Unconventional Employer Branding: a strategy to win the talents attraction and retention war
“IF YOU LEAVE US OUR MONEY, OUR BUILDINGS AND OUR BRANDS, BUT TAKE AWAY OUR PEOPLE, OUR COMPANY WILL FAIL.

BUT IF YOU TAKE AWAY OUR MONEY, OUR BUILDINGS AND OUR BRANDS, BUT LEAVE US ALL OUR PEOPLE, WE CAN REBUILD THE WHOLE THING IN A DECADE.”

(MACRAE, JOURNAL OF MARKETING MANAGEMENT, 1999)
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INTRODUCTION

A brand is not just a distinctive sign for customers; it is a vehicle of selling a firm to employees.

Currently firms have not just for customers but for the best people, in the whole employment market. The best way to do this is by having a clear, identifiable employer brand and communicating it in the marketplace. In the same way that a corporate brand aims at attracting and retaining customers, so an employer brand aims at attracting and retaining employees.

As with product marketing, employer brands need to be targeted to appeal to the type of individuals an organisation wants to attract, retain and motivate. The employment field is currently populated by four generations of workers, witnessing a decline in long-term employee loyalty. Firms have to interface with talents in a large age gap, from 1960s baby boomers¹, through Generations X and Y², to Generation Z³, born in the 1990s. The last group has never known life without the internet. Therefore, talent pool becomes more diverse and more unpredictable making recruitment and retention of the right candidates trickier. Younger generations, entering the working world, are

¹ A baby boomer is a person who was born during the demographic Post-World War II baby boom. In general, baby boomers are associated with a rejection or redefinition of traditional values and with privileges (Owram, 1997). In fact, baby boomers turned 65 on January 1, 2011 but unlike their parents’ generation, they don’t consider themselves “old” at 65. For this reason, they represent a monumental question for the employment.

² Gen X (Jurkiewicz, 2000) was born between 1965 and 1979. They often had both parents working, were exposed to day-care and divorce, and became known as “latchkey kids”. They are a well-educated generation with many having tertiary qualifications and are resourceful, individualistic, self-reliant and sceptical of authority. Gen Y (Newborne, Kerwin, 1999; American Demographics, 1995) was born between 1980 and 1995 and is also known as the Millennium or Net Generation. Millennials are very technology wise and are comfortable with ethnically diverse groups (Bakewell, Mitchell, 2003).

³ Gen Z (also known as Generation M, the Net Generation, or the Internet Generation) is a common name for the group of people born between the early 1990s and the early 2000s. Members of Generation Z are typically the children of Generation X; their parents may also include the youngest Baby Boomers as well as older members of Generation Y (Mitchell, 2008; Posnick-Goodwin, 2010; Tapscott, 2008; Walliker, 2008; Schmidt, Hawkins, 2008). Generation Z is highly connected, as many of this generation have had lifelong use of communications and media technologies (Riedling, 2007), so that to be called “digital natives” (Schmidt, Hawkins, 2008). A marked difference between Generation Y and Generation Z is that older members of the former remember life before the takeoff of mass technology, while the latter have been born completely within it. Some can be described as impatient and instant minded, and tending to lack the ambition of previous generations also because of dependency on technology, as opposed to previous generations (Kalb, 2010).
increasingly tech-savvy and the highest performing generation in the history of mankind with more information at their fingertips. So they can perform a variety of tasks in many business domains with the possibility of relocating to anywhere in the world. Career patterns are increasingly characterised by hopping from one organisation to another. In today’s world, any company is in competition in the search for talents. The big question is: why should an individual choose to work for a company rather than another? Members of Gen Y consider personal development, continuous learning and team work as being important elements of work. Employees are increasingly impatient to succeed and believe in self-determination to achieve their ambitions rather than serving time within one organisation and hoping to gradually climb the career ladder.

A social media strategy can create opportunities for employers to attract and engage younger talent by using the communication methods they find meaningful. In fact, in less than five years, social media has revolutionized not only communication culture but business conduct. The dizzying effect of unlimited 24-hour access to people and information has transformed the various tools into a game changer. Social media has become an opportunity to strategically network and close deals based on shared interests and personal engagement, determining a shift in employment practices. Considering this job basin, more and more businesses in searching of talents are stepping into the social media arena to recruit viable candidates for positions at their companies and strength their brands. Companies are cultivating and marketing a brand that attracts and certain types of candidates. Here the question is if these tools are able to retain attracted talents. The starting point is that social media require a commitment. Staff engagement could come only from the creation of “communities of value” within organisations. These differ from traditional communities in that, instead of being based on roles or rules, they focused on individuals and were more about “give and take”. Therefore, in employer branding perspective, companies need to communicate their strategies internally, educating employees about their social media outreach. Firms should invite existing employees to participate in ways that will improve or enhance their businesses’ engagement, and attract firs-rate colleagues, affecting the company’s brand. Social media do not replace traditional employer branding strategies and tactics, but instead should supplement the solid practices companies already have in place. In fact, successful social media implementation
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requires a strategy also because of differences in the usable tools. For example, LinkedIn recruiting tools focus on finding candidates and networking online; while Facebook and Twitter recruiting tools focus on employer branding, engaging candidates.

Another issue about current generations is that teenagers and young adults at the beginning of their working lives are more focused on the brand. They want to work for a Google or an Innocent Drinks because they have bought into the brand emotionally. Most young people do not understand the intricacies of different roles within organisations and are swayed by brands they have heard of. There can also be a trade off. For some people, the job might not be the perfect fit but they can see the benefit of having a name on their CVs. This can determine an initial advantage for those firms. In a long term without a well defined employer branding strategy, this advantage disappears.

The employer brand is the outward manifestation of the organisation’s culture. It includes both hard elements (such as pay and benefits) and soft elements (such as behaviours), experienced daily. A strong employer brand should be aligned with the organisation’s vision and values, strategy and culture, becoming a critical factor in creating employee engagement. This engagement has a strong impact on increasing motivation, loyalty, performance and retention of employees, with a strong impact on long lasting competitive advantage (Barney, 1991).

Therefore, two perspectives of employer branding strategies exist: one toward attraction and one toward retention of talents. Considering these statements, the main objective of the study is to understand employer branding strategy co-creation between firms and existing employees through virtual service organization. The research question that the study is design to answer is

Q1: what is the relation between employer branding, affective engagement and use of web 2.0 tools?

Once this question will be answered, the following objectives are identified to guide the understanding of nature of relationship between employer branding co-creation
between employers and employees aimed at improving engagement and retention. Particularly, moving away from a process-driven approach, the research focus on a motivational and engaging work environment creation in order to verify if this latter is able to create value for a firm increasing loyalty, attracting new talents and maximising the employees return on investment. Human capital retention represents a fundamental value for a firm; by losing such capital, the loss is double, considering cost of replacement, comparable to the efforts of transaction costs (Coase, 1960; Williamson, 1981). Therefore, a second step is referred to following research questions, which represent the starting research hypotheses:

**Q2:** What is the role of co-creation in the employer branding strategy?

**Q3:** What are the co-creation parameters and actors with specific reference to virtual service organization?

**Q4:** What is the impact of employer branding strategy applied to existing employees on talents attraction?

Answering these research questions can contribute theoretically and practically to employer brand strategies. In fact, this higher-order conceptualization of employers/existing employees/potential employees’ relationship provides a foundation for co-creation in employer branding building, especially through new interactive media.

Therefore, employer brand theory and practice have evolved significantly over the last ten years. From a discipline largely limited to the resourcing outskirts of human resources (HR), it has increasingly become a more strategic focus of attention for general HR management, with a particular focus on its potential ability to help align people management process and practice and drive employee engagement. Moreover, often in the literature, employer branding is considered only at operational level. This study aims at determining a theoretical progress. The approach to employer branding here follows the perspective of Service Dominant Logic (Vargo, Lusch, 2004). The role of employees has been transformed from passive targets of organization culture to producers through employer branding engagement. So, the main objective of the
present research is of understanding if co-development process can be applicable also to employer branding. This research would verify if taking a more integrated approach to employer brand management may represent a significant opportunity to enhance overall levels of internal engagement with reflexes on competitive advantage, in addition to promoting an employer’s external reputation in order to attract talents on the job market.

I.1 The two directions of employer branding

2. METHODOLOGY

Employer branding represents a less explored filed of analysis also because of its nature of cross sector of research, between marketing, organizational science and psychology. Particularly, the main branches of reference take their roots in brand management, organisational behaviour and internal marketing. Moreover, these three perspectives are surrounded and supported by different features of personnel psychology, in order to investigate the relationship work/life.
As stated above, it is simple to understand that only recently and gradually the concept of employer branding is acquiring a independent theoretical foundation. Otherwise, the importance of the subject is manly due to the availability of job market competitors and scarcity of quality talents. Moreover, according to Ritson (2002) a strong employer branding strategy can potentially determine a new employee acquisition cost downsizing and an improvement in the relationship with existing employees increasing retention.

Considering the infancy stage and the cross sectoring, employer branding concept lacks spread theoretical framework and fixed measurements. Therefore, the adopted research methodology is developed according to a mixed, both deductive and inductive, approach. The first step is referred to research questions statement. Thus, literatures review represents a fundamental step for research problem definition. In fact, literature helps to build a theoretical framework. In this direction, three bodies of literature (employer branding, corporate branding, and service organization) were selected for review and examination in terms of their implications for the proposed framework that conceptualises the relationships between the three areas. The literature review aims at highlighting interrelationships among the three concepts the importance of employer branding and internal branding, whilst maintaining their distinctiveness.

In this term, starting point is the choice of some keywords, useful for tracking co-creation evolution.

I.2 Research key words

Employer Branding – Engagement – Retention – Social media – Co-creation – Brand Community – Virtual Team and Settlement

Source: our rework
Subsequently, the research hypotheses are demonstrated through observation and direct contact with reality for a necessary generalization of results (Onida, 1959). Observations are extremely useful in theory development if source of additional propositions. Considering the explorative nature of the research, this research describes building theories from cases study. In fact, one of strengths of theory building from cases is its likelihood of generating novel theory. Case studies as tools for generating and testing theory have provided the strategic management field with ground-breaking insights (e.g., Penrose, 1960; Chandler, 1962; Pettigrew, 1973; Burgelman, 1983). This methodology therefore is ideally suited to creating managerially relevant knowledge (Amabile et al., 2001; Leonard-Barton, 1990).

As this methodology typically foresees, the research combines data collection methods such as archives, interviews, questionnaires, and observations. The evidences are qualitative and quantitative: combination of data types can be highly synergistic. In fact, as Salomon (1991) states, the two approaches to research are complementary rather than competing paradigms. Therefore, the research combines quantitative and qualitative approaches, following Patton (1990: 38-39) words:

> Rather than believing that one must choose to align with one paradigm or the other, I advocate a paradigm of choices. A paradigm of choices rejects methodological orthodoxy in favour of methodological appropriateness as the primary criterion for judging methodological quality. The issue is whether one has made sensible methods decisions given the purpose of the inquiry, the questions being investigated, and the resources available. The paradigm of choices recognizes that different methods are appropriate for different situations.

Particularly, qualitative approach is able to emphasise discovery over confirmation (Wells, 1993). Quantitative research involves gathering quantifiable data and makes generalizations about the nature of the topic being researched, whereas qualitative research relies on descriptive data reports (Creswell, 1994). The research approach aims at generating scientific propositions about this new phenomenon that can be subject to further testing and verification. The combination determines a use of
methodological triangulation, which refers to the use of more than one method for gathering data. Specifically, using Denzin’s words (2006), the research adopts *between-method triangulation* in order to provide a more complete set of findings within a strategy of convergent validity.

