

# Co-created employer brands: the interplay of strategy and identity

Co-created  
employer  
brands

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## Abstract

**Purpose** – The study aims to explore strategic employer brand management by combining experiences of multiple organizations. In particular, the purpose is to identify what strategic management processes managers consider relevant to employer brand management for small- and medium-sized enterprises (SMEs).

**Design/methodology/approach** – This study took an inductive approach, observing a practitioner project in Sweden. The data were gathered during four full-day workshops, where 14 SMEs from different industries were chosen to participate and to actively work their employer brand(ing) activities.

**Findings** – The results show that organizations have difficulty understanding and comparing employer branding practices, and thus, evaluating their own brand. The major themes show that organizations have two focus points for their employer branding work: building strategic structures (processes) on one hand, and a collective identity that aligns with the brand values, on the other. However, organizations differ in these dimensions, affecting what needs to be done to become successful.

**Originality/value** – This contributes to the limited knowledge about employer branding, human resources development (HRD) and SMEs. In addition, most of the previous studies have neglected to take into account the differences between organizations, approaching employer branding as a universal process. This paper summarizes different positions for employer brands that affect strategy: the unmanaged, the non-strategic, the impersonal and finally, the co-created. Co-creation can be facilitated with the help of constructive and collaborative HRD. Then, it can be turned into a dynamic capability that builds competitive advantage.

**Keywords** Co-creation, Employer branding, Employer brand, Brand identity, Employer brand management, Employer brand strategies

**Paper type** Research paper

## 1. Introduction

Attracting and retaining, as well as motivating and engaging talent, have become important questions for organizations to build sustainable competitive advantage. To stand out from competitors and attract the best talent, organizations have turned to employer branding (Backhaus, 2016). The employer brand refers to “the package of functional, economic and psychological benefits provided by employment and identified with the employing company” (Ambler and Barrow, 1996, p. 187), whereas employer branding is the process of building a differentiated brand identity as an employer (Backhaus and Tikoo, 2004). The field combines the areas of human resources management (HRM) and marketing (Backhaus, 2016; Itam *et al.*, 2020). In practice, the employer brand is often managed by the HRM department by applying principles from marketing and branding to people management



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(Kucherov and Zavyalova, 2012; Itam *et al.*, 2020). While all companies have an employer brand, not all choose to actively work on managing them (Backhaus, 2016).

Currently, two streams of research can be identified in the field: one studying the effects of employer brands on potential or current employees, and the other focusing on management activities, i.e. employer branding (Mölk, 2018). Whereas a plethora of studies has been conducted within the former field, the latter still leaves much to be discovered. The purpose of employer branding is to attract new talent, but also to retain and engage current employees. However, most previous research has looked at the external employer brand, and the potential employees' understanding of the employer brand, focusing on recruitment in particular (Mölk, 2018; Theurer *et al.*, 2018). Employees are a resource that have been identified as key to building competitive advantage (Barney, 1991), and therefore employer branding is a crucial area for human resources development (HRD) (Itam *et al.*, 2020). While the literature acknowledges that employer branding has strategic importance, strategy development has been lacking in the literature (Mölk, 2018). Mölk (2018) and Smith (2018) criticize the current state of the literature, stating that employer branding has been treated as a standardized step-by-step process with prearranged and uniform management activities.

According to Smith (2018), the dominant employer branding paradigm has an utter lack of interest in processes, as the focus so far has been almost entirely on measurable outputs connected to the employer brand. Yet, a successful employer brand requires strategic focus (Dabirian *et al.*, 2017), and managers describe it as being “a phenomenon and a process, which sets a context for the growth and development of the best workplaces” (Itam *et al.*, 2020, p. 686). The question of processes in strategic management is central, as discussed by Teece *et al.* (1997): “the essence of competences and capabilities is embedded in organizational processes of one kind or another” (p. 518). However, what they entail and how they allow competitive advantage to develop is dependent on assets (e.g. technology) as well as on the evolutionary path or history of the organization in question (Teece *et al.*, 1997). The traditional employer branding literature has failed to address the actual and realistic difficulties organizations are facing (Auer *et al.*, 2021), and neglected to look at the organization itself and the environment in which it operates (Mölk, 2018).

Lastly, Backhaus (2016) discuss that while at first the employer brand merely synthesized the brand identity, the focus has shifted to studying the concept of “employer of choice.” Thus, the current literature does very little to highlight organizational differences in employer branding and HRD. In particular, most of the current research has focused on studying large companies, and rather little is known about small- and medium-sized enterprises (SMEs) with limited resources (Monteiro *et al.*, 2020; Moser *et al.*, 2021; Kucherov and Zavyalova, 2012). Therefore, to create a more nuanced picture of employer branding and develop the area further, more research is needed of employer branding in different types of organizations. In addition, considering the notion that creating competitive advantage is firm-specific and that processes vary between firms, treating the strategic management of employer branding as a universal process seems contradictory.

