Recruiting Through the Grapevine

- The relevance of employee referral programs within the field of employer branding

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Abstract

Title: Recruiting Through the Grapevine - The relevance of employee referral programs within the field of employer branding

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Research question: How do employee referral programs, as a part of the recruitment process, connect to the employer brand of a company?

Purpose: Understanding the correlation and connection between the two concepts, employer branding and employee referral programs, may help companies recognize the importance of using such programs as a stable foundation of their recruitment process. Thus concurrently, identifying the consequences that the employer brand presents, has on the employees and their willingness to recommend. This leads to the purpose of this thesis, which is to examine the connection between employee referral programs and a company’s employer brand.

Methodology: Answering the purpose and research question was approached by using a mixed method, based on the qualitative and quantitative approaches. The qualitative method was used in the two semi-structured in-depth interviews, while the quantitative approach was used in construction and analysis of the survey. Both methods provide a foundation to strengthen the arguments not only for the results of the survey, but also for drawing conclusions when trying to answer the research question. By using a case company, a real-life understanding of how the connection between employer branding and the employee referral program correlates.

Conclusion: A connection between employee referral programs and the employer brand can be denoted from the conducted research within the chosen case company. However, if this connection is true for all companies, needs to be further investigated.

Keywords: employer branding, employee referral programs (ERP), employee value proposition (EVP), recruitment, staff-word-of-mouth (SWOM), word-of-mouth (WOM)
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We did it!

______________________________  ________________________________
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Abbreviations

[EB] Employer branding
[ERP] Employee referral programs
[EVP] Employee value proposition
[SEC] Sweden Energy Company
[SWOM] Staff word-of-mouth
[WOM] Word-of-mouth
1. Introduction

This chapter outlines the background of the phenomenon and its problem area, resulting in a research problem and question, following up with the purpose of the research and its limitations and finally concluding with an overview of the thesis.

1.1 Background

Organisations and companies are constantly faced with many challenges regarding the recruitment of competent employees. The working climate today is extremely competitive and it is imperative to find the right competence for the right position, matching both the employer’s values with the individual employee. There are many factors that may play a big role when applying for a job. Factors such as one’s identity, values, heart and mind are often prioritized over demographics and salary. Thus meaning that the matching between potential employee and employer play a much bigger part, therefore also resulting in more attention being focused on the process.

By recognizing this, it can also be perceived as matching the employer and employee goes both ways, with each party prioritizing their interests differently, making the process of finding the right staff difficult. Therefore, it is mentionable, that matching is a complex phenomenon and companies do not always understand what they actually need, which increases the risk of mismatching. Wilden et.al (2010, p.56) outlines this in their article by explaining, “...employment markets characterised by high competition, obtaining suitable human resources becomes increasingly problematic as the number of applicant per vacancy declines.”. Thus leading to the need of a strategy that focuses on intercepting the competence and increasing the reputation of the company as an employer. The issue of acquiring the right workforce within the firm, increases with more advanced positions requiring a higher degree of specific competence and expertise. A concept that has become increasingly important in the recent years and addresses these needs, is the employer branding strategy. Employer branding aims to minimize the challenges of finding a skilled employee by creating a strong profile towards the employees, in order to create an appearance of a desirable workplace towards the external labour market, (Foster et al. 2010). This strategy has gained ground in recent years and according to Mosley (2015) will continue in doing so. The reason for why it has become so popular according to Mosley (2015), lays in the increasing focus for securing the long-term recruitment needs of companies. It also creates a way for companies to differentiate themselves from competitors when it comes to acquiring personnel. Nonetheless, using employer branding as a base, for understanding and encouraging the employees, the organisation is able to use it as a tool of influence in their recruitment strategy.

1.2 Problem Discussion

The subject of employee recruitment is one that has been researched more frequently over the years (Breaugh, 2008; Billsberry, 2007 & Breaugh et al., 2008). Thus leading to the possible conclusion that it is becoming more important for the operating firms as well, directing the need for more attention on the subject. Employee recruitment, as the name suggests, conceptualizes the scrutiny process of discovering, evaluating, reviewing the potential employee’s credentials and finally selecting one of the applicants for employment. It is with the success of such recruitment, that the firm is able acquire employees that are the best ‘match’. Thus meaning, that the employees work in accordance with what the firm requires (both on a social and competence level) as well as the employee being satisfied with the firm and what they have to offer.
The subject of employer branding on the other hand is a fairly new phenomenon and was first defined in 1996 (Barrow & Mosley, 2005). Hence, it can be concluded that the available research is scarce, but continuously growing. As Backhaus and Tikoo (2004) summarizes, there exists plenty of information for the practitioners of employer branding, however the amount of articles provided for scholastic purposes are fewer. A fundamental part in employer branding is understanding and recognizing how firms reach out to the potential employees and how their reputation as an employer is perceived. By having an employer branding strategy, companies can create an understanding of what kind of image they are portraying as an employer. By knowing what they are sending out they can create a more focused message in order to attract potential employees.

Thus far, it can be determined that employer branding regards how the company wants to be perceived as employers, while the employee recruitment is a way of selecting the right, future employees for the right position in the firm. One tool, explained by Raj and Jyothi (2011), of ensuring that the match is best made, is by using the already employed staff members, as brand ambassadors, spreading the word of the employer brand. By having current members of staff look into their social network and recommending the company as a good place of employment, the most logical consequence would be for the employer brand to be strengthened.

As stated above, there is little to no knowledge of how employer branding affects the recommendation process from the employees. It can also be determined that using already existing employees to aid the recruitment process with their referral is a known phenomenon within companies and a frequent source of review. However, one aspect that has had little attention is the understanding of if the employer brand has an effect on the success (or failure) when recommending an acquaintance. Thus leading to the research question:

_How do employee referral programs, as a part of the recruitment process, connect to the employer brand of a company?_

### 1.3 Purpose Discussion

Understanding the correlation and connection between the two concepts employer branding and employee referral programs, may help companies recognize the importance and vitality of including such programs as a stable foundation of their recruitment process. Simultaneously identifying the consequences that the employer brand presents, has on the employees and their willingness to recommend. This leads to the purpose of this thesis, which is to examine the connection between employee referral programs and a company’s employer brand.

### 1.4 Limitations

This thesis is mainly based upon one firm: Sweden Energy Company (SEC). The choice for this was made to expand the understanding of how a company actually works with enhancing their employer brand, in accordance with the possibility of applying an employee referral program. However, by using a case company leads to the questioning of applicability for other firms and when generating more general conclusions.

As the research question implies, reviewing the correlation between employee referral programs and the employer brand can be viewed from both directions. Nevertheless, how the interaction is affected, depending on which view is under scrutiny. The focus in this thesis lays on the direction of how employee
referral programs affect the employer brand. However, the opposite direction is recognized, but not to the same degree.

1.5 Disposition of the thesis

The structure of this thesis is dispositioned from Ghauri and Grønhaug (2010) suggestion. Firstly, the introduction is presented, including the background to the research, leading to the problem discussion and presentation of the research question. From there, the purpose of the thesis is described, while depicting the limitations of the study that are necessary to know beforehand. Thereafter, the literature review is portrayed, revealing the two main concepts used to explain the phenomenon behind the research question, employer branding and employee referral programs. Nonetheless, the literature review also justifies what has been previously studied and what gaps exist within the field. Next, the theoretical framework explains and demonstrates the relevant theoretical concepts, thereby describing the key variables that influence the phenomenon of the general concepts presented in the literature review. Thereon, the methodology is disclosed, providing the background and procedure of acquiring relevant information for the thesis in its entity, external survey and the conduction of interviews. Subsequently, the empirical findings, resulted from the methodology chapter, is presented along with an introduction of the case company, which is later used as a source of analysis and discussion. Following, the analysis is demonstrated, concluded on the information gathered from the theoretical framework and empirical findings. The thesis then continues with the discussion which examines and deliberates how all theoretical concepts and results are intertwined, giving a stable foundation for answering the research question. All parts are then summarized in the conclusion, leading to the last section illustrating the possibilities of what further research can be conducted based on the answers and questions that this thesis concludes.
2. Literature Review

The literature review will present what is known within the field of employer branding and employee referral programs. This provides the foundation for examining the key variables influenced by the general concepts, which is presented in the next chapter.

2.1 Employer Branding

The first definition of employer brand was given by Ambler and Barrow in 1996 as, “...the package of functional, economic and psychological benefits provided by employment, and identified with the employing company” (Barrow & Mosley, 2005, p. xvi). Thus implicating, that by using these benefits, the employee identifies more with the company and the company creates an alluring image towards potential employees. They continue with discussing the main objective of employer branding as a way for managers to clarify their priorities. While also upturning their performance and mainly improve their recruitment process, including employee retention and commitment to the company. In accordance with this, there are many advantages by using an employer branding strategy in order to create a better working environment and a stronger attention towards the employee. Furthermore, Foster et al. (2010) state that employer branding focuses on creating a strong profile towards the employees, in order to create an appearance of a desirable workplace towards the external labour market. This is closely connected to how the firm manages and values the employees, in accordance with Raj and Jyothi (2011) who view the employees as more than just staff members. They argue that the employees are to be seen as informal brand ambassadors of the company. Being an employee i.e. brand ambassador, they serve as a crucial link between the companies’ various stakeholders and play an important role in influencing others. The employees are not only influencing others by what they say or do in the business environment, but also as private individuals in their social network. Hence, the vitality of the firm ensuring the right information and company culture, is mediated to them to give the staff members the right opportunities to enhance the firm’s overall reputation.

As previously mentioned, it is favourable for the firm to match the person to the job in an organisation, but also to ensure that their personality, competence and values is in alignment with the organisation as a whole. Thus benefitting the creation of an employer brand as depicted by Parment and Dyhre (2009). Parment and Dyhre (2009, p.137) omit in their article that “Working for a strong employer brand means you don’t need to do anything more than mention the name of the employer, and all the positive associations will come directly.” Hence showing the ease of managing a strong employer brand, due to its self-sufficiency, while also bringing competitive advantages for the many stakeholders (both present and future). The result of a strong employer brand is featured in terms of organisational attractiveness, costs of resources, and bringing a lower degree of absent employees. While at the same time increasing their commitment to the company, involvement, and overall job satisfaction (Parment & Dyhre, 2009).

In contrast to this, the employer branding strategy do not only focus on improving the image for attracting potential employees, but it can be seen as a differentiation strategy. Foster et al. (2010) in accordance with Backhaus and Tikoo (2004) conceptualize this advantage in their articles. This distinction was made to emphasize the strong competition between employers, in order to get the resources who, possess the necessary skills. By using employer branding as a possible differentiation strategy for the brand, companies have a clear superior advantage. In correlation with this, Wilden et al. (2010) discusses the increase of competition on the employment market, which in turn creates a higher importance of developing strategies to become the employer of choice. The strategy should
include a way of increasing the attractiveness of the employer towards the applicants i.e. reaching the most suitable candidates from the field. An attractive company has a strategic advantage in opposition to its competitors by getting the best human resources. In conclusion, harnessing the already existing knowledge from the current employees, job seekers are able to get an understanding of the work environment and the actual experience of working at the specific company. If the feedback is positive, it will most likely increase the desire for job seekers to apply, all while the firm has put in minimal effort.

