to planning, controlling, and coordinating
- **Human capital**: a company’s employees, who may add value through their skill levels, experience, judgment, social relationships, intelligences, and insights (Barney, 1991; Taylor & Collins, 2000)

According to the RBV, competitive advantage arises when customers experience value based on lower costs, when they experience something of unique value for them, or the combination of the two (Porter, 1985). When striving for competitive advantage, it is important to understand resource similarity, since companies with similar packages often will have similar strategic capabilities as well as competitive vulnerability in the market place (Chen, 1996). Resource similarity means to what extent a given competitor relies on strategic endowments comparable, both in terms of amount and type, to those of your own company (ibid.). This also means that companies with divergent resource packages are likely to have diverse competitive advantages to draw on due to the unique profiles of their strategic resources (Chen, 1996). A resource is only regarded as a source of sustained competitive advantage if the benefits which it generates to customers cannot be duplicated or replaced by another resource which is held by a competitor (Barney, 1991).
The RBV has made important contributions in the area of strategic human resource management (Wright, Dunford, & Snell, 2001), and human capital has been argued to be a key factor for competitive advantage (Backhaus & Tikoo, 2004). Furthermore, in an economic environment characterized by innovation, quality, and speed, intangible resources such as the human capital are highlighted as an important resource to keep track of (Joo & McLean, 2006).

### 2.1.1 Human Capital as a Resource

Scholars have studied and argued about the importance and the challenges regarding human capital during many decades. Many of the existing definitions of human capital stem from Becker (1964), who defines human capital as knowledge, skills, information, ideas, and health of individuals. This is similar to a more current definition of human capital, explaining it as attributes involving individual competence, skills, knowledge (explicit and tacit), personal attitude, personal network, health and work ability, commitment and motivation, and experience (Galabova & McKie, 2013).

Becker (1964) was the first to acknowledge that the term ‘capital’ is much more than the general understanding of relating it to tangible assets which provides useful outputs, such as cash flows and physical means for production. Instead, he argued that it was much more than that, introducing the term human capital, arguing that expenditure on training, education, and health, in practice is an investment (Becker, 1993). This, since people cannot be separated from their skills, knowledge, health, or values, while they can be separated from companies’ financial and physical assets (ibid).

When working with the human capital, some aspects are worth to reflect about. According to Lawler (2009), it is important to consider that it is not enough to ensemble a group of talented individuals, they also have to function together in order to create competitive advantage. Hatch and Dyer (2004) add another dilemma to the area, arguing that human capital is an isolated source to competitive advantage in the originally organizational context and also company-specific, meaning that successful human capital in a company cannot be directly transformed into another company. Both Lawler (2009) and Hatch and Dyer (2004) studies can be related to Da Silva, Hutchson, and Wahl (2010) findings, suggesting that individuals’ different valuables, such as personality and characteristics, should be linked to companies’ overall strategy in order to create a personal-organizational fit and thereby gain competitive advantage. Using employer branding as a strategy can help companies become successful in this area, as Backhaus and Tikoo (2004) claim that employer branding is based on the assumption that human capital brings value to the company and while investing in human capital, the company’s performance can be enhanced.

Lawler (2009) argues that training and developing the right talent should be companies’ highest priority and that the human capital is their most important asset. Becker (1993) argues that employees’ levels of productivity not only depend on their ability and the amount invested in them on and off job, but also in their motivation and intensity of their work. Motivation in turn, partly depends on earnings; since increased earnings have shown signs of increased morale and aspirations (ibid.). When relating this to SMEs, Galabova and McKie (2013) found that many of them recognize the relevance of strategic human resource management, and with that also human capital, for their competitiveness and performance. At the same time, few of them mention it as human capital; instead, they talk about its constituent parts, namely skills, knowledge, personality, focus, and willingness to commit (ibid.).
2.1.2 Human Capital as Competitive Advantage

Barney (1991) views human capital as a source of competitive advantage, and Wright et al. (2001) mention how the RBV acknowledge companies’ human resources as a potential source of sustainable competitive advantage. If companies understand how to use their human capital optimally, this creates a parameter hard to imitate for competitors (Bakhaus & Tikoo, 2004). This is confirmed by Galabova and McKie (2013), which mention that the human capital is a distinctive resource and that it has to be properly managed in order to become an abundant source of competitive advantage. Barney and Wright (1998) argue that the set of resources, which are most likely to become sources to sustained competitive advantage in the next century, are employee commitment, culture, teamwork, and human capital skills. These resources have all the possibility to be valuable, rare, difficult to imitate, and supported by the organization in order to gain a sustained competitive advantage for the company (ibid).

According to Greening and Turban (2000) a value-adding human capital will become a more important source of competitive advantage for companies in the future. By using human resources development (HRD) practices, the human capital can grow though for example career development, training activities, and remuneration programs which simultaneously can create a positive and stable image of the employer; both inside and outside the organization (Kucherov & Zavyalova, 2011).

Coff and Kryscynski (2011) argue that superior human capital can provide sustained competitive advantage; they also declare that there are challenges associated with attracting and retaining employees, such as finding the value-adding ones, making them stay, and keeping them motivated. The ability to attract, select, and retain value-adding employees has become to be seen as future organizational success due to the increasingly knowledge-based work (Bakanuaskiene et al. 2011). Also Van Hoye (2011) acknowledge this, arguing that attracting and retaining the most value-adding employees is crucial for a company to experience success, or even just survival in a harsh marketplace. However, the right applicant may differ between companies (Backhaus, 2004). For some companies, the right might be the one that fit the job in terms of matching particular values, abilities, and skills desired by the organization. For others, the right applicant could be the brightest and the best that you could find on the labor market, without any consideration of a possible person-organizational fit (Backhaus, 2004). The task is therefore to attract the desired individuals (ibid.).

Barrow (2007) suggests that working with employer branding as a strategy is a way to distinguish your company from competitors. In the competitive environment about the most value-adding employees, companies need to rely on HR practices strategically to attract, develop, motivate, and retain the most value-adding employees (Joo & McLean, 2006). This strategically practice is not always present at SMEs, since Levy and Powell (2004) argue that SMEs’ strategies often are emergent and informal. At the same time, it has been argued that SMEs that do use strategic planning effectively gain a higher performance rate compared to those who only react to circumstance, that is on a reactive, rather than proactive, basis (Smith, 1998).

Many successful companies, which mean companies who have found competitive advantage one way or another, seem to have understood the relevance of having motivated employees and many of them are also regarded as ‘best employers’ (Joo & McLean, 2006). Best employers are companies who based on surveys been proved to provide the very best working environments for their employees (Love & Singh, 2011). Love and Singh (2011) reviewed the criteria ratings for Best Employer surveys and came up with eight common themes which
could be identified in the surveys; Inspired Leadership, Strategic Plan (which promotes ‘Best Employer HR practices’), Employee Communication, Performance Management, Training & Development, Benefits (based on ‘best practices’), Physical workspace, and Corporate Citizenship. All best employers showed high levels of these themes (ibid.). Furthermore, the employees listed on Best Employer ratings also make sure that all or most of the organization’s human resources practices and procedures are aligned with their overall strategic plan (Love & Singh, 2011). These practices and procedures are based on understanding the needs and requirements of the employees (ibid). According to Joo and McLean (2006), Best employer organizations tend to be difficult to imitate, stable, and provide a sustainable and special advantage compared to their competitors, which also can be related to assets of a resource needed to gain competitive advantage, according to Barney and Wright (1998). This is why employer branding could be an important HRD strategy for facilitating a company to attract and retain value-adding employees (Joo & McLean, 2006).

It is also said that best employers have a lower employee-turnover rate (Looi et al (2004). This means more savings for the companies, since Looi et al. (2004) argue that the cost to replace an employee is one to one-and-a-half times the annual salary. Crawford and Scaletta (2006), also mention how costly it is to hire, train, develop, and integrate a new employee, which is why a low employee-turnover is favorable. This finding is especially relevant for SMEs, since they are said to often be affected by financial constrains (Wyanarczyk, 2013). Furthermore, internal capabilities and competences are essential for SMEs ability to succeed in global markets (Knight & Kim, 2009).

2.2 The concept of Employer branding

“Before you can even think of selling your brand to consumers, you have to sell it to your employees”. (Sergio Zyman, Coca-Cola’s renowned former chief marketing officer)

As mentioned, the RBV acknowledges human capital as a way to gain competitive advantage (Barney 1991), and it is argued that a company without a distinct employer brand is in a difficult situation in the battle of value-adding employees (Sullivan, 2002.). Employer branding can therefore be used as a way to attract and retain the human capital which can create competitive advantage and higher performance (Backhaus & Tikoo, 2004).

Employer branding is about showing benefits and differentiators between your own company and your competitors (Barrow & Mosley, 2005), and to use the strategies and tools of employer branding, one first need to understand what the concept ‘employer branding’ is concerned with. First to define the concept of the employer brand was Ambler and Barrow (1996). Multiple other scholars have later used their definition when explaining the concept (e.g. Aggerholm et al., 2011; Backhaus & Tikoo, 2004; Edwards, 2009; Foster, Punjaisri & Geng, 2010). This suggests that Ambler and Barrow’s (1996) definition works as a key definition in research on employer branding (Aggerholm et al., 2011), and they define the employer brand in terms of benefits, stating that the employer brand consists of:

“the package of functional, economic, and psychological benefits provided by employment, and identified with the employing company” (Ambler & Barrow, 1996, p. 187).
Backhaus and Tikoo (2004) take it one step further in order to define employer branding, which they explain as:

“the process of building an identifiable and unique employer identity” (p. 502)
and that “the term employer branding suggests the differentiation of a firm’s characteristics as an employer from those of its competitors. The employment brand highlights the unique aspects of the firm’s employment offerings or environment” (p. 502).

Employer branding can be viewed as a derivate of how corporate communications and marketing ideas are applied to ‘internal customers’ (Martin, 2009). Ambler and Barrow (1996) saw it as a concept which was bringing the usually separated roles of brand thinking and employment situation closer together, providing mutual benefits. They found indicators on that improved human resources could improve the return on brand equity from external customers, while at the same time strong corporate equity with the brand´s customer could improve the return on human resources (Ambler & Barrow, 1996). Furthermore, Campbell (2002) states that a brand could be seen as a promise from a company, and while making a brand promise, it is important that the company lives up to it.

Employer branding has current and potential employees as branding targets (Edwards, 2009), and could be considered as the heart and the soul of a company (Pogorzelski, Harriot, & Hardy 2008). It articulates why the company exists and why employees are working there, or want to work there, and not somewhere else (ibid). Barrow (2007) argues that employer branding can be used in order to distinguish your company from others, and that it has become an important part of human resources practitioners’ toolkit. This is confirmed by Sullivan (2002), stating that when practiced, employer branding has been found to be beneficial in order to distinguish your company.

Branding is commonly focused on products and corporate brand but can, as mentioned, also be used in the area of human resource management (Backhaus & Tikoo, 2004; Edwards, 2009). Backhouse and Tikoo (2004) also state that employer-, product- and corporate branding can be united, and they further argue that if they are not united; they should at least be aligned. This is similar to Barrow and Mosley’s (2005) argument that there exists a close relationship between the image of the employer brand and the reputation of the company´s goods and services. Furthermore, companies which deliver good external brand experience are generally assumed to be quality employers (ibid.)

Figure 2.2.: An illustration of the overlaps between employer-, corporate-, and product branding (Based on Backhaus & Tikoo, 2004; Barrow & Mosley, 2005).
Pogorzelski et al. (2008) argue that employer branding is not only something for large companies, since all companies could, and also do, develop a reputation. However, all companies are not always aware of this (ibid.). They also state that the employer brand includes:

- The company’s professional reputation
- A description of the organizational culture
- News about the company - both good and bad
- Opinions about the company
- A description of the company’s future
- How a brand is valued compared to competitors´ employer brand

Even though employer branding most often is discussed with a positive attitude towards it, some skepticism seems to exist. For example, Martin, Gollan, and Grigg (2011) argue that employer branding has been questioned due to changed circumstances in a world-wide recession. Additionally, some scholars suggest that it might just be a fad or something that is advocated by consulting firms within the field, which probably have their own vested interest in it (Jenner & Taylor, 2007). Cross-cultural differences are also likely to exist and affect the layout of the employer brand; something companies need to be aware of (Berthon et al., 2005). However, many scholars still suggest that employer branding is a useful concept which can contribute to business model changes and strategic aims of organizations (Martin et al., 2011).

### 2.2.1 A Description of the Employer Brand

Pogorzelski et al. (2008) make an easy description of the employer brand, arguing that it communicates who you are, what you want, and what you stand for. This is similar to the conclusions of Backhaus and Tikoo´s (2004) findings, stating that employer branding is concerned with who the company is, who it wants to be and who people think it is. Correspondingly, Martin (2009) argues that gaps between what is said and what is done can weaken the image of the organization among employees.

![Venn diagram of employer brand](image)

**Figure 2.2.1.a:** A venn diagram of the employer brand; the more integrated the parts are, the more authentic is the employer brand (Based on Backhaus & Tikoo, 2004; Pogorzelski et al., 2008).

The purpose with an employer brand is to create an image among potential employees about the company as a favorable place to work (Ewing, et al., 2002). However, Backhaus and
Tikoo (2004) mention how discrepancy could arise between what is externally communicated and what is the internal reality. If a company communicates an image which is not consistent with the reality, an unnecessary and costly friction may arise in the company (Backhaus & Tikoo, 2004).

Scholars argue that it is challenging to manage the employer brand (Davis, 2008). Pogorzelski et al. (2008) are of the same opinion, since an authentic employer brand is a challenge for organizations when it comes to prove that they can work after the values and criteria’s identified with the company. This means that employees know who they start working for, what is expected from them and how they will be judged (ibid.). Edwards (2009) argues that employer branding tend to give clarification of an organization’s tangible and intangible employment offering, as well as managing aspects of the organization’s image and identity, but just like Love and Singh (2011) mention, authenticity is a very important word in this context. Through clarifying unique aspects of the organization's image or identity, an organization can differentiate its employment offerings from those enjoyed by employees at other organizations (Edwards, 2009).

Employer brands are made in order to attract a certain competence, interest, and values among the potential candidates (Pogorzelski et al., 2008). Just like a compelling product brand attracts customers, a compelling employer brand attracts candidates (ibid). Furthermore, the employer brand is concerned with all elements of a candidate and the employer experience, from the first day the candidate hears the name, until he or she quits the job (Pogorzelski et al., 2008).

![Diagram of the employer brand](image)

**Figure 2.2.1.b: The employer brand and its presence in the entire employee life-cycle (Based on Pogorzelski et al., 2008)**

The employer brand is to a large extent expressed in recruiting processes (Pogorzelski et al., 2008). This can for example take place when an applicant is applying for a job through internet or e-mail, when being interviewed for a position, when talking to employees and being present at the workplace. At the same time, using the company’s products, services, or customer service as well as see it on social media also works as ways for companies to picture their employer brands (Pogorzelski et al., 2008).

### 2.2.2 Attractive Attributes about Employers

Organizations’ attractiveness is of great importance when it comes to recruiting and retaining employees (Edwards, 2009), and Moroko and Uncles (2008) state that it is obvious that there exists a relationship between an employer being known and successful and attracting applicants.
As explained by Ambler and Barrow (1996), employer branding holds the assumption that potential applicants are attracted to a company based on their perception of the company’s attributes, their assessment of the brand image, and the perceived benefits. They therefore argue that the functional, the psychological, and the economic benefits are dimensions of attractiveness of an employer. Berthon et al. (2005) later created a refinement and extension to these three dimensions through their creation of a five factor model for employer attractiveness, called the EmpAt. The EmpAt is based on five different values: interest, social, economic, application, and development. Through acknowledging that these are important when attracting new employees and retaining existing ones, effective employer branding can be practiced (Berthon et al., 2005). While working for integrating these factors with the employer brand, companies can hope to successfully compete in attracting and retaining the most value-adding employees (ibid.). Table 2.2.2 explains the relationship between Ambler and Barrow’s (1999) and Berthon et al.’s (2005) dimensions, as well as a clarification of them.

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<tr>
<td><strong>Functional</strong></td>
<td>Development</td>
<td>Get the feeling of self-confidence, career development, experience, recognition, springboard for the future, self-worth</td>
</tr>
<tr>
<td></td>
<td>Application</td>
<td>Being able to apply what has been learned, teach others, give back to society, acceptance and belonging, customer—oriented organization</td>
</tr>
<tr>
<td><strong>Psychological</strong></td>
<td>Interest</td>
<td>Having an exciting work environment, innovation and forward-thinking, high-quality products/services, employee creativity</td>
</tr>
<tr>
<td></td>
<td>Social</td>
<td>Fun and happy working environment, good relationship with superior, good relationship with colleagues, supportive and encouraging atmosphere, team feeling</td>
</tr>
<tr>
<td><strong>Economic</strong></td>
<td>Economic</td>
<td>Having promotion opportunities, above average salary, attractive overall compensation package, job security</td>
</tr>
</tbody>
</table>

Table 2.2.2: Attributes employees find attractive about employers (Based on Ambler & Barrow, 1996; Berthon et al., 2005)

### 2.2.3 Employer Branding Strategies

The issue of employer branding is how employers strategically can attract and engage employees who have the same beliefs as the organization and know how to use their resources to ensure the success of the brand (Oladipo et al., 2013). Employer branding efforts can be divided into external and internal marketing (Backhaus & Tikoo, 2004). The external point of view has its focus on attracting a distinctive human capital and to establish the company as an employer of choice. The internal marketing of employer branding then focuses on creating a workforce that is difficult for competitors to imitate (Backhaus & Tikoo, 2004). Aggerholm et al. (2011) state that the internal marketing also means creating a sustainable and strong relationship between the employee and the organization, since this could mean that personal and organizational values and beliefs can merge together. Furthermore, it is important to
define what type of qualifications and human capital that are critical for the company to attract, develop, and retain; in order to reach the company’s strategic goals (Martin, 2009). Barrow and Mosley (2005) suggest that most HR functions can handle the employer brand in close conjunction with their counterparts in marketing and communication. But still, some companies have created specific roles for employer branding management in order to coordinate these cross-functional efforts (ibid.).

When viewing employer branding from a strategic point of view, employer brands have the best effect when they are credible, aspirational, and sustainable (Martin, 2009). Barrow and Mosley (2005) have created a model; the employer brand mix; which illuminates important elements for the employer brand to communicate. These elements could help companies to assess the current employer brand reality while taking a closer look at how they work with these areas (ibid). According to Barrow & Mosley (2005), there is no ideal template for what the employer brand should look like. Instead, it needs to be shaped to match the objectives and resources of the organization.

![Figure 2.2.3: The Employer Brand Mix (Barrow & Mosley, 2005)](image-url)

When considering the employer brand mix, Barrow and Mosley (2005) argue that this wide range of basic elements shape people’s employment experience. These can be related to two groups: the wider organizational context and policy (to the left in figure 2.2.3), and the local context and practice (to the right in figure 2.2.3) (Barrow & Mosley, 2005). Furthermore, the employer brand mix could be a way to differentiate your company from competitors, since it highlights elements that are important to work with (ibid.). A similar view is that of Backhaus and Tikoo (2004). They argue that employer branding could be used as an umbrella, under which companies could categorize different sorts of recruitment and retention activities into a coordinated human resources strategy. Backhaus & Tikoo (2004) further argue that integrating recruitment, training and development, staffing, and career management activities under the same umbrella, will have a stronger effect than the processes will have alone. When creating an employer brand proposition, Backhaus and Tikoo (2004) argue that it should be based on information about the organization’s culture, qualities of employees, management styles, current employees’ image, and impressions of product or service quality of the company. The company then needs to ask what value the company could offer to potential or
current employees, and as mentioned before, it is important that this is authentic (ibid.). This can later be used in externally aimed employer branding, such as potential employees and recruitment agencies as well as in internal marketing, incorporate the brand promise as a part of the organization (Backhaus & Tikoo, 2004).