### I.3 Research pattern

![Diagram showing the research pattern with three sections: Hypothesis definition (theoretical), Research Design (experimental), and Observations (empirical).]

*Source: our rework*

Many researchers (e.g., Bergh, Perry, Hanke, 2006), ascribe to case studies methodology a lack of rigor. In order to face the problem, there are numerous criteria to assess the rigor. The model used in this research lies within the positivist tradition (e.g., Behling, 1980; Cook, Campbell, 1979), though four criteria: internal validity, construct validity, external validity, and reliability (Campbell and Stanley, 1963; Campbell, 1975). The first three validity types are not independent of each other. Internal validity refers to the data selection phase (Yin, 1994). Yin sustained that case studies do not need to have a minimum number of cases, or to randomly “select” cases. On the other hand, multiple cases strengthen the results by replicating the pattern-matching, thus increasing confidence in the robustness of the theory. Selection
of cases is an important aspect. Sampling issues are important in regard to validity, as well as in regard to other aspects of the research process. Case studies have been carefully selected cases in order to increase the validity of the study. Careful discrimination at the point of selection also helps erect boundaries around the case.

Construct validity needs to be considered during the data collection phase with an accurate observation of reality (Denzin, Lincoln, 1994). Convergent validity is determined by hypothesizing and examining the overlap between two or more tests that presumably measure the same construct. In other words, convergent validity is used to evaluate the degree to which two or more measures that theoretically should be related to each other are, in fact, observed to be related to each other. This second step of the empirical research has focused on a questionnaire.

External validity is referred to generalizability and is based on intuitive belief from theory (e.g., Calder, Phillips, Tybout, 1982; McGrath, Brinberg, 1983). In this case, the research adopts analytical generalization, separate from statistical generalization in that it refers to the generalization from empirical observations to theory, rather than a population (e.g., Yin, 1994, 1999). Particularly, the research adopts beyond theory triangulation also data triangulation enable to verify findings by adopting multiple perspectives (Yin, 1994). Particularly, data triangulation is referred to different sources and kinds of data. Therefore, once a case study is evaluated and selected, the processes of analysis are performed separately for each case study. The data analysis has involved several key features. One key step is within-case analysis (Pettigrew 1988; Mintzberg, McHugh, 1985). This analysis typically involves detailed descriptions (Gersick, 1988; Pettigrew, 1988), aimed at insight defining unique patterns of each case in order to generalize patterns across cases. The process entails breaking down the data into phenomena, then recombining the data into similar formats, significantly simplifying the grounded meta-analysis procedure and allowing for familiarity with the individual case studies.

In order to avoid the danger of information-processing biases, further step has concerned with cross-case analysis. Cross-case aims at deepening the investigation using diverse lenses on the data and reaching more accuracy and reliability. This constant comparative method also contributes to the internal validity of the research.
The next step of this highly iterative process was to compare systematically the emergent frame with the evidence from each case in order to assess how well or poorly it fits with case data (Eisenhardt, 1989).

Reliability or the establishment of replicability is the likelihood that a different researcher would arrive at similar analyses and conclusions when reviewing the same data (Yin and Heald, 1975; Morgan, 1991). Meta-analysis suggests the establishment of strategies that can be used during the initial decision to include or exclude a case study from the meta-research. Validity has been likened to “recognizable reality.” Reviewing multiple qualitative studies poses a risk to validity because “the rules of inference employed are usually unstated” (Guskin, 1984, p. 76). Ogawa and Malen (1991) propose the “establishment of clear definitions, accurate measures, and sound indicators of the phenomenon under study” (p. 277) because clear conceptual definitions allow the researcher to determine which documents to include or exclude as data (Ogawa and Malen, 1991).

I.4 The four components of validity

The unit of the study in this research starts from two rankings: a comparison between Italian and UK’s “Best Companies to work for”. Both the perspectives are determined from The Great Place to Work Institute, which is a partner of European Commission through Great Place to Work® Europe Consortium (GPW-Europe).
Starting from Italian and UK’s ranking, the top 5 companies have been analysed, focusing on behaviour, expectation and opinions of the employees. The first level considers corporate branding and attractiveness. The basis is of definition of work environment, as a place where employees “trust the people they work for, have pride in what they do, and are comfortable with the people they work with” (GPW-Europe, 2011). The best place of work depends on the quality of the three relationships that are intertwined:

- The relationship between employees and management;
- The relationship between employees and their jobs / company;
- The relationship between the employees themselves.

The second level of analysis underlines employer retention and social network perspective impacts.
In these terms, the sample is depicted in the following schemes.

<table>
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<tr>
<th>1.5a Italian best places to work for</th>
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<tr>
<td><strong>Ranking</strong></td>
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| 1.5b Uk’s best places to work for |
|------------|------------------------------------|----------------|-------------------|-------------------|-------------------|
| 1          | Baringa Partners                    |                | 1                 | 2                 | -                 |
| 2          | NetApp UK Limited                   |                | 6                 | -                 | -                 |
| 3          | Twinings UK & Ireland               |                | -                 | -                 | -                 |
| 4          | Bacardi Brown-Forman Brands         |                | -                 | -                 | -                 |
| 5          | Taff Housing Association            |                | -                 | -                 | -                 |

Source: (GPW-Europe, 2011)

In order to summarise, this study is structured in logical sequence of steps, linked to each others, according to input-output pattern.

I.5 Research structure
3. **Outline**

In order to develop the analysis, the research consists of four chapters and a conclusion section.

Particularly, first chapter is dedicated to the literature review, stating the relation between Organizational Behaviour and Internal Brand Management in order to define the first perspective of Employer Branding. Subsequently this latter is analysed through the Service Dominant Logic and Resource-based approach in order to bridge the concept of Employer Branding with co-creation and sustainable competitive advantage.

The second chapter focuses more deeply on the dimension of co-creation as a step towards employees engagement and retention, evaluating specific parameters and stakeholders.

Meanwhile in the third chapter considers the social networking perspective of Employer Branding as a result of co-creation process.
The fourth chapter analysis the sample of chosen cases in order to verify empirically the theoretical research questions. Moreover the chapter organization follows the specific pattern of research questions as depicted above.

### 4. LIMITATIONS

Even if this study explores some interesting findings, some limitations should be considered. First of all, a limitation is in complexity of linking together different theoretical elements, each of which could take the dignity of independent research.
Nonetheless, in rational sequence of stages, the research aims at reaching the methodology formalization for analysis validation.

Another issue can be found in the mixed approach and in the triangulation. Hypotheses are formulated on the basis of the theory. This fact may affect a real knowledge progress. On the other hand, triangulation has been criticized on several grounds. Particularly, critics are of subscribing to naïve realism⁴ and aligning with constructionism⁵. There is no one best set of methodological choices. All methods are imperfect, but different methods are flawed differently (McGrath, 1982). Therefore, triangulation provides basis for convergence (Campbell, Fiske 1959) but also lets differently flawed methods shore up each others’ vulnerabilities (Webb et al. 1966; McGrath, Martin, and Kulka 1982).

Additionally, the research focuses only on different industries and on selected cases. These cases result difficult to match in terms of culture and management practices. Empirical research could be improved refining the sample in order to reach better results generalization. Beside, further generalization should be referred with complementary industries.

Moreover, the use of case studies creates richness in detail, but lacks in simplicity of overall perspective. Thus, qualitative interviews aim at deepening a particular phenomenon rather than uncovering variables relationship based on a large sample (McCraken, 1988) but this limits the sample size. Therefore, generalization could result limited.

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⁴ Naïve realism implies that there can be a single definitive account of the social world.
⁵ Constructionism implies that individual learners construct mental models to understand the world around them. In this sense, constructionism is connected with experiential learning (Piaget, 1953).
CHAPTER I
LITERATURE REVIEW: THE STATE OF ART

Employer branding plays a fundamental role in talent management and employees engagement that is properly the focus of the current research. Considering literature about the theme, the impact of the issue is not fully elaborated because of a problematic matching between internal perspective of marketing and strategic human resource management, with strong reflexes on “future-proofing” corporate reputations (Martin, 2009a). This issue leads to an important feature related to the theoretical overlapping of the theme. In fact, employer branding can be considered a research cross-field between brand management, internal marketing and organizational behaviour. So it involves interaction between employees and corporate brand and company’s brand image as an employer (Ambler, Barrow, 1996; Ewing et al, 2002; Lievens, Highhouse, 2003; Freeman, Knox, 2003; Backhaus, 2004; Backhaus, Tikoo, 2004).

In spite of these complications the theme is of strong interest at both theoretical and operational level. In fact, the question of employees able to embody the brand is currently states as a source of sustainable competitive advantage (Chambers et al, 1998; Michaels et al, 2001). Moreover, this advantage will be dynamic because human resources’ capabilities to generate advantage (Priem, Butler, 2001). For example, a new technology could became a source of advantage only if an organisation has highly competent workforce able to utilize it (Boxall, 1998)

1.1 EMPLOYER BRANDING LITERATURE: A QUESTION OF PROMISE

Literature about employer branding appears sometime fragmented and prospected from different approaches which tend to focus on some peculiar aspects. The concept of employer branding emerged in the 1996 when Ambler and Barrow defined the concept as “the package of functional, economic and psychological
benefits provided by employment and identified with the employing company”. It is considered the first statement about employer branding but some time before Berry and Parasuraman (1991) claim that “every employee should be involved in the care and nurturing of the brand”.
Parker et al. (1986) define brands on the bases of fulfilment of customers’ functional, symbolic and experiential needs. These concepts determine similarities between corporate and employer branding. The splitting factor is in the “promise” (Foster et al., 2010). “Brand” is “a recognisable and trustworthy badge of origin and also a promise of performance” (Feldwick, 1991). Thus, corporate branding is an explicit promise between a firm and its clients (Balmer, 1998). Employer branding can be considered a psychological deal between an employer and an employee (Moroko, Uncles, 2008) though “the promise” (how the brand is articulated in the market) and “delivery” (how the promise is executed once a candidate is appointed). In order to fulfil this promise, congruence between existing and potential employees’ expectations and rational and emotional firm benefits should be created (Mosley, 2007).
Moreover this promise is also a linkage between corporate and employer branding, because the latter is the internalization of the former. In fact, some scholars (i.e Burmann, Zeplin, 2005) state that employees have to know about the desired brand identity and be willing to project that identity both internally and externally. Through organization employees have been expected to embody the ideas of the brand into their behaviour and attitude (Adam, Henriksson, 2006; Ind, 2001; Mitchell, 2002) in the so-called brand internalization. Simoes et al., (2005) describe brand internalization by employees as communicating the brand to employees and involving them in the brand strategy and planning. It also includes involving employees in the nurturing and care of the brand.

1.1.1 External and Internal Effects

The view depicted above represents the origin of employer branding as a research field. Particularly, in the 90ies and in the first years of the current century, researches
are mostly about the effects of employer branding as a process in both external (i.e. considering all the stakeholders, including customers and perspective employees) and internal aspect (i.e. current employees) of an organization.

The external effects focus especially in the relation between potential employees and customers. In this vein employer branding is analysed and developed in order to identify strategies aimed at attracting those workforces able to deliver the company’s brand promise (Ambler, Barrow, 1996; Reichheld, 1996; Moroko, Uncles, 2005). Absolving the promise means satisfy clients (Yeung et al, 2002; Pringle, Gordon, 2001; Heskett et al., 1994; Dowling, 1994; Rust, Zahorik, 1993; Anderson, Sullivan, 1993; Woodruff et al, 1983). Triangulation between employees, customer satisfaction and retention is the research core of Shultz (2004) and of Reichheld and Sasser (1990), pointing to a result of profits increment.