2.2 External vs. Internal Marketing of the Employer Brand

External marketing of the employer brand is shortly described by Backhaus and Tikoo (2004), as a tool for a company to position themselves as a desirable employer and thereby attracting the best employees. On this journey into the firm, the recruits will also most likely have assumptions about the firm, either what they have perceived from the firm’s information provided (i.e. communicated employee value propositions, advertisements, etc.) or what they have heard from other (word-of-mouth). Backhaus and Tikoo (2004, p.503) further explain that it is these assumptions about the employer, that the recruits “will carry into the firm, thereby supporting the firm’s values and enhancing their commitment to the firm”.

Equally important, internal marketing is also about staying attractive as an employer, just as external marketing, but the focus lays on the already existing workforce. As Backhaus and Tikoo (2004) explain, by consistently communicating the employer value proposition (EVP) of the employer brand, not only does the workforce take after, but it also minimizes the possibility of imitation from other firms. As the common saying goes, ‘imitation is the best form of flattery’, however for firms, imitation means that they may lose their distinctiveness and possible advantage over its competitors because they are not the only ones doing it. Furthermore, clearly communicating the EVP, enables the firm to sculpt the workplace culture based on the corporate goals. At the same time also securing that the business conducted by the workforce, is done in accordance with the firm’s specifications and requirements (Backhaus & Tikoo, 2004). Nevertheless, Barney (1991) consequently rises the conclusion that a unique workforce can only be seen as a useful competitive advantage if it is considered stable. Conclusively, it can be understood that a company with a large turnover, despite having a good corporate culture with a unique workforce, is nearly useless because of the inconsistencies it will create. Therefore, as Barrow and Mosley (2005) in accordance with Ambler and Barrow (1996) highlights, retaining such a unique workforce is equally important in internal marketing. They demonstrate that the employer brand of a firm can be used as a reinforcement tool, in acquiring the right and most competent personnel. By implementing such strategies from the very beginning, employee retention will be higher. Thus, resulting in a higher degree of willingness for employees to stay within the corporation.

2.3 Employee Referral Programs

The issue of obtaining and competing for the right personnel is growing. When recruiting personnel there are two main methods a company can apply: external recruitment or internal promotion. Internal promotion makes use of the already existing competence in the company, while the external recruitment is expanding the search to the whole labour market. Internal promotion is preferred by companies since it is less costly and time consuming than external recruitment. The employee turnover i.e. cost of recruitment and retention, has been estimated by the Swedish company Vision to be a sum of 542 700 SEK (Vision 2015). Thus showing the great costs involved in external recruitment, only proving why internal promotion is preferred if possible. Chan (1996) justifies this in his explanation that external
candidates will only be chosen, if they have qualities that are superior to the available internal competences.

To achieve the best of recruitments components of internal promotion and the external recruitment, can be accomplished by implementing the strategy of using Employee Referral Programs (ERP). ERP is a concept defined by the Business Dictionary (2012), as a “Recruitment method in which the current employees are encouraged and rewarded for introducing suitable recruits from among the people they know”. However, the Cambridge Dictionary (2012) defines it as, “a system in which a company pays an employee if someone they know takes a job in the company because of their suggestion”. Both definitions denote that some kind of reward is given out as an incentive to increase the motivation of referring an acquaintance. ERP has its foundation in internal marketing which should not be confused with the concept of employer branding. Foster et al. (2010) describes the difference by denoting that internal marketing is a concept focusing on enhancing the corporate brand through employees, i.e. making sure they follow upon their brand promise. Internal marketing is a way of aligning the employees through the values and goals of the company. By actively promoting such goals and values, employees may feel a greater sense of understanding and recognition, in the company, leading to a better performance and future aspiration within the firm.

ERP has in recent years become an acclaimed employer recruitment method, (Breaugh 2008; Breaugh & Starke 2000) where present employees are recommending people from their social network, (Keeling et al., 2013). There are many advantages by using this informal recruitment method according to Van Hoye (2013). In accordance with Weller et al., 2009; Williams, Labig & Stone, 1993; Zottoli & Wanous, 2000, Van Hoye (2013 p. 452) states that employee referrals display a “...higher job satisfaction, better job performance, and lower turnover than employees recruited through formal sources such as advertising”. Notwithstanding, if the current employee generates an unsuccessful referral, they not only lose the possible financial gain but puts their own personal reputation is at risk as well (Keeling et al., 2013).

Investigating the phenomenon of ERP from the job seekers perspective, stimulates the opportunity of observing possible weaknesses, if the employer brand is not strong. Employer attractiveness is necessary to take into consideration, since employees are most likely to compare benefits and values between firms (Collins & Stevens, 2002). Observable information, concrete facts about the company, such as potential salary and benefits, are often easy to locate and build an opinion on (Keeling et al., 2013). Concurrently, observable information is easier for the firm to control, since the company is in charge of what and how information is shared directly. However, Keeling et al. (2013) argues that the information concerning how a company lives up to their external reputation and the social work climate can only come from the employees currently working or previously employed. This information is however hard to justify due to its intangible nature. Using ERP, the firm allows current staff to share the intangible information and can be influenced to what they want to share. This depending on what the firm informs the staff of, as well as how they portray their employer branding both internally and externally. Thus, the job seeker is able to find information on their own about the firm and build an educated opinion partially influenced by staff. In a decision-making situation, such recommendations and already experienced opinions weigh heavily which can be enough to convince them to seek the position. Collins and Stevens (2002) support the notion of this connection by discussing the relationships. Not only the relationship between more generalized characteristics of the company and the perceived job attributes but also word-of-mouth endorsements and the dimensions of brand image. They later conclude that the relationships actually form a strong bond.
2.4 Literature review summary

Having a strong employer brand is something that an organisation can influence and create, depending on their own actions and goals. By providing this, the firms are able to influence their employees (among other stakeholders) in such a way, that when it is time for recruitment, much less effort has to be put into creating an image for themselves as an attractive place of employment. Placing more focus on internal marketing, with constant communication, opens up a tool for using the employees not only as human resources, but also as a channel for recruitment. Implementing employee referral programs (ERP) allows the employer to benefit from the social networks each employee possesses. Thereby using the employee as a communications tool to increase their attraction as employers. ERPs opens up a necessary opportunity to increase their employer brand by influencing the potential employees to such a degree, that they would follow through and apply for a position. Recommendations that are made by competent staff, already sharing the values, goals and know-how of the company for the benefit of the firm. Thus leading, to a decrease of recruitment costs by applying a source of internal marketing, compared to the time consuming and costly external advertisements to reach the same result. Allowing current employees to administer the process of making the match and informing the individual from their social network of the job position (thereby sharing their personal experience and knowledge of the firm), the company saves both time and money. While at the same time increasing their stance as a strong and attractive place of employment, i.e. their employer brand.
3. Theoretical Framework

In this chapter, relevant theories have been chosen to support the main concepts presented in the literature review. The concepts will later be used and adapted, enlightening the comprehension of how the research problem can be solved.

3.1 Employee Value Proposition

Located at the centre of a secure and strong employer brand is the employment offer or also called the employer value proposition (EVP), according to Van der Sluis and Van de Bunt-Kokhuis (2009). The authors explain that the EVP is the attractive force the employee experiences, besides the opportunity of working at a firm with a leading product or service. This force consists of not only of the compensation and benefits for the employees, but also how the work environment looks like, the life-work balance and the culture of the company. The employer brand and image is shaped from the company’s ability to keep their promise of the employment offer. The EVP is also the reason why a talented individual would want to join and commit to a company, according to Colomo-Palacios (2013). He also discusses that the EVP is best communicated through the actions and behaviours of a company, offering both emotional and rational benefits. In addition, Heger (2007) argues that by delivering a strong EVP it shows that a company understands its importance and sustainability in employee engagement and retention. Due to the central role of the employee engagement, the EVP may eventually affect the business outcome. Furthermore, Heger (2007) states that the EVP is also about delivering a better management and directing the workforce in a clearer and constructive way.

Van der Sluis and Van de Bunt-Kokhuis (2009) discuss that the employer brand must communicate a unique EVP, delivering a positive and relevant message consistent with reality. They also mention that within a company, there may exist different EVPs depending on who the receiver is, i.e. tailor-made for specific potential employees. However, there is only one employer brand, but it representatively differentiated for various people, due to their individual contrasting values. A fundamental part which Van der Sluis and Van de Bunt-Kokhuis (2009) point out is that the employer brand is developed internally, but it is also communicated externally. Consequently, the brand should have a common image for both current and potential employees. This is also applicable for the EVP in order to avoid sending out mixed signals about the employer brand.

3.2 Word-of-Mouth and Staff Word-of-Mouth

One of the strongest, yet one of the most difficult marketing communication concepts to control, is the concept of word-of-mouth (WOM). WOM is completely based upon the individual experience of the brand and how the individual transmits their reaction and recommendation to their social network, (Baines, Fill & Page, 2011). Moreover, the intangible nature of the concept, makes it exceptionally difficult for firms to control. Considering this, the information spread varies from one individual to another, further demonstrating the difficulties of control the information. WOM can be seen as both positive and negative, depending on if the experience was associated with positive or negative encounter. Despite this, it is considered to be one of the most reliable sources of information from the consumer point of view, due to the impression of trust affiliated with the one communicating the experience (Baines, Fill & Page, 2011).
As expressed, WOM is a hard concept to control, however it also functions as a building block in establishing a firm’s reputation. This is not only useful within the image of the corporate brand (that is marketed to the customers and stakeholders), but also in creating the image as an employer. Wilden et al. (2010) reflect upon that firms who have a low degree of consumer awareness of their product/brand, consequently have a harder time in attracting more competent human resources. Moreover, if the consumers are aware and the firm is viewed as unattractive, this may result in negative associations of the company. This in turn may lead to potential recruits being more reluctant to apply, rather if they would have had positive associations (Wilden et al., 2010). Keeling et al. (2013) in accordance with Van Hoye & Lievens (2005), further stresses the impact that negative associations (communicated through WOM) have on recruitment success, compared to positive associations.

WOM is not only limited to influence the reputation of a company but it can also be used as a source of recruitment according to Van Hoye (2013). He defines the concept of WOM as a recruitment source as a “…interpersonal communication about an organization as an employer or about specific jobs that is not under the direct control of the organization...” Furthermore, Van Hoye (2013), in accordance with Ullman (1986), emphasizes WOM as a source of communication of ERP, where the current employees within the firm are used as informal sources in providing information about the employer. Thus, only further illustrating the vital role that employees play, in the firm’s recruitment process and reputation. By understanding this, the concept of WOM, where the actors considered are the employees, can be translated and converted into the phenomenon of staff word-of-mouth (SWOM). In SWOM, the employees can be considered formal or informal ambassadors. However, this depends on what guidelines have been set by the firm: if the employees are acting on their own behalf (i.e. informal), or have been instructed what to communicate (i.e. formal). Supporting this, Keeling et al. (2013) explain SWOM as, “the process of staff and former employees’ communication information and opinions about the organisation, both within and beyond their social networks.” However, as ambassadors (informal or formal), employees cannot be controlled or monitored in what they say within their social network about the firm. Nevertheless, the company can do everything in their power to influence the employees in such a way that they only want to share positive experiences, by effectively communicating their EVP. Keeling et al. (2013) continue in their article, that just as in WOM, SWOM can have detrimental effects on the effectiveness of employment if the information communicated by the employees is portrayed negatively. On the contrary, it can also have a positive effect, urging possible employees to seek recruitment. Looking from the job seekers' perspective, information communicated to them through SWOM is preferred, (Cable & Turban, 2001). Thus, only further highlighting the importance and influence staff have on the employer brand and consequently also the effectiveness of the employment process.
3.2.1 ERP vs. SWOM according to Keeling et al. (2013)

Influencing the staff can be done in multiple ways and Keeling et al. (2013) summarizes the two approaches under the headings of, “Application of ERPs” and “SWOM not via ERP” in Figure 1 below.