Like mentioned by previous scholars (e.g. McKenzie & Glynn, 2001; Parment, 2010), a paradigm shift has led to employees being more interested in what the specific employment can give them. For example, they reflect on job depth and scope, accessible facilities, social infrastructure, and career opportunities, making the employer value proposition important, so that applicants will choose your company (Lloyd, 2002).

Wilden et al. (2010) argue that employers should invest in making information about them as available as possible to potential employees, since this influence the employee-based brand equity. This is in line with Collins and Stevens findings (2002), suggesting that advertising is significantly related to applicants’ perceptions about the company attributes and the job opportunity, suggesting that visibility is a factor for attractiveness. There is therefore a chance for companies to be proactive in creating available information in order to help applicants to form positive impressions about the company (ibid.). Edwards (2009) suggests that efforts to communicate information about the organization to potential employees should be a long-term project in order to increase how familiar the organization is to potential applicants and to influence external perceptions of the organization’s reputation.

Furthermore, it is argued that companies should focus their recruitment investments on target markets which may consider working in the particular industry (Wilden et al., 2010). Applicants often screen employers within industries which they are interested in, and this is an important part of potential employees’ decision-making process along with the location of the company (ibid.). When employers are targeting particular markets, they should pay attention to both formal and informal channels for employer branding communication (Mangold & Miles, 2009). Examples of formal communication could be presentations, job descriptions, prints and web information, and advertisements. Examples of informal communication are interactions outside formal settings from co-workers, managers, customers or acquaintances through word-of-mouth (ibid.). Wilden et al. (2010) noted that the impact of word-of-mouth through referrals seems to be a source of employer brand information which is the most credible, which is why managers should establish employee referral programs in order to make use of this. Collins and Stevens (2002) also state that word-of-mouth is important when developing a positive brand image.

Previous research has shown that providing more, rather than less, information about a job opening and about the organizational culture tends to lead to more positive and favorable applicant reactions (Taylor & Collins, 2000). It is also said that employers which are viewed as favorable, have managed to create unique organizational cultures which provide distinctive working environments for their employees (Love & Singh, 2011). According to Flamholtz and Randle (2012), organizational culture should be seen as a strategic asset for the company. Among the best employers in the surveys of Best employers, core values such as honesty, respect, integrity, collaboration, and trust were promoted. Furthermore, an on-going open two-way communication was established to all employees (Love & Singh, 2011). In a study made by Sivertzen et al. (2013), focus on innovation, personal growth, and self-confidence as well as creating a good environment for learning and application of skills, were said to provide more benefits for a company compared to investing in its external employer branding activities in order to create positive perceptions about the company from potential applicants.
An organizational culture which is driven by high performance and which has appropriate reward programs in place to encourage, reward, and celebrate achieved objectives and goals, is also promoted (ibid.). Best employers also hire people for their ‘culture fit’ in order to make sure that the existing culture provides a rewarding work experience for their employees (Love & Singh, 2011).

While finding yourself in a competitive and changing market place, it is important to be flexible (Martin, 2009). Martin (2009) therefore suggests that the employer brand needs constant follow-up, since it has to be adjusted to market developments, stakeholder views, trends and so forth. This works well with Pogorzelski et al.’s (2008) view of what determines an organization’s employer brand, stating that it is based on a conversation between the company’s management, its employees, candidates, students, and people from the press and other fields of the public.

According to Sivertzen et al. (2013) and Edwards (2009), employer branding campaigns should avoid focus on compensation as a key factor for the organization. Szamosi (2006) is under the same impression, arguing that compensation is important, but not as important as other variables associated with organizational satisfaction, such as empowerment, workplace involvement, employee welfare, supportive management, and workplace environment, which is similar to the Berthon et al.’s (2005) EmpAt-model. This could be related to Sivertzen et al.’s (2013) suggestions that key elements should be in non-monetary factors, such as feeling of learning, growth, confidence and self-worth as well as the opportunity to use ones knowledge and skills. These factors are important when striving for a positive reputation of the organization, enhancing intentions for applying for a job among potential employees (ibid.). Also Cable and Turban (2003) and Edwards (2009) argues that reputation is important for company attractiveness. Success is also something to communicate, since this also can be expected to have positive impact on company attractiveness (Edwards, 2009). Also organizations which were rated high on socially responsible features such as environmental policies, community and employee relations and product quality, tend to be regarded as more attractive as an employer (Greening & Turban, 1997).

### 2.2.4 Outcomes of a strong Employer Brand

Through employer branding, traditional human resources and marketing practices can be united, providing the key strategic objective of business; namely sustainability (Memon & Kolachi, 2012). Backhaus and Tikoo (2006), state that the establishment of an employer brand makes the company to an employer of choice, enabling it to attract the most value-adding employees. It is also said that the employer brand attracts value-adding employees who builds and supports the customer brand, and the customer brand can by its strength attract value-adding employees and make the current ones proud of the company’s external reputation (Barrow & Mosley, 2005). This will keep them committed to delivering the company’s brand promises to the company’s customers (ibid.). However, the employer brand cannot compensate problems with the work environment, but it can help to discover possible weaknesses within the company, as well as to develop valuable areas which could motivate employees (Bergstrom & Anderson, 2000).

Employer branding gives an organization the possibility to distinguish itself from its competitors, making it able to develop a recognizable identity through practices, which then is received as desirable among employees and the public (Love & Singh, 2011). A central element to employer branding is the identification of elements of the organizations character,
since features such as key values and guiding principles underlies how it operates collectivity (Edwards, 2009).

A successful employer brand is distinguished as known and noticeable, and also characterized as having a value proposition that is relevant to, and resonant with, current and potential employees (Moroko & Uncles, 2008). Literature within human resources development (HRD) emphasizes the benefits of having an employer brand. To sum it up, the following points have been said about what companies with the employer brand can do:

- Reduce HR costs, especially when it comes to improving recruitment performance (Barrow & Mosley, 2006; Berthon et al., 2005)
- Improve labour relations (Berthon et al., 2005)
- Provide lower wages to employees on positions similar to employees hired by companies without an practiced employer brand (Berthon et al., 2005)
- Gain higher employee retention, which means reduced employee turnover (Barrow and Mosley, 2005; Backhaus & Tikoo, 2004)
- Improve and strengthen the organizational culture (Backhaus & Tikoo, 2004)
- Higher satisfaction among consumers due to more loyal and dedicated employees (Barrow & Mosley, 2005)
- Increase of financial indicators, such as growth of margin, sales, and share value due to more loyal and dedicated employees (Barrow & Mosley, 2005)
2.3 Analyze model

The theoretical framework has worked as a foundation for the analyze model. This study aims to map and explore how employer branding is used by SMEs as a way to experience competitive advantage.

The analyze model (2.3) should be recognized as follows:

The basis for this study is the RBV, since this study is interested in exploring human capital as a resource, and how it is used in order to experience competitive advantage. According to Barney (1991), the human capital is a source of competitive advantage, and Backhaus and Tikoo (2004) mention how employer branding can be used in order to attract and retain value-adding human capital. According to Barrow and Mosley (2005) and Backhaus and Tikoo (2004), employer branding is divided into two areas; external and internal marketing. This is simplified as attract and retain in the analyze model. Different strategies could be used in the search of a strong employer brand, which later on could initiate competitive advantage through a value-adding human capital (Galabova & McKie, 2013).

The analyze model (2.3) will be used as follows:

When applying previous research about employer branding on SMEs, focus will be on their different executed activities, in the area of employer branding. By doing so, it will open an opportunity to map and explore how employer branding is used by SMEs as a way to experience competitive advantage.
3. Methodology

This method chapter explains what pillars this study is based on, which makes it possible for the reader to evaluate the study’s credibility. Reasoning about literature and company choices is made, as well as explanations of data collection, operationalization, and this study’s reliability and validity.

3.1 Research approach/Methodological approach

The intention with this study is to map and explore how the tools of employer branding is used by SMEs in order to attract and retain the most value-adding employees. This, since employer branding is a concept which is of great importance in the chase after competitive advantages (Universum, 2011), since the human capital has been said to be a resource which could be rare, non-substitutable, imperfectly imitable, and valuable (Barney, 1991).

The study has its starting point in existing theories in order to form a knowledge base of what has been said about human capital in terms of the RBV, how employer branding could help to attract and retain the most value-adding human capital, and how competitive advantage could be experience through this. This continuous in an empirical data collection among SMEs, which later on is compared to previous findings. This is in line with Jacobsen’s (2002) suggestions of how to use the deductive approach. The purpose with this study was to be descriptive in order to provide evidences and insights of how SMEs work with attracting and retaining the most value-adding employees.

However, the final version of this study is based on an abductive approach; combining deduction with induction (Alvesson & Sköldberg, 2008). Alvesson and Sköldberg (2008) mention how an abductive approach is being used when a study’s theoretical and empirical data is being adjusted and refined during the process, which has been applied to this study. The abductive approach is a mixture of both an inductive and deductive approach; acknowledging previous theoretical conceptions at the same time as some of the previous theoretical concepts have been replaced based on the needs found in the empirical data. This is in line with Alvesson and Sköldberg’s (2008) explanation of the abductive approach.

3.2 Research Method

The qualitative approach is chosen for this study, since the purpose is to map and explore employer branding within SMEs with the aim to describe how it is used in order to attract and retain the most value-adding employees, and thereby experience competitive advantage.

The qualitative method differs compared to the quantitative research method. The most important areas where it differs are:

- Analytical objectives
- Types of questions
- Types of data collection instruments
- The form of produced data
- Degree of flexibility in the study design (Mack, Woodsong, MacQueen, Guest, & Namey, 2005)
For example, this means that this study relies on semi-structured questions, that the data is collected through interviews, and that the produced data is in text. When the purpose is to be descriptive and to seek to map and explore a phenomena, the qualitative approach is best suited (Jacobsen, 2002; Mack et al., 2005). The continuing text in this chapter therefore gives descriptions of how the qualitative research method was applied in this study.

3.2.1 Qualitative research method

This study is made in order to map and explore how SMEs are working with employer branding as a strategic tool. Due to this, the qualitative research method will be used in order to gain the right information, since the study will be based on much and broad information. According to Jacobsen (2002), the qualitative research method could be used when the researcher is (1) looking for clarity in what is included in a concept or phenomenon, as much information comes from few units, and (2), when the relationship between an element and a context is studied. According to Mack et al. (2005), this method is more flexible, and iterative style of eliciting and categorizing responses to questions could be made. This was emphasized in this study through being able to ask follow-up questions, making sure that a trustworthy picture of the cases could be analyzed and presented. Important insights could therefore be captured, which otherwise could have been missed, not using this method for data collection. This is called a semi-structured method, which according to Mack et al. (2005) is common when having a qualitative method.

When using a qualitative method, the analytical objectives are to describe variations, individual experiences, group norms, and to describe and explain relationships (Mack, 2005). This means that this study for example will describe and explain the relationship between human capital, employer branding, and competitive advantage within SMEs, describe norms and variations when it comes to SMEs practice of employer branding, as well as describing individuals’ experience of this topic.

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<th>ANALYTICAL OBJECTIVES</th>
<th>DESCRIBE</th>
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Table 3.2.1: Analytical objectives when using a qualitative research method (Mack et al., 2005)

This study is based on interviews, which later are interpreted through verbal analysis, which is in line with Patel and Davidson’s (2003) suggestions. This makes the data format textual, obtained from for example audiotapes, videotapes and field notes (Mack et al., 2005). In this study, field notes were made during the interviews and the interviews were recorded.

Furthermore, this research method makes it possible to gain a deeper knowledge as well as a nuanced picture of the topic (Jacobsen, 2002), in this case how SMEs is working with employer branding. Furthermore, this method has a flexible study design. For example, some interview questions can be added or excluded based on the answers of the respondents. Furthermore, the respondents’ responses to the questions can affect how and which questions researchers decide to ask next (Mack et al., 2005). This was something that was taking into
account during the interviews, so that a flow between the different areas of human capital and employer branding could be held.

According to Mack et al. (2005), the strength of qualitative research is how it can give us complex textual descriptions of people’s experience of a given research issue. It provides us with the often contradictory behaviours, opinions, beliefs, emotions, and relationships of individuals. Furthermore, Mack et al. (2005) argue that it also effective when identifying intangible factors, such as social norms, ethnicity, and socioeconomic status, whose role in the research issue may not be readily apparent. These statements therefore further strengthen the choice of using a qualitative research method for this study, since this type of information can be found to be important in this study.

3.3 Data collection

How the data collection should be conducted, is based on the layout of the research question and the choice of research method (Jacobsen, 2002). This study has its starting point in previous studies about the RBV and human capital. Theories about employer branding is then used to explain how SMEs work with attracting and retaining the value-adding employees. After gaining a broader understanding of the topic, the authors were able to understand and evaluate what type of supporting theories that were needed with the purpose of answering the stated research question, which Alvesson and Sköldberg (2008) state is according to the abductive approach. For example, focus on what has been said to be attractive attributes about employers where chosen to be a part of this study’s theoretical framework, with the aim to use this when exploring what type of benefits SMEs is offering to current and potential employees.

During the development and construction of the theoretical framework, some theories were revised, some were excluded, and some were added. Figure 3.3 shows an overall picture of how this topic was chosen. Numerous scientific articles and books about topics of the RBV, human capital, competitive advantage, and employer branding exists. In order to use theories which can be helpful for a study like this, the literature was categorized and filtered into different themes, and later narrowed down to a foreseeable size of useful theories. The choice of remaining literature was based on the background information to this study, as well as on the layout of the research question.

![Figure 3.3: Filtering the content of previous research](image-url)
3.3.1 Literature study

The topic of employer branding was first explored by conducting searches on the concept through using Google, Summon Supersök, ABI/Inform, and Google Scholar. Keywords such as Employer branding, Employer brand, and Branding were used in order to find scientific articles and other relevant information about it. Through the literature survey, it was found that employer branding often were present in relation to marketing and human resources, which is why this study acknowledge these linkages. This also leads to the usage of keywords such as Person-Organization fit, Employer attractiveness, and Employer reputation. Since previous studies mention employer branding as a way of gaining competitive advantage (e.g. Backhaus & Tikoo, 2004; Edwards, 2009), more scientific articles about employer branding in relation to strategy and competitive advantage were searched for, using key words such as Employer branding and competitive advantage, Employer branding and strategy, Linkage between Employer branding and human capital. Since employer branding is a strategy for attracting and retaining value-adding employees, the linkage between human capital as a part of the RBV was also made. Key words for searching for articles about this were therefore the resource-based view and RBV and human capital.

This study relies on recent research within the research field, as well as on old ones. The reason for why some older scientific articles are used as a base in this study (e.g. Barney, 1991; Ambler & Barrow, 1996; Barney & Wright, 1998; Porter, 1985), is because they are viewed as fundamental texts within their field and often referred to in other studies, making them valid and reliable, regardless of their age.

3.3.2 Pre-study

In the process of gaining an understanding of how employer branding is used in practice, a pre-study was carried out. This was made through visiting the Eee-days at Lund’s University; a job fair where over fifty companies during two days were exhibiting in order to meet and interact with potential employees. At the fair, we met and discussed with company representatives about the importance of marketing yourself as a great place to work, and how this can help companies to gain higher profitability in a numerous of ways. These representatives had titles such as HR manager, communication manager and marketing manager. Just like mentioned by Backhaus (2004) and Oladipo et al. (2013), employer branding seemed to be of great interest among companies, with the aim to employ the most value-adding employees for their specific company. Furthermore, many of the company representatives argued that they (1) wanted to strengthen their overall brand (2) wanted to attract the “right” type of people for their companies, and (3), where looking for ways to retain the ones that were already onboard.

Just like suspected, most of the exhibiting companies were large companies (>250 employees). This once again strengthen the fact that large companies work with employer branding to a much larger extent than SMEs, making it interesting to map and explore how SMEs use the tools of employer branding. Through this pre-study, a great understanding of how employer branding is used within companies were provided, which was helpful in terms of structuring the theoretical framework for this study, as well as conducting the most rewarding empirical study. It also strengthen the choice of focusing on employer branding as gaining competitive advantage through human capital, since many company representatives talked about the importance of investing in the human capital in order to be pro-active in a competitive market.
3.3.3 Empirical study

The empirical data will in this study rely on primary data. Primary data is derived from questioners, interviews and observation (Patel & Davidsson, 2003), whereas this study use primary data based on interviews. To some extent, the empirical data is also collected through secondary data, which in this study means a glimpse at the SMEs homepages, social media profiles and job ads in order to get an overall understanding of the companies’ values and priorities.

3.3.4 Case study

This study is based on cases. According to Backman (1998), using case studies is a common method for the scientific work. The starting point for this study is to gain an overall picture in order to observe as much information as possible about SMEs work with employer branding, which according to Patel and Davidson (2003) is the aim when using case studies. Widersheim-Paul and Eriksson (2006) mention how a case study involves a few objects investigated in a variety of ways. This is a suitable approach for this study, since the aim is to look closer into SMEs work with employer branding and how they view the human capital. However, an existing problem with case studies is the limitations in generalizing the findings, since the cases are not representative (ibid.). At the same time, Eisenhardt and Graebner (2007) mention that generalization is not the main object with case studies; instead, the objective is to develop a theory, and not to test it. An explanation of how the cases were chosen for this study is presented in 3.4 Selection of empirical data.

In this study, the context is of importance, since it concerns how SMEs is working with employer branding tools and strategies, and not how it is used in general. According to Yin (2006), this is when case studies should be used, since this enables a closer look at a specific context. Furthermore, Eisenhardt and Graebner (2007) claim that case studies mean that a phenomenon is studied in its natural context, which means that it is not isolated from its real environment, which could be the case in laboratory investigations and experiments. Since guidelines suggest that between four and ten cases is appropriate in order to provide some proofs which are foreseeable (Eisenhardt & Graebner, 2007), this study has six different cases as a basis for its empirical data.

Furthermore, Yin (2003) argues that it is necessary to define what the case actually is. In this study, a case is a SME located on the Swedish market. Swedish companies and Swedish speaking respondents are chosen in order reduce linguistic barriers between respondents and interviewers, since the interviewers, which also are the authors of this study, has Swedish as their mother tongue.

3.3.5 Operationalization

The different concepts or variables that have been found during the literature review needs to be translated, so that appropriate empirical data can be collected for the analysis (Patel & Davidson, 2003). To facilitate this, an operationalization chart was constructed. In the operationalization chart, all important findings from previous research was grouped into different categories whereas questions where formed based on them, as well as on this study’s stated research question. The operationalization chart can be found in appendices (Appendix 2).
3.3.6 Qualitative interview guide

The theoretical framework formed the basis for the interview guide (Appendix 3). The different concepts mentioned in the theoretical framework were operationalized, which means that overall themes where constructed which later were used when forming the interview guide. These themes where used as a way of grouping the questions, which according to Byrman, Bell, Mills, and Yue (2011) means a more fluent interview.