Internal effects can be considered a question of alignment. In this direction, as stated by Keller (2002), employer branding strategies aims at making existing employees behaviour fit with the corporate brand. In this way employees “live” the brand, delivering on the objectives of the brand/organization (Ouchi, 1981), and reinforcing corporate values and performance expectations among new and existing staff (Ind, 2001). Rousseau (1990) claims that a real contract between a company and employees is formed only when values and rewarded performance are explicit. These clear provisions allow to evaluate staff, spotting good performers to be rewarded and transformed into satisfied and loyal employees (Dowling, 1994; Mendes, 1996; Major et al, 1995). Just these latter have interests in long lasting relationship with the firm (Heskett et al, 1994) generating a positive world of mouth among themselves, and towards potential employees and customers (Reichheld, 1996). The first aspect gives birth to a sense of belonging, improving staff retention (Rynes et al, 1991; Herman, 1991). Meanwhile the second issue can attract those talents who fit better with company’s values (Chambers et al, 1998; Ind 2001).

1.1 Internal and External Effects of the Employer Branding Process
However, the internal/external conceptualisation highlights only a normative, conjectural view of the outcome of the process. This is the reason why despite the current research points to analyse the retention, it is not considered a mere effect of employer branding but a strategic aspect of it.

1.2 **Employer Branding and Brand Management**

The concept of employer branding is born firstly in marketing academics, lagging interest only lately in HR researchers (Martin et al., 2005). The fact is explicable through the areas of research. In fact, “branding” is a praeceipe sphere of marketing rather than HR. But considering that the concept do not coincide exactly only with either internal marketing or corporate brand, employer branding can be considered a field where principles of marketing, in particular the “science of branding”, are applied to HR activities in relation to current and potential employees (Edwards, 2010). This concept is born with the arising of employer branding as autonomous
research field. In fact, the same founders of employer branding, Ambler and Barrow (1996), in their explorative study among UK companies apply brand management techniques to HRM. The results of their work is a milestone for the theme. Application of brand management to the HRM could add value to corporate equity from a customer perspective (Aggerholm et al., 2011).

Thus, the first inspiration of employer branding dates back to Aaker’s (1991) notion of a strong brand. This is the reason why employer branding and corporate brand share the same genetic inheritance. One above all is the static aspect of the brand built around a specific identity independent of any relational influences (Csaba and Bengtsson, 2006).

According to Davies (2007) four are the attributes that bind together employer and corporate branding:

- The capability to differentiate;
- The capability to create loyalty;
- The capability to satisfy;
- The capability to develop an emotional attachment.

According also with the first mentioned parameters, the centre of the brand concepts is the differentiation of the core product offer. Furthermore, brands is among a firm’s most valuable assets and as a result brand management is a key activity in many firms. Brand is a name, symbol, or other feature that distinguishes a seller’s goods or services in the marketplace (Aaker, 1991). In this term the root of differentiation is an explicit promise between an organization and its stakeholders, with particular reference to clients (Balmer, 1998). Consequently, a brand could help simplify decision making, reduce risks associated with purchase, create expectations about benefits, and deliver the promise will be invaluable (Keller, 2003). In fact, brand creates the promise through explicit attributes about quality, origin, and value of goods and services. These become the distinctive signs in order to stimulate customer recognition, and furthermore loyalty. In this direction, the American Marketing Association defines a “brand” as a “name, term, sign, symbol, or design, or a
combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition”. This definition highlights the hybrid nature of a brand, consisting in both tangible and intangible attributes (Schneider, 2003) able to generate value if managed appropriately (Swystun, 2007). So also considering employer branding proposition, the most significant intangible feature could be indentified in this way. A brand represents a promise of value and evokes emotions and prompt behaviours.

Above – mentioned differentiation and physical and symbolic variables represent parameters of analysis of employer branding propensity.

A stream of research (Della Corte, Mangia, 2009) starts from functional and symbolic dimensions of a brand in order to analyse the employer branding types, adopted by an organisation. Particularly, main variables are (Della Corte et al., 2011):

- **functional aspects**: the hardware part of a company’s brand (i.e. career plans);
- **symbolic aspects**: the software components of employer branding (i.e. relationship between employer and corporate brand, in reference to the firm’s image and reputation);
- **experiential aspects**: the experiential issue, linked also to personnel psychology (as discussed in the second and third chapters)\(^6\).

The cross sections are depicted above (Della Corte et al., 2011):

1. **Market-oriented**: here is the situation of those employers able to project outside an attractive image, in spite of the lack of a history of success.
2. **Market and resources oriented**: in this case HRM, brand policies and organisational practices align, sharing a strong image between all internal and external stakeholders.

\(^6\) These aspects are not included in the depicted matrix.
3. **Resources oriented**: in this case an organisation have characteristics that meet the functional needs of their (current and potential) employees, but that still fail to communicate their skills in the right ways.

4. **Blind firms**: this is the weakest situation at both internal and external level.

### 1.1. Typologies of employer branding and firms

Employer branding tends to capture the same emotion of a corporate brand projecting theme inside, involving both tangible and intangible organisation’s offer, including image and identity, emphasised though communication campaigns (Della Corte et al., 2011). Moreover, according with Moroko and Uncles (2008) employer branding has to be consistent with corporate brand, developing three embryonic characteristics rooted in corporate brand theory and practice. As reported in Della Corte et al. (2011) these components are:

- **being known and noticeable**: successful employer brands are characterized as being “known” and “noticeable” both by current and prospective employees;
being relevant and resonant: for employer brands, “consumers” are current and future employees, for whom a distinct value proposition applies. The employee value proposition is a distinct package of benefits offered by the firm that relates specifically to future and current employees (Ambler, Barrow, 1996; Micheals, Handfield, Axerold, 2001). Successful employer brands are characterized by having a value proposition that is relevant to and resonant with their potential and current employees;

being differentiated from direct competitors: having a differentiated employer brand is seen as the key in winning the “war for talents”. A successful employer brand can be named by applicants and meaningfully differentiated within competitors, even if defining which brand aspects underpin this differentiation results complex.

In these terms, employer and corporate brand shares a lot. The main ties could be depicted as followed.

1.1 Brands Model

[Diagram of the Brands Model with the following components:
- Customer Brand
- Identity and Personality
- Employer Brand
- Core Proposition
- Brand Experience
- The brand people purchase
- The brand people work for]
1.2.1 BRAND IDENTITY

The logic connection between “brand” as distinctive of consumer goods and service and “brand” applied to HRM is in the concept of identity. The term brand has now a wide meaning. The term is used to describe anything carrying a distinct identity, and a reputation, good or bad, associated with the identity (Barrow, Mosley, 2005).

Brand identity is the unique set of brand associations that establishes a relationship with the target (Aaker, 2001). These associations generate value via functional, emotional or self-expression benefits. It is the unique set of brand associations, which represents what the brand stands for and promises to customers.

Brand identity concept serves to highlight the fact that, with time, brands do ultimately gain their independence and their own meaning, even despite the fact that they may start out as mere product names. Brands characterise their own area of competence, potential and authenticity but they are also aware of when to stay out of other areas. One cannot expect a brand to be anything other than itself.

Aaker (1996) argues that the brand identity structure comprises a core identity and an extended identity, that surrounds the first. The core identity is almost certainly remaining constant as the brand enters new markets and products. The extended brand identity consists of brand identity elements, structured into consistent and meaningful categories, which provide texture and wholeness. Brand core identity defines what must remain and what may be changed.

Considering the Keller’s pyramid (1997), the last tier results interesting about peculiar aspects of employer branding. Particularly, this last step develops an analysis on response to brand identity. Keller proposes two building blocks for this tier, namely brand judgments and brand feelings. Judgments about a brand emerge from an external stakeholder pulling together different performance and imagery associations. These judgments combine into an opinion of a brand and whilst there are multiple judgments that an individual can make. In these terms, Keller
(2002) believes there are four that companies must pay attention to in their brand-building efforts. They are:

- **perceived quality** of the brand;
- **brand credibility**, the extent to which the brand is perceived as having expertise, being trustworthy and likable;
- **brand consideration** the brand must be relevant to the external stakeholders so that they are likely to choose it;
- **brand superiority**, the extent to which consumers view the brand as being unique and better than other brands.

Whereas brand judgments can be fairly logical, brand feelings are stakeholders’ emotional responses to the brand. The same Keller identifies six brand-building feelings that he regards as important emotions that a consumer can have towards a brand, namely warmth, fun, excitement, security, social approval and self-respect. The first three are experiential and immediate and increase in the level of intensity whilst the latter three are private and enduring and increase in the level of gravity. In employment field these factors are strongly tied to work/life balance (see chap. II). These responses are likely to come together in different combinations for individual consumers and the distinct brands they are relating to. What is important for the brand manager and strategist is that responses are positive and come to mind when a consumer thinks about the brand.

Keller have developed the pyramid for customers, but the feature are adaptable to employees, with specific reference to the potential one. In fact, an organisation has got a strong and well designed identity, is simpler recognisable on the market of both clients and applicants. In this way, that company could become a chosen employer if potential employees identify the above-mentioned features and recognise in them. In this direction the judgements represent a pre – selection factors.

According to Kapferer (1995) brand identity consists of 6 elements: physical (objective characteristics of the brand, what it offers), personality (the character of the brand), relationship (content and sharing symbolic meanings related to the brand),
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1.1 The identity prism

All these factors represent fundamental issues in order to develop and maintain a consistent organisational identity. In employment field, two variables are more adaptable onto research field: experience and environment instead of reflection and self-image. In fact, a main features of a work life are linked to the job environment that impacts on the global experience. These issues could be moved in an intermediate position between internalisation and externalisation. In fact, they consist of physical and symbolic components as offered by an organisation and perceived by either potential or current employees.

1.2.2 BRAND IMAGE
Particularly, according with (Sullivan, 2004) employer branding is defined as “a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm”. The statement puts in evidence that one the main objective of employer branding is showing the organization as a good place to work (Sullivan, 2004).

This concerns the brand image. The image concept has generally been considered as an attitudinal construct consisting of an individual’s mental representation of knowledge (beliefs), feelings, and global impression about an object or destination (Baloglu, McCleary, 1999).

According to Garcia Rodriguez (1998) brand image provides the basis of developing the company strategy of communication, facilitating knowledge of product, associations with different tangible and intangible attributes and positioning. In product/good field, the image provides a reason to buy, and creating positive feelings about brand, simultaneously.

Keller (2003) defines brand image as “the set of perceptions (…) that are demonstrated by the different associations and that are kept in the memory of the customers”. Schneider considers it to be “the set of objective representations - characteristics, materials, results- to which is joined the subjective ones, such as the attributes and the symbols perceived by the individuals of a product or a company”.

The Marketing Science Institute considers brand image as “the set of associations elaborated in the imaginative capacity of the consumer, who allows the brand to reach a more important volume of sales than if it did not have a brand name”. This supposes recognising brand image as having the possibility of generating value for the company and its positive repercussion on product sales.

On the other hand, Baloglu and Brinberg (1997), Baloglu and McCleary (1999) and Della Corte et al. (2010) define the concept of image as the consumer’s emotional interpretation resulting by both his/her own knowledge and beliefs about an organisation and his/her emotional evaluation of it. In this term, image is strongly related to identity and satisfaction dimensions. This relationship is clearly extended from customers to whole stakeholders perspective, with specific reference to potential and existing employees. Also for these stakeholders the satisfaction represent a
powerful tool of promotion for an organisation, though a positive World – of – Mouth/Mouse (especially for the youngest generations).
Ties between image, identity and satisfaction are depicted below.