Keeling et al. (2013) stresses that the two approaches have overlapping similarities but distinguishing the differences is vital when choosing a relevant strategy. As seen in Figure 1, the authors describe that SWOM is best used in an informal area of application and is often initiated by current or former staff. Because of its informality, there is more freedom involved for the employees in how and when the subject is brought up. Due to the minimal effort that the company has to apply, in addition to the high initiatives taken by staff, costs are able to be significantly reduced for the firm. Simultaneously, delivering a more credible message to the potential employees without the preconceived expectations of the current staff to receive extrinsic rewards. Contradicting this, the authors continue to explain that the application via ERPs is a formal process that is initiated by the employers. The well-established system, allows for a higher degree of control, but also results in more expenses. The employee motive is mainly driven by monetary rewards in this approach, and can consequently lead to a biased distribution of information, as compared the more trusted communication via SWOM. The segment reached through ERP is considerably more limited than SWOM. ERP is considered to be a stricter
procedure and lacks the spontaneity which SWOM possesses. Due to this, ERP reaches a similar segment resulting in a less diverse workforce compared to SWOM. Another advantage SWOM retains is the possibility of further development while ERP is a controlled program with limited flexibility because of its predetermined structure.

As derived from the previous section 3.2, WOM is broad concept used by many individuals, not only limited to firms. Keeling et al. (2013) figure illustrates a strategy of narrowing it down, similarly to a funnel, differentiating the concepts based on the amount of control applied. Applying WOM to a company requires adaptation of the concept i.e. more control and therefore derives to the concept of SWOM. If further control is deemed necessary, depending on the strategy/ desired outcome of the firm, SWOM can be structured to form the process of ERP. Lastly, Keeling et al. (2013) show in the figure that the main outcome for all concepts is for employers to communicate a message, which is translated through their current or former employees and later directed towards the potential employees.

### 3.3 Motivational Factors and Drivers of Employees

Hertzberg et al. (1959) illustrate a 2 factor model of motivation that examines satisfaction and dissatisfaction in work situations. It can be believed that the two are very far apart, but Herzberg et al. (1959) argue the opposite. They state that the two are distinctive entities caused by different features of work, labelled as hygiene factors and motivators. Motivators are connected to personal achievement, development of skills, responsibility and recognition at work i.e. intrinsic factors. If these factors are met, it leads to a higher degree of motivation, job satisfaction and strong commitment towards the employer. The hygiene factors on the other hand, are connected to the job design, and if they are not met, it contributes to dissatisfaction at work. Such factors include work conditions, degree of supervision, company policy, salary and relationship with co-workers i.e. extrinsic factors. Mentionable is that these hygiene factors do not improve motivation, only the job satisfaction.

Furnham et al. (2009) confirmed Herzberg et al. (1959) reasoning by conducting a new study, showing that both the job satisfaction and motivators are still applicable in today’s society. They also discuss that the individual’s (with their specific personality and demographics) perception of the work differs. This can therefore have an effect on the attitude and satisfaction at work. For example, when two individuals share the same job description, the attitudes may vary greatly because of their individualistic characteristics and preferences. Following Herzberg et al. (1959) model, management should focus on the work conditions i.e. the hygiene factors, in order to increase the job satisfaction. On the other hand, if the management wants to increase their performance instead, they should make sure that the motivators are fulfilled. Nonetheless, the individualistic characters need to be taken in consideration in both scenarios.

### 3.4 Theoretical framework summary

Summarizing, understanding the role that WOM plays in developing and communicating a firm’s employer brand and reputation is vital. From this, staff word-of-mouth evolved where the factors considered, were the employees. SWOM highlights the crucial role that employees play, acting as in-/formal ambassadors. As ambassadors however, employees cannot be directly controlled or monitored in what they say within or outside of their social network about the firm. Therefore, the company needs to influence the ambassadors by effectively communicating their EVPs ensuring that the employees are prepared and positive about their employer. On the contrary, ERP is a more controlled form of strategy and the differences between SWOM and ERP, as discussed in 3.2.1 and outlined in Figure 1. Nevertheless,
it is important to consider the individual employee’s motivational factors concerning both the extrinsic factors such as work conditions and the intrinsic personal factors. Together with an effectively communicated EVP, these factors help in developing a good work environment, which in turn positively affects the company's attraction of potential employees.
4. Methodology

This chapter will give a detailed description of the research approach, explaining the strategy and reasoning concerning the collection of data presented.

4.1 Selection of Research Topic and Case Company

The starting point of this research began with a degree project assigned to us, by the case company known here as Sweden Energy Company (SEC), in the subject of employer branding. SEC wanted to know how employees go about recommending an acquaintance and what their motivational factors are. However, this led to difficulties in trying to differentiate a theoretical angle based on these premises, without leaning too much towards the psychological behaviour of employees. Thus, resulting in a wrong focus field for the bachelor thesis based on our program, International Business Management. Therefore, the decision was made to focus on the concept of employer branding, on a general level in the thesis and create a separate presentation for SEC. By doing so, the focus field was kept within business management and marketing, all in accordance with the framework of the course. With this in mind, it was decided to use SEC as a practical example in the thesis. Thereby, incorporating a more specific example and direct area of application in a general concept, that can later be used to create generalized conclusions later on.

The assignment from SEC opened up an interest for further exploring the area of employer branding. As discussed previously, employer branding and its implementation is still growing, as is the research available. The rapid increase in its expansion, highlights the relevance the concept has on the markets today and in the future. Knowing that the concept is constantly growing, while also affecting all parts of society in some way (from the job seekers to the big multinational firms). This makes the topic both interesting and relevant to explore, therefore the obvious choice for observation.

4.2 Research Approach

There are two main categories to choose from when conducting a research study: a qualitative or a quantitative approach. However, the choice is not definite, there can be different combinations between the two inside of a particular project, which is also the case in this thesis. The identification of such a combination in a project, is referred to by Bryman and Bell (2015) as the mixed method. In general, the quantitative approach concerns numbers and statistics and acts as a procedure with specific measurements in order to evaluating relationship, trends and variations in the gathered data, (Ghauri & Grønhaug, 2010). The quantitative approach is translated in this thesis by the survey conducted at SEC, where the specific sample consisting of the current employees was questioned. The aim of the survey was to investigate the behaviours and possible motivators for employees to recommend SEC as a good employer to individuals within their social network. By conducting a survey at SEC, current statistics over such information could be retrieved and later used for analysis, descending in not only an academic foundation for the sake of this thesis, but also as groundwork for possible changes at SEC. The qualitative approach however, explains the research method as a way of seeking relationships and observations between theories and research (Bryman & Bell, 2015). By conducting two in-depth interviews, where one was conducted at SEC and the other at ABB, a deepened understanding of the subject could be made. The interview at ABB was conducted to add value to the arguments presented, while at the same giving an insight to how employer branding is actively used in other firms. Moreover,
a more thorough comprehension of the actual operationalization of the subject at SEC could be
determined. The interviews also facilitated and aided in the process of connecting the answers to existing
theories, further strengthening feasible arguments. By applying both approaches, the mixed method
permits for a broader and more coherent overall picture of the results and area of application of the
theories. Thus, only strengthening the possible weak points of only choosing one approach (Bryman &
Bell, 2015).

4.3 Research Strategy

The strategy for collecting data has been chosen from previously stated theories to then be compared
with the empirical findings. The approach mentioned is to be considered as deductive, according to
Ghauri and Grønhaug (2010). The conclusion from this approach is drawn from logical reasoning where
the research builds upon existing theories which later will be tested. The approach of deduction includes
looking at the consequences of the theory while also being more structured and formalized compared to
the inductive approach. The inductive approach draws more general conclusions from the empirical
observations (Ghauri & Grønhaug, 2010). Bryman and Bell (2015) seconds this, by explaining that from
the result of the observations the theory is created.

When using a qualitative approach, the inductive approach is the most commonly tried. However, the
intent of this research is not only to rely upon the quantitative findings obtained from the survey, but to
also analyse and understand the meanings obtained from the qualitative structured interviews, meaning
that they were fewer but with more detailed content. However, since a mixed method is used, elements
of the inductive nature remain from the qualitative approach. Therefore, the strategy used is still
considered as deductive because of the usage of theories, which lay ground for the discussions and
observations which lastly can be confirmed or rejected (Gulati, 2009). Allowing the interviews to be
more of a qualitative nature, enabled the communications to flow more freely, increasing the possibility
of a creative contribution to the field. However, using a more deductive approach would minimize the
risk of misinterpretations, but it may also lead to the conclusion to be drawn to early from the perception
of interviews. Thus possibly leading to an incomplete or wrong outcome overall. Summarizing, the
research in itself has been critically evaluated and the deductive approach has mainly been used when
gathering the data and analysing its content.

4.4 Choice of Theory

Ghauri and Grønhaug (2010) discuss the application of theory can either be done before or after
gathering the research. They also discuss that theories are general and should be selected, adjusted and
applied for the research purpose. For this thesis, a decision was made to first identify theory and concept
followed by conducting the research itself in accordance with the deductive strategy proposed earlier.
The course of action for this paper was to outline, define and conceptualize the two main theories,
employer branding and employee referral programs. By determining these on a theoretical level, a
foundation for connecting the two will have been made. In order to objectify the linkage between them,
and how one affects the other, either strengthening or weakening, relevant theories and concept needs
to be assessed. The theories and concept originated from the need of understanding and explaining how
individuals i.e. employees behave, their attitude and how they are communicating with each other. This
resulted in theories such as word-of-mouth, staff word-of-mouth, the employee value proposition,
Hertzberg’s 2-factor model will be used to illustrate this.
4.5 Primary Data Collection

As discussed above, a mixed method was used in collecting the primary data. The survey leans towards the quantitative approach with specific question for a selected group of people i.e. the employees at SEC. The in-depth interviews on the other hand, has its nature in the qualitative approach where content and observation is the main focus as discussed by Bryman and Bell (2015). This will be discussed in detail below.

4.5.1 Survey

Saunders et al. (2009) discusses how a good questionnaire should be constructed in order to maximize the response rate, validity and reliability. The main factors to consider are: careful design of the individual questions, enjoyable layout, clear purpose of the questionnaire, pilot testing and careful planned distribution. Saunders et al. (2009) further explained the three types of data that can be obtained from a survey: opinions, behaviour and attribute. Data collected through an opinion based survey record how the respondents think and feel, while behaviour and attribute records what the respondents do and who they are. The survey conducted contains all three types: attributes in the background section, behaviour concerning the recommendation and opinions regarding the motivational factors. This choice was made due to the two different interests in the result of the survey: based on SEC’s own interest and in the interest of this thesis. With both of these intentions in mind, the questions in Appendix 1 were developed, with the help of the employer brand specialist at SEC, known here as EB-Mattias. With multiple years in the industry of employer branding, and a background in International Marketing, he has extensive knowledge, gained experience and academics.