Since this study is designed to explore how SMEs work with employer branding in order to attract and retain the most value adding employees, the interview guide was constructed as semi-structured questions. Byrman et al. (2011) state that semi-structured questions are questions which are open and broad, which means that there is room for follow-up questions. This is in line with Jacobsen (2002), who states that different degrees of structure exists, suggesting that structuring the interview after themes, are parts of what is known as open questions. This study is therefore constructed in this way, securing that interesting and important thoughts, concepts, and statements not were left out.

According to Jakobsen (2002), an interview around an hour is an appropriate time frame. This also makes the material reasonable easy to transcribe, which is an important feature when choosing a qualitative approach for a study. The aim has therefore been to conduct interviews in this time-frame, while at the same time not rush through any interview just because this timeframe is about to be reached. When all interviews where completed, they were found to be in a range of between fifty-five to seventy-five minutes long.

When creating the interview guide and when conducting the interviews, the term employer branding was deliberately not used in order to simplify the concept for the respondents, and to make the employer brand’s different parts more tangible to the respondents. Instead, words like attracting, retaining, current employees, potential employees, marketing, employer, and communication were used. This was made since for example Galabova and McKie (2013) mention how SMEs often talk about human capital as skills, knowledge, personality, focus, and willingness to commit, instead of its generic name ‘human capital’. This was also made as an attempt to get the respondent to talk more about the areas regarding their view of the company as an employer, their employees as a source for competitive advantage and the work with attracting and retaining the most value-adding employees. By doing like this, the study excluded the risk that the respondents would draw their own assumptions about what employer branding actually is, and they were instead able to talk about its constituent parts in more simple words.

3.4 Selection of empirical data

When choosing cases for a scientific study, the choice should be based on choosing cases where it is easy to observe the topic (Eisenhardt & Graebner, 2007). This means that the choice should not be random, since this is neither necessary nor preferred (Eisenhardt, 1989). This study has employer branding in SMEs as its focus, which is why focus has been drawn to find SMEs. However, since employer branding mainly is practiced among large companies (e.g. Joo & McLean, 2006), there were no wish of finding SMEs that were known for working with the concept. Instead, this study strives to explore how the tools and strategies of employer branding are applied by SMEs, making the selection of cases based only on size and industry.
### 3.4.1 Company selection

This study is concerned with SMEs and their work with employer branding. Since SME is a broad concept, describing companies with 0-250 employees (Europeiska kommissionen, 2006), there was a risk of choosing SMEs that are too different from each other in terms of number of employees. According to definitions made by Europeiska kommissionen (2006), SMEs can be divided into the following categorizations:

<table>
<thead>
<tr>
<th>Company category</th>
<th>Number of employees</th>
<th>Annual turnover</th>
<th>Total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-sized enterprise</td>
<td>&lt;250</td>
<td>≤ 50 million euro</td>
<td>≤ 43 million euro</td>
</tr>
<tr>
<td>Small-sized enterprise</td>
<td>&lt;50</td>
<td>≤ 10 million euro</td>
<td>≤ 10 million euro</td>
</tr>
<tr>
<td>Micro enterprise</td>
<td>&lt;10</td>
<td>≤ 2 million euro</td>
<td>≤ 2 million euro</td>
</tr>
</tbody>
</table>

**Table 3.4.1.a:** Categorization of SMEs (Europeiska kommissionen, 2006)

In the terms of employer branding, this study has no deeper interest in SMEs that are categorized as micro enterprises. This, since an assumption is made that they are too small to be interested in marketing themselves as employers. Since the definition of SMEs contains many different company sizes, companies placed in the middle of the segment was searched for as an attempt to try to avoid the extremes. This was done to reduce the impact of variations due to financial capabilities and size of the company. Furthermore, this study focuses on number of employees when choosing appropriate SMEs, which is in line with how previous studies on SMEs have categorized them (e.g. Martin & Chapman, 2006; Holden, Jameson, & Walmsley, 2007).

To find SMEs, the webpage www.allabolag.se was used. This webpage provides information about the size of companies in terms of headcount, turnover, and total assets. We also used the database Retriever, which can be used in the same way as www.allabolag.se. The companies which later were chosen were given fictive names in order to stay anonymous. They also represent companies placed in different industries, making it possible to map and explore how SMEs located across different industries is using employer branding.

<table>
<thead>
<tr>
<th>Names of the companies</th>
<th>Type of Industry</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venus AB</td>
<td>Sport &amp; Health</td>
<td>55</td>
</tr>
<tr>
<td>Mars AB</td>
<td>Building Merchants</td>
<td>180</td>
</tr>
<tr>
<td>Jupiter AB</td>
<td>Medical Technology</td>
<td>55</td>
</tr>
<tr>
<td>Saturn AB</td>
<td>IT Management</td>
<td>120</td>
</tr>
<tr>
<td>Uranus AB</td>
<td>Staffing &amp; Coaching</td>
<td>80</td>
</tr>
<tr>
<td>Pluto AB</td>
<td>Transport &amp; Logistics</td>
<td>60</td>
</tr>
</tbody>
</table>

**Table 3.4.1.b:** Companies used in this study
3.4.2 Choice of respondents

When looking for answers about SMEs’ work with employer branding tools, respondents with insights about this were required. Due to this, this study has used respondents in management positions such as HR manager and Marketing manager. However, one case is based on the answers from a Marketing assistant. All the respondents were chosen due to the statement that they were the ones within the companies that could give us the most accurate information about this topic. The choice of a Marketing Assistant in the case of Saturn AB, was made due to her working tasks within marketing, communication, and recruitment, and the fact that the company is largely decentralized, which is why this respondent is as trustworthy in her answers as the other SMEs managers. The empirical data is based on personal communication between the respondents and the interviewers. This means that quotes and statements are based on what came up during the interviews. Due to this, no specific references are given in chapter four; Empirical data; since the information of what the respondents have said during the interviews is presented in a way that makes it easy for the reader to follow. Instead, the table below works as a reference of when the personal communication between respondents and interviewers were made. In the case of Venus AB, two respondents exist, whereas every quote is labeled with either Venus A or Venus B, depending on who has said it.

<table>
<thead>
<tr>
<th>Names of the companies</th>
<th>Name of the respondents</th>
<th>Position of the respondents</th>
<th>Date for the interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venus AB</td>
<td>Venus A, Venus B</td>
<td>HR-Manager, Marketing Manger</td>
<td>2014-04-28 11:00 am</td>
</tr>
<tr>
<td>Uranus AB</td>
<td>Uranus A</td>
<td>HR-Manager</td>
<td>2014-04-29 01:00 pm</td>
</tr>
<tr>
<td>Mars AB</td>
<td>Mars A</td>
<td>HR-Manager</td>
<td>2014-05-09 08:30 am</td>
</tr>
<tr>
<td>Pluto AB</td>
<td>Pluto A</td>
<td>Administration &amp; HR-Manager</td>
<td>2014-05-06 04:00 pm</td>
</tr>
<tr>
<td>Saturn AB</td>
<td>Saturn A</td>
<td>Marketing Assistant</td>
<td>2014-05-02 10:30 am</td>
</tr>
<tr>
<td>Jupiter AB</td>
<td>Jupiter A</td>
<td>HR-Manager</td>
<td>2014-05-12 10:00 am</td>
</tr>
</tbody>
</table>

Table 3.4.2: Overview of respondents used in this study

3.5 Data analysis

To ensure that that the answers from the respondents could be examined several times, and therefore assure that appropriate assumptions were made, the interviews were recorded. According to Widersheim-Paul and Eriksson (2006), recorded interviews mean that chosen quotes are accurate, since they can be narrated word by word. Recorded interviews also mean that other scholars can review the material (ibid.). However, it could mean that respondents are careful with what they say and how they answer the questions, since they know that they are recorded (ibid). Since all companies and respondents are kept anonymous, this risk was regarded as low. Furthermore, to make the material more manageable, all verbal data was transcribed into text. This makes it easier to capture the whole picture, as well as to avoid what can be regarded as trivial and sporadic descriptive (Backman, 1998). Along with Eisenshardt and Graener’s (2007) suggestions, different categorizations and dimensions of the
collected data were made which could raise the probability to find correct paths. This meant that with the use of the collected data:

- Categorizations based on the theory were made
- Findings were structured into these categorization and different paths were searched for (Appendix 5)
- An interpretation of paths and structures found from the empirical data were made
- These were structured case by case and then in themes
  ➔ This allowed conclusions constructed in an accurate way

Even though categorizations and themes were constructed, the analysis is presented case by case, but with a separation between human capital and employer branding. The analysis of the human capital is made first, so that the layout from the theoretical framework is followed. This is later followed by an analysis about employer branding. This is made so that the reader is presented with an overall picture of how the six SMEs view the human capital and how they work with employer branding tools.

3.5. Reliability and validity

Validity and reliability determines that research is made in an accurate way. High validity proves that the research has investigated the purpose of the study and a high reliability proves that the observations are made in a reliable way (Patel & Davidsson, 2003). According to Jacobsen (2002) validity can be divided into two aspects; internal and external. The internal validity acknowledges that the used operational definition really observes what is aimed to observe. The external validity refers to control the results of the study, and in what way they can be generalized (ibid).

This study is based on a qualitative approach where few specific observation-units have been observed. According to Jacobsen (2002) qualitative approach have less ability to be generalized into a bigger population. This questions the external validity of the study, as the result not can be transformed into a population outside this specific context. A positive effect on validity according to Yin (2006) is the use of several different cases which was used in this study. Also the use of a pilot-study increases the validity of research (ibid), something that was made in the beginning of this study.

Reliability questions the trustworthiness of the study and indicates eventual errors in the study, disturbing the results. It can be multiple factors disturbing the results, but with a qualitative approach the interaction between the respondents and the interviewer is the most obvious error (Jacobsen, 2002). In this study, the reliability has increased as the interviews have been taped and stored, which gives an opportunity to listen to the material again. At the same time, the reliability has decreased as all respondents are anonymized which closes the opportunity for someone else to do the exact same study in order to control the results. However, the anonymity gave the respondents the opportunity to answer honestly, as the answer would not be connected to them, which increased the reliability. The choice to simplify the term employer branding to more familiar and tangible terms in the operationalization, did also increase the reliability of this study. This, since the respondents could perceive the questions in a similar way.

Something also needs to be said about the theory which lies as the foundation for this study. One needs to recognize that findings cannot necessarily be extended cross-nationally. This is why this study’s theoretical framework mainly is taken from studies conducted in other
westernized countries, which therefore are more likely to have similar thoughts, ideas, and values as the cases used for this study, that is SMEs located in Sweden.

### 3.6 Generalization

According to Jacobsen (2002), qualitative research methods are often not used in order to be generalized to larger populations (statistic generalization). Instead, according to Yin (2003), an analytical generalization is used in case studies. This means that the findings in this study cannot be generalized in a broad perspective and applied on large population (based on random selection). Instead, the findings can be used towards theoretical propositions in the area of employer branding and SMEs.

### 3.7 Research ethics

Jacobsen (2002) points out that the respondents’ anonymity in the study is something the researchers must consider when conducting a study. Since anonymity can mean that respondents experience a greater freedom to be sincere (ibid.), the respondents are in this study presented with fictive names. Furthermore, the location of the companies is concealed, in order to avoid recognition of the companies. Furthermore, the authors also asked for an approval of recording the interviews. Jacobsen (2002) states that recorded interview might make the respondents unsure. However, the recorder was placed so it would not disturb the respondents, and none of them claimed to have problems with being recorded. This response could be a result due to the fact that the empirical data collected in this study can be considered as relatively insensitive, since most companies presents parts of it on their webpages, in social media channels and in their annual reports.
4. Empirical data

Empirical findings from the study are presented in this chapter. The content is based on respondents’ answers on the interview questions, which are drawn from previous research. Each case is presented separately with a flow from the companies’ view of human capital as a resource, to how they use employer branding activities in terms of attracting and retaining employees.

4.1 Venus AB

We met the two respondents, Venus A and Venus B, for an open interview at their office. They work as HR-manager (Venus A) respectively Marketing-manager (Venus B) at a large fitness center, which is regarded as the biggest in town, and also the only location it is present at. The business idea is to offer training facilities in a variety of ways in a family atmosphere. Here is a gym, a relaxing area, a juice- and coffee shop, group workout rooms, and swimming pools. As if that was not enough, the company also provides babysitting for all its members while they are working out. At present, Venus A is responsible for all the personnel, fifty-five employees in total. Venus B is responsible for the marketing activities of Venus AB. She started as an instructor, but after finishing her marketing studies, she got the job as marketing-manager. Venus A has long experience of the industry and as an instructor, and before starting at Venus AB, she worked for one of its competitors.

While being in the industry of sports & health, Venus A recognizes that the size and range of the company is a great asset for competitive advantage, since Venus AB offers something that fits almost everybody. Venus B continues by confirming that size and range is important, but that one of the most important resources for continuing to attract customers; is the company’s employees. They could even be considered as the most important resource that they have, according to Venus B. Venus A explains how this industry is a very competitive one, and that having great instructors at the fitness sessions and in the gym is essential for having customers coming back to them.

“They [the employees] interact so closely with our customers, and we know that some customers have chosen us just because they want to work out in fitness sessions led by specific instructors who work for us”. (Venus A)

When it comes to attract and retain instructors, both respondents describe the uniqueness of the industry. According to Venus A and Venus B, they seldom have to advertise for instructors partly because there exist a surplus of individuals how want to work in the industry and partly due to the fact that many instructors desire to work there. This in turn partly depends on the good reputation among instructors in the industry and partly on the opportunities that comes along with the company size, range, and facilities. The respondents tell us that they practically never recruit people externally when it comes to full time employments; instead, they do internal recruitments. The reason for this is that they then know that the employee has a good fit with the rest of the team. The team fit and organizational fit is something both Venus A and Venus B sees as highly important, and they describe cases were employees lost this fit, and therefor left the organization. The personal characteristics they are looking for are, healthy, joyful, engaged, and accountable, but they also have to adapt to the concept of a familial organization. Employee appraisals and discussions are held yearly in order to make sure that values, beliefs, and policies of the company, are reinforced with its employees. This is done in order to make employees think of
how them as individuals could contribute to the company catchwords; solidarity, family, and sport.

The interview slips over to the area of finding new employees. If Venus AB does external recruitments, this is made through headhunting in order to gain one of the top instructors at the market, and Venus A has a large network within the industry. Sometimes Venus AB actually goes so far that it creates job opportunities for specific instructors who are known for being really great at what they are doing. This is done simply because it is believed that Venus AB cannot afford to turn them down, due to the value they are considered to add to the business, through happy and satisfied customers.

Both of the respondents discuss the specifics of the industry and how Venus AB works as an employer in order to offer its employees the best benefits, so the most talented instructors will choose Venus AB as a workplace. They both argue that money is far from everything in the industry, and that there are other valuable benefits that could be crucial when it comes to the competition of winning value-adding employees. The respondents explain how they give the most value-adding employees more responsibility and a bigger influence regarding decisions, through for example different organizational projects. Even though money is not everything, the most value-adding employees get a higher salary. The ones, who are qualified as key persons, are the ones who attract most customers to their fitness classes, and who could take customers with them if they decide to move on to another gym. The respondents discuss the essence of keeping Venus AB’s employees satisfied, and how this is a key to a successful business.

“If you keep the employees happy and satisfied, they will treat the customers the same way, and it is the customers that will carry on our brand”. (Venus B)

“There are always some persons that are more important than others, and that would be more costly to lose. [...] at the same time, we want everybody to feel important, because they all are important”. (Venus A)

The interview continuous, discussing Venus AB as an employer. When describing Venus AB strengths as an employer, the solidarity between colleagues and the opportunity to be so many instructors are the most prominent ones. Also the team spirit and feeling of belonging are strong, according to the respondents. At the same time, they admit that being many instructors and many hourly paid employees’ causes a risk that someone will feel neglected. They also confess that even if they believe that rumors about Venus AB as an employer mostly are good, it depends on who you are asking.

When it comes to be visible, Venus AB primarily uses the channels of social media, mostly Facebook but also on Instagram, as well as on a blog. They also run campaigns three to four times a year, which Venus A claims is a way to present themselves also as an employer. Venus AB also regards its employees as a way to spread the word of how it is to be employed by Venus AB. According to Venus B, they also try to be present at different sorts of events around the town, and she claims that everybody involved in this industry knows that this is a company where a lot is happening. Once again the respondents mention the three catchwords, sport, solidarity, and family. These three also appear in the external marketing, and is something they really try to communicate to all its different stakeholders.

“We want to be seen as a familial organization that captures all types of individuals with a common interest for healthiness and wellbeing”. (Venus A)
4.2 Mars AB

Mars AB is a retail company with focus on selling building products, mostly through e-commerce, but with show rooms available at three locations, enabling customers to see the products before they actually buy them. The respondent Mars A, the HR-Manager of the company, tells us that the company since its foundation (forty-nine years ago), has demonstrated growth every year, except two years, and that the company today has around 180 employees. This is a result of an organic growth, with the ambition to spread to other parts of Sweden, making the company’s products more reachable to customers.

Mars AB is on a B2C (Business-to-customer) market and the business concept; offering customers free home delivery, better purchasing condition than the law demands, and high quality products to a low price; are some of Mars AB’s strengths against competitors at the market. Due to this, Mars A describes how the conditions and simplicity of the purchase and the home delivery of the products give the customer a value-adding perception by providing a feeling of a secure purchase. He also declares that one of Mars AB’s most valuable assets is that the company is cross-functional managed and that the company controls all parts of the value chain (production, logistic, marketing, and service). He also mentions how this usually is attractive for applicants, knowing that if working here, they will get involved in what is going on and not be isolated to a single department.

Mars A has been at Mars AB for sixteen months, coming from an employment at a large organization that was highly focused on branding itself in different ways, and Mars A talks in terms of branding through the whole interview, without us mentioning it even once. He tells us that he did not know much about Mars AB before he decided to apply for a job at the organization, at least not about Mars AB as an employer. During his employment time at the company, more focus has been drawn to how to strategically work with the recruitment process, how to be an attractive workplace, and how to plan for succession. According to Mars A, this work is of great importance as he believes that the knowledge about Mars AB as an employer is almost nonexistent among potential employees. This also goes for the ones within the local area of Mars AB’s headquarter. He describes how the company today uses its homepage and social media such as LinkedIn as a recruitment tool in order to brand Mars AB as an employer. Also the employees are an important channel according to Mars A, since they spread the reputation of how the company is as an employer.

“...the employee presentations at the homepage indicate that this is a good company and a good employer”.

The respondent continues to describe how the typical recruitment process starts in the requirement analysis and how an ad is created from this. The job ad is then published in different channels, such as Arbetsförmedlingen, LinkedIn, and the homepage. However, LinkedIn is expensive if you want extra features, and Mars A feels that he cannot use it in the same way as large companies, who easily can back up all extra costs. In order to handle all the job applications, simple recruitment tools are used to create shortlists of the most potential employees. This is followed by interviews and sometimes tests. According to Mars A, there are three aspects among applicants which are important to consider: the competence, the ability, and the attitude. Mars A states that it is essential to be humble and to have good sense of humor in order to fit into the organizational culture.

“If you have the ability and the right attitude, you can always train and develop your knowledge, but you do not have the opportunity to do the other way around”
Mars A also mentions how every new recruitment means a look at the organization as a whole; could they change anything in the specific department, what competences are really needed, should the position look the same or should it be changed, and so forth.