### 1.1 Objectives of the study

Bearing in mind these gaps in the current literature and the potential of employer branding to organizations, this study aims to:

- explore employer brand management in SMEs by taking an inductive approach; and

- identify what strategic processes managers consider relevant to employer brand management.

As previous research lacks general frameworks, this study takes an inductive approach, and the literature overview in the upcoming section, therefore, follows themes from the empirical data. The data were collected during four workshops connected to an employer branding practitioner project involving 14 organizations. The empirical results suggest that employer branding is a complex phenomenon that combines a strong strategic focus and collective co-creation. Hence, this study approaches employer branding by combining the theoretical bases of resource-based view (RBV), intellectual capital based-view (ICV) and social identity theory.

## 2. Overview of the literature

### 2.1 Theoretical lenses

Employer branding has often been studied through the lens of RBV that builds on strategy literature. [Barney \(1991\)](#) postulates that sustainable competitive advantage could be attained with the help of resources that are rare, valuable, non-substitutable and difficult to imitate. This has been applied in the context of employer branding, firstly, in terms of seeing the brand itself as an important resource that attracts relevant human capital. Secondly, the RBV is used to explain that with the help of branding activities, employees themselves can be developed into a unique and inimitable resource ([Backhaus and Tikoo, 2004](#)). According to [Teece et al. \(1997\)](#), the RBV, while being valuable in acknowledging the importance of firm-specific capabilities, lacks the explanation of what mechanisms need to be in place to create sustainable competitive advantage. Instead, the authors discuss the concept of dynamic capabilities, which they define as “the ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments” (p. 516). Similarly, [Reed et al. \(2006\)](#) point to the shortcoming of the traditional RBV, suggesting an ICV of the firm that highlights knowledge as the link between resources and competitive advantage. ICV builds on the idea that knowledge resides in three components of capital: the people (human capital), social relationships (social capital) and information technology (IT) systems and processes (organizational capital) ([Reed et al., 2006](#)). It has been suggested that HRD practices have a great impact in developing and harvesting this capital with the help of employer branding ([Kucherov and Zavyalova, 2012](#)).

Another stream of research has approached employer branding from the perspective of identity theories, which highlight the importance of social relationships in value creation. Social identity describes how individuals classify themselves as part of a larger context, e.g. identifying with an organization ([Ashforth and Mael, 1989](#)). Organizational value systems provide a code of conduct for its members ([Edwards and Cable, 2009](#)), and the social identity theory emphasizes that identification enables individuals to internalize the group’s values and attitudes ([Ashforth and Mael, 1989](#)). Thus, value congruence has been recognized as a key concept for achieving a fit between the employees and organization, to find a common ground in the collective ([Edwards and Cable, 2009](#)). Indeed, finding and retaining talent that fit into the company ethos seem to be of utmost importance: it increases work satisfaction for the individual and enables an authentic and sustainable culture for the organization ([Frederiksborg and Fort, 2020](#)). Therefore, the employer brand needs to be well defined and strategic, and the corporate values need to be easy for employees to comprehend ([Backhaus, 2016](#)). In addition, the vision of the brand must be transformed into concrete and actionable objectives, and more enlightened managers understand involving employees to identify with the values and create relevant meanings ([de Chernatony, 2002](#)). Interacting with others

within an organization will help individuals to determine their social work identity, as well as what is considered to (not) be part of the job (Wrzesniewski and Dutton, 2001).

### 2.2 Employer branding

As the employer brand targets both potential and current employees, it can be considered as having an internal and external perspective. The external employer brand refers to the employer image, or the mental representations individuals have of the organization as an employer, while identity is what the insiders, i.e. employees, perceive to be the stable and persistent core of the company (Lievens and Slaughter, 2016). Lievens and Highhouse (2003) describe the employer brand as consisting of both more concrete instrumental attributes, as well as symbolic values that refer to the abstract elements of the brand. The authors suggest that instrumental attributes are not enough to differentiate the brand, but differentiation should be based on the symbolic values. The traditional perception builds on the idea that the more benefits an organization has, the more attractive it is considered to be (Moser *et al.*, 2021).

Moser *et al.* (2021), however, highlight that this fails to explain why start-ups are seen as attractive, despite having a more modest number of concrete benefits. They strongly advocate the use of a strong company culture in combination with other benefits to attract the best talent. The strength of the employer brand is also determined by how well the organization manages to match its promise with employees' actual experience of the employer brand culture and employer values (Dabirian *et al.*, 2017). If the so-called psychological contract is not fulfilled, it creates a reason to leave and to engage in negative word-of-mouth (Dabirian *et al.*, 2017). Therefore, both strategy and organizational culture contribute to the success of an employer brand (Monteiro *et al.*, 2020; Itam *et al.*, 2020).