The choice of using the internal knowledge from EB-Mattias in correlation with results and structures obtained from previous surveys, enabled a careful design, in accordance with Saunders et al. (2009), structure formulation of the questions in a similar and cohesive way. Moreover, formulating the questions based on the previous information, while also regarding the culture, norms and values within the company, would ease the process of answering for the recipients. Hence, giving them a sense of identity and familiarity. Consequently, formulating the questions using an outside academic specialist would bestow a higher academic quality to the questions. However, by using academic language and terminology, possible misunderstandings would increase due to the recipients varying academic backgrounds and areas of work. Therefore, the survey was conducted to answer the direct questions required by SEC, less attention could be paid in attaining academic value in the construction of the survey. However, an academic perspective can be implemented upon analysis of the results. By observing, analysing and discussing the results, based on the relevant theories and concepts at hand.

After consultations with EB-Mattias regarding the design of the questions, the layout was discussed with the marketing communications manager at SEC, known here as Com-Peter. The discussion resulted in a decision of using the internal survey program at SEC. A possibility of using external, yet widely well-known and frequently used sources such as Google Forms or Survey Monkey were considered. Ultimately, the choice fell upon using the already established internal survey program, because of the familiarity and identification the employees would experience because of its previous and frequent usage. Introducing a new survey program could affect the results in a negative manner, because of possible insecurities about the validity or origin of the survey. However, by sending out the survey via internal email communications and using a well-known source for collecting the data, the risks of insecurities were decreased. The target group for the survey were all employees. Because it is an organisational problem that had to be addressed, the complete organisation was to be given the chance to participate and give their input. The response rate of the survey was 345 people and therefore
providing an adequate sample that can be further analysed. Furthermore, upon answering, the results can later be analysed and categorized freely, not restricted by deciding who could take part beforehand. Hence the decision to include all employees.

The timeline of the survey was set in advance to be one week, after consultation with both EB-Mattias and Com-Peter, because of the simplicity and short structure while also in regard for the available timeframe of concluding this thesis. At the same time, it was also agreed upon making the survey anonymous, giving the employees the freedom to express their opinions without fear of possible reprimand dependent on their answers. Furthermore, before distribution, the survey was scrutinized and tested by peers, instructors, friends and family ensuring that it was simple yet precise enough to understand and complete, all in accordance with Saunders et al. (2009).

The content of the survey was divided into three main parts (background, recommendation and motivational factors) with an introduction to each section. The introductory sections are included for the respondents to fully comprehend the purpose behind the questions, which Saunders et al. (2009) emphasized in order to amplify the response rate, validity and reliability. The background section was included to get a general understanding of the attribute of the respondents were by having them answer questions about their personal background and company credentials. Thus, enabling the possibility of categorizing the results later on. The section concerning recommendation strived to find out the behaviours and actions of the employees. From thereon, the section of motivational factors was included to get an understanding of why they are recommending an individual within their social network. Additionally, in this section, the employees were encouraged to rate and choose options based on their thoughts, feelings and opinions. Thus, getting the ‘true’ picture of the employees’ wants and needs. A short summary of how the theories are operationalized and connected to the survey is presented in Table 1.

Table 1. Operationalizing of the theory in the survey

<table>
<thead>
<tr>
<th>Concept</th>
<th>Connecting Theory</th>
<th>Question number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Background</td>
<td>Revealing demographics but no direct connection to specific theories</td>
<td>1-6</td>
</tr>
<tr>
<td>Recommendation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part 1 (YES)</td>
<td>ERP, positive SWOM/WOM</td>
<td>7-11</td>
</tr>
<tr>
<td>Recommendation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part 2 (NO)</td>
<td>Internal / external motivational factors, negative SWOM/WOM</td>
<td>7 &amp; 12</td>
</tr>
<tr>
<td>Motivation</td>
<td>Internal / external motivational factors</td>
<td>13-15</td>
</tr>
<tr>
<td>Other</td>
<td>Open question for further opinions /feedback</td>
<td>16</td>
</tr>
</tbody>
</table>
4.5. 2 Interview

In order to provide a more detailed and thorough research, two in-depth qualitative interviews were conducted. The interviews were chosen to be semi-structured, were the questions, topic and interviewers were set in advance (Fisher, 2007). The questions asked, were general and open questions about the subject. This choice was made in order to create an open discussion, give freedom to the informers to prepare their answers in advance. While also enabling for follow-up questions to be asked during the interview. However, the semi-structured interview restricts the interview to the prepared questions, but simultaneously provides a foundation for the informants to prepare more detailed and relevant answers. Trost (2005) explains that the characteristics of a qualitative interview is that the questions are short, to the point and uncomplicated, while the answers are long but dynamic. This was considered when constructing the interview questions and the reason why a semi-structured interview suited this purpose. Hammersley and Atkinson (1995) discuss the advantages of having interviews as a source in order to get different perspectives towards the subject and is one of the reason why an outside expert in the area was chosen.

The first interview conducted was made in order to get an impartial view on the subject of employer branding and why it has become an important role for a company to have. The employer branding specialist, Lisa Hjelm at ABB, agreed upon a meeting to discuss this topic and her view upon employer branding. ABB was chosen due to its exceptional work in exposing them not only as a company but as an employer. Furthermore, ABB is one of Sweden’s pioneering companies in implementing an employer branding strategy. Nonetheless, they have established a strong ambassador network with a high presence in the surrounding society. The questions for this interview were developed in order to gather both a more general focus on employer branding, ambassador networks and how ABB use of employee referral programs. The interview questions with a summarized outline of the answers are presented in Appendix 3.

The second interview was held with the chief of the Human Research department at SEC, here known as HR-Anna. This interview was made in order to get a better understanding of the organisation and why they recently created the employer branding position that EB-Mattias now occupy. The questions were developed with the aim of understanding why employer branding has become important for them, as well as giving a deeper understanding of their interest in employee referral programs. The questions and short answers can be seen in Appendix 4.

4.6 Collection of Secondary Sources

An important part when conducting a research study is to investigate what has already been done i.e. reviewing the secondary sources. This is in accordance with Ghauri and Grønhaug (2010), whom explain the main reason for using secondary sources is to frame the reason of the study, identify relevant concept, methods for the study and known facts about the research and lastly finding a new position to contribute to the research field. The scholastic sources used are mainly based upon published academic scholars and literature. As Fisher (2007) discusses, using academic journals as a base for theory over published books is preferable, due to they are more relevant and up-to-date. With this in mind, an extensive review was conducted by collecting relevant articles connected to the subject through Mälardalens University’s article databases. The most frequently used databases were ABI/ INFORM Global, Emerald Insight and Google Scholar.

By choosing to apply the mixed research method, the use of secondary sources is crucial because of the varying areas of application, dependent on what approach is practiced. From a qualitative perspective,
secondary sources are used in order to distinguish variables and relationships and how to connect them in new ways. However, the quantitative approach allows for a search of gaps when trying to understand former research and thereby determine which variables will later be used to test the relationships in real life (Ghauri & Gronhaug, 2010).

4.7 Secondary Data

Saunders et al. (2009) explains that secondary data consist of raw data and published summaries of the gathered data. The secondary data is collected by someone else and is later used to explain what has already been researched. The secondary data collected for this thesis consists of former conducted internal surveys at SEC, information gathered from SEC’s own official website and news articles concerning the subject of employer branding. The information from SEC has been adapted to this thesis, within the guidelines presented from SEC to not display any sensitive information. This was used in the presentation of the company in order to get a general understanding of what the company is doing. News articles regarding the subject have also been used to get a better understanding and create a more comprehensive picture of the phenomenon.

4.8 Ethics

When conducting a study, it is important to consider the research ethics, according to Burns and Burns (2008). They discuss that the researchers enter a personal and moral relationship with those they study and should therefore protect the participant’s rights. The study should not be conducted in such way that it can be harmful for the participants, loss expressed privacy or is uninformed about what the research consists of. This has been taken into consideration throughout the whole process and have been followed to our best capacity.

SEC has requested not to have their actual name published, due to the sensitive internal data revealed through the survey and interviews, which results will be publicly known after the publication of this thesis. This request must be respected, and therefore, no real names of the employees at SEC are revealed and are instead given aliases. The company information is also edited to only reveal general information, enabling the reader to get a comprehensible perspective of the company. A list of the aliases and their real identities has been made, and only upon request and subsequent approval by SEC will it be delivered. The decision of delivering the survey to all employees at SEC ensured that no person was excluded from delivering their opinion. By structuring the survey in such a way that it was completely anonymous, thereby only generating general answers, no individual’s integrity was compromised.

The interviews were all conducted in an open manner, giving leeway to the informants to freely discuss and answer the question in a way they felt best conveyed their opinion. By doing so, the informants were not influenced to answer according to our suggestions or personal opinions about the subject, thus resulting in an unbiased and professional justification. The informants were asked if the interview could be recorded beforehand, in case of the possibility for review of the interview. Thus, securing that the right information was mediated, without possible misunderstandings due to potential misinterpretations at the time of the interview or upon later reflection.
4.9 Source Criticism: Reliability and Validity

In order to ensure credibility to the thesis one must consider the underlying concept reliability and validity according to Neuman (2014). Reliability concerns the consistency of the findings, while validity refers to the accuracy and truthfulness of the study. Reliability in this thesis is difficult to measure since it is mainly based upon one firm in Sweden and the result is hard to replicate and may differ in other companies. Due to the results of the survey are based from SEC, it has to be mentioned that factors such as culture, norms, and customs within the country as well as overall business culture need to be considered if the results are to be applied elsewhere. However, since the questions for the interviews and survey is based upon known theories and therefore can still be considered reliable. The theories are collected from peer reviewed articles written by academic scholars and have been exposed to scrutiny before publication. By only using articles subject to peer review, further solidifies the arguments presented and thereby increasing the reliability of the thesis overall. Nonetheless, misinterpretation of the articles is always a possibility. Moreover, the literature concerning employer branding is scarce and therefore it can be stated that the result may vary due to the small exposure in the academic field. However, as Backhaus and Tikoo (2004) summarize it, there exists plenty of information for the practitioners of employer branding, but the amount of articles provided for scholastic purposes are much fewer.

When the interviews and the survey were conducted, measurements for ensuring validity have been applied by carefully constructing the questions. The questions were designed in order to not give any opinionated suggestion to the informants/respondents and therefore not affect the results. Thus, showing that the validity of the answers from the participants have been ensured to a great extent.

The secondary information gathered from SEC can be questioned concerning the validity because the lack of disclosed sources. However, the data has only been used in order to present information about what the company is doing and the formerly conducted survey regarding how many employees are willing to recommend an acquaintance. The overall study will not be affected from this data due to the small part and only supportive role that this information provides. Because the information is only used to support the background information of the firm, and contains results from previous surveys, the information is of a supportive nature, used for comparisons and analysis. Therefore, not affecting the results of this thesis in any way.
5. Empirical Findings

This chapter includes a presentation of the case company, followed by the results and findings acquired from the survey and interviews as presented in the Methodology, which is then interpreted in the Analysis.