The respondent Mars A describes how the work with branding the company as an employer just has started. Today, there is a discussion about collaboration between the marketing- and HR department. According to Mars A, the company now works with both internal and external communication in order to attract and retain employees. To attract future employees, the major focus of the external communication is in communicating the company’s great work environment, career opportunities, and low sick leave. Mars A states that it is highly significant that everything that is said about the company has to be trustworthy communicated in order to fulfill the purpose. He also states that it is of great importance that the communication with all applicants during the recruitment process has to be respectable since every applicant is a potential customer.

“We are honest. We are trustworthy and authentic in what we communicate, and we try to communicate what is great with the company.”

The interview takes another direction, touching the area of retention. Mars A describes that only one employee has left for another company during his time at Mars AB, and that the company overall has a low employee turnover. Mars A describes it as almost unhealthy low, since Mars A favours some sort of employee turnover, mentioning that new employees offers new ideas and opinions which can help the company to grow. According to Mars A, the low employee turnover depends on the company’s generosity as an employer, offering high health care contributions, exclusive giveaways during the year (cake at sales records, Christmas- and summer presents), and team activities (Christmas dinner, Easter breakfast, Italian buffet). Mars A also refers to Mars AB’s work with employee surveys and action plans created from this, in order to develop as an employer, and due to this become a stronger and more efficient organization. The low employee turnover rate may also depend on the career opportunities inside Mars AB, due to the fact that half of the vacancies are filled by internal recruitments, giving employees opportunities to further education and personnel development. When talking about the salaries, Mars A says the following sentence:

“If you ask our employees if they have a great salary, everybody will say no. At the same time, I don’t think anyone will quit because they experience that the salary is bad.”

When it comes to career development, Mars AB is investing in performance appraisals with its employees, with an aim to construct appropriate goals for employees as well as for the organization. Mars A emphasizes the need of follow-up, making sure that something good and concrete actually comes out of this. For example, if there seems to be a need for education for some employees, a follow-up on this education is made in order to analyze what it generated, since the aim of it was to invest in order to gain something back. However, Mars A is pointing out that the company still is very generous, and that there usually never are any problems with investing in different sorts of education, training, and activities, since the company has great financial muscles.

Last part of the interview regards the respondent’s view of Mars AB as an employer. The respondent tells us that he would describe the company as generous regarding its attitude towards the employees, as a secure employer due to the financial results, and aggressive in the pursuit of continuous improvement as an organization. Despite this, there are also some weaknesses with Mars AB as an employer. For example, the fact that the company right now
is in the process of becoming a listed company is causing concern of what this really means. Furthermore, the security created from forty-seven years of positive financial results, could suppress the urge to chase new achievements.

The interview is finalized by a quick glimpse into the future and the work regarding potential employees. Mars A declares that collaboration between the university in the local area and Mars AB is right now under construction. The same regards the connection between the product branding and the branding of Mars AB as an employer. He also states that it is important that the company is visible, both to future customers and potential employees.

4.3 Jupiter AB

Jupiter AB is a company started by an entrepreneur with huge knowledge within technical image analysis. He saw an opportunity to use this technology in the medical technology, which resulted in the creation of Jupiter AB. Today, Jupiter AB’s head office comprises its sales and marketing department as well as its R&D department, and sixty to seventy percent of the employees work with R&D. Important to notice is that Jupiter AB has outsourced its whole production. It also relies on distributors to sell its products, and the sales department work is to support Jupiter AB’s different distributors.

“If we had owned our own distribution line, we would probably have been double the amount of employees. […] but while doing like this, we can focus on our core competence within hardware and software development”

In the industry, Jupiter AB is a relatively small company with only seventy employees in total, whereas fifty-five of these work at the head office in southern Sweden. The respondent, Jupiter A, started her employment as HR-manager at the company five years ago, and has a background in larger companies. At Jupiter AB, she has responsibilities in the personnel area, recruitment, career planning, succession planning, salaries, and employee benefits.

At Jupiter AB, the human capital is seen as an important resource. The respondent describes how the vision and aim is well-documented in a long-term strategy, and that this underlays the work with short-term strategy and goals, and the work with the human capital. Yearly conducted activities are appraisals, individual goal setting, and goal setting for different functions. The short-term strategy also examines what competences that exist, or could be developed by current employees, and what competences the company has to buy in (in form of consultants) or recruit.

The interview continues in what the company can offer to its employees, and the respondent express the following sentence:

“I had a wish of being where “it really happens”, to be allowed to take responsibility and to actually be ultimately responsible for different implementations. I am allowed to do that here.”

Jupiter A continues with explaining that there are great learning possibilities at the company, and that Jupiter AB always tries to find out how they can utilize and develop the employees and their competence in the most optimal way. This is mostly done through career planning, which is formulated between Jupiter A and the employees. Due to this, Jupiter A describes how every employee should be able to look back on their time at Jupiter AB, and be able to see the journey they have accomplished.
“We can always promise our employees that it will be an on-the-job-learning, but we cannot guarantee to send them to the most expensive courses”

At this point of the interview, Jupiter A mentions how that might be a problem, since they do not have the ability to offer any career development project. According to the respondent, a critical mass is required in order to do so (according to her; at least about 300 employees), and that one person is full-time responsible for this. Despite this, Jupiter AB tries to work with career development within employees’ current positions by encouraging them to undertake advanced assignments and operate them in project. She continues with explaining that while working here, you have to understand that most of the jobs are cross-functional, and you have to be prepared for that.

Beyond the possibility to further personal development, Jupiter AB offers several benefits to its employees. Every morning, breakfast is served, and it also offers health care contributions, but Jupiter A refers to this as a regular kit that every player in the industry offers its employees. According to Jupiter A, the monetary compensation is divided into two parts, salary and a bonus program, but she states that the financial compensation cannot motivate, only demotivate. With that, she means that you have to get paid for what you are doing, and feel that you are appreciated, but you will not get the very highest salary, but of course; a market-based salary. She continues with arguing that the salary is probably not the reason for working at Jupiter AB. Instead, you like this company if you enjoy being entrepreneurial and innovative, to break new grounds, to have a rather prominent role where you are responsible for your project, and when you enjoy working close to you colleagues.

Interesting is that when it comes to retaining key employees, Jupiter A declares that they to some extent give key employees more responsibility, but the greatest differences between the other employees and a key employee, is the salary level. Furthermore, Jupiter A acknowledge the importance of the employees and to keep them motivated, since losing to many of them at the same time will mean serious harm for the company that is so knowledge-driven.

The respondent explains how the recruitment process is driven from two different directions; recruitment in order to grow or in order to replace someone. According to Jupiter A, it is of great importance to think about what the company needs, and not only look at what the position has required earlier on. It is important to consider the company’s direction, and connect the upcoming recruitment with visions and goals of the company. Depending on what position is recruited, Jupiter AB uses different strategies. Advertising in channels such as Stepstone and its own webpage is usually done, while instead headhunting is used for management positions, but also to the R&D department. The respondent explains how they also often use the network of the R&D manager at Jupiter AB when it comes to recruit engineers to the R&D department.

According to the respondent, the company when advertising a new position has higher focus on transferring information about Jupiter AB as company and to create a feeling of how it is to be employed by the company, instead of laying focus on the specific position. During the recruitment process it is important to see if the applicants fit with the organization. Jupiter A explains how future employees have to be able to work in unstructured conditions, constant changes, and to be team players. Furthermore, an applicant’s competence is of great importance, but it is also of significance that they have the ability to show respect and humility to the other employees working at Jupiter AB. According to Jupiter A, the recruitment process is both time consuming and expensive. Jupiter A also stresses that they need to succeed in describing the company for applicants, so that the applicants have understood what Jupiter AB is all about.
“When recruiting someone new, we are often many people involved in choosing candidates to meet, as well as in transferring information about who we really are, and what to expect of being an employee at Jupiter AB”

The low employee turnover could, according to Jupiter A, be a result of the accuracy during the whole recruitment process, which in the long run reciprocates the expensive- and time-consuming process. However, a new employee does not necessarily have to be exactly the same as the ones already working at Jupiter AB. As Jupiter A mentions, the company sometimes needs someone with a new way of thinking. This sometimes means conflicts, but in the end, you want to work here because you like innovation, so the conflicts are usually short-lived, and the focus is drawn back to creating the best solutions as possible.

Jupiter A describes how one of the company’s strengths as an employer, is the company size. She declares that the size makes it possible to create a tight connection between the employees, which in turn can open up for cross-functional dialogs and solutions to problems. The size is also part of the company’s employer weakness, since the size does not open for career development programs. Jupiter A also describes the company as engaged, entrepreneurial and quality conscious. According to Jupiter A, one of the more prominent strengths is the attitude among employees, and their desire to innovate and continuously develop new solutions.

“We want to be best, we want to be the most innovative and inventive - so may the best solution win!”

When it comes to marketing Jupiter AB as an employer, Jupiter A mentions how the company not really has had any needs in doing so. It is not present at the large student fairs, because it feels that it would be wrong, since it does not have any job to offer. However, company representatives sometimes lectures at universities, which is where they sometimes find students who write their master thesis with them, which sometimes ends up in a job offer. According to the respondent, the company does not use the channels of social media in order to attract potential employees. It has tried it, but experienced it as not very useful. Jupiter A also states that the company does relatively few actions regarding direct marking of Jupiter AB as an employer, it relies more on a pull than a push strategy.

“We do not shoot with hail; instead, we are more likely to hit the mark if we point and aim sharply at the target, making it possible to hit it on the bull’s eye”

However, Jupiter A recognizes that potential applicants are everywhere, and that the company is aware of this in communications with stakeholders. She also declares that the strategy of not having a very external marketing of Venus AB may have to change if the company has to grow in a faster speed, since there is high competition for the same competence in the local area.

Jupiter AB is really a company where entrepreneurship and innovation are highly appreciated, and where you need to possess specific skills in order to fit into the company’s core: its R&D department. The low employee turnover indicates that it has managed well in finding people who enjoys this environment, and any specific activities for being visible has not been needed in order to attract the right type of applicants to the company.
4.4 Saturn AB

We are about to meet Saturn AB, a company founded in the late 1980s by three technologists from the university in the city. Today, the company is focused on CRM-systems, which means systems for sales- and customer support, and are present in the IT-management and the software industry. Saturn AB has 115-120 employees, distributed in five different offices (three in Sweden, one on Norway and one in Finland). Our respondent, Saturn A, works at the marketing department at the head office. Saturn A describes how she first met the company at job fairs during her study, and that she later applied for a job that she did not get. However, a year later, the company had a job opening which they thought she would be perfect for, which is the story of how she ended up at Saturn AB. Saturn A has now been there for about a year.

Saturn A continues by describing how Saturn AB owns its own value chain and how it is doing everything from developing its own systems, managing customer service and support, managing sales and marketing, and offering consulting services. Saturn A develops this through describing how the marketing department is doing everything from creating sales presentations, administrate the webpage, providing marketing material, manage public relations, and being responsible for recruitment processes. In order to be successful, Saturn AB has its own niche, working with visual concepts by always have this motto in the employees mind; Keep-It-Simple-Stupid (KISS-model). The most valuable asset in order to succeed with this is the employees, and due to that, the human capital.

We ask Saturn A to develop her thoughts about the human capital and how Saturn AB works in order to attract and retain the most value-adding employees. During the recruitment process Saturn AB lays a great focus on communicating what it is like to be an employee at the company. The respondent explains how they try to communicate partly how they work with assignments, but also the social aspect of being part of the company. The last aspect is of great importance which in turn causes a high focus on personal fit. She explains how the company is extremely thoroughly when it comes to hiring a new employee. The personal fit even goes beyond the competence of the applicant.

“We are rather 110% confident about the fit, compared to 99%. Due to all this, the recruitment process is rather time-consuming, but we know it is worth it in the long run, because if we are sure about the candidate, the possibility that he or she stays longer is also higher. [...] you almost always get hired for who you are, and not necessarily for your competence.”

This leads us into the discussion about employee turnover, which is regarded as rather low by Saturn A. According to her, only about two-three persons quit every year. Saturn A believes that this has to do with the recruitment process, which starts with a speed-date session, and if passing that, the applicants get to present a case. This makes it possible for Saturn AB to meet the vast majority of all the applicants, and out of 700 applicants this year for its trainee program; Saturn AB has met about 70-80% of them through its speed-date session. While at the speed-date, Saturn AB also makes time for a company presentation, which therefore can be seen as another channel for marketing itself as an employer.

In order to fit with the organization, the applicant has to have certain personal characteristics such as being optimistic, social, and joyful. Also important is that they feel the passion for Saturn AB. However, Saturn A mentions that in the search for appropriate candidates, Saturn AB has no specific plan, but that it has students at university level as its target group, with two particular universities where it always tries to be present at job fairs and so forth.
Employees also try to lecture there, explaining who they are, what they are doing, and what the industry looks like. While explaining this, Saturn A recognizes that they actually do have some sort of plan or strategy of where to be visible.

“I guess that this is where we have some sort of strategy. That we actually try to do these activities at these universities”

Saturn A also explains how the company is active on social media such as Facebook, Twitter, and LinkedIn. Furthermore, all employees are seen as ambassadors for the company, communicating how it is to work at Saturn AB, and when we ask who is working with branding Saturn AB as an employer, a simple answer is given:

“It is all of us who work here!”

Many descriptions of how it is to be an employee at Saturn AB is also provided through its homepage, where Saturn A explains how the company emphasizes on communicate how fun it is to work there, and what a great employer Saturn AB is. Saturn A explains how important the coffee break at three o’clock is, and that the feeling of passion among the employees is embedded in the building’s walls.

The respondent also explains the similarities between the corporate and the product branding, with the branding of the company as an employer, as she highlights the KISS-model once again, explaining that they (the employees) try to use this in all communication, and that simplicity is key. She therefore believes that the company communicates in a similar way to its different stakeholders.

The whole organization seems to communicate an almost familial feeling. Besides the importance of personal fit when recruiting a new employee, Saturn A continues to describe the benefits offered to employees. These are largely described in terms of food, breakfast two days a week, smoothies and more luxury coffee breaks, all things goes well with interior of the office (multiple coffee machines and Sacco bags to sit in). Beyond this, the company also offers health care contributions, flexible time and to some extent further education and training. However, one gets the impression that it is the feeling of being a part of Saturn AB and its innovative climate, which is the most prominent benefit of being an employee here.

When it comes to career opportunities, Saturn A declares that it is only the employee itself who sets its own barriers, and she states that it is the individual who has the responsibility for reaching her own goals, but the managers support and pushes the employees forward all the time. Due to a discussion about internal recruitment, Saturn A explains that Saturn AB uses this if it considers having the right competence inside the organization, but that it probably is fifty-fifty, with some recruitment also from the outside. This part of the interview is well summed up by Saturn A stating:

“We are looking for people who like innovation and three o’clock coffee breaks. It is very important that you have fun at your work; you should want to come here every day. It should not be a hassle to work”

The interview leaves the part regarding retaining and attracting employees and continues with the subject regarding how the respondent analyzes Saturn AB as an employer. Saturn A hopes that potential employees see the company as a fun employer and she also believes that this is what the rumor says. Saturn A continues to describe the company as an employer by using words such as flexible, positive, and fearless. When describing Saturn AB strengths as an employer the respondent instead uses words like familial and social, both between different
offices but also outside the work. The size of Saturn AB relative to competitors in the industry is providing the company problems when it comes to competition with salaries and financial benefits, something that according to the respondent could be seen as a weakness.

4.5 Uranus AB

It was with curiosity that we listen to a fascinating story about a company who had grown from five employees in 2012, to eighty employees in 2014, and from existing at two locations to today’s eighteen. The company which we are talking about is Uranus AB, a company which works with coaching in different projects through collaboration with Arbetsförmedlingen. The purpose of Uranus AB is to help individuals grow towards the labor market and to get them closer to operators at the labor market. This means individual meetings, presentations, and lectures with a positive attitude towards the participants with the aim to help them find a new job. Also some manager coaching is offered, but the core is Uranus AB’s collaboration with Arbetsförmedlingen. Since Uranus AB has expanded greatly during the last years, it makes it to a company with growing pains all over the organization. Respondent Uranus A has only been at the company for nine month, but since the personnel have doubled during this time, he is perceived as one of the more experienced ones. He tells us that he applied for the role as personnel manager after an advice from a friend, and two interviews later the job was his. Before this, he worked at a company owned by venture capitalists with high focus on financial results, and with this opportunity, he saw himself bringing something more in to the world.

“This was a company which goes by its heart, sees the individual, who wants to help the individual, and which won’t stop growing. I liked that!”

According to the respondent, there are only two different components needed in order to gain competitive advantage within the industry; IT and human capital with the right competence. The last aspect is the most important one, but also the hardest one to fulfill. In this industry - which by Uranus A is labeled staffing and coaching industry - it is hard to find human capital with both adequate experiences from businesses and with the ability to guide others. According to Uranus A, one of the company’s characteristics is that it hires older people, and he states that this also could be seen as a competitive advantage in the industry. There are two different perspectives when it comes to hire someone older. They have the experience and the knowledge, but at the same time many of them come from large companies where they are used to find answer to a problem in the policy documents, something that do not exists at Uranus AB as the company is still relatively small and young.

The ambition to help people is something that keeps coming back during the interview, as Uranus A responds to questions regarding the company as an employer. Uranus A depicts how the company is known for employing older applicants and that people hunting for financial success applies elsewhere. It is clearly that the willingness to contribute to the purpose of the company is in focus when applying to Uranus AB. Uranus A also describes how the company tries to keep the recruiting costs low, and therefore only uses Platsbanken when advertising a job vacancy. As Uranus AB work with unemployed people and to get them back to the labor market, it has happened several times that participants in the project shows interest for working for the organization, which a couple of times has resulted in job offerings.

To understand how the company works in order to attract the most value-adding human capital, questions about the recruitment process are asked. Uranus A states that the pre-phase
with a needs-analysis and creating a demand profile is the most time consuming part of the recruitment process. After this comes the phase of reading CVs and interview potential employees. The respondent argues that the company is aware that it does not always hire the most suitable candidate, but it hires one that is believed to be the most suitable. Uranus further explains how the present workforce has different backgrounds, personalities, and experiences; all based on where they are supposed to work and with what type of participants they are supposed to meet.

“We want our employees, and in specific our advisors, to be different from each other. We want people that are great at different things. But still, if you don’t work well in a team, you will probably leave us”

The interview continues with a discussion regarding attractive attributes offered by Uranus AB in order to attract and retain employees. Uranus A makes some interesting approaches regarding retaining personnel, when he declares that this is not a person’s first employment and probably not the last either. Uranus AB is aware about the fact that the company is seen as a stopover for most of the personnel and due to this, no retaining strategy is applied. This does not mean that Uranus AB does not support its employees during their employment. The company offers its employees benefits beyond the unions’ recommendations. Six weeks of vacation is offered to all employees, a possibility to go home earlier on Fridays and health care contributions. Important to consider is that high salary is something that is not offered, but just like Uranus A mentions, you want to work here because it means that you help other people, not because you get paid well.

Although Uranus AB is not considered as a final stop in your career, you still have the opportunity to climb higher in the hierarchy; all you have to be is flexible when it comes to moving to another city. Internal recruitment is something that the respondent undoubtedly prefers.

“Internal recruitment is more fun, easier, and better! It shows no consideration for potential glass roofs!”

When it comes to employee turnover, Uranus A states that even though the company has been growing, a couple of employees have been terminated during this process. Furthermore, one needs to recognize that being an employee at Uranus AB for about two years makes you a novice, something only eight persons can say that they are. Uranus A also recognizes that growth has made this company to a completely different company compared to before due to its expansion in number of employees. As he mentions, this is not something that is suitable for everyone, which could be a reason for why some employees are either asked to leave, or decides to do so by themselves. Working at this company therefore requires you to be flexible.