### 2.3 Employer branding: a strategic process or social phenomenon?

Previous research suggests that employer branding begins with the development of the employer value proposition that is then communicated internally and externally (Backhaus and Tikoo, 2004). Mlk and Auer (2018) criticize the current view of employer branding as a top-down process, stating that the employer branding literature "largely theorizes employer branding as a controllable management process rather than as a social phenomenon" (p. 485). The authors believe that it is crucial to understand the dynamics and power structures existing in the organization, as the social infrastructures have an effect on employer branding. Edwards (2010) points to the importance of perceiving employer branding as a shared employment experience, and the "identification of elements of the character of the organisation itself; features such as the organisation's key values and the guiding principles underlying how it operates as a collective entity" (p. 7). Thus, the employer brand is experienced together, and the actions of the employees affect the mutual experience.

The social identity theory posits that values are key for defining a collective (Ashforth and Mael, 1989), but it can be difficult for employees to identify with predefined values that are communicated to them, rather they should be co-created in the social collective (Aggerholm *et al.*, 2011). Further, not only the values create significance to employees, but also the negotiation (and co-creation) process itself. In addition, Mlk (2018) underlines that the employer brand processes are affected by the people in charge of the process, as well as by employer branding structures. They define these as the "sets of functional and organizational rules and resources, strategically generated by organizations (e.g. target audience, budget) or given by the context in which the organization is embedded (e.g. labour market conditions, social welfare system)" (p. 326). However, Monteiro *et al.* (2020) describe

that SMEs often rely on informal HR and branding activities and managing by culture results in lack of strategic intent.

#### 2.4 The employee life cycle

Dabirian *et al.* (2017) suggest that creating a positive work environment and a strong employer brand do not emerge by coincidence nor are they a short-time project, but require taking a strategic approach. Previous research has suggested that smaller enterprises may use more informal HRD and employer branding practices (Monteiro *et al.*, 2020), but as employer branding focuses on attracting, engaging and retaining talent, it becomes important to understand the different stages in the employee experience. Plaskoff (2017) suggests that managers should consider how the experience is designed and how different processes create a holistic journey with multiple crucial touchpoints. The author divides the journey into three different stages: pre-employment, employment and post-employment. Itam *et al.* (2020), on the other hand, describe the employee experience in terms of employee life cycle, consisting of attracting, hiring, onboarding, engaging, performing and departing. According to the authors, it is important to set relevant employer brand goals for each stage, which also align with the overall business needs. Lastly, they stress the importance of consistent messages when communicating the brand to enhance brand understanding internally.

Plaskoff (2017) strongly recommends involving employees to actively take part in creating employee processes in the organization, and Mlk (2018) proposes that involving people from different hierarchical levels in strategy formulation could be a more inclusive approach and lead to a better buy-in from stakeholders. Organizational processes and routines allow coordination of different activities and incentives, so that they become congruent and complement each other (Teece *et al.*, 1997). The role of processes is also to create learning, as each repetition develops the task and makes it more efficient, both for the individual engaging in the task and the organization. Lastly, processes and routines have a transformational purpose: in a dynamic environment, organizations must quickly be able to respond to changes. Processes often rely on tacit knowledge, making them difficult to replicate both within the firm but also by outsiders. However, they need to be understood if they are to be improved – thus they must be documented and coded (Teece *et al.*, 1997). Drawing on ICV of the firm by Reed *et al.* (2006), Chen *et al.* (2020) suggest the concepts of *developmental HRD* that aim to train and develop individual employees and *constructive HRD* practices, defined as “activities that reflect codified knowledge stored in organizational databases, manuals, standard operating procedures and organizational culture” (p. 462). Further, the authors suggest that to gain sustainable firm performance, organizations must build *collaborative HRD* practices “that facilitate interactions, collaborations and relationships among organizational members” (p. 462).

### 3. Research methodology

#### 3.1 Project and participants

This study followed a local business project, aimed to help local organizations to develop a strategy for employer branding and to create a model for long-term competence supply to the individual businesses, as well as the region overall. The project was coordinated by Lule Business Region, a municipality-owned company that works with business and destination development. The local municipality and The Swedish Agency for Economic and Regional Growth funded the project, which was led jointly by two expert consultants. To do this, 14 local organizations from different industries were chosen by the project

managers. The project itself consisted of five full-day workshops, as well as individual meetings between consultants and participating organizations (Table 1).