1.1 Image, identity and satisfaction in employer branding perspective

Source: adapted from Della Corte et al., (2010) and major contributions from Parasuraman et al. (1985); Baloglu and McCleary (1999), Gartner (1993), and Govers and Go (2005).

From the reported academic definitions and figure, it is deducible a strong presence of emotional and psychological components in the image concept. Perceptual or cognitive evaluation refers to beliefs and knowledge about an object whereas affective refers to feelings about it (i.e. Baloglu, Brinberg, 1997; Burgess, 1978; Gartner, 1993; Holbrook, 1978; Walmsley, Jenkins, 1993; Ward, Russell, 1981; Zimmer, Golden 1988).
Brand image in employment field is supported by a numerous areas of research. This image sphere is fundamental in the employer branding strategy and actions, at both attraction and retention level.
Employer image has been found to influence applicant attraction to the organization (Tom, 1971; Belt, Paolillo, 1982; Gatewood et al., 1993; Turban, Greening, 1997). Moreover, Tuan (1975) noted that an image of environment or place is something
formed in the human mind in absence of physical environment. Thus a potential employee have already built an almost precise image of workplace before applying to it. This mental construct indicates that potential applicants compare the employer brand image they have to their needs, personalities, and values (Backhaus, Tikoo, 2004). The better the match between the values of the firm and the values of the individual, the more likely the individual is to be attracted to the organization (Schneider, 1987; Cable, Judge, 1996; Judge, Cable, 1997). On the other hand, this also means that a wrong or bad projected image could lead to either attract the not suitable person towards an organisation or make him/her desisted from applying.

Particularly about the retention, people develop both cognitive and affective responses and attachments to environments where they are involved (Proshonsky et al., 1983). This means that people develop an affective tie with environments through symbolic factors of image (Genereux et al., 1983). In this direction, Hanyu (1993) suggests that “Affective meaning refers to the appraisal of the affective quality of environments while perceptual/cognitive quality refers to the appraisal of physical features of environments”. Thus, the main aims of employer branding strategy in terms of retention are those of developing both physical and emotional factors (see the second chapter) of environment emphasising the role of the best place to work image.

A connected stream of research refers to social identity (Tajfel, 1982). The theory posits that people tend to shape self – concept from the membership in certain social group (Backhaus, Tikoo, 2004). For companies, the determination of brand image, the creation of brands positioned in privileged places, and its communication to the stakeholders may motivate them to shift their elective decision.

1.2.3 BRAND PERSONALITY

The idea that brands could be said to have a personality, as any person has one, has long been recognised by most advertising practitioners (i.e. Plummer, 1984) and many marketing academics (i.e. Gardner, Levy, 1955).

The investigation specifically about personality are of different academic fields (Henderson, 2000; Crockett, Wood 2002; Morgan et al., 2002; Eking, Hosany, 2006;
Della Corte et al., 2010). Many of these analysis aim at verifying if it is possible attribute personality to a brand and how this could impact on stakeholders behaviours, in association with image and identity.

Personality used as a marketing concept derived from psychology and should therefore be defined and described in relation to psychology (Azoulay, Kapferer, 2003). Applications of this model to marketing settings have appeared recently (Aaker 1996, 1997; Fournier, 1995, Caprara, Barbaranelli, 1996; Caprara et al., 2001). These are the reasons why the personality concept sometimes somehow adapted, by some marketing researchers (Caprara et al., 2001, Ferrandi, Valette-Florence, 2002).

Aaker (1997) is a pioneer in the application of personality onto marketing field. The scholar defines brand identity as a new stream of research, claiming that brand personality reflects the “set of human characteristics associated with a brand”. She largely followed the psychologists’ steps in their study of human personality, in order to identify the five dimensions of the brand personality scale (sincerity, excitement, competence, sophistication, ruggedness). Considering the linkage with psychology, against the assumption that market globalization makes everyone psychologically more similar (Hermans, Kempen, 1998) culture has a huge impact in people’s perceptions of personality (Aaker et al, 2001).

Most recent works on brand personality research are based on Aaker’s global definition of the concept of brand personality, sharing the same fundaments.

The impact of the identity onto a brand can be deducted from a very efficacy statement by King (1970): “people choose their brands the same way they choose their friends; in addition to the skills and physical characteristics, they simply like them as people”. From that declaration it is clear that consumers do tend to attribute facets of personality to brands and talk fluently about these facets (Azoulay, Kapferer, 2003). This implies that brand personality represents a source of differentiation (i.e., Crask, Laskey, 1990), able to develop the emotional aspects of a brand (i.e., Landon, 1974) and augment the personal meaning of a brand to the consumer (i.e., Levy, 1959).

According to Caprara et al. (2001) personality could represent a metaphoric medium for understanding perception of brand image and identity in order to reach satisfaction and retention, as depicted below. In fact Tucker (1957) claims that the...
symbolic aspects of a brand, identity and personality, represent a way to construct or maintain their self-identity.

1.1 Relation between Image, Identity and Personality

![Diagram showing the relationship between Image, Identity, Personality, Satisfaction & Retention](source: adapted from Della Corte et al., (2010) and Ekinci, Hosany (2006)).

Employer branding has a great interest in the origins of the brand personality. In fact, the use of the concept originated as a non-product-based definition of the brand. The concept captured all that was not bound to the product’s use, performance, benefits, attributes, and so on (Azoulay, Kapferer, 2003). It used for assessing non-product-based, non-functional dimensions of the brand; it captured the singularity of the source of the product as if it were a person (Azoulay, Kapferer, 2003). Considering the job dimension, different salient personality dimensions have different effects on employees self-assessments of specific aspects of their self-concept, so-called transfer effects of employer brand personality traits to employees personality traits (Aaker, 1997; Fennis et al., in press). Leveraging this aspect could represent a pivot in the employment retention strategy, as developed in the next chapter.
1.2.4 Employer and Corporate Brand: Differences

Employer branding and corporate brand should be consistent to each others. Especially for this that there are some shared features between the two concepts. On the other hand, in order to assign independency to employer branding, two differences between the two concepts exist (Backhaus, Tikoo, 2004):

- employer brand is employment specific; the organisation proposes itself as an employer;
- employer branding is directed at both internal and external audiences whereas product and corporate branding efforts are primarily directed at an external audience

Moreover, brand disciplines begin an interest in employer branding because employees are central in the relationship with clients. In these terms development of employer branding research field means pointing out a new strategy to emphasise the costumer care and satisfaction. Foster et al. (2010) claim that a strong corporate brand is highlighted by a specific internal branding in order to ensure that employees deliver the brand promise to clients. So, employer branding is a recruitment tool for candidates able to fit well with the brand promise to external stakeholders. The statement determines that employer branding is a mere instrument for enrichment customer experience. In the mentioned research the target is not the employer-employee relation but employer – customer one, improved through the interface of employees. So even there the perspective if employer branding is functional instead of strategic.

1.3 Employer Branding and Organizational Behaviour
Despite lag in interest of HR in employer branding, key literature from the OB field contributes to understanding of the theme. The HR management have understood the uniqueness of valuable employees in generating sustainable competitive advantage. So, people are strategic in order to achieve organizations’ success (Hoskisson et al., 1999).

The interest in employer branding starts since Katz’s (1964) suggestion that organizations depending entirely on employee behaviours considered at both role and extra – role level. Thus, in organisational perspective employer branding is defined as consisting of three – steps process (Backhaus, Tikoo, 2004). Firstly a precondition is formulation of a value preposition able to embody the brand. Through an organization’s culture and values, internal stakeholders develop a concept of value offer to employees (Sullivan, 2002). This offer should be realistic and representative of value preposition. All these factors provides the central message that is conveyed by the brand (Eisenberg et al., 2001). These statements are supported also by practitioners. According to human resources consultants Hewitt Associates⁷ there are five steps to developing a strong employer brand: (i) understand your organisation, (ii) create a “compelling brand promise” for employees that mirrors the brand promise for customers, (iii) develop standards to measure the fulfilment of the brand promise, (iv) “ruthlessly align” all people practices to support and reinforce the brand promise, and (v) execute and measure.

Particularly, the OB approach in employer branding strategy considers employees both the target and/or the beneficiary of the behaviour (Settoon, Mossholder, 2002; Williams, Anderson, 1991) leveraging on some key features.

1.3.1 Identity and Identification

Identity represents a strong linkage between OB and employer branding functionally with a dyadic relationship between an organisation and its employees. According to

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Alvesson and Sveningsson (2007), an important factor in regards to the origin of a distinct organisational culture is to what degree the people involved in the organisation identifies themselves with it. It is concerned with whether the organisation is viewed as distinct or not, and if it encompasses any specific characteristics. Furthermore, it is concerned with whether it represents anything peculiar in terms of style, history or direction. But it is true also the inverted relationship. A strong organization’s identity makes it recognizable on the market so that applicants could indentify on it.

Specific attributes, and whether it represents specific history or style, adds to the culture and identity. Alvesson and Sveningsson (2007) argue that the clearer an organisation is exposed and represented in terms of materialistic practice (production, location), symbolic expressions (architecture, slogans, logotypes) and valuation, the more successful it is perceived to be. The more it differentiates itself from the surroundings and the more social group building mechanisms that are evident, the more the organisation tends to supply a specific social identity for its employees. If an organisation manages to differentiate itself from competitors, the more distinct it will be, and the identity of the same stakeholders participant of the organisation may be stronger.

Organisational identity and organisational culture are closely linked. A research (Lagergren, 1998) suggests that culture is unspoken and growing, while identity, in comparison with culture, is more linguistic, explicit, and accentuated in a more direct manner. It is like organizational culture tends to be mostly tacit and autonomous and rooted in shared practices. Meanwhile organizational identity is inherently relational and consciously self-reflexive (Fiol et al., 1998; Hatch & Schultz, 2000, 2002; Pratt, 2003). Thus, according to Albert (1998 from Albert, Whetten, 1985), “the relationship between identity and culture is clear: A particular culture (...) may, or may not, be part of the answer to the identity question: Who am I? What kind of firm is this?”

Particularly, organisational culture can be defined as a set of shared mental assumptions that guide interpretation and action in organizations by defining appropriate behaviour for various situations (Fiol, 1991; Louis, 1983; Martin, 2002).

Moreover, the culture affects the will to member in an organisation (Cable, Judge, 1996) and to retain in it (Schein, 1985). This is particularly true with the increasing of organisational exposure. In fact organizational culture, once hidden from view, is now
more open and available for scrutiny to anyone interested in a company. Moreover, employees hear more opinions and judgments about their organization from stakeholders (i.e., they encounter more images of their organization with greater frequency - Hatch, Schultz, 2005). In this direction, employer branding should communicate correctly the key cultural values (Cable et al., 2000). These represent the basis of the promise: employees build their expectations around them. A mismatch between the latter and the real organisational situation could lead to dissatisfaction and abandon (Cable, Judge, 1996; Wanous et al., 1992).

Organisational culture could be something that gives an organisation a distinct identity acting as a “signifier” of organizational identity (Whetten, 2003). The corporate identity refers to what a company stands for or perhaps how it would like to be perceived. It is this view of the identity concept that has formed the basis for the development of the theory surrounding employer branding identity.