5.1 Case Company Presentation

Sweden Energy Company (SEC) was established in the mid-19th century and is a municipally owned company. It is a mid-sized infra service/energy company located in Sweden (Company website, 2016). Their main goal, as expressed on their official website (2016), is to provide a lifelong sustainable solution to their customers’ daily resource consumption of energy, electricity, water, IT-communication etc. SEC is working towards being the main local provider of infraservice and by being present physically, they establish a closer relationship with their customers. The customer base consists of private individuals as well as organizations and companies on a foremost local scale. The three main values communicated to the stakeholders at SEC, and highlighted throughout the whole structure of the company are defined as: We are forward thinking, We are brave and We care, (Company website, 2016).

5.2 Result from Survey Conducted at SEC

The survey at SEC reached approximately all 700 employees in all the different positions at SEC. The response rate of the survey was 345 people. For detailed answers and tables see Appendix 2.

5.2.1 Background Questions

The majority of the employees answering the survey were men with a rate of 213 males, 125 females, and 7 people who rather not state their gender. The majority of the employees are middle aged, where most answers were gathered from the age group of 31-40 with 96 people, followed by the age group of 41-50 with 103 people answering, closely follow by the 78 employee belonging to the 51-60 group. Most of the employees have a higher degree of education with University or High School degrees. A higher variety showed in the section of the duration the employees have had worked at SEC, with the highest score were the categories: 3-5 years (77 people), 6-10 years (73 people) and 20+ years (63 people). The rest of the responses were spread out fairly even on the remaining categories. The respondents showed that the most of them belonged to the business unit, heating, with 111 employees and followed by administration and organisation section with 81 and SEC electricity section with 63 people.

5.2.2 Recommendations

The main question of how many people have recommended SEC as an employer shows that 281 people (81.4 %) have recommended an acquaintance to apply to a position at SEC. From the respondents, who answer that they have recommended, the majority had not only done so one time, but the 2-3 times and most frequently communicating directly to their acquaintance. A diverse answer was given on which field they have recommended them to apply, but the highest score was on other scope of practice, closely followed by adjacent group. The question if their recommendation has resulted in an employment, 162 people answered no, followed by 77 people answered yes sometimes, 32 people did not know, 9 people answered yes every time and 1 had not recommended anyone.
From the respondents (19.6%) whom answered no, they have not recommended anyone, were asked why they have not done so, with the possibility of choosing more than one answer. The results were widely spread out where the most common answers were: “I do not know anyone with the appropriate competences”, followed by the open question of other reasons, continued with “I have not been aware of an available position” and “I do not have the desire”. Some of the other comments were “I do not know anyone who is unemployed”, “It has never been brought up to do so” and, “I do not know anyone who fit the job description in my social network”.

### 5.2.3 Motivational Factors

On the section on motivational factors, the respondents were asked to rank from 1-5 (5 = I completely agree and 1 = I do not agree at all) on how well the statement match their values. Most of the results were positive towards SEC as an employer and they did not want any rewards for recommending them to an acquaintance. Below, tables 2-6 demonstrate the statements given and the respondents’ answers in the survey.

**Table 2.** Statement 1: “I would recommend my acquaintance since their competence and values suits the position”.

<table>
<thead>
<tr>
<th>Ranking</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of responses</td>
<td>6</td>
<td>9</td>
<td>19</td>
<td>116</td>
<td>196</td>
</tr>
</tbody>
</table>

**Table 3.** Statement 2: “I believe my acquaintance would be a good asset for SEC.”

<table>
<thead>
<tr>
<th>Ranking</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of responses</td>
<td>6</td>
<td>7</td>
<td>17</td>
<td>95</td>
<td>220</td>
</tr>
</tbody>
</table>

**Table 4.** Statement 3: I would recommend my acquaintance to aid and support them in their job search.

<table>
<thead>
<tr>
<th>Ranking</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of responses</td>
<td>22</td>
<td>41</td>
<td>77</td>
<td>96</td>
<td>109</td>
</tr>
</tbody>
</table>

**Table 5.** Statement 4: “I believe it is important to receive oral feedback from the company in the case of employment for my acquaintance.”

<table>
<thead>
<tr>
<th>Ranking</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of responses</td>
<td>80</td>
<td>71</td>
<td>95</td>
<td>52</td>
<td>47</td>
</tr>
</tbody>
</table>
Table 6. Statement 5: “I believe it is important to be monetarily compensated (gift card, bonus) in the case of employment of my acquaintance.”

<table>
<thead>
<tr>
<th>Ranking</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of responses</td>
<td>168</td>
<td>59</td>
<td>77</td>
<td>25</td>
<td>16</td>
</tr>
</tbody>
</table>

The survey was concluded with an open question, discussing if there existed any other reasoning for recommending someone within their social network to apply for a position at SEC. A total of 53 employees answered this question, where the results were of both positive and negative nature. Some of the positive comments regarded SEC as a highly appreciated employer and the respondents felt proud to say they worked there. Therefore, they did not need any compensation for recommending SEC as an employer of choice. The negative answers mostly concerned the wages, slow administration processes and how SEC poorly handles giving feedback to the applicants. A few stated that they thought that a recommendation processes would lead to the wrong person being chosen. The person hired should only be employed based upon their merits and how well they match the company. Moreover, current employees were concerned about the possibility of opportunistic behaviour, where people would take advantage of the situation solely for the rewards.

5.3 Summarized Result from Interview with HR-Anna at SEC

The responsible HR manager at SEC, known here as HR-Anna has been employed at SEC for over 4.5 years. Previously, she has worked in other large scale companies working within the field of HR. After some time at SEC, HR-Anna together with the rest of the HR department realized the possible need for an employment branding strategy in order to create a better communications channel towards the labour market. After many internal surveys and analysis of the working environment both externally and internally, the need for making the issue more of an organisational issue rather than just HR-question became apparent. Therefore, a new position was created within the firm, Employer Branding Manager, and hence, the employment of EB-Mattias. She notices that there is no direct need for employer branding today, however it will be necessary tomorrow. Working proactively towards the goals, set together and in accordance with their municipal owners’ own goals, which they are aiming to complete by 2028.

According to HR-Anna, employer branding is a concept concerning the attractiveness of an employer, their values and how it is conveyed. Nevertheless, it is important for skills development and acquiring the right person at the right position, hired externally through recommendations, via advertisements or internally via promotions. HR-Anna explains that the goal with the employee recommendation program is to create a network of ambassadors in order to enhance the brand of SEC as an employer and construct a desirable workplace than just to be seen as a service provider. Not all employees have to be formal ambassadors, but realistically they are working in providing all employees to have the foundation of acting as informal brand ambassadors, spreading their reputation and how they are as employers through word-of-mouth. With a well implemented referral program, SEC hopes to create a stronger employer brand towards the external labour market, while cutting the extensive recruitment costs.

HR-Anna continues to pinpoint that since SEC is a location based company and serve their service solution to specific areas closely to their region, the natural aim for SEC when recruiting is to seize local competent employees who are willing to stay with the company longer than an employee from other
regions of the country. Therefore, staying local and using the local employees to spread the word, through employee referral programs is a necessity rather than auxiliary. Furthermore, HR-Anna illustrates the behaviour of people today when applying for jobs are considering many more factors. Such factors include that job seekers today prioritize the reputation of the company as employers, they rely more on their heart and mind, while also making sure that the company is a good fit for their personality, values, and identity. Portraying their EVP and communicating it partially via recommendations program is one such way of appealing to the potential employees.

(For further information can be found in Appendix 4.)

5.4 Summarized result from interview with Lisa Hjelm at ABB

The overall message from Lisa Hjelm at ABB was clear and simple: Employer Branding is a concept that visualizes and conceptualizes the employer as a product that needs to be sold to potential employees and society. Presenting a company as an employer, understanding and illustrating the attractiveness towards society, and hence communicating the values and goals of the firm. Throughout the interview, Lisa highlighted that in today’s society, people need to feel a sense of identity connected to their employer, matching their values with the company’s, and vice versa. People today are prioritizing their own values, desires, hearts and mind set over traits like geographic and pay, which were the demanding factors not long ago. One way of conveying, communicating and portraying a company with a strong employer brand is by applying brand ambassadors within the company. The role of the ambassadors is to spread the information that the company has presented them with in their networks, further broadening the company’s reputation and thereby increasing the employer brand. Employer branding is a continuously growing concept that more and more firms need to apply to stay attractive as employers.

(For further information, see Appendix 3.)
6. Analysis

This section will analyse the results retrieved from the Empirical Findings and connect them to the Literature Review presented in chapter 2 on a more basic level. A deepened analysis together with a discussion is presented in the next chapter.

The employees at SEC showed a high degree of willingness to recommend an individual within their social network to seek employment at SEC. The survey conducted showed that 81.4% of all recipients have already made such a recommendation, and many have done it more than once. This is in correlation with a former internal survey conducted in 2015, where 81% of the employees have said that they were willing to recommend (Internal survey at SEC, 2015). The internal survey conducted in 2015 was designed to understand if the employees would recommend an acquaintance. Subsequently, the survey conducted for this thesis was to follow up on the result from the survey in 2015, and to investigate if they were actually recommending and how it was being done. Mentionable is that the former survey from 2015 had a higher response rate of 427, whereas this survey had 345 respondents (Internal survey at SEC, 2015). The difference in amount of responses may affect the overall perception to a small degree. However, because the difference is not too great, the numbers can still be compared and considered an accurate measurement of the opinions collected. From SEC’s perspective, a positive result can be concluded from survey. In accordance with the statements made earlier by Van Hoye (2013), the hired referrals often present higher job satisfaction, job performance and is less costly than hiring through traditional sources. Therefore, the affirmative result illustrated will most likely result in such positivity by the employees towards SEC as well.

An important factor to consider is that the result shows about 40% of the workforce and the conclusions can therefore not be absolute or give a certain perception of the whole company. The reasons why they have not answered can only be speculated upon, however it must be criticized and asked why. One certain aspect is that almost 20% of the respondents would not recommend an acquaintance for various reasons. The main motives for it are they do not know anyone who is looking for a job or they did not know anyone with the right competences and other state strong negative opinions towards SEC as an employer. As previously discussed by Keeling et al. (2013) the negative result could be connected to the risk of the employee’s own reputation if it is a negative turn-out. The results gathered are mainly dominated by the business unit heating (¼ of the respondents). Due to the large portion of employees answering from this unit, the answers may give an incohesive view of how the employees within the organisation feel and think overall. Therefore, many of the smaller units may have as much as important opinions, but is overshadowed. Nevertheless, the factor of the longevity of the employee at the firm is also important to consider. The survey revealed that many employees have worked at SEC for 3-5 and 6-10 years that dominate in answers, resulting in 77 and 73 respectively. The span of 20+ years was not far behind with 63 respondents. Looking at these numbers, it can be concluded that SEC is meeting the employees’ need, since the majority of the employees see the firm as a long-term employer, proven by how long they stay at the firm. It can be denoted that SEC sees the employees as more than staff members as Raj and Jyothi (2011) explain. SEC values the employees highly and therefore may be one of the reasons why the employees continue working at SEC. It can also be denoted from the survey that the majority of the respondents are over 40 years old and most likely a generation shift will happen in the future. From this, it becomes essential for SEC to increase their attractiveness to future employees in order to stay updated. As Parment and Dyhre (2009) discuss, by having a strong employer brand, the firm can easier manage the recruitment process, increase the commitment towards the company and increase the attractiveness for the firm, which is vital for SEC in the future. As expressed in the literature review, Wilden et al. (2010) argues that the competition in the employment market is increasing.
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Therefore, it is vital for companies to develop strategies to become the employer of choice i.e. developing employer branding strategies.