3.2 Data collection

Data were collected through participant observations, and the researcher attended four out of five workshops that were designed by the expert consultants. During each of the workshops, the organizations were asked to present what they had been doing to the rest of the group. The experts asked the more experienced participants to present information about their employer branding practices to the others to inspire and show example. Much was left open so that the participants could suggest topics they felt important to discuss. The researcher had no control over the content of the workshops. Spradley (1980) suggested that observers should enter the situation with an open mind and “as far as possible, both questions and answers must be discovered in the social situation being studied” (p. 32). Hence, there was no observation protocol to be followed.

For this study, the researcher decided for a moderate participation level, which Spradley (1980) discussed as being both an insider and outsider, where one at times participates in certain tasks, but can remain a pure observer in others. In the beginning, the researcher presented themselves to the participants, explaining that they were there to observe, that no crucial business information would be included in the research and that anonymity was ensured. This was important for the participants to feel safe to share their experiences. The researcher would interact with the participants only during breaks, lunches and shared personal experiences during closing discussions. However, in the workshops, during which the data were gathered, the researcher took a purely observational role.

3.3 Data analysis

Considering the exploratory nature of the study, a thematic analysis was conducted. A thematic analysis is a flexible method (Braun and Clarke, 2006) and useful in handling and summarizing large quantities of data, and highlighting similarities and differences (King, 2004; Nowell et al., 2017). Instead of validity and reliability that often define the quality of quantitative data, Lincoln and Guba (1985) suggested focusing on trustworthiness when dealing with qualitative inquiries. This consists of credibility, transferability, dependability and confirmability. These criteria are discussed in the following description of the analysis process.

As an important first step, Braun and Clarke (2006) suggest the researcher to *familiarize themselves with the data*. During the workshops, the researcher wrote down the notes by hand, which were then transcribed into a Word document. These notes also provide an audit trail, an important aspect to ensure dependability. The second step is *generating initial*

Gender	Role	Industries
9 Female	6 HR	IT
5 Male	4 Chief executive officers	Food and beverage manufacturing
	2 Managing director/business unit manager	Health care
	2 Other	Hotel
		Technical consultancy
		Management consultancy
		Printing
		Energy

**Table 1.**  
The participants

codes, during which [Braun and Clarke \(2006\)](#) recommend the researcher to systematically work through the material by highlighting and focusing on interesting items. This included color-coding and grouping items based on their nature. [Nowell et al. \(2017\)](#) suggest that more than one researcher should work on coding the data, as credibility is enhanced by involving multiple researchers ([Lincoln and Guba, 1985](#)). The premise of the project was that there would be confidentiality between the participants, and some of the observation notes included somewhat secretive material; thus, the analysis was done by the researcher alone. However, a senior colleague was consulted throughout the entire process.

Step 3 is the *searching for the themes*, and when dealing with an inductive approach, the identified themes do not come from an existing coding frame ([Braun and Clarke, 2006](#); [Nowell et al., 2017](#)). The highlighted initial codes were sorted into an Excel file to create a more structured approach and to be able to identify subthemes and hierarchies. Step 4 included *reviewing themes* individually to see that they reflect the raw data and how well they form a coherent holistic picture ([Braun and Clarke, 2006](#); [Nowell et al., 2017](#)). The data were approached by moving between data and theory to discover and name appropriate themes. However, this was done after conducting all the observations while reviewing the initially identified and coded themes. Then it was time to *define and name themes* ([Braun and Clarke, 2006](#); [Nowell et al., 2017](#)). When a researcher works alone, other experts could be consulted ([Braun and Clarke, 2006](#); [Nowell et al., 2017](#); [Lincoln and Guba, 1985](#)); thus, the themes were discussed with a senior colleague. Lastly, the final step consisted of *producing the report* ([Braun and Clarke, 2006](#)), represented here. The report includes both overall descriptions and quotes from participants to strengthen the quality. Researcher triangulation was also used, with three other researchers reviewing the report.

To ensure the credibility of the results, [Lincoln and Guba \(1985\)](#) suggested member checking, where the results are presented to participants to see if they can recognize them. The main findings were presented to the project managers. These results were recognized and perceived positively by the participants, and the project managers wished to include it in the project material. Lastly, [Lincoln and Guba \(1985\)](#) state that the researchers should leave thorough descriptions of the process to make sure there is transferability to other cases and sites, which can also be stated as generalizing the findings. The codebook, field notes and analysis together with the official project material aim to achieve this.

## 4. Findings

A number of common themes were identified ([Table 2](#)). It is important to note that the organizations taking part in the project came from different industries and have different resources and history; thus, their needs varied. For example, one firm employed as little as five people, while the largest had 250 employees. Despite differences in the starting point, as well as needs for further development, they had multiple things in common. Already during the second workshop and throughout the project, many of the participants mentioned that taking part in the project was eye opening. Many of them had not reflected on their own employer branding process before or thought about how far they had already come. Multiple participants said that this had been a “wakeup call,” as they had lacked the understanding of what employer branding actually entailed, or what they should be focusing on.