Uranus A states that the company at the moment does not have an outspoken strategy for how to marketing the company as an employer, but that it does appear in situations where it is visible for different stakeholders.

“We do know where we want to be visible, but this is not a strategy or a plan. We need to be a bit more visible, but it is up to each and everyone’s opinion to do this. We are not a big company; we just do it as it comes!”

When discussing similarities between Uranus AB’s corporate- and product marketing, and its marketing as an employer, we could scent a feeble connection between them, since they both
end up with the idea of helping individuals grow towards the labor market, even though they have different purposes. Furthermore, none of it is made to a larger extent, since the company at the moment is rather occupied with working with the contract with Arbetsförmedlingen.

4.6 Pluto AB

Pluto AB is an economic association in the transport and logistics industry, founded in the early 20th century. Today, Pluto AB has over 190 partners, offices at three locations in Sweden, and the association has around sixty employees. The purpose of the association is to identify business opportunities and to secure customers and customer assignments for its partners. By doing so, economies of scale are created, something that would not have been a possibility if every partner (that is, every haulier) would have operated on its own. The respondent Pluto A, a woman who is head of administration as well as HR-manager, came in contact with Pluto AB through a friend who worked there, and she applied for the employment rather spontaneously. After some meetings with the CEO and the chairman, the job was hers. An interesting note is that the job never was advertised, and it got more or less tailored after the respondents’ earlier experience and competence.

“At smaller places, you often weave in multiple roles within a single function”

The respondent gives us deeper insight in the industry and what is required to survive. The most valuable asset according to Pluto A, is the employees, and primarily the transportation leaders, the drivers, and of course the high-performance sales personnel. These are key factors for positive results, both for a financial result and an environmental friendly approach. Pluto A continues to inform us that keeping promises has become Pluto AB’s catchwords, and are built on the high customer charter and high professionalism exercised by its employees.

The interview slips in to how Pluto AB is working with retention of the employees. Pluto A states that there is no formal strategy for this, instead, Pluto AB focuses on providing fair and attractive employment conditions, communication through the whole organization, and professional dialogs with employees. Pluto A continuous with describing the benefits employees are offered. She inform us of health care contribution, happenings during the year (midsummer lunch, Christmas dinner and cinema screening), and team activities. Also smaller benefits such as Easter egg and gateau at special occasion are offered. According to Pluto A, personnel meetings are repeatedly held, and a recreation committee is established, all in the chase of a creating a pleasant workplace. Beyond this, Pluto A also provides competitive salaries within the industry.

“We want to be perceived as a pleasant and attractive workplace, and as a great alternative compared to competitive companies”

According to Pluto A, Pluto AB every two years conducts an employee survey in order to intercept employees’ opinions about the work environment, satisfaction, and teamwork within the organization. The survey is later on used as a support for the yearly appraisals, where requests such as further education and career opportunities are discussed. She declares that the company tries to meet the employees’ needs when it comes to flex time and development, but she also states that the career opportunities are limited due to the size of the association, and they therefore always do an internal advertising of an employment before advertising externally. When looking at the employee turnover, it can be considered as low, with only one to two people leaving each year. However, three years ago, Pluto AB experienced a high turnover rate, but a closer look revealed that this only was regular retirements.
As the interview continues, we ask the respondent to further develop the recruitment process. Pluto A starts to describe the first step, which is creating a job description, and a job requirement analysis. Thereafter, an internal advertising is made, followed by an external advertising. If the applications which are sent in are insufficient, the second alternative, according to Pluto A, is to use headhunting or screening. The most potential applicants are called for a first and then later a second interview. Before hiring anyone an Internet screen is also made in order to find out more about the applicant. Pluto A also refers to the balance between finding someone high skilled for the assignment and finding someone who has personal fit with the team. During the recruitment process it is possible, according to Pluto A, to find out if the applicant has the ability to learn new things easily, through conducting a test. If this turns out to be the case, personal fit goes before specific competence. Pluto A states that it is important that the applicants have personal characteristics such as being down-to-earth, having a good sense of humor, and being loyal and honest.

“If you have an applicant who proves to be a fast learner, but does not have the complete competence which is required, you know it will work out, since she is going to catch up really quickly and she will fit nicely into the group”.

Pluto A is then asked to describe Pluto AB as an employer. As an employer, Pluto A thinks the association is seen as reliable, engaging, and stimulating. The respondent argues that organizational strengths include great opportunity to influence due to short decision lines, and an industry which requires constant development from employees. However, Pluto A shows a minor concern about the organization’s structure, arguing that it could be seen as both a strength but also a weakness, as there are many partners and many voices that would like to be heard, but at the same time could mean many different insights and solutions to different difficulties.

The last part of the interview gives us answers of how Pluto AB works in order to market itself as an employer. The association wants to be seen as a modern and professional organization. The respondent declares that the company tries to communicate the message of being a pleasant employer, and the opportunity’s which comes along with size of the company such as cross-functional assignments and high involvement regarding organizational decisions, but also the familial feeling. In order to communicate this and reach potential employees, Pluto A describes how the association continuously collaborates with high schools and universities in the local area, exhibits at different fairs, and how it in the future might start a trainee program. However, do to the recession, less resources are appointed to this right now, but Pluto AB still has one employee who occasionally holds lectures at schools about Pluto AB as an organization, but also about the structure of the industry. Pluto A also states that the key to become successful when branding Pluto AB as an employer is to be trustworthy, and not to offer benefits that you do not have. The same thing goes for the organization’s values and beliefs. While continuing talking about marketing Pluto AB as an employer, Pluto A mentions how channels such as social media also is used, since Pluto A believes that many future employees are present there. Interesting is how Pluto AB also tries to market the transport and logistics industry to future employees; mostly students at high schools and universities. This is done in order to make sure that all its partners will be able to hire professional employees into their operations, since it has been said that it might be a shortage of this type of labor in the future.

Pluto A, who has previous experience from working at larger companies, can see a distinct difference between the ability as well as the desire to profile your company as an employer when you are a small organization, compared to a large one. She argues that being present at
for example job fairs, means that you have to take responsibility for all potential applicants who would apply for a job at your organization.

“If you are marketing yourself to a great extent, you will get many applicants with high expectations on a job offer, but you are not able to meet this expectation, since you are only a small organization with one, two job openings every year. In some way, this means that you lose yourself in the media buzz.”

While trying to be visible, the association instead puts more resources into marketing Pluto AB and its products and services, for example through industry fairs, advertising on cars and containers, and sponsor activities. According to Pluto A, this is something else, compared to marketing the company as an employer and is not done in the same way.

4.7 Empirical comparison

Through meeting the respondents from six different SMEs, located in six different industries, we got the chance to map and explore how these companies assessed the human capital, and also how they applied the tools and strategies of employer branding. Two of the companies are working B2C (Venus AB, Mars AB), two are working B2B (Saturn AB, Jupiter AB), and two of them are doing both, even though B2B is their main business (Pluto AB, Uranus AB). Mars AB, Jupiter AB, Uranus AB, and Pluto AB all has HR-managers who previously have been working in large organizations, while neither Venus AB’s respondents nor Saturn AB’s respondent has done that.

When it comes to regarding human capital as a resource, all respondents mention how their employees were one of the most important resources they had. All respondents could therefore easily have a discussion about the topic of the interviews. They also recognized the human capital as a way of gaining competitive advantage, and are all interested in finding the most value-adding employees. However, the definition of the most value-adding employee is different among them, whereas Saturn AB to a large extent is concerned with finding someone that fit in, Uranus AB is looking for specific background, and Jupiter AB value competence very high, even though a fit also is to prefer. The other three companies also emphasize the fit but not to the same extent as Saturn AB.

In the search for value-adding employees, most of the companies go through similar recruiting processes. Mars AB, Jupiter AB, Uranus AB, and Pluto AB does it through choosing a few applicants for interview and moving ahead with the most interesting ones. Jupiter A and Mars A discuss how the job vacancy is looked upon, deciding whether or not it should look the same as before, or if it should be changed due to new skills are needed to bring the companies forward. All respondents, except the ones from Venus AB, mention how they also use tests when they feel like it is needed, in order to raise the chance to hire the most value-adding applicant. Venus AB chose a more hands-on approach when recruiting, which often means that Venus A knows who she wants to hire, and therefore relies on headhunting to a great extent. One of the six SMEs has its own way of finding what it believes to be a value-adding employee, through inviting around 70-80% of the applicants on speed dates, in order to get a glimpse of who the person behind the resume is. Saturn AB is very picky, and only settle with the very best, which is someone who has a similar mindset as the ones already working there.

When it comes to what the companies have to offer to their employees, all of the companies have specific benefits which employees could take part of. All of the respondents bring up
different tangible benefits, whereas Mars AB is perceived as the one with the widest range of them, followed by Pluto AB. Jupiter A has an interesting opinion regarding these benefits, arguing that the company offers the same kit as all the others players in the industry, and that these benefits are not the reason for why you want to work at Jupiter AB. When it comes to benefits in terms of salary, no company are able to provide above-average salaries. Like mentioned by Uranus A, you do not want to work there because of the salary, and also Saturn A as well as Venus A and Venus B, recognize that a high salary is nothing their employers can offer. Mars AB, Jupiter AB, and Pluto AB can however offer marked-based salaries to their employees, while Mars A at the same time mention that the employees probably would not say that they have a great salary, however, they will not look for another job because the salary is too low.

When the respondents explain what they could offer in terms of more intangible benefits, this is where many of them mentions financial constraints and size as a problem (e.g. Jupiter AB, Pluto AB). One thing that therefore is somewhat limited in the companies is the chances to career opportunities and training and education. This is visible at for example Venus AB, but to some extent also Pluto AB. Saturn A states that it lies on the individual employee to look for development, something Jupiter A also discusses. Uranus AB is in a situation where it is growing bigger every day, proving many opportunities for career advancements. All the companies seem rather interested in offer career opportunities, since they all mention how they prefer to first advertise job openings internally. All companies discuss similar positive outcomes due to employment in SMEs. They all illuminates the possibility to have a great impact in organizational decisions and also to have the opportunity to work cross-functional with assignment which they in turn refer to higher engagement and increased involvement in the organization. Jupiter AB is a place where you want to work if you enjoy innovation and forward-thinking, something that also is emphasized by Saturn A as something Saturn AB could offer its employees.

Other offerings that are mentioned among the companies are for example how employees at Uranus AB are able to provide a feeling of doing something good for the society. However, this is also something that is the catchwords of Pluto AB. If the right person is employed in the companies, the feeling of an interesting work place also seems to exist among all companies. Saturn AB emphasizes a lot on the social part about being employed at the company, which also seems to be something that is very visible at Mars AB and Pluto AB. However, it is harder to tell to what degree Venus AB, Pluto AB, and Uranus AB could offer this, since no further examples of how this is achieved was given by the respondents from these companies.

When it comes to the companies´ work with retaining value-adding employees, there seems to be some similarities, but also some differences, in how they work with and value this activity. Pluto A, Saturn A, and Mars A mentions how they try to give these employees more responsibility, how they want to create a great place to work, and how they rely on an open communication of what the specific employee wants in its career. This is also something that Venus AB, and Jupiter AB offers, but the respondents from these companies also mention that your value should be visible in your salary. Uranus AB on the other hand, has no specific activity for retaining employees. Instead, Uranus A recognize how people nowadays change companies rather often, which is why Uranus AB probably not is the first, nor the last company its employees will work at during their careers.

When it comes to how the companies work with their employer brands, most of them seem to be rather focused on providing different sorts of benefits to already existing employees, but
not that focused on communicating these to potential employees. Saturn AB is however communicating it to a great extent, something that Mars AB also is interesting in doing. Also Pluto AB does certain activities, such as being present at schools in order to communicate both what Pluto AB does, but also how the industry it is located in works. Also Jupiter AB has employees who lecture at the nearby university, but Jupiter A explains how the company has no want to for example attend job fairs, since the company believes that it is a problem that it is visible at these situations, but not really has any job offerings. This is something Pluto A also is worried about, not wanting to build up hopes among applicants that the company cannot fulfill.

Saturn AB could be argued to have a plan for how to be perceived as a great place to work, and Mars AB are currently working on forming one, wanting to strengthen its visibility as an employer. Mars A mentions how he believes that few people actually are aware of the company, which is in opposite to Venus AB, since Venus A mentions how the company is very known in the industry, and that the company continually gets requests from applicants which are interested in working there.

Pluto A, Mars A and Saturn A discuss the importance of showing a trustworthy you in all the communication that is made. When communicating who they are, Saturn AB, Pluto AB and Venus AB attend different fairs and events, while Mars AB is planning to do so in the future. As mentioned, Jupiter AB has no such wants, and Uranus AB is instead focused on events and fairs regarding other stakeholders. Uranus AB is on the planning stage of figuring out where it wants to be visible, and the others ones – except Jupiter AB – are for example working on being visible on the social media. When it comes to the companies’ homepages, Saturn AB and Mars AB has employees´ descriptions of the company as an employer available, whereas all of them believe that the homepage is a great place for providing information about the companies as workplaces. When it comes to using their employees to spread the word of how it is to work for the companies, Saturn AB and Venus AB believe that this is how much of the information is spread. Mars AB recognizes that this is an important channel, while the other companies have no specific opinion about it.

Furthermore, the companies, where Uranus AB and Venus AB could be exceptions, are showing signs of low employee turnover, which the respondents refers to as a success in hiring employees who fit into the organization, in a combination of providing different sorts of attractive benefits for the employees: both tangible and intangible. However, it is important to mention that Uranus AB and Venus AB do not have high employee turnover, but they do not have as low as the other companies.

Some companies are showing more visible signs of being interested of working with employer branding activities (e.g. Mars AB, Saturn AB, and to some extent also Pluto AB). All of them are interesting in finding the most value-adding employees, but Uranus AB are for example in a rush when it comes to hiring new employees, having little time to actually figure out how this person actually will add value to the organization. Jupiter AB and Venus AB are more focused on picking out applicants they have seen or heard of.

Furthermore, the companies are hiring relatively few new employees every year (except Uranus AB), which they argue is a reason for why they do not want to create aspirations which they cannot live up to.
5. Analysis

A comparison between the collected empirical data and the theoretical framework will be made in this chapter. This means that empirical evidence from SMEs work with employer branding strategies and tools will be put into relation to theories about what employer branding is, and how it is used. This is made from the basis of the RBV, viewing human capital as a way to experience competitive advantage.

5.1. Venus AB

A company can be seen as a bundle of resources, where the human capital is one of them (Penrose, 1959). The employees of a company can be seen as a resource, due to the individuals’ skills, experience, judgment, social relationships, intelligences, and insights (Barney, 1991; Taylor & Collins, 2000). Through a successful work of attracting and retaining the most value-adding employees, the human capital could create competitive advantage (Backhaus & Tikoo, 2004). According to the respondent Venus B, this is highly relevant since the employees are Venus AB most important resource. The instructors are even powerful enough to bring customers with them to a competitor, when changing workplace within the industry, which enhances the importance of both retaining and attracting the most value-adding employees. Van Hoye (2011) even declares that this could be crucial in order to survive in a harsh marketplace, something that could be seen as accurate within this industry.

According to Martin (2009) employer branding can be viewed as a derivate of how corporate communications and marketing ideas are applied to ‘internal customers’. The purpose with an employer brand is to create an image among potential employees about the company as a favorable place to work (Ewing, et al., 2002). Pogorzelski et al. (2008) declare that employer brands are made in order to attract and retain a certain competence, interest, and values among the potential candidates. The respondents at Venus AB, further develop their thoughts concerning attracting and retaining the most value-adding employees.

Regarding external recruitment, the respondents Venus A and Venus B declare that this is something done with moderation, and if executed, it is mostly done through headhunting. Using headhunting as a method in order to attract the most value-adding employees, could be seen as a disagreement to Hatch and Dyer (2004), arguing that human capital is an isolated source to competitive advantage in the originally organizational context and also company-specific. Important to consider besides skills and competence, are individuals’ different valuables, such as personality and characteristics, which according to Lawer (2009), Hatch and Dyer (2004), and Da Silva et. al (2010), should be linked to companies’ overall strategy in order to create a personal-organizational fit and thereby gain competitive advantage. Despite headhunting as a recruitment method, the respondents at Venus AB clearly state that individual’s characteristics and attitude towards the company’s values and concept are the most essential while hiring someone new. The personal-organizational fit, is according to Venus A and Venus B of great importance and prioritized before specific skills and competence, and also the reason for mostly implementing internal recruitment at Venus AB.

Organizations attractiveness is of great importance when it comes to recruiting and retaining employees (Edwards, 2009). Ambler and Barrow (1996) state that applicants are attracted to a company based on their perception of the company’s attributes, their assessment of the brand image, and the perceived benefits. Berthon et al. (2005) created a model (Empt.AT) based on
five different values: interest, social, economic, application, and development, which could be used in order to strengthen the company as an attractive employer. At Venus AB, this attribute could be ranked as follows; social, interest, application, development and economic. The respondents Venus A and Venus B, both highlight the social aspect through the company’s strengths as an employer, stating that solidarity between colleagues and the team spirit is two of their most prominent attributes. They also describe the interest by mentioning that Venus AB is known for being a place where a lot is happening, and by giving key instructors greater influence in organizational projects. The application is highlighted through the employees close relation with costumers, and the instructors’ opportunity to teach others. In order to retain the most value-adding employees, the respondents state that they offer both further education which could be connected to career opportunities and the development aspect, and higher salaries which goes within the economic aspect. Regarding the economical aspect the respondents both declares that this is far from everything within this industry.

Ambler and Barrow (1996) saw employer branding as a concept which was bringing the usually separated roles of brand thinking and employment situation closer together, providing mutual benefits. Moroko and Uncles (2008) state that it is obvious, that there exists a relationship between an employer being known and successful, and attracting applicants. This is also mentioned by Barrow and Mosley’s (2005), arguing that there exist a close relationship between the image of the employer brand and the reputation of the company’s goods and services. This is also mentioned by respondents who, describes the close relationship between employees, customers and potential employees within the industry, which they also state is important to be aware of since they have an impact on each other. Visibility is also mentioned as an important factor for attractiveness (Collins & Stevens, 2002; Edwards, 2009). The employer brand mix, described by Barrow and Mosley (2005) explains important factors for the employer brand to communicate, both externally and internally.

Respondent Venus B, describes how Venus AB is frequently participating in different events in the local area, and run three to four different campaigns during the year, in order become known and recognized, and to become a first choice for both customers and future employees. The message communicated is particularly the company’s catchwords; sport, solidarity, and family which goes in line with, Sivertzen et al. (2013), arguing that employer branding campaigns should avoid monetary focus. Mangold and Miles (2009) declare the importance of using both formal and informal channels. In order make the company even more visible to customer and potential employees, the respondents also explain how the use different formal channels, such as the company webpage, Facebook, Insatgram and their blog. The most valuable channel according to the respondents is informal channel, word-of-mouth, conducted by the employees. This could be referred to the close interaction between employees within the industry. This is important to consider since Wilden et al. (2010) argue that word-of-mouth through referrals seems to be the source of employer brand information which is the most credible. According to Wilden et al. (2010) this type of communication, influences the employee-based brand equity, which goes in line with Collins and Stevens (2002) arguing that, advertising is significantly related to applicants’ perceptions about the company attributes and the job opportunity.