Another noticeable finding was the reasons for the employees to recommend lays not in the benefit of monetary rewards, but in humanitarian reasons. The most common reason for recommending was to see the company evolve (with the help of your acquaintance) or helping a friend find a good place of employment. Therefore, ERP may not be the best solution for SEC, due to the lack of interest in financial gain displayed by the employees. ERP is a program which advocates rewards to the employees as a motivational factor to recommend. This definition is shared by the Business Dictionary (2012) and the Cambridge Dictionary (2012) as explained in the literature review. However, this raises the question whether such behaviour is limited to this specific firm or to all of Sweden? Results from the survey conducted, showed a tendency for recommending because the employees were proud of their workplace, with a good relationship with both co-workers and SEC as an employer. Such behaviour and opinions, may lead to the question of how Swedish norms and culture plays a part in the overall organisational culture within firms.

From the empirical findings it can be denoted that SEC has an unofficial employee referral program (ERP) and currently lacking any reward systems. The recommendations are freely initiated by the individual employee, in order to improve their own work environment and helping a friend. Since the survey showed that the majority of the respondents have recommended someone without any incentive or direct communication from SEC, it implies that SEC has a strong employer brand amongst its employees. This can be directly translated into the comments of Backhaus and Tikoo (2004, p.503) where they explain the important role that the recruit plays and adding value to the firm by, “supporting the firm’s values and enhancing their commitment to the firm”.

Nonetheless SEC ‘s top management have not officially communicated any employer branding strategy to their stakeholders, established an active recommendation program or implemented any sort of an official ambassador network. Yet, as observed from the survey, some of the employees already state and act as informal ambassadors for SEC. From this, a correlation can be detected, where the employees’ opinions (communicated through word-of-mouth to their social network) affects the employer brand i.e. how others see the brand and its overall attractiveness as an employer as discussed by Foster et al. (2010). As both Lisa Hjelm and HR-Anna strongly convey in their interviews, today’s generation of job seekers (and customers), rely heavily on the opinions of others and reputation of the company in order to make a decision. Mentionable is that HR-Anna has an interest in portraying SEC in the best light because of her prominent role as a HR manager. To some extent Lisa at ABB has the same interest for ABB, but still has a more unbiased opinion because she is speaking about the subject in a more general manner. An observation from the interview with Lisa is that ABB is not currently using any ERP programs. They have instead put their focus on creating a network of ambassadors and building a social presence with their employees. Keeping this in mind, ABB is still getting the advantages of ERP, but by using ambassadors instead. For them, the usage of ambassadors allows ABB to benefit from the staff word-of-mouth that is being spread and are able to control what information is given out and thereby influence the employees in a positive manner. By doing so, ABB takes advantage of the positivity that comes with employee referral programs. Simultaneously, they are avoiding the possible negatives, as discussed by Keeling et al. (2013), such as opportunistic behaviour, increased costs associated and an increase in time consumption it would take to facilitate such a strategy. It will also encourage the employees to be more active and recommendations will come more natural rather than forced with ERP.
7. Discussion

The purpose of this chapter is to discuss, analyse and reflect upon the theoretical framework, in accordance with the previously presented literature review. Using the empirical findings to support and operationalize the arguments developed, allows for a deeper comprehension of the subject. Subsequently, all resulting in the answering of the research question presented in the introduction.

Throughout the thesis, we have presented a foundation for answering the research question: How do employee referral programs, as a part of the recruitment process, connect to the employer brand of a company? By using existing knowledge and theories, conceptualize in an actual company it can be affirmed that the employees are highly affected by word-of-mouth and how the company is perceived by both current employees and other stakeholders. Word-of-mouth is a highly effective tool in all types of communication and for marketing as discussed by Baines, Fill and Page (2011). Therefore, it should be an obvious choice for it to be used as a source within companies as well. Nowadays, the decision of choosing potential employers is more thorough, where the employer’s reputation, values, and actions towards not only their employees, but also towards society are prioritized by the job seekers. From this understanding, the concept of staff word-of-mouth was introduced by Keeling et al. (2013). Viewing WOM from a corporate perspective includes the general perception society has on corporate communications and the company performance, i.e. does the company deliver on its promises?

As Keeling et al. (2013) show in Figure 1, presented in the theoretical framework, it can be narrowed down to SWOM, where the communications can be “specifically sought”, directed and influenced by employees. Using SWOM is, as previously discussed in this thesis, an excellent source of communicating the firm’s EVPs and demonstrating their values. Thus, subsequently increasing their attraction as an employer. Using the employees and exploiting their social network allows for the firm to reach people in a more personal, yet indirect way. As previously presented from the theories, and confirmed by the interviews conducted, job seekers (and people in general) tend to trust information received from people who have had/has experiences or encounters with the employers, rather than trusting an ad. However, because of the tacit nature of the communication tools that SWOM implies, a more structured strategy may be applied. Derived from SWOM, ERP presents itself as the solution, being more structured as a well-established system. However, the differences between using the strategies of SWOM and ERP need to be considered, which are presented in Figure 1 in the Theoretical Framework. Therefore, the area of application and establishment of whom the receivers are, needs thoroughly considered before a decision is made of using either ERP or SWOM as the main strategy. Factors such as company culture, goals, values, and delivering the EVPs in order to reach the employees in the best way possible as discussed by Van der Sluis and Van de Bunt-Kokhuis (2009). Furnham et al. (2009) in accordance with Hertzberg et al. (1959) also discuss the vitality of the factors previously mentioned and how they affect the employees’ motivation and overall job satisfaction. However, SWOM can also be used as a tool in establishing ERPs, where the employees are seen as formal or informal ambassadors, depending on what the firm strategizes, Keeling et al. (2013). Informal ambassadors act upon their own behalf, with little or no direct influence from the employer. However formally chosen ambassadors (as ABB are using today), the employees can be influenced by the corporation to share relevant and positive information about the firm. Mentionable is, the corporation cannot specifically control what the employees say, only influence it. Influencing the ambassadors by directly communicating and instructing them with the factors mentioned above, gives them the leeway of sharing the information within their social networks. Thereby, giving a sense of trustworthiness and reliability to the receivers. Nonetheless, the creation of a network of ambassadors within the firm, is a direct source of constant communication and advocacy of the employer brand.
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Understanding that the goal of ERP is to increase the attractiveness of the employer as discussed by Keeling et al. (2013). By trusting current employers to share positive, factual and encouraging information about the firm, the company aims to recruit personnel with a preconceived and positive association of the firm. Therefore, it is important to appeal to your current employees and providing them with the necessary motivational factors, as argued by Hertzberg et al. (1959). Thus, leading to the conclusion that, if an employee has positive associations with the company, they will most likely have a greater tendency of recommending it to others within their social network. Implicating the company as a favourable employer, where they should seek employment.

Before introducing an employee referral program or rely upon SWOM, the employer must consider what the employees’ values are and what motivates them to recommend. From the empirical findings of the survey conducted at SEC, it was shown that the majority have recommended a friend. Their motivation was either because they wanted the company to thrive or to help their friend find a job. The logical reasoning in order for an employee to recommend a friend, they must feel some sense of job satisfaction. Hertzberg et al. (1959) discusses that, in order to create job satisfactory, working conditions, company policy, salary, level of supervision, and relationship with co-workers needs to be met. If an employee is not satisfied at work, they will not be motivated to recommend a friend either. The motivators expressed by Hertzberg et al. (1959), are related to personal achievement, development of skills, and recognition at work. If these are fulfilled, the employee will feel a strong commitment, job satisfaction, and increase their motivation over all. Thus meaning that before an employee may recommend an acquaintance, they also must feel some kind of commitment towards the company and satisfaction with the fundamental principles and values the employer present. The employees at SEC have stated that they are proud to be working for SEC and the majority have an overall positive picture of the company as an employer. Hence, showing that SEC are meeting the needs of the employees, to feel motivated and satisfied at work. This can be connected to the employer brand of the company, where a fundamental part lays in how the employees perceive and commit to the company, as discussed by Barrow and Mosley (2005). If they are satisfied they will likely spread a positive message of the employer brand with their personal experience of the firm using SWOM. On the other hand, if the conditions that contributes to satisfaction and motivation presented by Hertzberg et al. (1959) are not met, it would instead lead to a negative reputation being transmitted, consequently tainting the employer brand.

Knowing what motivates the employees are not enough, the employer needs to act on fulfilling the motives and conditions. The tool a company can use for reaching the employees is to create an appealing employee value proposition (EVP), as discussed by Van der Sluis and Van de Bunt-Kokhuis (2009). In the EVP the company can pinpoint the benefits and compensation the employee derives from the employment as well as attracting competent employees. EVP contributes to creating the motivational factors for employees and in the case of SEC, the employees have shown a great tendency to rather strive for attributes concerning the self rather than monetary benefits. However, as, Colomo-Palacios (2013) mentioned, it is only through the actions and behaviours of a company that the employer brand is shaped, abiding to their promises in the EVP. Thus, meaning that if SEC does not follow through on their promises, they are creating a false image of themselves. By not abiding to what is promised, when hired, the employee will feel cheated and increase the risk of discrediting the company and creating a bad reputation. EVP could on the other hand help create a strong profile i.e. enhancing the employer brand as discussed by Heger (2007). Employer branding can also be seen as a differentiation strategy when competing for talent which is also argued by Foster et al. (2010), Wilden et al. (2010) and Backhaus and Tikoo (2004). Thus, EVP must also be aligned and deliver a unique offer towards the job seekers and the current employees (Van der Sluis & Van de Bunt-Kokhuis, 2009). Furthermore, in order to send out a cohesive message, the EVP should be communicated the same way both within the company and externally towards possible applicants (Van der Sluis & Van de Bunt-Kokhuis, 2009).
After reviewing the concepts of word-of-mouth (WOM), staff word-of-mouth (SWOM), and employee referral programs (ERP) it can be determined that they all have varying and direct effect on the employer brand of the firm. As Foster et al. (2010), Barrow and Mosley (2005) and Backhaus and Tikoo (2004) defined, further supported by the Empirical Findings of this thesis, employer branding is about selling the company as an employer to potential employees and the society. Thereby, making the employer as attractive as possible, using the employees as resources when recruiting, sharing information, and experiences about the firm. Increasing the attractiveness of firm subsequently leads to a strengthening of the employer brand. All done by exploiting the employees’ social networks through the implementation of formal or informal strategies such staff word-of-mouth or employee referral programs. Nonetheless, it is not without the consideration of motivational factors of the employees, applying adequate, and direct EVPs from these factors. It is only through the understanding of the combination and correlation between all the concepts that a truly strong employer brand can be developed. By using SEC as an example to explore the correlations between them, it is shown such a correlation actually exists. Mentionable is, SEC does not have a formal employer brand strategy, but due to their good reputation in the region, implying that a strong employer brand does exist. Therefore, making SEC, still a suitable example of this correlation. They have recognized the problem with not communicating a cohesive message to their employers and therefore begun the process of finding a solution to the problem. The solution can either be using an official ERP or implementing an official ambassador network through SWOM. Both methods require education and communication of what the company wants to inform the employees of and in some extent the surrounding society. However, the decision must fall upon what the company wants to achieve and which method (or a possible combination of the two) suits their needs best. The results showed clear tendencies for recommending within the employees of SEC. Thus, showing great prospect in the future if such program is successfully implemented. However, it is not without the consideration that this example is only connected to one company, but with using the general theories it can be applicable to other as well. Nonetheless, each firm is different and prioritizes differently depending on their values and EVP. Therefore, the connections presented are on a general level and need to be adapted individually.
8. Conclusion and further research

This section includes a conclusion of the thesis and a summary of the findings. Further research is also included to highlight what needs to be researched in order to fill in the remaining gaps within the field.