### 4.1 Creation of strategic structures

The participants were asked to evaluate their current situation and struggles. Several of them stated that they had many overall “structures and routines” in place, while others

	Theme: focus area		Subtheme: actions
Creation of strategic structures	<b>Corporate strategies Processes</b> Employee life cycle	Mission, vision, policies Attracting and hiring Onboarding Engaging and performing Departing	<i>Define</i> purpose and goals <i>Describe</i> activities and resources <i>Document</i> in detail <i>Disseminate</i> to all employees <i>Dialogue</i> in the collective to create meaning and transparency <i>Co-create and define</i> collectively <i>Concretize</i> into everyday activities <i>Connect</i> to each phase in employee life cycle <i>Continue</i> systematically
Creation of identity	<b>Purpose and values</b>	Who we are Why we exist How we act	

**Table 2.**  
Themes from data

wished to focus on this during the project. Therefore, the theme of “structures” was identified as a key concept and emerged during all workshops. The structures were related to aspects on a wider corporate level, as well as to specific employer branding activities and processes. The corporate-level structures referred to vision, mission, policies and strategic plans. P11 explicitly stated they had put in a lot of work in creating structures like defining the vision and strategies, and turning them into specific activities and goals. Structures and strategic plans were also broken down to smaller processes, connected directly to employer branding. For example, the employment process was divided into identifiable phases. How these phases were defined, named and what was included in them varied between the organizations. Despite differences, all participants considered well-designed processes to be important.

However, not all organizations had standardized processes, but the work was done more *ad hoc*. In other cases, some processes were ready, but others needed to be developed or finalized. It was generally agreed that processes should be standardized so that all employees are aware of how things are done and to ensure that all new employees have a similar experience. Especially recruitment and onboarding processes need to be well defined, described and documented, particularly in organizations where multiple people are involved in these activities. This ensures that all new employees have a similar experience and receive the right information at the right time. P10 said that processes are important so that all rules and regulations are followed and to minimize risks that people are treated differently based on who they are or whom they are in contact with. P5 stated that for each process, there are three things to consider to create an activity plan: purpose, goals and resources required. How different processes were documented varied from checklists to employee handbooks.

#### 4.2 Creation of identity

The second major theme of identity and values was discussed in connection to the structures and processes. P12 expressed that if employees got sick or would break a leg, the well-documented processes would allow a stand-in to understand what needs to be done, when and by whom. However, without an understanding of the culture and identity, it would be very difficult to implement any processes. The social context was important both in terms of

having a sense of “who we are” and how that would guide behaviors in the company. This question of identity, and the organizational values of the company in particular, was described as “a cornerstone,” “overall philosophy” or “something to lean on” for all employees. However, it was difficult to turn them into concrete manifestations. P2 exclaimed with frustration “We say that it [the work environment] should smell of the values and [the values should] sit in the walls (Swedish proverb), but what does it mean?” P11 responded to this saying that it reflects how everyone treats each other in the organization. They continued that it is also important to consider how the values help the organization to reach their vision and goals. Many pointed out that a single word can mean different things to different people, and that it is important to begin with defining the words and their relevance to the organization together. A number of the organizations had a very strong connection between the values and the brand, while others explicitly said that they needed help with this.

Several participants described that whenever any decision is made, the employees ask themselves whether it aligns with their values. For example, one of the IT consultancy companies explained that the consultants, in their role as project managers, ask how each of the projects fits into their values before starting. Thus, the firm’s values have been incorporated into the work processes and structures, and it has been made concrete how the values affect the work. Working with values should be continuous, and as stated by P7 “Working on the values every three years during a kick-off [is not sufficient] [. . .] No, it’s in the everyday work.” P14 told that it is not uncommon to walk into a workplace where the values are printed on a poster and put on display. However, when the employees are asked about them, they say “Oh, that’s not important!” The participant continued: “You have to *live up* to those words [. . .] And that is hard!” P10 described it as “putting something that already exists into words.” They explained that when introducing a new talent, the corporate values should feel familiar based on the welcoming they have received, even if they are not aware of the actual words. However, once learning of them and hearing them, the words should feel natural and self-evident.

The participants also discussed identification with the values as a process. P5 described a situation where they had talked about the core values with a new employee who had recently been through the onboarding process. The employee had gained a different idea of what the values meant than was intended by the organization. It surfaced that the senior employee in charge of onboarding had fallen ill, and the introduction was done by someone quite new to the organization. P5 continued that it takes time to grow into the words to be able to “carry them.” This belief that values guide behavior was also discussed by other participants. P12 explained that currently, as the manager, one need to be actively present in multiple areas, referring to it as having to “put their finger in holes to stop the water from coming in.” P12 expressed that once the values have been established throughout the organization, employees would be able to know what is expected of them and why, making delegation easier.