1.1 The Organizational Identity Dynamics Model

![Diagram of Organizational Identity Dynamics Model]

The question of identity is discussed properly by social identity theory with strong reference to employer branding. This theory consists of different features coming from diverse theoretical field, such psychology and sociology of group behaviour (Tajfel, Turner 1986; ANU 2006). All these components are able to explain the link
between the organization’s workplace brand and the attraction to the individual (Love, Singh, 2011). Albert and Whetten (1985) posit that the durable distinctiveness is the organisational identity, defines as the cognitive image held by organization members about the organization. Further, the identity contributes to workers identification with the firm (Dutton et al., 1994) and organizational commitment (Crewson, 1997). In this direction organisational identity provides the context within which members interpret and assign profound meaning to surface-level behaviour (Brunninge, 2004). Thus Hatch and Schultz (2002) posit that organisational identity acts as a sense-making guide in an organisation.

According to Joo and McLean (2006), social identity states that people identify themselves into social categories based on various factors such as the organization for they work to. In other words, an individual’s self-concept is influenced in some cases by the attributes that others member of the same context imply about them based on their organizational membership (Love, Singh, 2011). In fact, organizational identification could be defined as individuals’ cognitive perception of oneness with or belongingness to an organization (Ashforth, Mael, 1989).

Gioia et al. (2000) emphasise the organisational identity as “collective understandings of the features presumed to be central and relatively permanent, and that distinguish the organization from other configurations”. In their view, the focal point is in the shared interpretation of identity, that may or may not correspond to official narrative (Ashforth, Mael, 1996). According to Fiol (reported in Whetten, Godfrey, 1998) the accent is on the social dimension of the organisation identity; in fact, “meanings and meaning structures . . . are negotiated among organizational members”. This becomes a self-categorization that is the core of organizational identification. This becomes quite a prerequisite of co-creation (Lush, Vargo, 2004), because identification push employees towards a cooperative behaviour (Dukerich et al., 2002).

Identification and furthermore loyalty to an organisation are developed through emotional connection that are the expression of the affective, evaluative and behavioural components of identification (e.g. Riketta, 2005). The connection could be achieved through a satisfying total work experience (see chapter two), that includes (value felt from colleagues, belief in the quality, purpose, and values of the organization - Barrow, Mosley 2005). An employee emotionally involved with an organisation will be more supportive and helpful for the organisation’s success.
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(Sartain, Schumann, 2006). These concepts are strongly tied with organizational citizenship behaviours (Sartain and Schumann 2006).

The conisation of the terms is due to Organ and his colleagues (Bateman, Organ, 1983; Smith et al., 1983), who start from Barnard’s concept (Barnard, 1938) of the “willingness to cooperate,” and Katz’s (Katz, 1964; Katz, Kahn, 1966, 1978) distinction between dependable role performance and “innovative and spontaneous behaviours”. Organ (1988) defined organizational citizenship behaviours as “individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization. By discretionary, we mean that the behaviour is not an enforceable requirement of the role or the job description, that is, the clearly specifiable terms of the person’s employment contract with the organization; the behaviour is rather a matter of personal choice, such that its omission is not generally understood as punishable.”

The definition makes a clear connection with other related management domains, such as human resources management, labour relations, strategic management. About the theme of the current research the cross-field of interest is in the organizational behaviour in order to define the fundamental traits applicable in the employer branding strategy. Particularly, group cohesiveness is found to be significantly and positively related to employees – employer and employees – employees relationship through the main features of organizational citizenship (Podsakoff et al., 2000, Podsakoff et al., 1996b; Podsakoff et al., 1990), that are:

- **Helping Behavior;** the concept refers to voluntarily helping others with, or preventing the occurrence of work – related problems. (i.e. Borman, Motowidlo, 1993, 1997; George, Brief, 1992; George, Jones, 1997; Graham, 1989; Organ, 1988, 1990a, 1990b; Smith, Organ, Near, 1983; Van Scotter, Motowidlo, 1996; Williams, Anderson, 1991);

- **Sportsmanship;** the concept refers to a positive attitude developed even when things do not go their way. It is an attitude that allows employees to to sacrifice their personal interest for the good of the work group (Podsakoff et al., 1997; Podsakoff, MacKenzie, 1994; Walz, Niehoff, 1996);
Organizational Loyalty; this behaviour makes the employees as organisational “groupies” who promote, protect and defending the organization against external threats, remaining committed to it even under adverse conditions. (Graham, 1989, 1991; George, Brief, 1992; George, Jones, 1997);

Organizational Compliance; the concept refers to a person’s internalization and acceptance of the organisation’s rules and procedures, scrupulously adhering to them. In extreme situations this means complete and religious obedience to all rules and regulations, even when no one is watching (Smith et al., 1983 Van Scotter, Motowidlo, 1996 Borman and Motowidlo, 1993);

Individual Initiative; this behaviour smoothes the previous one. It involves engaging in task-related behaviours that goes “above and beyond” the call of duty, leveraging on personal creativity (Podsakoff et al., 1997; Organ, 1988; Graham, 1989; Moorman, Blakely, 1995; George, Brief, 1992; George, Jones, 1997);

Civic Virtue; it represents a macro-level commitment to the whole organization. This refers to an active behaviour of employees, even at great personal cost. These is the maximum expression of organisational membership (Graham, 199; Organ, 1988, 1990b);

Self Development; it could be identified as the oneself development in an environment of membership (Katz, 1964; George, Brief, 1992).

Citizenship behaviours enhance individual and group productivity, free up resources, increase coordination, and aid in the maintenance of a favourable work climate even more than do no interpersonally focused OCB (Podsakoff et al., 2000). In summary, despite a lack in literature of correlation between employer branding and organisational citizenship behaviour job attitudes, task variables, and various types of leadership appear to be more strongly related to the former than the other streams of research. Moreover, all the above mentioned organisational citizenship behaviour factors aim at creating and developing the basis for psychological contracting and high value retention to an organisation.
1.3.2 **CORPORATE REPUTATION AND PSYCHOLOGICAL CONTRACT**

The nature of a theoretical hybrid between human resource management and marketing fields of employer branding leads to interrelationship of corporate reputation and psychological contract at both attraction and retention level.

On the level of attraction, the relevance of above mentioned themes has to be found in one of the central aim of employer branding. That is ensuring identification and attractiveness as a potential recruiter for an organisation in the war for talents. Particularly this vein of research points on the aspect of reputation as external positive reflex. According to Della Corte et al. (2011) a direct connection exists between employer reputation and attraction of potential employees. In fact, in the Resource-based theoretical approach (Wernefelt, 1984, Barney, 1986, Rumelt, 1991, Chadwick, Dabu, 2009), reputation and, therefore, brand can be a source of differentiation for firms, in strategic terms, insofar as they express what the firm really is and represents.

The perspective of the current research assigns a fundamental role to employees-employer relation (see Chap III) in developing and evolving reputation construct. This construct takes start from management corporate reputation and how it can influence potential recruits’ psychological contracts.

The concept of corporate reputation in not new to academics of different subjects (Davies et al., 2003; Chun, 2005); the approach to analyse the theme is transformed by the market conditions. The first and immediate perspective is referred to performance. In this stream, some of the first interested scholars state that the main component of good company reputation is its profitability (McGuire et al., 1988; Preston, O’Bannon, 1997; Turban, Greening, 1996 Cable, Graham, 2000). Perceptions as a successful organization, that performs well (regardless of profit) would also have a positive impact on how attractive an organization is as an employer (Della Corte et al., 2011). The profit perspective appears to limit the research about corporate reputation. In fact, this would only be applicable to profit-making organisations.

Only in more recent time branding literature shows an interest in corporate reputation. In this direction Fombrun (1996) identifies corporate reputation as “a perceptual representation of a company’s past actions and future prospects that describe the firm’s overall appeal to all its key constituents (stakeholders) when compared to other
leading rivals”. In the statement the role of corporate brand as a competitive tool arises for the first time. Moreover the term “stakeholders” determines also a collective and shared perspective of the corporate reputation, including identity and image (Chun, 2005), even if the collective dimension here is about organization’s qualities judgment. Thus corporate reputation is the result of “the interaction between the objective and subjective evaluations of existing and potential stakeholders” (Bankis et al., 2008). Between the stakeholders potential and current employees play an important role. For a specific vein of research, employer branding is considered a component of corporate reputation management. Backhaus and Tikoo (2004) claim that employer branding involves promoting, both within and outside the firm, a clear view of what makes a firm different and desirable as an employer. When a company is perceived well, name alone is enough to signal to others that its products, services, or transactions will be reliable and match expectations (Cravens, Goad Oliver, 2006). The aims points at externalising any information able to demonstrate company successes, so to have a positive impact. A direct connection exists between positive perception of an organisation and the will of member in. The more potential employees find positive aspects in corporate reputation, the more they are likely to identify with the organisation, and the more they will seek membership with it in order to share the image that membership promises (Backhaus and Tiko, 2004). In this context Turban and Greening (1996) have demonstrated the importance of social responsibility actions (i.e. community and employee relations, environmental policies, product quality and treatment of minority groups) in the employer branding strategies as influence factors onto personnel psychology. These actions are able to increase familiarity and improve reputation according to the two key variables of employer branding stated by Cable and Turban (2003). Here the communication skill of an organization are recognizable as a tool to solve specific problem. A literature stream looks at communication in terms of dialogue process among all organizational stakeholders instead (Deetz, 1995, 2003b; Alvesson, Kärreman, 2000): this perspective is a step towards co-creation as depicted in the second chapter of the present research. As a tool, communication could be used dysfusionaly. In these terms Cable et al. (2000) argue companies might overrate the positive aspects in the official communication actions. According with the scholars, this situation could create
unrealistic expectations which might be disappoint later undermining reliable positive relationship (Cotton, Tuttle, 1986; Griffeth et al., 2000). Here is a question of “promise”.

In fact, during the recruitment phase employer’s offer explicit terms and conditions and tacit fundamentals of employment experience. These latter represent the clauses of a psychological contract. One of the first definition sees psychological contract as “an unwritten set of expectations operating at all times between every member of an organization and the various managers and others in that organization” (Schein, 1980). Rousseau (1989) defines the psychological contract as “an individual’s beliefs regarding the terms and conditions of a reciprocal exchange agreement between that focal person and another party”. Starting from these two states an aspect of mutual expectations arises: those of the company (i.e. the employee should follow company’s role and reach him/her standards of performance - Levinson et al, 1962) and those of the employee (needs, traditions and norms, past experiences - Schein, 1980). Martin et al (2005) define also different kinds of expectations expressed in three clauses of psychological contract:

- **Transactional**: magnetisable exchanges between parties;
- **Relational**: they refers to company-specific skills, long-term career development, and extensive training (Robinson et al., 1994; Hendry, Jenkins, 1997). These clauses are understood subjectively (Conway, Briner, 2005).
- **Ideological**: these are connected to the question of value, that company can give to employee and that employee can add to the organization.

Again Rousseau (1989) delves into the theme underlining that “the key issues here are the belief that a promise has been made and a consideration offered in exchange for it, binding the parties to some set of reciprocal obligations”. This shifted focus from understanding how the development and “matching” of employer-employee expectations occurs (Kotter, 1973) to understanding the consequences of dysfunctionality within the contract (Dabos, Rousseau, 2004; Conway, Briner, 2005).
Martin et al (2005), Backhaus and Tickoo (2004), Martin and Hetrick (2006) and Miles and Mangold (2004) have identified a strong connection between corporate reputation, psychological contract and employer branding. In fact, their merit in the employer branding literature progress is that they founded theoretically a proactive organisational management of corporate reputations whose perceptions by employees impact upon the formation and development of their psychological contract. Among the others, Cravens and Goad Oliver (2006) target an important issue claiming that this theoretical bridging could be a channel for competitive advantage⁸.