After reviewing all the material mentioned previously in this thesis, a connection between employee referral programs and the employer brand can be denoted from the conducted research within the case company. As previously discussed, there are many factors influencing the employer brand where the employees play a vital role. Looking at today’s society, both HR-Anna and Lisa Hjelm are in agreement that job seekers are much more conscious about whom they choose as their employees. Therefore, this makes the employers much more aware of their attractiveness as a firm (i.e. their employer brand), not only towards their current and former employees, but also how they are perceived by society.

Since job seekers are more aware and require more from employers, companies must seek new ways of convincing the future employees of their qualities. One effective way of doing so is attending to their own, current employees and using them as tools in the process of strengthening the employer brand. By influencing what information is shared to the employees, the firm is able to create a source of spreading information through trustworthy sources and reaching a wider public (i.e. the social network of the employee). Throughout, it has been argued that people often trust what others say over what firms directly advertise and by exploiting the social networks of current employees, getting them to recommend the firm to friends and family can be considered the ultimate source for increasing the attractiveness of the firm. Firms can apply this by either using a more structured way, by implementing employee referral programs or by implementing official ambassador programs. The methods increase the employer brand because of the connection and linkage that exists between them. Getting the employees to spread a good word of the employer, will most likely increase the employer brand, i.e. the attractiveness of the firm. After all, is that not the goal of all companies, to have a desirable image in the eyes of their employees and in society? The common knowledge in business is that a good reputation, in unity with a well-delivered offering, often equals to profit.

However, there still remains some gaps within this research field. Within the framework of this thesis, a connection between the concepts of employee referral programs and the employer brand has been established using interviews, a survey, review and adaptation of theories and concepts. This raises questions such as how strong/weak is the connection and relationship between the two? Moreover, further investigation needs to be made if the connection is true in all companies or differ between countries. Since this thesis only included the results from one firm, located in Sweden, many factors such as company culture, norms, and societal culture may vary greatly from country to country. The factors affecting the behaviour will also mean that the same approach (ex. using ERP or ambassador program etc.) that works in one country may not work in the next, dependent on the society’s values. Therefore, a more thorough and large scale research method needs to be conducted. This, together with a more extensive review of the concepts, literature, and measurement on the effect between the phenomenons can a more general and widespread conclusion be made. Thus, by creating such a new general theory, more firms can take part, learn and adapt the methods proposed. However, such an extensive research approach could also detriment or consenting with the results of this thesis, proving some (or all) arguments and conclusions made here wrong or right.
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Appendix 1

Survey conducted at SEC 11/4 - 19/4
*Translated from Swedish

Background
To begin with, we will be asking some general questions about your background. All answers are completely anonymous and will only be used to understand the employees' preferences on a general level.

1. Gender

   Male
   Female
   I would rather not say

2. Age

   20 or younger
   21-25
   26-30
   31-40
   41-50
   51-60
   60 +

3. What is the highest level of education you have completed?

   Grammar school
   Vocational/ technical school (2 years)
   High school or equivalent
   University, college or equivalent
   Professional Degree (MD, JD, etc.)
   Other

4. How many years have you been employed at SEC?

   Less than 1 year
   1-2 years
   3-5 years
   6-10 years
   11-15 years
   16-20 years
   20+ years
5. Which business operation do you work in?
Business Unit: Finance / Business Development / HR / Marketing / CEO- staff
Business Unit: Heating
Business Unit: Water
Business Unit: Electricity Service
Business Unit: Electricity Trading
Business Unit: Distribution Network
Business Unit: SEC Electricity AB
Business Unit: Fibre Network

6. Within which field are you working in?
Management
Project
Staff support system in HR / Finance / Business Development / Safety in Work environment /
Administration
Operational / Production
Construction Design
Facility / Construction
Maintenance & Service
Market / Sales / Customer Consultation
Purchase
Material / Warehouse

Recommendation
This segment regards your willingness to recommend an individual within your social network (friends, acquaintances, family, etc.) for a position within SEC. Previously made surveys have showed that many of you would recommend SEC as an employer. Therefore, the objective is now to investigate what motivates you to actively participate and complete a recommendation.

7. Have you ever recommended an individual within your social network to apply for employment at SEC?
Yes
No

If yes:

8. How many times have you recommended an individual within your social network?
1 time
2-3 times
4-5 times
6 or more

9. How did you go about doing so?
Talked to the individual directly (word-of-mouth)
Social Media
Other digital media (e-mail, etc.)
Other
10. **Within which area did you recommend the individual to apply for?**
Operational group which you are active in
Adjacent operational group within the same scope of practice
Other scope of practice

11. **To the best of your knowledge, has the recommendation resulted in employment?**
Yes, every time
Yes, some time
No it has not resulted in employment
I have not recommended anyone
I do not know

If no:

12. **Why have you not recommended anyone within your social network? You can mark several choices here.**
I do not know anyone with the appropriate competences
I have not had the time
I do not know how to proceed /missing instructions on how to forth go
I do not have enough information about what the position entails
I have not been aware of an available position
I do not have the desire
It does not benefit me in any way / lacking a motivation source
Other:

**Your motives for recommending**
The following statements regard what motives or needed motivation would push you to seek out an individual within your social network to active participate and apply for a position at SEC?

13. **Please rate the statements accordingly if you:**

Do not agree at all - 1
Completely agree - 5

I would recommend my acquaintance since their competence and values suits the position
I believe my acquaintance would be a good asset for SEC
I would recommend my acquaintance to aid and support them in their job search
I believe it is important to receive oral feedback from the company in the case of employment for my acquaintance.
I believe it is important to be monetarily compensated (gift card, bonus) in the case of employment of my acquaintance.
14. What is most important to you when recommending an acquaintance?
To help my acquaintance
To help the company advance/develop
Receive verbal/written feedback from SEC
Receive some form of monetary compensation from SEC

15. If your acquaintance becomes employed at SEC, what would you appreciate most as a possible compensation/reward? Here you can make several choices.
Verbal appreciation/feedback by the boss (or closest team leader) in front of co-workers
Verbal appreciation/feedback by the boss (or closest team leader) in private
Written appreciation/feedback by the boss (or closest team leader)
Economical bonus
Gift card
I want to choose depending on the situation
I am not interested in receiving any compensation
Other

16. In conclusion, do you have any other reasons / motives to why you would recommend someone from your social network to seek employment at SEC? Please motivate your answer.

(END OF SURVEY)
Appendix 2

Result of the Survey
*Translated from Swedish

Excerpts from some of the comments:

Positive comments:
“Is it really necessary? SEC is a known driving force in the region. EVERYONE knows what SEC is. Well in the electricity section.”
“I like the combination of what is best for the company and help a friend as the best motivational factor”
“SEC is a company developing to become a modern and attractive workplace.”

Negative comments:
“I would not recommend my acquaintance in the current situation of today. “
“We need more external people who understand cooperation thinking and get rid of the stamp of a “municipal job”
“Working in SEC today is not as attractive when you are not able to work with what you are good at without encountering obstacles and unnecessary administration.”
Diagrams of the results of the survey are presented below:

### Gender
- Male: 213
- Female: 125
- I rather not say: 7

### Age
- 20 or younger: 1
- 21-25: 9
- 26-30: 28
- 31-40: 96
- 41-50: 103
- 51-60: 78
- 60+: 30

### Education
- Grammar school: 7
- Vocational/technical school: 61
- High school or equivalent: 111
- University, college or equivalent: 154
- Professional Degree (MD, JD, etc.): 3
- Other: 9

### Employment Duration
- Less than 1 year: 35
- 1-2 years: 39
- 3-5 years: 77
- 6-10 years: 73
- 11-15 years: 38
- 16-20 years: 20
- 20+ years: 63

### Business Operations
- Business Unit: Finance / Business Development / HR / Marketing / CEO-staff: 81
- Business Unit: Heating: 111
- Business Unit: Water: 24
- Business Unit: Electricity Service: 13
- Business Unit: Electricity Trading: 15
- Business Unit: Distribution: 16
- Business Unit: SEC Electricity AB: 63
- Business Unit: Fibre Network: 22

### Fields of Work
- Management: 38
- Project: 47
- Staff support system in HR/Finance/Business Development/Safety in Work environment/Administration: 65
- Operational/Production: 58
- Construction Design: 16
- Facility/Construction: 7
- Maintenance & Service: 53
- Market/Sales/Customer Consultation: 47
- Purchase: 12
- Material/Warehouse: 2
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</table>

<table>
<thead>
<tr>
<th>Within which area did you recommend the individual to apply for?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational group which you are active in</td>
</tr>
<tr>
<td>Adjacent operational group within the same scope of practice</td>
</tr>
<tr>
<td>Other scope of practice</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>To the best of your knowledge, has the recommendation resulted in employment?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, every time</td>
</tr>
<tr>
<td>Yes, some time</td>
</tr>
<tr>
<td>No it has not resulted in employment</td>
</tr>
<tr>
<td>I have not recommended anyone</td>
</tr>
<tr>
<td>I do not know</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Why have you not recommended anyone within your social network? You can make several choices.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do not know anyone with the appropriate competences</td>
</tr>
<tr>
<td>I have not had the time</td>
</tr>
<tr>
<td>I do not know how to proceed</td>
</tr>
<tr>
<td>I do not have enough information</td>
</tr>
<tr>
<td>I have not been aware of an available position</td>
</tr>
<tr>
<td>I do not have the desire</td>
</tr>
<tr>
<td>It does not benefit me in any way / lacking a motivation source</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>
Löjdqvist & Nilsson (2016) Recruiting Through the Grapevine

I would recommend my acquaintance since their competence and values suits the position
1 - Do not agree
2
3
4
5 - Completely agree

I believe my acquaintance would be a good asset for SEC
1 - Do not agree
2
3
4
5 - Completely agree

I would recommend my acquaintance to aid and support them in their job search
1 - Do not agree
2
3
4
5 - Completely agree

I believe it is important to receive oral feedback from the company, in the case of employment for my acquaintance.
1 - Do not agree
2
3
4
5 - Completely agree

I believe it is important to be monetarily compensated (gift card, bonus), in the case of employment of my acquaintance.
1 - Do not agree
2
3
4
5 - Completely agree

What is most important to you when recommending an acquaintance?

To help my acquaintance
To help the company advance/develop
Receive verbal/written feedback from SEC
Receive some form of monetary compensation from SEC

If your acquaintance becomes employed at SEC, what would you appreciate the most, as a possible compensation/reward? Here you can make several choices.

Verbal appreciation/feedback
Written appreciation/feedback
Economical bonus
Gift card
I want to choose depending on the situation
I am not interested in receiving any compensation
Other
Appendix 3

Personal interview with Lisa Hjelm, Employer Branding Specialist at ABB.