Employer branding gives an organization the possibility to distinguish itself from its competitors, making it able to develop a recognizable identity through practices, which then is received as desirable among employees and the public (Love & Singh, 2011). Berthon et al. (2005) emphasize that by having an employer brand the company could improve labor relations and provide a lower salary. Both of the respondents at Venus AB, state that the relation between employees and the feeling of belonging is pronounced at the company. They
also refer to the possibility of providing lower salary, this due prevailing market conditions. According to Barrow and Mosley (2005) higher satisfaction among consumers due to more loyal and dedicated employees, is an outcome of a strong employer brand. This is something that the respondents at Venus AB have in mind in their daily work.

“If you keep the employees happy and satisfied, they will treat the customers the same way, and it is the customers that will carry on our brand”. (Venus B)

5.2 Mars AB

According to Barney (1991), a company develops competitive advantage through acquiring, combining, developing, and effectively deploying its organizational, physical, and human resources in ways that are difficult to imitate and adds unique value. The greatest asset according to Mars A, is the cross-functional management, which according to Barney (1991) could be related to both organizational capital due to the organizational structure, but also to human capital due to the employees’ insights and social relationship. Mars A also declares that a valuable asset is the company’s control over the value chain which goes in line with Barney (1991), describing the companies’ organizational processes, controlled by the company as a resource.

Backhaus and Tikoo (2004) state, that the human capital is a key factor for gaining competitive advantage. According to Galabova and McKie (2013) the human capital consists of, attitude, individual competence, experience, commitment, motivation, health and work ability of the employees. Kucherov and Zavyalova (2011) declare that the human capital can grow though for example career development, training activities, and remuneration programs which simultaneously can create a positive and stable image of the employer; both inside and outside the organization. The respondent Mars A, describes how the company offers great career opportunities and health care contribution, and has high focus on social activities, and overall attaches a great emphasis on the employees.

Ambler and Barrow (1996) defined the employer brand as the functional, physiological, and economic benefits that an employment could offer. Mars AB is a company who Mars A describes as being able to offer these benefits, which have been developed to the EmpAt by Berthon et al. (2005). As argued by them, attractive attributes are the feeling of development, where employees are provided with for example career opportunities and recognition, something Mars AB is aware of and also tries to offer this to the greatest extent possible. The psychological benefits, such as a supportive and encouraging atmosphere as well as an exciting work environment (Berthon et al., 2005) are also attributes that Mars AB tries to offer, since Mars A explains how the company by its cross-functional management offers employees to be involved in many different areas of Mars AB’s business.

This benefits offered by Mars AB could, according to Kucherov and Zavyalova (2011) be seen as an investment in the human capital in order to make it grow. Important to notice is the economical aspect and financial compensation which according to Mars A is, neither high or low, instead it is the total packages that the company could offer that is in focus. Due to the offerings, Mars AB has according to the respondent a low employee-turnover, which according to Looi et al (2004) indicates recognition as a good employer. The low employee-turnover is also related to the employer brand of the company, which according to Pogorzelski et al. (2008) articulates why employees are working there, or want to work there, and not somewhere else. The low employee-turnover could also be seen as a positive outcome, due to a successful work with the employer branding strategies (Backhaus & Tikoo, 2004; Barrow
and Mosley, 2005). The low employee-turnover does also indicate a successful work with retaining employees, due to the fact that they choose to stay at the company over a long time.

Employer branding gives an organization the possibility to distinguish itself from its competitors, making it able to develop a recognizable identity through practices, which then is perceived as desirable among employees and the public (Love & Singh, 2011). In terms of SMEs, it is also said that planning often mean higher performance rates (Smith, 1998). Backhaus and Tikoo (2006) state that the establishment of an employer brand, makes the company to an employer of choice, enabling it to attract the most value-adding employees. They further argue that employer branding could be used as an umbrella, under which companies could categorize different sorts of recruitment and retention activities into a coordinated human resources strategy. Mars A describes how the company tries to become more successful regarding attracting new employees, and how it just started to pay attention towards branding itself as an employer, showing what it could offer to potential employees. Mars A also declares that since he entered the company, the company has created a template of how to work with the recruitment process in order to assure that the right employee gets hired, as well as to simplify the process for the company. It is also said that employer branding should be used during the whole employee life-cycle (Pogorzelski et al., 2008), something, Mars A appears to have under construction.

More focus has been drawn to how to strategically work with the recruitment process and how to be an attractive workplace (Backhaus & Tikoo, 2004), and employer branding is said to be expressed to a large extent during this process (Pogorzelsk, et al., 2008). Edwards (2009) argues that employer branding tend to give clarification of an organization’s tangible and intangible employment offering, as well as managing aspects of the organization’s image and identity, but just like Love and Singh (2011) mention, authenticity is a very important word in this context. Martin (2009) stated that employer brands have the best effect when they are credible, aspirational, and sustainable (Martin, 2009). The respondent agrees with the importance of this, as Mars A states the importance of communication being trustworthy towards potential employees.

“We are honest. We are trustworthy and authentic in what we communicate, and we try to communicate what is great with the company.”

When employers are targeting particular markets, they should pay attention to both formal and informal channels for employer branding communication (Mangold & Miles, 2009). Mars A describes how Mars AB uses different formal channels in order to reach potential employees. Mars A explains how the webpage now is used in order to present the company as an employer to potential employees, but that social media, such as LinkedIn, also is used. The informal channel word-of-mouth, has according to Wilden et al. (2010) a great impact due to its credibility, and is important according to Collins and Stevens (2002) when developing a positive employer brand image. Mars A, describes how the employees are important ambassadors when it comes to spread the reputation about the company as an employer.

Barrow and Mosley (2005) argue that there exists a close relationship between the image of the employer brand and the reputation of the company’s goods and services. Companies which deliver good external brand experience are generally assumed to be a quality employer (ibid). This is also mentioned by Backhouse and Tikoo (2004), who stated that employer-, product- and corporate branding can be united or at least aligned. The respondent Mars A explains that they hopefully in the future will have closer connection between the marketing of the products and the marketing of the company as an employer. He clearly states that there is close relationship between potential employees and potential customers, which he place a
great interest in due to the recruitment process. This is made since every applicant also is a potential customer, and it is important to act respectfully. This indicates that the suggestions made by Backhouse and Tikoo (2004) and Barrow and Mosley’s (2005) is highly important to consider in companies within the B2C industry.

5.3 Jupiter AB

Just like mentioned by Backhaus and Tikoo (2004), the human capital can work as a competitive advantage. Becker (1964) define the human capital as knowledge, skills, information, ideas, and health of individuals, and Jupiter AB relies heavily on its employees – i.e. its human capital – for being innovative and entrepreneurial and through that keep the business moving forward (Jupiter A). Furthermore, expenditure on training, education, and health is an investment (Kucherov & Zavyalova, 2011), and Jupiter A explains how being an employee at Jupiter AB, means an on-the-job-learning. Since Jupiter AB is very dependent on its employees in continuing to improve its products, one may say that the company does recognize the relevance of human capital, something Galabova & McKie (2013) says that SMEs do.

“We can always promise our employees that it will be an on-the-job-learning, but we cannot guarantee to send them to the most expensive courses”

However, Lawler (2009) argues that it is important that individuals must function together, something Jupiter A also says is important, while at the same time an individual with a new way of thinking; and therefore also a possibility of arising conflicts; sometimes is essential for keeping a good phase of the product development. This goes well in line with how Knight and Kim (2009) argue that internal capabilities and competences are essential for SMEs, something Jupiter AB seems to have understood.

Becker (1993) also argues that motivation is important, and that a great salary could mean higher motivation. Also Szamoci (2007) mentions how compensation to some extent is an attractive parameter. At Jupiter AB, all employees are offered market-based salaries, and if you are a key person, this should be visible in your salary (Jupiter A). At the same time, Jupiter A is of the impression that a salary could never motivate, only demotivate, which is why you never can offer a salary that is below the industry standard. This is in line with Becker’s (1993) statement.

Jupiter AB is also an example of how Backhaus (2004) mentions that the right applicant differs between companies. Backhaus (2004) argue how some are looking for the best and brightest, while others are more interested in a match between the company and the individual. At Jupiter AB, you are highly appreciated if you have high grades.

According to Barrow (2007), the employer brand can distinguish you from your competitors. At the moment, Jupiter AB is a small player in an industry with many large actors, but has no real plan of how to distinguish itself from its competitors. Instead, Jupiter A explains how the company offers the same kit as everybody else.

Employer branding is about having brand thinking and the employment situation closer together (Ambler & Barrow, 1996). It explains who you are, what you want, and what you stand for (Pogorzelski et al., 2008), and it must be consistent with reality (Backhaus & Tikoo, 2004, Love & Singh, 2011). Jupiter AB shows few signs on wanting to uniting brand thinking and the employment situation. However, some sort of explanation of what the company really
is exists, and Jupiter A explains how Jupiter AB is extra careful to do this during recruitment processes.

“When recruiting someone new, we are often many people involved in choosing candidates to meet, as well as in transferring information about who we really are, and what to expect of being an employee at Jupiter AB”

It gets obvious that not until an applicant reaches this part of the process, a clarification of what different tangible and intangible offerings Jupiter AB offers becomes clear. and Edwards (2009) argues that employer branding is about explaining this offerings, however, both externally and internally. This means that the employer brand cannot be visible during the whole employee life-cycle, something Pogorzelski et al., (2008) claim that a strong employer brand is.

When it comes to being an attractive workplace, Ambler and Barrow’s (1996) dimensions as well as Berthon et al.’s (2005) EmpAt model explains what attributes that have been found to be attractive. Jupiter AB has shown to offer many of these attributes, but this is not something that is visible from the outside, instead, it gets obvious first when you are employed by the company. Furthermore, something that really is standing out for Jupiter A, is the interest attribute; displaying factors such as innovation and forward-thinking, as well as employee creativity and high-quality products. Great reputation (Sivertsen et al., 2013), Success (Edwards, 2009), and CSR (Greening & Turban, 1997) are also something which is regarded as attractive. Since Jupiter AB does no particular marketing of itself, this could be interpreted as it has no particular reputation, and CSR did not either come up as something Jupiter AB was working with to a large extent. However, the company is successful, which therefore could be used as an advantage when searching for new employees.

A lot has been said about employer branding strategies, for example that there should be easy access to different information (Wilden et al., 2010), that advertising shape applicants perception (Collins & Stevens, 2002), and that communication should be a long-term project (Edwards, 2009). Jupiter AB has like mentioned no real interest in being visible in the external environment, and does therefore not apply these strategies. However, Jupiter AB does know what sort of human capital it needs in its organization, which according to Martin (2009) is critical for reaching strategic goals. Jupiter AB also target engineering students by lecturing for them, and they know in what type of industry relevant engineers exist, which is mentioned by Wilden et al. (2010), saying that companies should target those who may consider the particular industry.

In general, Jupiter AB has a low employee turnover, something that Looi et al. (2004) found that the best employers also had. However, Jupiter AB shows few signs of working with strategies and tools which can be regarded as parts of the concept of employer branding. Since outcomes of a strong employer brand is said to be for example lower wages (Berthon et al., 2005), value-adding workers being attractive in the company (Backhaus & Tikoo, 2004), and reduced HR costs due to improved recruitment performance (Barrow & Mosley), Jupiter AB risks to not being able to take part of these benefits. However, strategies among SMEs are said to not always be structured, instead they tend to be emergent and informal (Levy & Powell, 2004). This could to some extent be seen at Jupiter AB, since it seems to conduct processes which it regards as relevant, for example its focus on detailed recruitments. Furthermore, Jupiter A keeps coming back to the fact that this is a small company, and that they do not want to build up expectations on job offerings, when there is nothing to offer. The employer brand mix provided by Barrow and Mosley (2005), is therefore not of any particular interest for Jupiter AB.
5.4 Saturn AB

The cross-functional management, the employees, and the control of the whole value chain are something that Saturn A states are important factors for Saturn AB’s success. The human capital can be used as a competitive advantage (Backhaus & Tikoo, 2004; Joo & McLean, 2006), and Saturn AB seems to treat it like this, being very careful with who gets recruited into the organization. Human capital can be regarded to be the future success of companies (Bakanuaskiene et al., 2011; Van Hoye, 2011), but in order to get the most out of it, individuals must function together (Lawler, 2009). This is something that is crucial in Saturn AB, who looks for applicants that they are sure will fit into the organization.

“We are rather 110% confident about the fit, compared to 99%. Due to all this, the recruitment process is rather time-consuming, but we know it is worth it in the long run, because if we are sure about the candidate, the possibility that he or she stays longer is also higher.”

Da Silva et al. (2010) mention how individuals’ values should be linked to companies overall strategy in order to create a personal-organizational fit and thereby gain competitive advantage. Using employer branding as a strategy could help companies become successful in this area (ibid.). Since Saturn AB is looking for individuals with the same values as current employees, the company seems to look for consistency among the strategy and the fit. Best employers are companies who based on surveys been proved to provide the very best working environments for their employees (Love & Singh, 2011). They all succeed in having a great physical workspace, a corporate citizenship, a working communication system, and training and development benefits (ibid.), just to mention some of them. Saturn AB can provide all of the mentioned themes, indicating that if investigated, it might be qualified as a best employer.

Strategies are mentioned as sometimes being informal and emergent among SMEs (Levy & Powell, 2004), and there are many different tools, matrixes and approaches when it comes to forming strategies (E.g. Ansoff, 1957; Chan and Mauborgne, 2005). However, Smith (1998) found that SMEs that actually used strategies and planning gained higher performance rates compared to their counterparts who did not. Saturn AB has some sort of plan of how to work with for example attracting and retaining value-adding employees, providing great opportunities for them to perform well.

The purpose with the employer brand is to create a favorable place to work (Ewing et al., 2002), through providing clarification of tangible and intangible offerings (Edwards, 2009). It is important that the employer brand is consistent with reality (Backhaus & Tikoo, 2004), and one should understand that good external brand experience also can have some sort of influence, since this often means assumptions about also being a quality employer (Barrow and Mosley, 2005). When relating this to Saturn AB, the company is clear in its communication about tangible and intangible offerings. Since the employee turnover is considerable low, the external communicated messages seem to be reliable, and the fact that the employees work cross-functional, being able to work with different things, is the reason for why Saturn A with the title Marketing assistant could be a respondent in this study. Furthermore, Saturn AB is very careful with how it is perceived by all their stakeholders, which is why it has a very similar layout of its corporate-, product- and employer brand, something which is mentioned as favorable by Backhaus and Tikoo (2004).

According to Szamosi (2006) future SME-employees want innovative, risk-oriented, creative, CSR, and supportive employers. Also success and a great reputation are mentioned as
favorable attributes (Edwards, 2009), and to be visible at locations where potential applicants may be (ibid). Saturn AB can be labeled as being all of this, creating a very favorable position for the company. When it comes to Ambler and Barrow’s (1996) three dimensions; later extended to five factors by Berthon et al., 2005); Saturn AB is on a good spot here as well. However, it cannot offer above-average salary. In fact, Saturn A mentions that the salary is quite low. At the same time, Saturn AB is able to offer for example a fun and happy working environment, a forward-thinking mindset, and a customer-oriented organization, which is found to be attractive factors among employees (Berthon et al., 2005).

When it comes to attract potential employees, it has been said that more rather than less information about a vacancy leads to more positive reactions about a job opening (Taylor & Collins, 2000). It is also argued that companies should target those who may consider the specific industry (Wilden et al., 2010), and that the companies should define what type of human capital that is critical in order to meet strategic goals (Martín, 2009). Saturn AB keeps information available about itself as an employer, and are also present at different job fairs where employees explains what the job is all about and what you can expect of an employment at Saturn AB. Saturn AB has decided to target students to a large extent, and are focused on students from two specific universities in Sweden, since they believe that these places educate the type of individuals that Saturn AB wants to attract. Saturn AB has defined what type of human capital that is critical for its success, mentioning passion, optimism and social individuals.

According to Barrow and Mosley (2005), some companies have dedicated specific roles for the employer brand management. Saturn AB is a very flat organization, and when asked who is running the work of branding Saturn AB as an employer, Saturn A says:

“It is all of us who work here!”

This is in line with Wilden et al.’s (2010) suggestions, stating that word-of-mouth through referrals is the most credible source of how an employer really is. Saturn AB seems to have understood this, and wants its employees to spread the word of how it is to work at the company. This means that Saturn AB pays attention to both formal and informal communication channels, something that Mangold and Miles (2009) recommends companies to do. Barrow and Mosley (2005) have created a model; the employer brand mix; which illuminates important elements for the employer brand to communicate. When considering the employer brand mix, Barrow and Mosley (2005) also argue that this wide range of basic elements shape people’s employment experience. Even though the respondent not explicitly mention the model by name, there answers regarding recruitment, work environment (both from a physical- and a psychological perspective), career opportunity and external reputation indicates that they are aware of this elements in both external and internal communication.

The company’s work with retention is also very developed, and the company provides a feeling of working with the employer brand during the whole employee life-cycle, as suggested by Pogorzelski et al. (2008). Furthermore, Saturn AB has managed well in communicating both tangible and intangible offerings, which is what employer branding is all about (Edwards, 2009). Edwards (2009) continues in discussing how employer branding means that you are targeting both current and potential employees, and since Saturn AB is working for being visible, it is obvious that the company wants to do both parts of employer branding. It is also clear that Saturn AB has managed to find dedicated employees, which is said to be an outcome of a strong employer brand (Barrow & Mosley, 2005). Saturn A also explains how the company offers rather low salaries, and according to Berthon et al. (2005),
and Barrow and Mosley (2005), a great work with the employer brand could mean reduced HR costs due to improved recruitment performance, as well as lower salaries and higher retention.

5.5. Uranus AB

The RBV of a company explains how internal resources and competences of the company can work as a source of sustainable competitive advantage (Barney, 1991). A machine, a person, a brand image, knowledge, and a patent can all be labeled as resources (Ramanantsoa Métais, Moingeon, & Orton, 1998). The respondent, Uranus A, mentioned that in order to compete for market shares and gain competitive advantage, two components are needed; computers and employees with the right competence. Furthermore, Uranus A also states that the human capital is the most important one, but also the one hardest to fulfill. When developing competitive human capital, attracting appropriate candidates is the first step. Though Uranus AB sees the difficulties with hiring the right employees, Uranus A also admits that Uranus AB does not have a strategy for how to attract and retain the most value-adding employees. However, it does try to work after a recruitment scheme, but that this does not mean that most suitable applicant actually is hired.

In order to achieve and sustain competitive advantage, Porter (1985) mentions that strategic planning should be carried out. However, Levy and Powell (2004) mention that SMEs often show signs of being emergent and informal with their planning, something that applies to Uranus AB. According to Backhaus (2004), the most value-adding employee may differ between companies. Uranus AB, prefers to employ older people, partly because they have more experience and partly because they have wider knowledge, which both could differentiate the company from its competitors. According to Lawler (2009), it is important to consider that it is not enough to ensemble a group of talented individuals, they also have to function together in order to create competitive advantage. Uranus A describes how it is of the company’s greatest interest to present a workforce which has different backgrounds, personalities, and experiences, but also confesses that it is important to enjoy the team, but while hiring, this comes as second priority.