#### *4.3 Interplay of strategy and identity*

While the themes described above can seem separate, they were often described in connection to one another, as building blocks of a successful brand. While it was generally acknowledged that the identity is an important contributor the employer brand, this alone is not enough. A recurring theme in the workshops was the notion that all employees build the employer brand at all times. The employees at all levels were described as important co-creators of the brand, but the behaviors of managers and other employees are not always clearly anchored in the strategy. For example, certain behaviors can lead to having a “cozy

culture” (as expressed by P11) that does not contribute to the overall aims of the organization. As a way to exemplify this, one participant explained that due to the family-like atmosphere and acting (e.g. when recruiting) on gut feeling, it can be difficult to respond to changes in the environment. Therefore, the respondent felt the need to anchor the culture in concrete organizational structures and processes, and thus, create intention and strategic relevance.

The employer identity was connected to both having a consensus of *what* the brand stands for and who we are, but also understanding *why* certain things are done. As an example, P11 explained that even a small thing like clarifying to production workers where a certain product is going makes the object being produced becoming more than “just a job”; it has a purpose. In a similar manner, P12 told that they had discussed the higher purpose of what the employees do and how all employees contribute with their daily tasks. They continued to explain that this had led to valuable insights among the employees, and they suddenly understood how their individual actions create value to the company, the customer, but even the society at large by ensuring a better place for children to grow up in. This had led to engagement to the work and sense of pride of being associated with the organization.

## 5. Discussion

This study set out to explore employer brand management in SMEs and to identify relevant strategic processes for organizations working on their employer brands. Employer branding has been addressed as a “one size fits all” process that does not take into consideration the current situation, available resources and other organizational differences between organizations (Mölk, 2018). SMEs in particular have limited resources, and it has been suggested that there is not only one best practice when it comes to employer branding (Moser *et al.*, 2021). The results suggest that due to organizational differences, employer brands differ in maturity and starting point (Figure 1); thus, different marketing and HRD actions are required to achieve a successful employer brand.

As Backhaus (2016) stated, not all organizations choose to actively work on their employer brand. However, this does not mean that the organization does not have an employer brand; it is merely unmanaged. Employer brand management requires focusing on both creating structures and processes and developing a clear identity. On the other

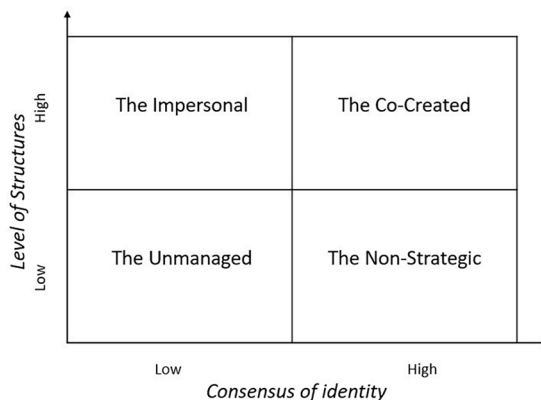


Figure 1.  
The employer brands  
matrix

hand, many organizations have a strong, almost family-like culture that in many ways shape how they work. Decisions might be made based on a gut feeling, but are not anchored to strategy and processes, and can be described as being non-strategic. This supports the findings of [Monteiro et al. \(2020\)](#) that SMEs often lack strategic intent in their HRD practices, and not all organizational cultures are aligned with the company's purpose.

While some organizations lack strategic commitment and clear processes, others have focused precisely on this. Although these organizations can "look good on paper," not having a strong sense of who we are can leave the experience with the brand rather impersonal. Formulating value statements and printing them on a piece of poster is not enough – values need to be connected to the daily activities and feel meaningful to all the employees. This is supported by previous research, as mission, vision and values are not merely decorations, but need to be well defined and understood ([Monteiro et al., 2020](#)). According to [Itam et al. \(2020\)](#), it is not uncommon that employer branding focuses on recruitment rather than internal employer branding, which is why the expected brand promise does not match actual experiences. This proposes a major threat, as talent might leave the organization due to breach in the psychological contract.