Interview conducted at ABB headquarters, Västerås 18-04-2016

(The questions and answers provided are shortened and summarized from the interview. Also translated from Swedish.)

1. How long have you been working within the field of employer branding?
   - 4.5 years at ABB, with a degree in media and communications, but has long been working with HR questions, internal educational factors, while also working with diversity questions

2. How did you come about working within employer branding? Was the position created by/for you?
   - The position for employer branding specialist was vacant, and after application got the job.

3. In your opinion, what is employer branding?
   - Employer branding is about presenting the company as an employer. Understanding and providing information about the place of employment.
   - The employer is considered as a product
   - Selling the workplace ABB as an employer
   - It’s not just about communicating but also understanding

4. Why is employer branding so important?
   - Employer profiling is important to acknowledge
   - You choose your employer much more consciously; the workplace is much more related to identification than it was a year ago
   - You want to be a part of the job
   - Employers know who you are, have an identity
   - You choose employer not only based in geographical or pay, you choose with your heart and mind, and more influenced by your values
   - Also more selective employers

5. In today’s society, how well known do you think the concept of employer branding is?
   - A lot has happened in the past 5 years. More positions are created meaning more people can apply
   - It did not even exist 12 years ago
   - We are evolving with the concept of employer branding with the larger employers around the world
   - It is very exciting working with employer branding, it is fully selling something with a high value. → it affects your daily life. It is about people, and their competence development.

6. How is the concept of employer branding actively used within ABB? Please give some concrete examples. What do you do?
   - Work with ABB web and jobs. Presenting the contents online and information about ABB as an employer
   - Educating managers, how to be an ABB ambassador and how to act towards employees
   - New behaviours within ABB, how do we want new recruits to act? Adapt to the Swedish norms /train of thought. How do we communicate this to employees?
7. Standardized? / Do different districts behave differently?
   - ABB globally has a common ABB and has a responsibility of educating co-workers.
   - Locally, being present at fairs and trade shown, being visible, recruitment fairs etc.
   - The goal is for ALL HR employees to know what to do so that they can spread the information, regardless where in the country they are situated.

8. To what extent does ABB focus on building employer branding strategies? How big of a focus point is it?
   - About budget and processes, and has been a steady priority for the past five years.
   - It has its own department (where Lisa works), with fewer than 5 people, and different amounts of time being spent. But it is a focus.

9. There are many similarities between internal marketing and employer branding strategies, why have you put more focus on employer branding?
   - It is within the same responsibilities, but we could be doing much more. Continue being committed to sustaining a network of ambassadors, and educating them. Where their competences are later transferred to their areas

10. How are you actively working towards being viewed as an attractive employer and not just another company?
    - Many things, ABB is the head sponsor for a maths centre helping with homework problems.
    - Volunteer work, and different sponsorships. Showing visibility as an employer who wants to help, and values the community.
    - ABB also sponsors their employees who want to run for charity, ex. Blodomloppet.
    - Participate at student fairs

11. What are some of your catch words?
    - The EVP stands for the core message, take action in the job together, be a technical pioneer, work for a higher purpose, be global

12. Have you been conducting any internal surveys regarding employer branding recently? How did you choose those focus groups?
    - Absolutely! Validation of the EVP using focus groups, and one evaluation of being global.
    - 2 years ago and 5 years ago, with many surveys and focus groups

13. How do you decide on the focus groups? Who should be involved?
    - The network of ambassadors, and tip offs in different areas. Once the word is out, it creates a buzz.
    - The network of ambassadors is generated by 150 people around the country, completely voluntary and with authorization from the superior manager. With a total of 9000 employees in the country.

14. Shortly describe your current recruitment process?
    - All jobs must be advertised internally first before being announced through external channels
    - Recruitment tool, anyone can apply for any job
    - Use external sources such as, the webpage, LinkedIn, digital ads, print in press, or the new way via social media (ex. Facebook)

15. Do you differentiate your recruitment process based on which position is available?
    - Different choices for different jobs, have to apply the right channel to whom the target group is.

16. Are you using and employee referral programs currently?
- No but it does exist in talent management. Career development is important. The managers have the job of encouraging to apply, within the same field or a totally new one. Ex. being in the financial field and moving to HR.

17. What does the future hold for employer branding?
   - For firms in general?
     - It is an area that more and more firms are acknowledging to be of significance and more are taking action. It is becoming more important because society is evolving to be more driven by recommendations. You write for example on FB seeking recommendations about good employers. The employer becomes sort of a checklist that the potential employee has to check off before applying. We are more aware and selective, and you become much more sensitive and care more about where you are employed. It is important to be able to identify with your place of employment.
   - For ABB?
     - The work never ends. Internal training for all employees. We want our employees to be talking about ABB in a positive manner, because it gives a greater sense of credibility. I would love to add more resources so that all employees know what to, and what not to say. The goal is for all employees to act as unofficial brand ambassadors.

18. Are you aware of the concept Staff Word-of-Mouth?
   - No

19. Is there any other well-known terminology that you use in your field of work?
   - EVP
   - Retention- exit conversations
   - Employee turnover

20. According to a survey, SEC's employees would recommend the company to an individual within their social network, but are having problems motivating them to actively take the step and follow through. Is this something that you can identify with at ABB? If so, how did you solve the issue? What are the driving factors?
   - We did a similar survey a couple of years ago, give us a tip and you would receive a monetary reward.

21. What did you recognize as the motivating factors?
   - Not the monetary rewards actually. It was based on emotions, which I am really proud of.

22. How would such a recommendation program work?
   - The person recommending approaches relevant superior, and they only receive a monetary reward in the case of employment and only if ABB has no previous knowledge or acquaintance with the person. You are not allowed to recommend (and receive a reward) if you are a manager or working within the HR department.

23. Is there anything else that you would like to add or clarify about the subject of employer branding?
   - Employer branding is not only student activities, it requires education.
   - A very big and important concept
   - The challenge lies in reaching the working external individuals and the internal staff
   - Important to meet people and communicate directly, otherwise it will not reach the target groups
- Giving education to the managers is crucial, sharing information about the ambassadors, information is key!
- Communicating the EVP internally
- Sometimes you have to change focus to get the right results!
Appendix 4

Personal interview with HR-Anna, HR Manager at SEC.
Interview conducted at SEC office, 21-04-2016.

(The questions and answers provided are shortened and summarized from the interview. Also translated from Swedish.)

1. How long have you worked at SEC?
   - 4.5 years

2. How long have you worked within the field of HR?
   - 11 years

3. What previous experience do you have?
   - Previously worked at IKEA for several years in the HR department

4. Why did you decide to create EB-Mattias position at SEC?
   - The position evolved after many pre-studies, how the question of EB has evolved, used to be more of only an HR question, but aspired for it to be an organisational strategy
   - Was an internal strategy but at a corporate level.
   - It's all about attractiveness, acquiring new competences, new target groups
   - Driving traffic towards SEC
   - Organisational issue
   - Capacity building
   - SEC needed to look 15 years into the future, working towards the goal of 2028 (started this process in 2013)
   - The county has a goal of 2025, and SEC wanted to stay within a similar range

5. Because you are municipally owned, how does this affect your operations? Are there any special guidelines?
   - The county are SEC's primary owners, however SEC is a freestanding corporation, and have free reign when choosing how to adapt to the guidelines
   - SEC has the demand from the county to support the region
   - They have the width of many differences and need to be more concrete and definite in the question

6. Have you had any specific problems connected to employer branding?
   - There is no current problem, however it can be tomorrow. There is a realization that there is a strong brand, but is it enough for tomorrow?
   - More of an overall corporate question rather than internal issue.

7. In your own opinion, what is employer branding?
   - It is about your perception of an employer, what values they present. However, it is another question if there is any truth to it or not.

8. What are your goals for implementing an employer branding strategy? Why is important for your organisation?
   - EB-Mattias is currently working on writing and creating such a strategy, so we have no direct practices currently implemented. No similar strategies at all before HR-Anna came to work at SEC.
   - It is important for the strategic plan, goals that have to be met, We want to be leaders in infraservice, for the public welfare, creating the explicitness about how to create infraservice
9. How does SEC want to be perceived as an employer?
   - For our co-workers
   - Have created EVPs (move forward, together (we care), and we are brave)
   - To humanize those EVPs
   - Potential employees
   - The same internally and externally, all about validating the credibility
   - We have 36 sub targets to fulfil by 2019

10. How is SEC working towards/ with an Employer Value Proposition?
    - Has been compiled but not implemented currently

11. What goal did you have by hiring us as interns?
    - 2 parts
    - There is a time constraint, we don’t have enough time to tackle these questions
    - There have been no previous interns at the HR department, so we want to portray these values as well. To give a possibility, while also adding value for both the students and the HR department.

12. How are you currently working to be viewed as an attractive and positive employer and not just another company?
    - Firm examples: career fairs, exhibition fairs, sponsorships, employee activities (fishing trips), → affects everyone (from youths to adults). Portrays a positive external image.
    - We are working towards facing and helping out society in times of crisis, we want to increase the social responsibility.
    - Want to be a driving force in social responsibility questions → we add value directly to the customers
    - Whom is your primary target group in your employer branding strategy?
    - We are actively working on defining our target group, it is an important parameter to define.
    - Whom is your primary market?
      - We have 3 subsidiaries, diverse cultures. Important to have an even balance of new and old employees, and therefore greatly varies. Maintaining a healthy employee turnover, of about 6-8%.

13. Have you implemented any type of network of specified company ambassadors?
    - EB-Mattias is working on a network of ambassadors, and once implemented he will train and educate them
    - Currently there is an indirect network of ambassadors, no purpose or goal yet defined.
    - We are all responsible and in our own way unofficial brand ambassadors
    - Possibility of creating reference groups

14. Are you looking to have all employees act as company ambassadors, or only specifically chosen individuals?
    - All are unofficial
    - But should be the same proportion in a network

15. Do you think there is a need for added factors of motivation to get them to act as ambassadors?
    - No! And I am proud of the fact that we don’t need it.
16. **How is your recruitment process constructed?**
   - Depends, often ask the job seeker what brought them here, ask them why we are sitting here at this interview?
   - Both internally and externally
   - Sometimes ask how they found out about the position

17. **Earlier in the week we conducted an interview with Lisa Hjelm at ABB, whom emphasized the importance of communicating their employer branding strategy directly to their employees (via conversations, directly between individuals) instead of acting through digital media. Do you agree with this? Is this something that SEC is also doing?**
   - People today are thinking much more with their hearts, and people seeking employment today are putting much higher demands on employers to have a conscience to be environmentally friendly, have a meaningful purpose, good CSR, and to have a good and inspirational leadership (devoted superiors). While also seeing that the firm adds the right value according to themselves.
   - Generally, the trend is to shift the hard EVPs to softer variations, understanding that we are people meeting and we live off our values.
   - Many different cultures and diversities, must be respected!

*Because of the nature of the previous questions’ answers, that many of the strategies associated with employer branding is being created by EB-Mattias and therefore much is still unknown, the following questions were not asked.*

   - Currently, is there a strategy for recommendations by employees? What processes do you have implemented?
   - How would you forecast the future of employer branding within SEC?
   - Employer branding strategies are not only used for attracting new recruits, such as students.
   - What is SEC currently implementing to encourage employees?