“We want our employees, and in specific our advisors, to be different from each other. We want people that are great at different things. But still, if you don’t work well in a team, you will probably leave us”

The purpose with an employer brand is to create an image among potential employees about the company as a favorable place to work (Ewing, et al., 2002). Uranus AB offers benefits like leaving early on Fridays, and a possibility to gain more responsibility due to the fact that the company is growing fast. Also Sullivan (2002) claims that employer branding has been found to be beneficial in order to distinguish your company. Edwards (2009) argues that employer branding tend to give clarification of an organization’s tangible and intangible employment offerings, in order to distinguish the company from competitors. Uranus AB makes it clear that you do not take a job like this because of the salary; you decide to become a part of the company because you want to help people.

Attractive attributes among employers are the factors development, application, interest, social, and economic, which are explained by Berthon et al. (2005). Uranus A declares that the employment at the company probably not is the employees first and not last stop, which decreases the attribute of development. At the same time Uranus A states that they prefer internal recruitment since it is better than external recruitment, and shows no consideration for
potential glass roofs. This instead indicates an increased focus on the attribute development. At the same time, Uranus AB could offer the factor of giving back to society (Berthon et al., 2005), and Uranus A also states that it is a very customer-oriented organization, there to help its participants back out on the labor market. This is also something that is brought up by Berthon et al (2005) as a favorable attribute. When it comes to the economic factor, as explained by Berthon et al. (2005), Uranus AB cannot offer high salary; however, it can offer other benefits, such as six weeks’ vacation and health care contributions. The attributes social and interest is not mentioned by the respondent and not seen as important, this could be connected with decreased priority of organizational fit, and due to that less team spirit. Uranus AB’s high growth rate, and with that; its growing pain, is also something that keeps being emphasized by Uranus A. This means that Uranus AB has to put a lot of effort into recruiting processes, which once again is a sign of Uranus being emergent and informal in its strategies, as suggested by Levy & Smith (2004).

Employer branding is about showing benefits and differentiators between your own company and your competitors (Barrow & Mosley, 2005). Employer branding efforts can be divided into external and internal marketing (Backhaus & Tikoo, 2004). Wilden et al. (2010) argue that employers should invest in making information about them as available as possible to potential employees, since this influence the employee-based brand equity. This is in line with Collins and Stevens findings (2002), suggesting that advertising is significantly related to applicants’ perceptions about the company attributes and the job opportunity. Uranus A declares that the company only advertises at Platsbanken, in order to keep the recruitment costs low. He also claims that the company does not use social media, or exhibit at different fairs and events. The formal channel that Uranus AB uses to some extent is the webpage of the company. This indicates that Uranus AB decreases its opportunity to signal the employer brand and the company’s attribute. Research has also shown that providing more, rather than less, information about a job opening and about the organizational culture tends to lead to more positive and favorable applicant reactions (Taylor & Collins, 2000), which Uranus AB is missing out.

Literature within HRD emphasizes the benefits of having an employer brand (e.g Backhaus, K. & Tikoo, S. (2004); Edwards (2009); Wilden et al., (2010). According to Barrow and Mosley (2006) and Berthon et al. (2005), reduced HR cost and improving recruitment performance is two of them. Uranus AB has low recruitment costs due to low advertising costs. The company has also had many employees which have quit or been asked to leave, which could be an indication of a non-successful recruitment performance. Important to consider is that this also could be an effect of the company’s growing pain. Berthon et al. (2005) also argues that companies with a practiced employer brand could provide lower salaries to employees. According to Uranus A this is done, but due to the conditions of the industry.

5.6 Pluto AB

Human capital could be used as a competitive advantage (Joo & McLean, 2006), and it has been described as a knowledge, skills, information, ideas, and health of individuals (Becker, 1964). Pluto A argues that the company’s employees are very important for the company’s business, since they are key to success. Pluto AB runs employee surveys every second year and holds appraisals every year so that employees’ information and ideas can be explored in a more organized way. Expenditure on education, training, and health is also regarded as an investment when it comes to keep a value-adding personnel (Becker, 1993; Kucherov &
Zavyalova, 2011). Pluto AB tries to improve its employees’ health though health care contributions and to create a friendly work environment with activities once and a while, but mentions the problem with being a smaller organization, not having the financial capital to provide education and training to a larger extent.

When viewing the human capital as a competitive resource, it is also important the individuals function together (Lawler, 2009). This is something that Pluto AB recognizes, and Pluto A states that fit goes before competence, since the organization believe that as long as you are a fast learner, the competence will be learned. Surveys which have ranked employers based on their working environments for employees, shows that employers with top results have some common themes which they are working with in order to keep them on a high level (Love & Singh, 2011). Just like Pluto A mentions, and just liked argued by Levy and Powell (2004) about SMEs, Pluto AB has no specific plan of how to work with these types of themes. However, Pluto AB is aware of that keeping employees happy is essential, which is why it provides its employees with generous benefits and activities, such as cakes and presents, dinners, and also the possibility to be involved in what is going on.

Employer branding gives clarification of tangible/intangible offerings (Edwards, 2009) with the purpose to create an image as a favorable place to work (Ewing et al., 2002). It articulates why employees want to work there (Pogorzelski et al., 2008) and it must be consistent with reality (Backhaus & Tikoo, 2004). According to Pluto A, the organization sometimes lectures at schools about Pluto AB, but also about the industry it is located in. This could be regard as a way of giving a clarification of tangible and intangible offerings, as mentioned by Edwards (2009). Pluto A also states that it is highly important to be trustworthy, indicating that the organization understands the importance of communicating the reality, and not an improvement of it. It is also said that the work with employer branding could be united with the work with corporate- and product branding (Backhaus & Tikoo, 2004; Barrow & Mosley, 2005), and that good external brand experience often leads to the company being regarded as a quality employer (Barrow and Mosley, 2005). This does not seem to be anything that Pluto AB has thought about to a greater extent, since Pluto A explains that the marketing of its products and services is something else compared to how it tries to be viewed as an employer.

When it comes to the factors that are said to be attractive among individuals when choosing where to work (Ambler & Barrow, 1996; Berthon et al., 2005), Pluto AB seems to be aware of them. For example, Pluto A mentions how the organization wants its employees to have a feeling of that career development is possible, and that every employee is recognized for what he or she is doing, which is what Berthon et al (2005) label as development. The psychological part, which exists of the factors interest and social (Berthon et al., 2005), is also something that Pluto A states that the organization is working with. At Pluto A, employees are also provided with great salaries, and attractive overall compensation packages, and the factor application could also be regarded as being fulfilled at the organization.

When showing what benefits your company offers, as well as how you differ from competitors, the work with employer branding is taking part (Barrow & Mosley, 2005). The strategies could be used both externally and internally (Backhaus & Tikoo, 2004), and the target groups are current and potential employees (Edwards, 2009). When Pluto AB is working with attracting and retaining value-adding employees, it gets obvious that it puts more effort to work with the already existing employees, than to showing its benefits and differentiators to potential ones. Still, it does use different sorts of communication channels in order to visualize itself, and making information available is a great way to influence the
employee-based brand equity, according to Wilden et al. (2010). A reason for why Pluto AB not is focusing more on its external marketing could be the following statement of Pluto A:

“If you are marketing yourself to a great extent, you will get many applicants with high expectations on a job offer, but you are not able to meet this expectation, since you are only a small organization with one, two job openings every year. In some way, this means that you lose yourself in the media buzz.”

In relation to this, Sivertzen et al. (2013) state that focus on innovation, personal growth, self-confidence, and learning creates more benefits than external branding activities, but since Olapido et al (2013) argue that the essence of employer branding is how to attract and retain, Pluto AB shows signs on being more focused on the retaining part.

According to Barrow and Mosley (2007), some companies have specific roles for the employer brand management. Pluto A mentions how roles at SMEs often are cross-functional, which for example could be seen in her role; responsible for both administration and HR.

As argued by Edwards (2009), communication of your employer brand should be a long-term project. The fact that representatives from Pluto AB are present in different work groups and how they once and a while lecture on schools, shows that they do have a long-term vision. It is also said that companies should target those who may consider the particular industry (Wilden et al., 2010); something Pluto AB does, focusing on being present at educations within the industry. It is also important to be aware of both formal and informal channels (Mangold & Miles, 2009), and while Pluto AB seems to be aware of the formal ones, it does not seem to use the informal, in terms of word-of-mouth, as a way to spread the word of what is like to be employed by Pluto AB.

Employer branding activities are said to lead to for example higher employee retention reduced HR costs with improved recruitment performance, and to attract those who builds and supports the customer brand (Barrow & Mosley, 2005). Pluto AB has a low employee turnover rate, and Pluto A seems rather satisfied with most of the recruitments that has been done through the years.

It is said that the employer brand could be used to distinguish your company from competitors (Barrow, 2007), and Pluto AB has some activities in order to build up an image of itself. However, Pluto AB is affected by financial constraints, which is said to be a common theme for SMEs (Wyanarczyk, 2013).

**5.7 Comparative analysis**

Human capital could be viewed as a way to experience competitive advantage, since it has the possibility to be a rare, valuable, non-substitutable, and difficult to imitate resource (Barney, 1991). Human capital has also been said to be seen as future organizational success due to increasingly knowledge-based work (Bakanuaskiene et al., 2011), and expenditures on training, education, and health are viewed as investments (Kucherov & Zavyalova, 2011). All SMEs in this study view the human capital as an important resource, but not all seems to understand how it could be used as a competitive advantage, even though Galabova and McKie (2013) argue that SMEs understand the relevance of a strong human capital. Saturn AB is the one who is most accurate in recruiting new employees, but also Jupiter AB witness of long and intense recruitment processes, which are made in order to find the most value-adding employees. Even though Uranus AB acknowledge that human capital is a source of
competitive advantage, it becomes obvious that the company, with its presence of a high growth rate, needs to recruit employees based on less detailed recruitment processes. Furthermore, all SMEs offer health care contributions, but many of them mention how expenditures on training and education are limited, often due to company size. Only Mars AB claims to have no problem with offering this, and is also the largest SME in this study. Previous studies indicate that SMEs often have financial constraints (Wyanarczyk, 2013) something that Pluto AB and Venus AB are examples of, while the other SMEs never mention this as an explicit problem, instead focusing on the size issue. It has also been said that SMEs often rely on more emergent and informal strategies (Levy & Powell, 2004), something which was obvious in many SMEs in this study, explaining how they indeed practice different sorts of activities over and over again, but very often did not have any specific plan for it. Examples of this is how Pluto AB wants to be present at education groups and to lecture at schools, and Venus AB tries to communicate what it is in different channels, while no specific plan for how to do this exists. It has also been said that the type of applicant companies looks for differ, making some want to go look for the best and brightest, while others are looking for applicants who fit into the organization (Backhaus, 2004). Jupiter AB, located in a technology-based industry where knowledge and skills of the employees are crucial for company success, are very concerned with finding the best and brightest, sometimes also with a different view of how to work, compared to current employees. Contrary to this, Saturn AB places a huge amount of effort to find someone who really fit into the organization, while the other SMEs seem to be located somewhere in between. When it comes to the work with employer branding, an employer brand is said to exist among all companies, since it is based on companies’ reputation, organizational culture, news about the companies, what the future holds for them and what the brand value looks like (Pogorzelski et al., 2008). It is based on pushing brand thinking and the employment situation closer together (Ambler & Barrow, 1996), with a purpose to create a favorable place to work (Ewing et al., 2002). Mars AB and Saturn AB – to some extent also Pluto AB – show signs of working with pushing marketing and HR closer together, with the aim of being viewed as favorable work places. However, Uranus AB, Jupiter AB, and Venus AB do not show any specific signs of action which would lead to this. Research within what has been proved to be attractive attributes among employers, has led to the categorization into five different areas: development, application, interest, social, and economic (Berthon et al., 2005). The first two is a description of the functional benefits, the second two the psychological benefits and the last one a description of the economic benefits (Ambler & Barrow, 1996). Since employer branding is about showing benefits and differentiators (Barrow & Mosley, 2007), these attributes is of importance (Berthon et al., 2005). A common theme within the SMEs is that the career opportunities are limited. However, the SMEs try to get around this through advertise job openings internally first, and for example Mars AB has as many internal recruitments as external ones. Even if career opportunities are limited, they do exists and all SMEs are aware of that this could be a way to retain employees within the company. The psychological dimension, which for example is about providing an exciting work environment, team feeling, and employee creativity (Berthon et al., 2005), is more or less visible among the SMEs, whereas Saturn AB is the one who stands out, followed by Pluto AB, Venus AB and Mars AB and Jupiter AB. When it comes to the economic factor, such as above average salary, job security, and attractive overall compensation package (Berthon et al., 2005), most of the SMEs argue that they could
provide a market based salary, whereas Saturn AB and Uranus AB state that the salary at their work places are below average. However, providing lower salary is argued to be an outcome of a strong employer brand, which Saturn AB at least could be believed to have.

Employer branding has current and potential employees as targets (Edwards, 2009), and companies should target those who may consider the particular industry (Wilden et al., 2010). The empirical data in this study shows that all SMEs know who is interested in their industry, and Pluto AB, Venus AB, Saturn AB, and Jupiter AB are the ones who in particular knows who these individuals are. However, even though Edwards (2009) states that employer branding targets current and potential employees, many of the SMEs in this study are more interested in providing existing employees with benefits, with no real aim to communicate this externally. Mars AB and Saturn AB are the ones who work with also targeting potential employees.

When communicating your work place, it is said that information should be easily available (Wilden et al., 2010) and that more rather than less information about a job opening leads to more positive reactions (Taylor & Collins, 2000). Uranus AB, Venus AB, or Jupiter AB has no specific way to easy share information about themselves. However, all SMEs believe that much information about a job opening is positive, but more in the dimension of finding the right applicant.

This leads the analyze to how it has been argued that the employer branding should be united, or at least aligned, with the corporate- and product branding. Some of the SMEs argue that a customer could be a future employee and vise verse (Mars AB & Venus AB). This strengthens the fact that different branding areas should be united, but only Saturn AB shows signs of doing this, while Mars AB explains how it has as one of its future objectives. When talking about employer branding, one needs to mention that it has been questioned in a worldwide recession (Martin et al., 2011), and at least Pluto AB mention how the recession has affected its ability to work with external marketing. Furthermore, both Pluto AB and Jupiter AB explain how they do not want to market themselves at for example job fairs, since they do not want applicants applying for jobs that do not exist.

Wilden et al. (2010) state, that word-of-mouth through referrals is the most credible source when marketing yourself as an employer, and Mangold and Miles (2009) mention how companies should pay attention to both formal and informal channels. Saturn AB relies on both formal and informal channels of communication about itself as an employer, whereas the rest mainly uses formal ones, such as job descriptions and web information, which is mentioned by Mangold and Miles (2009) as communication channels. Collins and Stevens (2002) suggest that companies should establish employee referral programs, which none of the SMEs have done, even though Saturn AB, as mentioned, do use its employees to spread its word. It is also said that communication should be on long-term projects (Collins & Stevens, 2002), which could be found within Saturn AB, Pluto AB, and a will from Mars AB to do the same.

When using employer branding strategies, companies should define what human capital that is critical, in order to meet strategic goals (Martin et al., 2009), something that most of the SMEs have done. When it comes to the employer brand mix (Barrow & Mosley, 2005), there is no ideal template for what the employer brand should look like, instead, it needs to be shaped to match the objectives and resources of the organization. This is something that is shown when analyzing the companies within different industries, since the elements appear in different amount, in different cases. Common for all of them is that most focus has been
placed on the elements which belong to the local picture, such as recruitment process, learning and development and work environment.

Furthermore, higher employee retention is said to be an outcome of having a strong employer brand (Barrow & Mosley, 2009). All SMEs have a low level of employee turnover, whereas Uranus AB is the only one that admits that it sometimes has failed with its recruitments, resulting in that these employees has left the organization one way or another. It is also said that it unites marketing and HR practices (Memon & Kolachi, 2012), but many of the SMEs argue that cross-functional roles exists due to size, and that this is harder to achieve in larger companies. Being involved and having a feeling of self-worth is one attribute on Berthon et al’s (2005) EmpAt-model, which could be achieved in these SMEs due to the possibility to work with different tasks in a cross-functional management. A strong employer brand can also lead to dedicated employees, and many of the SMEs report that they have employees who are dedicated, whereas Venus AB for example states that they sometimes even are too dedicated.

The findings from this analysis led to a more detailed model of the analyze model explained in chapter 2.3. Employer branding is a way to both attract and retain employees (Backhaus & Tikoo, 2004). However, in terms of SMEs, the balance between the work of attracting and retaining value-adding employees are uneven, whereas SMEs are more interested in using strategies and tools which are directed towards retention of current employees. Figure 5.7.a – 5.7.f gives a subjective and schematic description of how the different SMEs work with attraction and retention.

![Figure 5.7.a: Analyze model Venus AB](image)

![Figure 5.7.b: Analyze model Mars AB](image)
Figure 5.7.c: Analyze model Jupiter AB

Figure 5.7.d: Analyze model Saturn AB

Figure 5.7.e: Analyze model Uranus AB
Figure 5.7.f: Analyze model Pluto AB
6. Conclusions

This chapter is based on a discussion about the findings in this study. This is done through answering the research question which this study is concerned with. Theoretical and managerial implications of the findings are also presented, as well as recommendations for further research.

6.1 Findings and conclusions

Previous research has emphasized how employer branding could create value to organization through competent investment in human capital (Backhaus & Tikoo, 2004; Edwards, 2009). Since organizations are striving to gain competitive advantage in every legal way, it is also proposed that employer branding will become more prominent in the future (Love & Singh, 2011). This is due to the statement that the human capital is a distinct resource which could, if properly managed, become an abundant source of competitive advantage (Galabova & McKie, 2013).

However, employer branding has mainly been studied among large companies (e.g Joo & McLean, 2006; Love & Singh, 2011), leaving a gap in the research of how SMEs have adopted the tools and strategies of employer branding. At the same time, research has indicated that SMEs acknowledge the relevance of a strong human capital for their competitiveness and performance (Galabova & McKie, 2013), making it relevant to study how the tools and strategies of employer branding are applied by them. The purpose of this study was therefore to map and explore how employer branding is used by SMEs as a way to experience competitive advantage. This leads to the construction of the following research question:

- In order to experience competitive advantage, how do SMEs use the strategies and tools of employer branding as a way to attract and retain value-adding employees?

One of the most obvious finding in this study, is that all SMEs were using what has been said to be parts of employer branding tools and strategies. However, this study concludes that these tools are used more or less by SMEs, as well as in different ways. Another finding is that all SMEs are showing signs of being more focused on retain compared to attract, indicating that SMEs values their employees, and therefore human capital, and are providing them with different benefits in order to raise the probability that value-adding employees stays within the organization.

The finding that SMEs are more focused on retain, could have several explanations. For example, some SMEs find it inappropriate to work with employer branding tools in terms of attraction, since they believe that this means individuals applying for jobs which the SMEs cannot offer. That the number of yearly recruitments matters for SMEs work with attraction strategies of employer branding, could therefore be concluded. SMEs size in terms of number of employees could also be a reason for their level of adoption of attracting tools, since SMEs in the upper range of the definition were more likely to work with attraction, compared to the ones in the lower range.

This study also found that SMEs indeed offer many of the benefits that employees found attractive about employers. Even though SMEs recognize the company size as a constrain, and therefore also limitations to the possibility of providing career opportunities, SMEs want to be able to offer this to their employees, making sure to always look internally before they
decide to advertise a job vacancy externally. This once again raises the possibility that value-
adding employees are provided with opportunities which will increase the likelihood that they
retain within the organization.