Despite of these important issues, also if with different approach and focuses, the abovementioned researches focus on employer branding as a components in the corporate reputation building and in the psychological contract fulfilment. The present research have not a instrumental perspective of employer branding aiming at defining an holistic view of the matter.

1.4 **Employee as Marketing Target**

The externalisation of employer branding aims at both attracting right applicants in reference job market and supporting the corporate brand. In this direction employer branding should be consistent with all other branding efforts of the firm (Sullivan, 1999).

This brand’s exteriorities have to be matched with internal perspective of branding. Until fairly recently, customers were seen to be only those external to the organisation. But according to George and Gronroos (1989) and George (1990) the fist market of a company is its personnel, so that employees are internal customers and jobs are internal products. In this direction internal marketing or branding becomes a new stream of research. Particularly, Berry (1981) appears to have been the first to recognise the potential impact of advertising on (current) employees, yet,

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⁸ “Combined, these intangible assets constitute a powerful and unique tool capable of creating sustainable competitive advantage” (Cravens, Goad Oliver, 2006).
as Gilly and Wolfinbarger (1998) note, marketers today are still overlooking an important internal audience for their advertisements: their own employees. Thus internal marketing plays a fundamental role in the employer branding strategy. According to Ahmed and Rafiq (2002) “Internal marketing is a planned effort using a marketing-like approach directed at motivating employees, for implementing and integrating organizational strategies towards customer orientation”.

This definition underlines that the essence if internal marketing is the relation organisation – employees, though internal communication soliciting customer-consciousness, in order to improve the relation organisation – clients in terms of satisfaction (Ballantyne, 1997).

In a marketing theory even more stakeholders-oriented, internal marketing focuses on principal internal stakeholders, namely existing employees (Foster et al., 2010). Moreover, it is the vehicle in order to make the “promise” done during attraction and recruitment of workforces a part of organisational culture (Frook, 2001). However, especially for service organisations and for front-office staff, since the effective service delivery of corporate brand promise is reliant to single employee, each service might affect the whole brand experience (Foster et al., 2010). In this direction, according with Heskett (1987) the key drives of customer satisfaction have to be found in internal quality service. So the internal marketing activity should educate and communicate employees about the brand value to enhance their intellectual and emotional engagement with the brand (de Chernatony, Segal – Horn, 2001; Thomson et al., 1999). Thus the goal of internal marketing becomes that of developing workforces able to be committed with organisational values and goals (Bakhaus, Tikoo, 2004). In this term, following a Resource-based approach (Barney, 1991), internal marketing aims at creates employees whose involvement with the organisation is difficult to imitate (Stamler, 2001). In fact, employees result “shaping” around aims and values of a firm, able to enrich corporate culture and to create a work environment aimed at the same goals (Bakhaus, Tikoo, 2004) with a high degree of retention (Ambler and Barrow, 1996). From this perspective, internal marketing could not merely be imposed on employees. Rather, employees must totally believe in the vision self-actualizing it (Blumenthal, 2011). So, this workforce represents a source of competitive advantage, durable only if the strategy of employer branding, connected with internal marketing, is stable.
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From above mentioned states it is clear that the overall aim of internal marketing is recognisable in this claim. All members of an organisation are “speaking with one voice” (Einwiller, Will, 2002), modelling diverse business portfolios into a “synergised enterprise” (Irvin et al., 2003).

This recognition could be able to cross the difficulties created especially in multicultural organisations (Vallaster, 2004), especially after mergers and acquisitions. In these terms according to the literature analysis, internal marketing consist of three core features (Mahner, Torres, 2007):

- Internal branding reflexes brand values;
- Internal consistency of the brand image ensures intellectual and emotional employee buy-in (Thomson et al., 1999);
- Internal branding needs to be applied at all organisational levels in order to align management and staff behaviour and values.

Moreover, internal branding, according to Bergstrom et al. (2002), refers to three things: communicating the brand effectively to the employees; convincing them of its relevance and worth; and successfully linking every job in the organisation to delivery of the “brand essence”.

Only understanding the core activities of internal branding it is possible follow Arnett et al.’s (2002) assumption. Only well planned internal marketing could lead to important rewards, including low employee-turnover rates, an increase in service quality, high levels of employee satisfaction and improved ability to implement change in the organization (Grayson, Sanchez-Hernandez, 2010). Consequently, internal marketing impacts on return on investment (Punjaisri et al. 2009). The New York Times (25 July 2001) states that “companies have become painfully aware that sending the right message to their employees is just as important as making a good impression with customers, vendors and investors”. In fact, according to Blumenthal (2011) financial rewards could be realized from a reputation built on the organizational cohesion that a brand can provide.
According to O’ Reilly III and Pfeffer (2000) effective strategy requires the creation of a culture and a system that enables such employees to use their talents. Thus, the first requirement for internal marketing implementation is an internal market orientation (IMO - Lings, 2004).

Particularly, internal marketing needs supports from communication strategy at both internal and external level (Hallam, 2003). In fact, current employees enjoy an “insider” role and want information in advance of marketing communications (Gilly, Wolfinbarger, 1998) and that future employees can be influenced by mainstream advertising (Ewing et al., 2002). In this direction, Reichheld and Rogers (2005) state that organisations wanting to inspire employees require the communication of clear goals in order to engage employees. So internal marketing should be planned together with internal public relations and communications. In this direction the employer – employees relationship should be developed day – by – day through some available channels such as face – to – face communications, in-house magazines and much more interactive tools (i.e. live intranet Q&A sessions and corporate videos – IBM, 2007). These actions aim at securing people commitment an customer – orientation (Zucker, 2002; George, Gronroos, 1991).

According to Terry (2003), successful employees’ engagement in terms of internal marketing starts from general marketing practices. It is explicable through the fact that marketers are able to understand people’s need and motivation, communicating them inside the organisation. Thus, starting form general marketing assumptions, internal marketing concerns with (Grayson, Sanchez-Hernandez, 2010):

- Identifying the nature of employees’ needs and wants, and how these needs can be satisfied by the organization through the development of human resources policies;
- Identifying how the needs of different groups of employees differ;
- Deciding how the organization can structure itself to enable it to differentiate itself from its competitors and became an employer of choice, attracting and retaining the best talent available in the labour market.
Two models, Thomson et al.’s (1999) intellectual and emotional buy-in matrix, and Ind’s (2001) model of the power of brand champions, have been widely identified in the literature as helpful tools in internal branding. In order to achieve a complete framework, Mahner and Torres (2007) define a Consolidated Internal Branding Framework (CIBF) assembling four other frameworks:

- Bergstrom, Blumenthal and Crothers’ (2002) five category framework;
- Mitchell’s (2002) three principles framework;
- Mortimer’s (2002) 6 Rs framework;

Thus, CIBF consists of twenty – three dimensions or variables of failure and success, as depicted above.

1.1 The Consolidated Internal Branding Framework (CIBF)
But if the reference for internal marketing is that of American Marketing Association (AMA) of 1935\(^9\) instead of that of 2007\(^{10}\), the concept risks of objectifying employees, treating them as things to be managed by appropriate marketing mixes (Grayson, Sanchez-Hernandez, 2010).

Moreover, despite many attempts at the formalisation and operationalisation of internal marketing activities (Tansuhaj et al., 1988; Bak et al., 1984; Ballantyne, 1997; Lings, Brooks, 1998; Sargeant, Asif, 1998; Quester, Kelly, 1999; Frost, Kumar, 2000; Straughan, Cooper, 2002), some critics claim that the term is just a new synonym for good human resources management, resulting in a lack of application. But it is not only a label (Grayson, Sanchez-Hernandez, 2010). Ahmed and Rafiq (2002) have delimited the boundary between human resource management and internal marketing by using a Kotler’s (1972). The scholar affirms that marketing consists of persuasive actions (non-coercive) to induce positive responses in other social units. Thus, internal marketing and human resource effectiveness are distinct. The former implies a co-ordination of human resources management, and so the former represent the antecedent of the latter (Ewing, Caruana, 1999; Grayson, Sanchez-Hernandez, 2010).

### 1.5 THREE RESEARCH STREAMS IN COMPARISON

The main streams of literature, analysed above, have ties with both employer branding, as depicted before, and each other.

Particularly in order to analyze the relationship between corporate branding and HRM Della Corte and Mangia (2009) and Della Corte et al. (2011) have developed a chart

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\(^9\) Marketing is “the performance of business activities that direct the flow of goods and services from producers to consumers”, AMA, 1935.

\(^{10}\) Marketing is “the activity, conducted by organizations and individuals, that operates through a set of institutions and processes for creating, communicating, delivering, and exchanging market offerings that have value for customers, clients, marketers, and society at large”, AMA, 2007.
intersecting two parameters: the brand role in business strategies and the perceived value of HR (Human Resources) in the branding process. The resulted stages are:

- **Stage 1:** here the brand is only a symbol for organisations with a reduce implementation of HRM;
- **Stage 2:** here organisations develop multi-brand strategies operations (the so-called by literature “house of brands” - Rao, Agarwal, Dahlhoff, 2004);
- **Stage 3:** here organisations point onto their corporate brands in order to support key organizational changes;
- **Stage 4:** here organisations develop fully corporate strategies focusing on HR in order to implement employer. In this last phase, firms better understand the employer branding strategic value and are more motivated to take specific actions in this direction.

1.1 Brand role and HR value in the branding role

![Diagram showing stages of employer branding](image)

*Perceived Value of HR in the branding process*

Source: Della Corte, Mangia, 2009; Della Corte et al. 2011.
On the other hand, internal marketing has a direct relationship with brand management. According to Woodruffe, 1995, it has been developed directly from conventional marketing theory. Moreover, it is based on the assumption that the accumulated knowledge of the marketing function can be used within the organization itself in order to gain competitive advantage in the market as well (Grayson, Sanchez-Hernandez, 2010).

Moreover, there is a direct connection between internal marketing and HRM. Particularly, literature has stated that it is necessary an alignment of human resources with the strategic requirements of the organization (Ahmed, Rafiq, 2002). Specifically, Bansal et al. (2001) find factor of internal management as key issues of HRM. Both the streams of research aim at job satisfaction and trust in management (Grayson, Sanchez-Hernandez, 2010) even if the final target differs.

Relationship between internal marketing and organisational behaviour could be hostile. In fact, some organisational factors are difficult to change or indeed influence at all, given the scope and intangibility of many of these factors (Mahner, Torres, 2007). Thus, while culture has a large impact on internal branding programmes, awareness, rather than change of this culture, may be appropriate (Hogg et al. 1998). However, internal marketing could become a guide in case if cultural change are necessary (Bergstrom et al., 2002). Cross-functional coordination and cooperation expressed by internal marketing could reduce internal competition and departmentalised thinking (Bak et al., 1994; Sartain, 2005).

As emerged from literature review, the importance of the employer branding as strategy is multifaceted. First of all in future, competition for the best employees will be as fierce as competition for customers (Mahroum, 2000). In fact, companies with strong employer brands can potentially reduce the cost of employee acquisition, improve employee relations, increase employee retention and even offer lower salaries for comparable staff to firms with weaker employer brands (Ritson, 2002).

The depicted situation makes understandable the importance of reaching a strong theoretical foundation. All the analysed approaches focus on specific aspects of employer branding without taking in account the whole process. This situation determines a sectional literature development. It results important develop an integrate framework between the three streams of research mentioned above. Punjaisri et al. (2009) claim that the integration between HRM and marketing engenders
positive outcomes such as employees’ brand and organisational identification, loyalty, commitment and supportive behaviour.