However, when an organization has a high level of strategic processes and routines while also being rooted in the company culture and behaviors, the brand can be described as being co-created. This study supports the notion of [Smith \(2018\)](#) and [Aggerholm et al. \(2011\)](#) that employer brands are co-created by its members, and therefore, employer brands cannot be created by management and then merely communicated internally. In the literature, employees are often perceived as a target market of employer branding, and the process itself as a manageable process. However, recent research has identified active employee agency and co-creation as an underdeveloped but promising new stream for employer branding research ([Auer et al., 2021](#); [Smith, 2018](#); [Aggerholm et al., 2011](#)). [Lee and Lee \(2018\)](#) state that organizations today have expectations that employees go beyond their basic work requirements, which could also be seen in this study. The managers discussed employer branding being something all employees co-create continuously through the organizational values and culture as well as by being active agents in strategic processes throughout the employee life cycle. This could potentially be seen as a form of job crafting that perceives employees as autonomous and proactive professionals who shape and redefine their jobs by extending task boundaries ([Lee and Lee, 2018](#); [Wrzesniewski and Dutton, 2001](#)). The results of this study suggest that co-creation of the employer brand takes place in the interplay of strategy and identity, but for it to be successful, all individual employees must commit to this by making active co-creation part of their work.

### *5.1 The role of human resources department in enabling co-creation*

It has been recognized that knowledge and employee competences lie in the heart of competitive advantage ([Reed et al., 2006](#)), and thus, attracting and retaining the right employees become of utmost importance to an SME with fewer employees and limited resources. Thus, it is key to equip all employees with the right knowledge about how they co-create the employer brand continuously. Constructive and collaborative HRD, as discussed by [Chen et al. \(2020\)](#), is in the center of this. Using constructive HRD practices that focus on documenting knowledge and culture creates structures for the employer brand and employee life cycle. Supporting [Itam et al. \(2020\)](#), the results of this study indicate that the employee life cycle needs to be divided into manageable phases, and described in terms of actions and specific goals that lead to increased understanding of the employer brand. This increases transparency of processes, where the individual employees have an understanding of how they can contribute to and co-create each phase. Most importantly, as suggested by

[Teece et al. \(1997\)](#), processes ensure congruence, allow learning and development and help organizations to respond to changes in the environment. The participants believed that documentation of processes is important to be able to delegate different tasks, but it was equally important to have a clear understanding of the collective identity and values. [Wrzesniewski and Dutton \(2001\)](#) also suggest that social interactions in the collective are important to determine the social work identity and what is expected of one's role in the organization. Collaborative HRD creates opportunity to collective creation of knowledge and code of conduct.

In addition, as many SMEs have either informal HRD practices or lack HR professionals in the organization ([Monteiro et al., 2020](#)), employees might have responsibilities that go beyond the traditional job description for that role, such as colleagues helping in the recruitment or onboarding processes. Also, when introducing new employees, they have an understanding of the formal processes, but they also represent and welcome newcomers to the brand community and culture. This can be vital for SMEs that lack a formal HR department, or where employees without formal training are included in these highly formal processes. Thus, constructive and collaborative HRD, together with developmental HRD like training, practices are needed to equip each individual with the right set of skills and knowledge, for it to become an organization-wide dynamic capability.

Lastly, the job description and work processes can have a symbolic meaning, as they create a context for the work. [Smith \(2018\)](#) discussed that even instrumental attributes can have symbolic meaning when considered relevant by the employees. As explained by one of the participants: by doing the job well, employees not only contributed to the organizational goals and strategies, but the nature of the work meant that they were building a safer future for children to grow up in. It also seems that the values are not something "constant" that either are shared or not, and a question of a fit between the new employee and the organization. Instead, employees need time to grow into the values and learn how different patterns of behavior connect to the brand. Thus, a long-term strategic approach is required to achieve co-creation.

### *5.2 Implications for research*

This study supports the recent claims that employer branding strategies should not be treated as a standardized practice that focuses on communication ([Auer et al., 2021](#); [Mölk, 2018](#); [Smith, 2018](#)). Most importantly, the study contributes to the growing, but limited, research on employer branding in SMEs ([Moser et al., 2021](#); [Moser et al., 2017](#); [Monteiro et al., 2020](#)). Specifically, it adds to the development of employer branding models and HRD opportunities for these types of organizations ([Monteiro et al., 2020](#)). In addition, it contributes to the new stream of co-creation in employer branding that has recently been introduced into the area ([Aggerholm et al., 2011](#); [Smith, 2018](#)), suggesting that employer branding is not merely a task or function for marketing and HRD. Instead, it could be seen as a dynamic capability that can be developed and facilitated by HRD and marketing. The concept of job crafting as a form of co-creation opens a particularly interesting lens for future research in employer branding. As job crafting can help to change or extend task boundaries and negotiate the meaning of work in the collective ([Wrzesniewski and Dutton, 2001](#)), it can help explain how this co-creation takes place. This can be a potentially fruitful approach for employer branding in SMEs, which might lack formal resources and employer brand managers, but can instead be more agile when developing their processes and identity.