This study further shows that SMEs shows a moderate interest to employer branding
strategies and tools, which is a difference compared to what previous studies in general says
about the interest of employer branding. Only one out of six SMEs in this study showed to
have a strategic plan when it comes to attract value-adding employees, indicating that some
SMEs are further down the employer branding road than others. This study could also confirm
Ambler and Barrow’s (1996) statement, that employer branding proves to be more prominent
among companies in service-intensive markets, concluding that this also applies to SMEs.

A somewhat surprisingly, however interesting finding from this study, was that SMEs often
value personal-organizational fit higher than an applicant that are considered the brightest and
the best. This was due to the fact that SMEs believe that value-adding employees are the ones
that fit into the organization. Due to this, employer branding among SMEs becomes more
prominent when a recruitment process is started, and when SMEs interact with applicants that
are considered as potential employees.

Above mentioned findings mean that SMEs do not use the strategies and tools of employer
branding in the generic way. Instead, they emphasize heavily on the recruitment process to
communicate who they are and what they believe in, with the aim to find employees who
could deliver competitive advantage through their fit with the organization. Once the
employees are onboard, different benefits are provided, often with a promise that employees
that work within SMEs might not be offered expensive career development packages,
however, they are offered the possibility to be involved and engaged, which is said to be
attractive factors when choosing where to work.

6.2. Theoretical implications

Just liked stated by Pogorzelski et al. (2008), all companies have an employer brand.
However, this study shows that SMEs employer brand most often are not visible until the
recruitment process starts. Theories therefore need to acknowledge that employer branding
could take different forms based on company size.

This study contributes with a concretization of how employer branding within SMEs may take
different forms. It also states that personal-organizational fit is valuable to SMEs in the search
of value-adding employees. Furthermore, it suggests that theories should take into account
that SMEs have different opinions about what a value-adding employee is.

6.3 Managerial implications

SMEs should through their employer brand communicate the fact that they often provide a
cross-functional management, where employees often are allowed to take a great part of
different business features. It is also of great importance for SMEs to understand which
industry the company is located in, and which assets are requested by employees, in order to
create a value-adding human capital. This, since there could be differences regarding what is
requested between industries, but also between organizations, due to different prerequisites.

Another managerial implication could be that the external part of employer branding becomes
prominent first when SMEs are growing bigger, suggesting that companies always should stay
aware of their size and always be ready to add a new feature, such as employer branding, to their business.

**6.4 Recommendations for further research**

To be authentic is something that is said to be very important when communicating your employer brand, something that is stated both from the SMEs in this study, as well as in previous research (e.g. Love & Singh, 2011 & Pogorzelski et al., 2011). However, little is said about whether or not the employer brand actually is authentic among companies, making it relevant to study this by exploring how managers, employees, and applicants experience a specific brand, in order to highlight how often the employer brand is viewed in the same way from different stakeholders.

It could also be interesting to explore how SMEs that state that they are working with employer branding is performing in relation to comparable SMEs that state that they do not work with it. If any, what would be the difference? More critical studies on employer branding’s real value are also suggested to be carried out, since most of the present studies have a rather positive approach to it. Does employer branding really add a value, or is it just assumed to do it?
References


Appendices

Appendix 1: The Employee-Customer-Profit Chain

The ovals represent hard data, the rectangles survey information. Measurements in blue are collected and distributed as total performance indicators.
## Appendix 2: Operationalization chart

<table>
<thead>
<tr>
<th>Themes</th>
<th>Descriptions</th>
<th>Sources</th>
<th>Question</th>
</tr>
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</table>
### Employer Branding and what it is

1. Brand thinking and employment situation closer together
2. Companies needs to live up to it
3. who you are, what you want, what you stand for
4. purpose: favorable place to work
5. must be consistent with reality
6. employees know who they start working for, what is expected from them and how they will be judged
7. EB gives clarification of tangible/intangible offerings
8. EB exists among all companies – reputation, culture, news, future, brand value
9. large extent expressed in recruiting processes
10. EB during employee life-cycle
11. Unite corporate-, product- & employer branding
12. Good external brand experience a reassumed to mean quality employer
13. EB is questioned in the world-wide recession
14. Cross-cultural differences
15. important in HR practitioners toolkit

### Attractive Attributes about Employers

1. Attracted based on the company’s attributes, employee’s assessment of the brand image, and the perceived benefits.
2. Interest, social, economic, application, and development are important factors (table 2.2.2)

### Employer Branding Strategies

1. EB is about showing benefits and differentiators
2. The issue is how to attract/retain
3. External and internal
4. Some has specific roles for the EB management
5. Current and potential employees as targets
6. Not compensation as a key factor, non-monetary: feeling of learning, growth, confidence and self-worth & using ones knowledge
7. Make info available – this influence the employee-based brand equity
8. Advertising matters for applicants perception – be proactive

### Sources

1. Ambler & Barrow, 1996
2. Campbell, 2002, Martin, 2009
3. Pogorzelski et al., 2008, Bakhaus & Tikoo, 2004
4. Ewing et al., 2002
6. Pogorzelski et al., 2008
7. Edwards, 2009
8. Pogorzelski et al., 2008
9. Pogorzelski et al., 2008
10. Pogorzelski et al., 2008
12. Barrow and Mosley, 2005
13. Martin et al., 2011
14. Berthon et al., 2005

8, 11, 17,18, 19, 20, 21, 22a, 22b, 25
### Employer Branding Strategies

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<tr>
<td>9.</td>
<td>Communication should be a long-term project</td>
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<td>10.</td>
<td>Define what HC that is critical in order to meet strategic goals</td>
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<tr>
<td>11.</td>
<td>The employer brand mix: organizational context vs local context</td>
</tr>
<tr>
<td>12.</td>
<td>Umbrella categorization, based on the organization – what value to offer</td>
</tr>
<tr>
<td>13.</td>
<td>The EB needs constant follow-up</td>
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<tr>
<td>14.</td>
<td>Org. culture is an asset</td>
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<td>15.</td>
<td>Honesty, respect, integrity, collaboration, trust, two-way communication</td>
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<tr>
<td>16.</td>
<td>Focus on innovation, personal growth, self-confidence, and learning creates more benefits than external branding activities</td>
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<td>17.</td>
<td>Target those who may consider the particular industry</td>
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<td>18.</td>
<td>Pay attention to both formal and informal channels</td>
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<tr>
<td>19.</td>
<td>W-o-m through referrals is the most credible</td>
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<tr>
<td>20.</td>
<td>More rather than less info about a vacancy = more positive reactions</td>
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<tr>
<td>21.</td>
<td>Internal marketing can merge person-org values and beliefs</td>
</tr>
<tr>
<td>22.</td>
<td>Great reputation = attractive</td>
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<td>23.</td>
<td>Success is attractive</td>
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<td>24.</td>
<td>CSR is attractive</td>
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<td>25.</td>
<td>Visibility</td>
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<tr>
<td>26.</td>
<td>Compensation to some extent</td>
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<tr>
<td>27.</td>
<td>Future SME-employees want innovative, risk-oriented, creative, CSR, supportive.</td>
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### Outcomes of a Strong Employer Brand

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<tbody>
<tr>
<td>1.</td>
<td>Unit marketing and HR practices</td>
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<tr>
<td>2.</td>
<td>Attract the most talented workers</td>
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<td>3.</td>
<td>Attracts those who builds and supports the customer brand</td>
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<tr>
<td>4.</td>
<td>Cannot compensate problems with the work environment, but can discover weaknesses</td>
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<tr>
<td>5.</td>
<td>Reduce HR costs with improved recruitment performance</td>
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<td>6.</td>
<td>Improve labour relations,</td>
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<td>7.</td>
<td>Have lower wages, higher retention</td>
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<td>8.</td>
<td>Higher employee retention</td>
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<td>9.</td>
<td>Strengthen org. culture</td>
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<td>10.</td>
<td>Dedicated employees</td>
</tr>
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<td>11.</td>
<td>Increased financial indicators</td>
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### References

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<td>27. Szamosi, 2006</td>
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</table>
Appendix 3: Interview guide

Opening questions
- Could you please tell us about the company and your specific role there??
- How long have you been working at the company?
- What made you apply for a job at this company?
- What did the recruitment process look like when you applied?

1. As a company in this industry, what are important resources in order to stay competitive?
2. Which of these resources do you assimilate?
3. How do you achieve and maintain these resources?
4. In what way could these resources keep you competitive?
5. In what way could your employees help create competitive advantage?
6. How do you think your employees differs from competitors employees?

7. Do you have a plan of how to retain your employees? (Why should they stay at your workplace?)
8. What different sorts of benefits do you offer your employees?
9. What does the career opportunities look like within your company?
10. How do you work with internal recruitment?
11. How do you work with employees’ needs? (In terms of further training, flexible hours, support, health)

12. Please explain what a typical recruitment process looks like
13. How do you ensure that you actually hired the most suitable applicant?
14. To what degree do you think of job applicants fit with current employees? (What is most important; a true talent or someone that fits in nicely?)
15. How do you work with recruitment in terms of headhunting? (Do you know who is top notch within your industry?)
16. What is your employee turnover rate? (What do you think are the reasons behind that?)

17. As an employer, how do you want to be perceived by potential applicants?
18. What do you think the rumor says about you as an employer?
19. Could you please describe yourself as an employer with three words
20. What are your strengths and weaknesses as an employer?

21. Do you have a plan for how to be visible as an employer? (What does it looks like?)
22. a) How do you work with the different marketing channels in order to communicate information about yourself as an employer? (For example homepage, advertising, w-o-m, social media, fairs, job postings)
   b) What do you focus to communicate? (For example, what can you offer to your employees?)
23. Who works with marketing your company as an employer?
24. Do you see any similarities or differences between the company’s marketing of its products or services, the company’s brand, and the company as an employer?
25. In practice; what activities do you do in order to be perceived as an attractive employer?

26. Do you have anything else to add in relation to what we have discussed during this interview?

Appendix 4: Interview guide in Swedish

Inledande Frågor
- Berätta lite om er verksamhet samt din roll på företaget
- Hur länge har du varit anställd av företaget?
- Hur kom det sig att du sökte dig till just detta företag?
- Hur såg rekryteringsprocessen ut när du blev anställd?
- Berätta lite om branschen som ni befinner er i

1. Som företag i denna bransch, nämn några resurser som behövs för att vara konkurrenskraftiga.
2. Vilka av dessa resurser tillgodogör just ni er av?
3. Hur arbetar ni för att uppnå och bibehålla dessa resurser?
4. På vilket sätt gör dessa resurser er konkurrenskraftiga?
5. Hur tror ni att er personal kan bidra till att skapa konkurrenseffekter?
6. Hur tror ni att er personal skiller sig från er konkurrenters personal?

7. Finns det någon plan för hur ni arbetar för att behålla era anställda? (Varför ska de vara kvar på er arbetsplats?)
8. Hur är det att vara anställd hos er? (Vilka förmåner etc. får man som anställd?)
9. Hur ser karriärmöjligheterna ut hos er?
10. Hur arbetar ni med internrekrytering?
11. Hur arbetar ni för att möta anställdas behov? (t ex vidareutbildningar, flextid, support, hälsa, sammanhållning etc.)

13. Hur gör ni för att försäkra er om att ni anställt den som är bäst lämpad för jobbet?
14. Till vilken grad funderar ni över jobbsöknads passform med befintliga anställda?
  (Vad är viktigast, en verklig talang eller en som passar in i gruppen?)
15. Hur arbetar ni med rekrytering i form av headhunting? (vet ni vem som är top notch?)
16. Hur ser er personalomsättning ut? Vad tror ni detta beror på?

17. Hur vill ni som arbetsgivare uppfattas av potentiella arbetstagare?
18. Vad tror ni ryktet säger om er som arbetsgivare?
19. Med tre ord, beskriv er som arbetsgivare
20. Vad är era styrkor & svagheter som arbetsgivare?

21. Finns det någon plan för hur ni ska göra för att synas som arbetsgivare, och hur ser den i så fall ut?
22. a) Hur arbetar ni i respektive marknadsföringskanal (T ex hemsidan, reklam, w-o-m, sociala medier, mässor, platsbank etc.) för att förmedla information om er som arbetsgivare?
b) Vad lägger ni då fokus på att kommunicera? (*Dvs vad kan ni erbjuda era anställda?)

23. Vem genomför arbetet med att marknadsföra er som arbetsplats?

24. Vilka är likheterna/skillnaderna mellan företagets marknadsföring av sina produkter/tjänster, företagets varumärke, samt företag som arbetsgivare?

25. Rent praktiskt, vilka aktiviteter gör ni för att uppfattas som en attraktiv arbetsgivare?

26. Har ni något annat ni vill tillägga i förhållande till det vi har diskuterat under denna intervju?
### Appendix 5: Empirical comparison

<table>
<thead>
<tr>
<th>Themes</th>
<th>Venus AB</th>
<th>Mars AB</th>
<th>Jupiter AB</th>
<th>Saturn AB</th>
<th>Uranus AB</th>
<th>Pluto AB</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Important Resources</strong></td>
<td>Facilities, the companies size, employees</td>
<td>Cross-functional management</td>
<td>Innovative Employees,</td>
<td>Cross-functional management</td>
<td>Employees and IT</td>
<td>Employees</td>
</tr>
<tr>
<td><strong>HC as competitive advantage</strong></td>
<td>Employees are highly important</td>
<td>Employees are highly important</td>
<td>Employees are highly important</td>
<td>Employees are highly important</td>
<td>Employees are highly important</td>
<td>Employees are highly important</td>
</tr>
<tr>
<td><strong>A plan for how to be an attractive workplace</strong></td>
<td>No, but tries to be visible at different events</td>
<td>Yes, working on it right now</td>
<td>No, does not feel like it needs to</td>
<td>Yes</td>
<td>No</td>
<td>To some extent, yes</td>
</tr>
<tr>
<td><strong>A plan for how to retain value-adding employees</strong></td>
<td>More influence, more responsibilities, higher salary</td>
<td>Yes, benefits &amp; career opportunities, education</td>
<td>Salary and more responsibility</td>
<td>All the benefits, family-feeling</td>
<td>No, everybody changes company</td>
<td>No, but fair contracts, communication and dialogs</td>
</tr>
<tr>
<td>Offers the factors on EmpAt</td>
<td>Development</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes, but it is your own choice</td>
<td>For some,</td>
<td>Yes, but not huge career opportunities</td>
</tr>
<tr>
<td></td>
<td>Application</td>
<td>Yes</td>
<td>Yes – apply, but not the rest</td>
<td>Yes</td>
<td>Apply, Give-back, creative</td>
<td>Yes, very much</td>
</tr>
<tr>
<td></td>
<td>Interest</td>
<td>Yes</td>
<td>Yes, highly visible here</td>
<td>Yes, highly visible here</td>
<td>Hard to tell</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Social</td>
<td>Yes</td>
<td>Yes, highly visible here</td>
<td>Yes, highly visible here</td>
<td>Hard to tell, grown too much</td>
<td>Yes, many activities</td>
</tr>
<tr>
<td></td>
<td>Economic</td>
<td>Yes/No. Promotion opportunities, low salary</td>
<td>Yes/No. Low salary but great packages</td>
<td>Market based salary, security</td>
<td>Yes/No. Low salary but great packages</td>
<td>Yes, competitive salary</td>
</tr>
<tr>
<td></td>
<td>Career opportunities</td>
<td>Internal recruitment is often used</td>
<td>Yes communicates it. 50/50 in recruit</td>
<td>Yes, take in juniors instead, but no exclusive training</td>
<td>Depends on yourself</td>
<td>Limited due to size, but internal add first!</td>
</tr>
<tr>
<td></td>
<td>EB Through the whole employee-lifecycle</td>
<td>No</td>
<td>Yes, always working with it</td>
<td>No, you want to be here</td>
<td>Yes, from attracting to parting</td>
<td>Yes, activities along the way</td>
</tr>
<tr>
<td></td>
<td>Unite corporate-product-, and employer branding</td>
<td>Yes, Highly visible through events.</td>
<td>Wants to, but not there yet</td>
<td>It is very different, wants to communicate more</td>
<td>Yes, KISS-model everywhere</td>
<td>Different, but all adds could mean a potential applicants</td>
</tr>
</tbody>
</table>
### The balance between attract and retain

<table>
<thead>
<tr>
<th>Strategic focus</th>
<th>Getting more and more balanced</th>
<th>Not really attracting = no jobs, not really focusing on retaining</th>
<th>Balanced, developed EB</th>
<th>Not working with it. too much focus on growing, hire someone quick</th>
<th>Balanced, but do not want to attract to much</th>
</tr>
</thead>
<tbody>
<tr>
<td>More strategic focus on retain, attract occurs by itself</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

### The balance between competence and to “fit in”

<table>
<thead>
<tr>
<th>Fit-in</th>
<th>Wants to have both, but much focus on the attitude = fit</th>
<th>Competence is very important. A certain new way of thinking. but still needs to fit in</th>
<th>Fit-in. 110% sure.</th>
<th>Need specific background. No worries about the fit</th>
<th>Fit is important, looks for a fast learner in that case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fit-the fit, you also search for a new workplace.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### What channels they use to communicate their workplace

<table>
<thead>
<tr>
<th>Social media</th>
<th>Home page</th>
<th>Platsbanken</th>
<th>w-o-m, ambassadors</th>
<th>Fairs &amp; events</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, Facebook, Instagram &amp; Blog.</td>
<td>Yes.</td>
<td>No</td>
<td>All the employees are ambassadors</td>
<td>Yes. Several events during the year, but not very focused on EB</td>
<td>No</td>
</tr>
<tr>
<td>Yes, likes LinkedIn a lot, but very expensive</td>
<td>Yes, employee presentations</td>
<td>Yes, Stepstone</td>
<td>Yes, employees talk to family and friends, for ex</td>
<td>Not yet, but wants to be more present at these</td>
<td>No</td>
</tr>
<tr>
<td>No</td>
<td>Not very much – investors instead</td>
<td>Yes, much information</td>
<td>R&amp;D manager attracts applicants</td>
<td>Yes</td>
<td>To extent</td>
</tr>
<tr>
<td>Yes, Facebook, Twitter, &amp; LinkedIn</td>
<td>To some extent</td>
<td>Yes</td>
<td>Yes, the employees are ambassadors</td>
<td>No, but knows where to be visible. “up to every single employee”</td>
<td>Yes</td>
</tr>
<tr>
<td>Working on where to be visible.</td>
<td>Yes, a short description</td>
<td>Yes</td>
<td>Up to every single employee</td>
<td>Yes, fairs and lectures at high schools and so on</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### Different sorts of constraints

| Many hourly paid employees. | Finance (LinkedIn), size | Size. finance | Never mentions finance | Growing. No time. Finance | Size, finance |

### Signs of EB outcomes

<table>
<thead>
<tr>
<th>Labor relations</th>
<th>Low employee turnover</th>
<th>Lower wages</th>
<th>Are showing signs of working with the EB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Familial feeling</td>
<td>Yes, low,</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### Signs of EB outcomes

<table>
<thead>
<tr>
<th>Close to each to different people, but very ambitious</th>
<th>Very good, hang out at spare time</th>
<th>Many new employees</th>
<th>Family feeling</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, but not high</td>
<td>Yes, “weird when someone leaves”</td>
<td>Higher than the other ones</td>
<td>Yes, low.</td>
</tr>
</tbody>
</table>

### Signs of EB outcomes

<table>
<thead>
<tr>
<th>Middle</th>
<th>Market based</th>
<th>Yes, low</th>
<th>No, competitive wages</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Low, but because of the industry</th>
<th>To some extent</th>
<th>No</th>
</tr>
</thead>
</table>