The present research would highlight the relationship between employer branding, brand management and organisational behaviour, through the “contact points” analysed before. In order to absolve the issue the literature review has been developed in three different steps:

- 75 researches among the selected literature are analysed and classified as directly employer branding connected;
- 102 researches are among the selected literature are analysed and classified as connected to specific issues of the main streams;
- Key words of whole literature are analysed.

Particularly the latter represent an interesting analysis in order to test the themes correlation. In fact keywords density, depicted below, is the percentage of times a keyword or phrase appears on a research. In the context of theoretical optimization keywords density can be used as a factor in determining whether a theme is relevant to a specified keyword or keyword phrase.

So from the analysis a strong correlation emerges between the concept of employer branding, corporate brand, internal marketing/branding and human resource management. Another issue is the strong impact of “recruitment” as keyword linked to the themes. This could be seen as a strong interest in employer branding strategy in order to attract talents. On the contrary the retention dimension, that is properly the focus of next chapters, is quite unexplored field in the employer branding.

1.1 Key words analysis from literature review
Based on these insights, the current research would propose a conceptual framework that includes the key issues reviewed. This framework underlines the synergy between the different concepts and acknowledges the internal and external dimensions implying the different stakeholders. The model exposes the supportive role of internal marketing as catalyst of a theoretical connection between brand management and organisational behaviour. This “dialogue” represents a possibility for integrating the two concepts to attain the success of employer branding. The model implicates that all activities should be precisely planned and consistent with an organisation’s vision, mission and value system.

1.1 Conceptual Model of Streams Integration
The model shows that overall all the theoretical streams concern “promise management” (Foster et al., 2010).
Unconventional Employer Branding: a strategy to win the talents attraction and retention war

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CHAPTER II

CO–CREATION AND EMPLOYER BRANDING TOWARDS EXPERIENTIAL VALUE

The present research would integrated the state of art depicted in the first chapter evaluating employer branding through a Service Dominant Logic (S-D logic) perspective. Three are the assumption at the basis of this will:

- Organizations are no longer conceptualised as static entities but rather as dynamic, emergent and social co-constructions negotiated by all organizational stakeholders (Taylor, Van Every, 2000; Cheney et al., 2004);
- Employees are no longer defined within a Tayloristic notion of humans as raw material but recognized as meaning-making corporate citizens (Baldry et al., 2007; Cunha et al., 2008);
- Co–projecting brand development becomes either a catalyst or an empowerment of cooperation tendency for organisational stakeholders (Clarks, 2000). Brand becomes “collective hallucinations” (Urry, 2003).

Thus, in the chosen perspective employer branding is not considered a pre-existing and separate entity to company strategy and stakeholders but rather constitutive within and brought into being through all processes (Taylor, Van Every, 2000).

Thus, the point of this research section is referred to value creation and co-creation brands, in order to achieve a theorisation of employer branding, analysing the theoretical perspective of Service Dominant Logic. So, the current research aims at shifting the point from external to internal perspective through employees as unique resources.

Starting from the assumption of a classical dichotomy between goods and services (Kotler, 1977; Normann, 1991), “in the neo-industrial era, service is a framework for thinking about value creation, rather than a support activity” (Normann, 1997). This is particularly true in employment field where services are provided with employees’ co-creation in terms of collaborative marketing.
2.1 CO-CREATION OF VALUE

Value and the question about its creation represent the core of every economic exchange. The difference between traditional good–centred perspective and service–centred view is in the value creation process and focus. In the former the focus is on firms and their productions, meanwhile in the latter the interest is in the service.

Service and services have different meaning. In fact, following Lush et al.’s (2008) words “service is the application of competences (knowledge and skills) by one entity for the benefit of another”. In summary, “service” is the process to create outputs, that are “services”. Ironically, Lush and Vargo (2006) argue that in S-D logic, the word “services” is a goods-dominant (G-D) logic term.

The interaction between the firm and the consumer is becoming the locus of value creation and value extraction. The first statement about Service Dominant logic (S-D logic) is referred to its nature of customer centric and customer responsive (Lush, Vargo, 2007) instead of the traditional concept of company-centrism.

In the traditional perspective interactions between companies and customers are not seen as a source of value creation (Normann, Ramirez, 1994; Wikstrom, 1996). Meanwhile according to Vargo and Lush (2004) service could be seen “as the application of competences through deeds, processes and performances for the benefit of another entity or the entity itself”. In these terms passing from manufacturing perspective to Service Dominant Logic means a change in the analysis focus. In the traditional approach producer and consumer are usually viewed as two different units with separate behaviours and role. On the contrary in the service – centred approach costumers are organisational partner in the value creation process (Vargo, Lush, 2004). In these terms customer becomes primarily an operant resource (as a co-producer) rather than an operand resource (as a “target”) and can be involved in the entire value and service chain in acting on operand resources (Vargo, Lush, 2004).

The differences in resources is crucial for S-D logic. An operand resource is usually static, tangible and requires something be done to it to be useful, whereas an operant resource is dynamic largely intangible and can produce an effect.
2.1 Distinction between Operant Resources andOperand Resources

<table>
<thead>
<tr>
<th>OPERANT RESOURCES</th>
<th>OPERAND RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Act upon other resources</td>
<td>Are acted upon in the production process</td>
</tr>
<tr>
<td>Invisible and Intangible</td>
<td>Visible and Tangible</td>
</tr>
<tr>
<td>Dynamic and Infinite</td>
<td>Static and Finite</td>
</tr>
<tr>
<td>Examples: Skills, Knowledge</td>
<td>Examples: Land, Inventory, Stock, Goods</td>
</tr>
</tbody>
</table>

Source: adapted from Vargo, Lush, 2004; Lush, Vargo, 2007

Through concepts of Operand and Operant Resources Lush and Vargo (2004) define the distinction the new services oriented dominant logic from the traditional goods-oriented one.

2.1 Distinction between traditional and emerging dominant logics

<table>
<thead>
<tr>
<th>Attribute</th>
<th>GOODS-CENTRED DOMINANT LOGIC</th>
<th>SERVICE-CENTRED DOMINANT LOGIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Objective</td>
<td>The purpose of economic activity is to make and distribute things that can be sold</td>
<td>Identify and develop core competences that represent potential competitive advantage</td>
</tr>
<tr>
<td>Way of acting</td>
<td>All decision variables must be set by the firm to maximize profit</td>
<td>Cultivate relationships that involve the customers (co-creation of value) in developing customized, competitively compelling value propositions to meet specific needs</td>
</tr>
<tr>
<td></td>
<td>People exchange for goods (Operand)</td>
<td>People exchange to acquire the</td>
</tr>
<tr>
<td>Primary Unit of Exchange</td>
<td>Resources)</td>
<td>benefit of specialized competences (knowledge and skills) or services, which are Operant Resources</td>
</tr>
<tr>
<td>--------------------------</td>
<td>------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Role of Goods</td>
<td>Marketers take matter and change its form, place, time and possession. The end results are Goods which are Operant Resources</td>
<td>Goods are embedded with Knowledge and Skills and are mere transmitters or vehicles for the same. Another way, they are appliances used by Customers in their value creation processes</td>
</tr>
<tr>
<td>Role of Customer</td>
<td>Customer is an Operand Resource. The marketer does things to them: segment, penetrate, distribute to them and so on.</td>
<td>Customer is a co-producer of service and not a mere recipient. Marketing is a process of doing things in interaction with the customer. The Customer is primarily an Operant Resource functioning only occasionally as an Operand Resource</td>
</tr>
<tr>
<td>Determination and meaning of value</td>
<td>Value is determined by the producer and is embedded in the Goods and is defined in terms of the value of exchange</td>
<td>Value is perceived and determined by the consumer on the basis of “value in use”. Value results from the beneficial application of operant resources sometimes transmitted through operand resources. Firms can only make value propositions</td>
</tr>
<tr>
<td>Firm-Customer interaction</td>
<td>Firm acts upon the Customer</td>
<td>Customers are active participants in relational exchange and coproduction and thus are operand resources</td>
</tr>
<tr>
<td>Source of Economic Growth</td>
<td>Wealth is obtained from surplus tangible resources and goods. Wealth consists of owning, controlling and producing operand resources</td>
<td>Wealth is obtained through the application and exchange of specialized knowledge and skills. It represents the right to future use of</td>
</tr>
</tbody>
</table>
As depicted above, the goods-centred view implies some assumptions like separation of production and consumption, standardization, and non-perishability. Moreover, also communications are unilateral from the firm to the consumer, as the market is a place where value is exchanged and the consumer has to be persuaded such that the firm can extract the most value from transactions. The service-centred view of exchange points to an opposing normative direction. It implies that the goal is to customise offerings, to recognize that the consumer is always a co-producer and to maximize consumer involvement in customisation. Customer value creating processes should not be viewed in the “engineering” sense, but as dynamic, interactive, non-linear, and often unconscious process (Payne et al., 2008). This statement results true both for service and tangible good, firstly because every good provides a correlate service.

In these terms customer is always buying a service flow rather than a tangible thing, and thus the firm should focus on selling a flow of service (Lush, Vargo, 2007) shifting from tangible to intangible. “There is no good-versus-service winner or loser in S-D logic” (Lush, Vargo, 2006). This statement is supported also by Edith Penrose (1959), who explicitly affirms that: “it is never resources themselves that are inputs to the production but only the services they can render”.

2.1.1 **VALUE – IN – USE VS. VALUE – IN – EXCHANGE**

The question of value represents a focal point that reflects different ways of thinking about creation. As discussed above, a service-centred dominant logic implies that value is defined by and co-created with the consumer rather than embedded in output. In the service oriented view, firms are in a continual process of hypotheses generation and testing. Outcomes (financial results) are primarily a learning tool to help firms...
understand the value of their offering. In this sense S-D logic embraces concepts of the value-in-use and co-creation of value rather than the value-in-exchange and embedded-value concepts of G-D logic. The concepts of value-in-use and value-in-exchange have been introduced by Smith in 1776 that argues that “the word value, it is to be observed has two different meanings, and sometimes expresses the utility of some particular object, and sometimes the power of purchasing other goods which the possession of that object conveys”. In this statement Smith (1776) introduces the importance of user’s perspective of the concept. The concepts are rethought by Marx (1867 [2001]) that argues, what does differentiate the roles of producer and consumer is whether the value creation activity produces; “exchange value” or “use value”.

The terms are differentiated also for field relations. In fact, value-in-use appraisals would not be appropriate for financing purposes or when a general use property is vacant and for sale on the open market. The most important aspect of value-in-use is that it is the customer’s perspective of the value delivered by the value proposition.

The value-in-exchange is, conversely, the company’s perspective on delivered value (Walters, 2002). Thus, value is produced by an organisation and distributed in the market, with an exchange of good on money. This kind of value is a theoretical abstraction because it represents a commodity’s relationship with all other commodities available in the marketplace. However, its closest approximation is the “socially recognized universal equivalent” of money (Marx 1867 [2001], 153). So in this perspective value creation occurred inside the firm (through its activities) and outside markets. The concept of the “value chain” embodies perfectly this unilateral process (Porter, 1980).

Despite of differences in the two concepts they could seen as tied. In other words, value-in-exchange is required for value creation once the resources needed cannot be attained naturally. In these terms co-created value is driven by value-in-use, but mediated and monitored by value-in-exchange.