While the inductive approach allowed for the exploration of an underdeveloped area, there are limitations connected to generalizability of the results. Thus, more qualitative and

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quantitative research is needed in different settings. If employer branding is to establish itself as its own theoretical field, more knowledge is required to understand the different ways organizations work with employer branding, as well as to find out what they have in common. In addition, while the employer branding literature has its roots in the strategy literature, and RBV in particular, very little research has approached the area with the focus on strategic management. Future research should, therefore, explore employer branding as a joint organizational capability that builds on co-creation, rather than a communicative task left in the hands of managers.

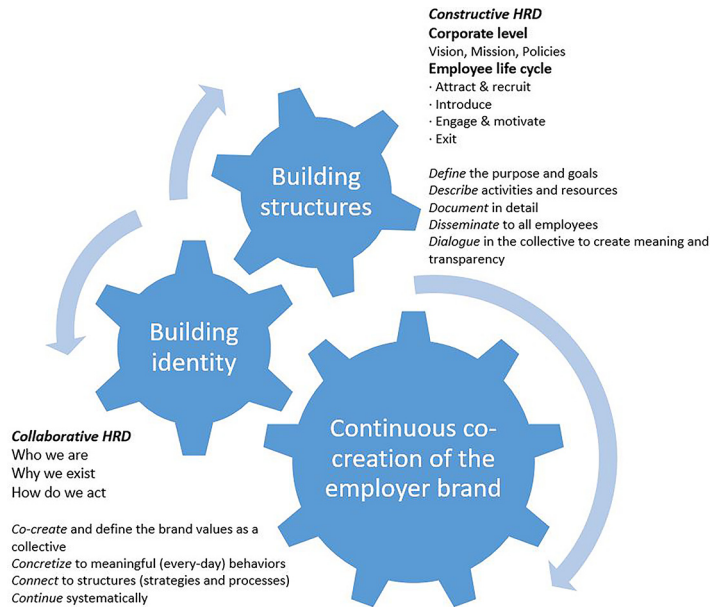
### 5.3 Implications for practitioners

There has been a strong focus on discussing the concept of “employer of choice,” which can be a rather unrealistic benchmark for example for SMEs. Instead, practitioners (brand and HRD managers in particular) should evaluate and develop their brand in a value-neutral manner, focusing on their current position. Firstly, organizations must create constructive HRD practices by developing and documenting strategies and processes, and they need to be made available for all employees. However, mere brand knowledge is not enough; it must feel relevant to the individuals in a way that shapes the behavior of the collective, thus requiring collaborative HRD practices. The identity and values define what we are as an organization, and this needs to be clearly stated and incorporated into the everyday processes. It is important to clarify how the actions of each individual employee can help support the values, the social collective, the vision and mission of the organization and even the society. In other words, how the employees co-create the brand and how the brand relationship creates value to the employee.

Lastly, while processes are important, they do not need to be steered top-down. Organizations should try to inform and include their employees in the strategizing and facilitate opportunities to co-creation. As also suggested by [Chen et al. \(2020\)](#), intellectual capital can be built with the help of constructive HRD practices by focusing procedures and codified knowledge and collaborative HRD developing the social collective and their knowledge. [Figure 2](#) shows how the structures and processes could be defined, described and documented, and then disseminated and discussed in the collective. As all employees contribute to the collective experience as well as to the overall vision of the brand, it is important to build the identity at the same time. Thus, where marketing capabilities are needed to ensure brand-specific messages and experiences, HRD personnel plays a crucial role in translating strategies and brand values into tangible employment experience. Employees are brand representatives internally and externally, but to reach their full potential, employees should be made aware of their role and develop this capability with the help of HRD practices.

## 6. Conclusion

This study followed 14 small- and medium-sized organizations from multiple industries and varying backgrounds, with the aim to form a deeper understanding of issues organizations face connected to employer brand management and to identify the strategic management processes relevant to employer branding. The major themes show that organizations have two major focus points for their employer branding work: building structures and a collective identity, and the levels of these differ between organizations. This follows how [Teece et al. \(1997\)](#) explain that processes and routines ensure congruence, but to build dynamic capabilities, they depend on the right resources and organizational history. The focus of employer branding should broaden its horizons from a universal “employer of choice,” to looking at how sustainable employer brands of all sizes are built and co-created



**Figure 2.**  
 Co-creating the  
 employer brand

and studying the constructive and collaborative HRD practices that create employee understanding and collective development. Employer branding could be seen as a dynamic capability that is not left in the hands of an HR or marketing department but is co-created by all employees, as a form of job crafting. Previous research (Itam *et al.* (2020) points to HR and HRD personnel as being both the brand managers and brand builders, but this study suggests that while they indeed are in charge of the management, all employees collectively build the brand.

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