### 2.1 Distinction on value creation

<table>
<thead>
<tr>
<th>Attribute</th>
<th>GOODS-CENTRED DOMINANT LOGIC</th>
<th>SERVICE-CENTRED DOMINANT LOGIC</th>
</tr>
</thead>
</table>

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<table>
<thead>
<tr>
<th>Value driver</th>
<th>Value-in-exchange</th>
<th>Value-in-use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process of value creation</td>
<td>Firm, often with input from firms in a supply chain</td>
<td>Firm, network partners, and customers</td>
</tr>
<tr>
<td>Purpose of value</td>
<td>Firms embed value in “goods” or “services”, value is added by enhancing or increasing attributes</td>
<td>Firms propose value through market offerings, customers continue value-creation process through use</td>
</tr>
<tr>
<td>Measurement of value</td>
<td>The amount of nominal value, price received in exchange</td>
<td>The adaptability and survivability of the beneficiary system</td>
</tr>
<tr>
<td>Resources used</td>
<td>Primarily operand resources</td>
<td>Primarily operant resources, sometimes transferred by embedding them in operand resources-goods</td>
</tr>
<tr>
<td>Role of firm</td>
<td>Produce and distribute value</td>
<td>Propose and co-create value, provide service</td>
</tr>
<tr>
<td>Role of goods</td>
<td>Units of output, operand resources that are embedded with value</td>
<td>Vehicle for operant resources, enables access to benefits of firm competences</td>
</tr>
<tr>
<td>Role of customers</td>
<td>To use up or destroy value created by the firm</td>
<td>Co-create value through the integration of firm provided</td>
</tr>
</tbody>
</table>
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resources with other private and public resources

Source: adapted from (among the others) Vargo, Lush, 2004; Lush, Vargo, 2007; Vargo et al., 2008.

From these premises, S-D logic affirms that value results from the beneficial application of operant resources, which are sometimes transmitted through operand resources or goods (Vargo, Lusch, 2004). The firm’s roles in value creation are intermediary to the value co-creation process (Lush et al, 2008). Value propositions establish connections and relationships among service systems. The latter consist of individuals or groups of individuals that survive, adapt, and evolve through exchange and application of resources, particularly knowledge and skills, with other systems. (Maglio, Spohrer, 2008; Spohrer et al., 2008) in an interdependent framework.

2.1 Distinction on value creation process

Source: adapted from (among the others) Prahalad, Ramaswamy, 2004; Vargo et al., 2008.
Two dimensions of value co-creation exist: co-creation and co-production (Lush, Vargo, 2006). The co-creation represents a clear cut with traditional good-centred perspective. The concept is tied up to the determinant presence of customers that get interfaced and intersected with the offerer over time. Meanwhile, the co-production focuses on the involvement properly in the creation of an offer and represent the effectiveness relation between all the partners of value network. In Ramirez’s (1999) words “customers create value; or more exactly, co-create and even co-invent it”. This kind of activity is not merely co-creation but co-production, which is “engaging customers as active participants in the organization’s work” (Auh et al., 2007). Moreover according to Humphreys and Grayson (2008) co-production has another dimension beside customer–company. It is a collective dimension when there is a consumer–consumer relationship in a community. Collective production could and often does take place without company involvement (Muniz, Schau, 2005). According to Lush and Vargo (2006) both co-creation and co-production involve customers internally. The difference between the two dimensions is in the superiority of co-creation onto co-production because the former is the condition of the latter.

2.1.2 Why Co–Create?

The question of co-creation urges among organisations because it is becoming a competitive imperative. Pitt et al. (2006) argue that co-creation determines a rethinking about control because “power and control are radically decentralized and heterarchical: producers and consumers coalesce”. The situation could make companies feel threatened by a loss of control, sometime hampering or limiting engagement with consumers. On the other hand, becoming a partner of customers in the value creation process allows companies to better balance the objectives of value creation, managing cost and investments, and growth and revenues (Prahalad, Ramaswamy, 2005).

2.2 Co-creation of Brands
The idea of co-creation is increasing interest in both marketing practitioners and academics. Normann and Ramirez (1993) state that “the key to creating value is to coproduce offerings that mobilise customers”. Moreover Lusch et al. (1992) provide an explicative model of co-production performance provided by the customer. This is referred to as a “sense-and-respond” strategy as opposed to a “make-and-sell” strategy (Haeckel, 1999) which essentially redefines a firm’s objective from merely “making the sale” to maintaining a healthy and ongoing relationship with the customer. Oliver et al. (1998) extend the idea of co-production toward a paradigm of “real-time” marketing, where mass customization and relationship marketing take place. In this direction Prahalad and Ramaswamy (2000) note that the market has become a venue for proactive customer involvement, and they argue for co-opting customer involvement in the value-creation process.

In the S-D logic the definition of marketing follows the same logic of co-creation. Thus according with Lush et al. (2008) marketing could be defined as organisational process that facilitates voluntary exchange through collaborative relationships that create reciprocal value through the application of complementary resources. Moreover, marketing becomes means by which societies are able to create value through the voluntary exchange of knowledge and skills. In this sense, businesses are regarded as continuously-learning organisations that do not create value by themselves but, rather, are only able to propose offerings to the customer (Vargo, Lusch, 2004). Vargo and Lusch (2008) note that service-dominant logic has the potential to unify and simplify apparently disparate thoughts between consumer and industrial marketing.

The S-D logic approach to marketing has determined changes in perspective, as depicted below.

2.1 Evolution of Marketing Thought
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Through 1950

- **To Market**
  - Matter in Motion

1950–2005

- **Market To**
  - Management of Customers & Markets

2005+

- **Market With**
  - Collaborate with Customers & Partners to Create & Sustain Value

In these terms also brand management have been influenced by the service–centred approach. In fact, S-D Logic views brands in terms of collaborative, value co-creation activities of firms and all of their stakeholders and brand value in terms of the stakeholders’ collectively perceived value-in-use. Moreover, marketing managers would benefit from investing resources in building strong brand relationships with all of their stakeholders and establishing a service-dominant firm philosophy built around brand value co-creation (Merz et al. 2009).

The idea of brand as collaborative process is of different scholars. The first one interested in the application of S-D logic onto the brand is Prahalad (2004). In his commentary on Vargo and Lusch’s work he proposes an experience-centred, co-creation perspective where the brand becomes the experience. In the same stream de Chernatony (2006) define a brand as “a cluster of functional and emotional values, which promises a unique and welcome experience [emphasis added]”.

Source: adapted from (among the others) Vargo, Lush, 2004; Vargo, Lusch, 2006; Lush, Vargo, 2007; Vargo et al., 2008.
On the other hand Coupland et al. (2005, p. 107) state that “the consumer is an active partner with the marketer in brand-meaning formation” In this direction, Ambler (2000) says that value creation is like a diffusion process which focuses on the brand through different stakeholders. Ambler also calls it —the total equity of the brand, focusing on just the cash flows of the asset. Jones (2005) move the focus on the identification of the brand value sources. The brand survival is linked to the value of the brand which it can create for its stakeholders. Sources of creation are very important for the brand value not only for the stakeholders but also for the company.

From those points, an increasing body of research suggests that strong brands are built up through a co - creation process involving a number of players, especially the brand managers and the brands’ consumers (Sherry, 1998; Brown et al., 2003; Coupland et al., 2005). Even if, despite of the importance of the issue, in the area of S-D logic and co – creation, little work deals with brands and brand experiences. As Brodie et al. (2006) observe, any reference to branding in the service literature is often indirect and that Vargo and Lusch (2004) only briefly mention the branding concept. Only one piece of research of one of the two authors directly refers to branding process (Merz et al., 2009) but it seems in a very early stage. Thus the roots of co – creative branding process are to be found in other streams of research.

First of all, as stated by Payne et al. (2009), a bond could be found in relational perspective (Smit et al., 2006). Some researchers have used the relationship perspective in order to understand consumer–brand interactions (e.g., Swaminathan et al., 2007). According to Dowling (2002) and O’Malley and Tynan (2001), the dimension of costumer has a primarily importance of the brand to the consumer. This occurs because, often, brands act as a glue in the relationship between a company and its customers. The adoption of the last statement could be explained trough the Aggarwal’s (2004) view. The author defines relationships as “a sequence of interactions between parties where the probable course of future interactions between them is significantly different from that of strangers”. From this assumption, the particularly relation between customers and a company is stated as “consumer interactions with brands [that] can be characterized as relational”. Thus, even if people do not have with brands the same richness and depth as in their relationships with human partners, they could interact with brands as if they have a relationship with them. From this perspective it is easy to understand that relationship marketing
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aims at attracting, maintaining, and enhancing long-term customer relationships instead of focusing on individual transactions (Berry, 1995). Thus, if the approach is a Resource – based one, such long lasting relationships represent a strategic resource as a source of a sustainable competitive advantage for the firm (Barney, 1991; Webster, 1992).

The relational perspective leads to another research stream that supports the co – creation of brands. Several researchers support the concept of customers having relationships with their brands (e.g., Fournier, 1998; Muniz, O’Guinn, 2001; Rozanski et al., 1999; Smit et al., 2007). Particularly among them, the perspective of a brand as a community (Muniz, O’Guinn, 2001) results of great interest for the themes of the current research. According to the authors, a brand community is a particularly kind of community without geographically bound and with a specific interest. The latter comes from a good or service. A brand community share with other some entities different issues: consciousness, rituals, traditions, and a sense of moral responsibility. Again the difference with the other similar entities is in the shifting of those issues in commercial and mass-mediated ethos. In summary, the brand community perspective argues that brands are social objects and socially constructed. Thus, consumers are actively involved in brand creation. These assumptions link brand community view with relation perspective. The latter aims at maintaining one – to – one relationships with customers that are not always economically efficient (Gruen, Ferguson 1994; Iacobucci 1994). On the other hand brand community view aims at creating some bond with customers, but at a community level, providing a social structure to the relationship between marketer and consumer. Within the community interaction of the customers are dynamic in order to effectively co – create brand values. Thus the relation with the brand is stronger because of social pressure of the community on single members to remain loyal to the collective and to the brand (Muniz, O’Guinn, 2001).

The concept of community is close to tribe one. In this direction brand community has some common points with the concept of consumer tribes (i.e., Bennett, 1999; Cova, 1997; Cova, Cova, 2002; Cova et al., 2007, Kozinets, 1999; Patterson, 1998). Tribal marketing aims at creating a social entity around a product or service (Cova, 2003). This social entity is properly a tribe defined as individuals linked by the same passion or emotion. The tribe developed from the theories of postmodern society and the
revaluation of the concept of tribes within it. In a tribe the consumption has a collective dimension (Badot, Cova, 1995; Cova, 2002; Bagozzi, Dholakia, 2006; Cucco, Dalli, 2008). In these terms, a good or service is able to join socially the consumers. Here as in the community brand, the relationships are not consumer – company but consumers – consumers and consumers – company. The value is primarily in the ties. In this way, as Cova (2003) states, the ties allows the singles to feel themselves as a cell of a whole organism. Considering the importance of these bonds, the value does not arise only from the specific features of goods or services but depends on the volume and intensity of relationships in the exchange process. Obviously engagement is strong and it is empowered by life experiences, told in the tribe as a shared tails, combined with a strong emotional and affective impact (Fortress, 2009).

In summary, the preceding review highlights an evolution. The starting point is G-D logic through which brands is viewed as embedded in goods and brand value as determined through value-in-exchange. The final perspective arrives at a new brand logic through S-D logic, so that brands is viewed as dynamic and social processes. In this case the brand value is perceived as a brand’s value-in-used determined by all stakeholders (Merz et al., 2009). This evolution leads also to a renovation of S-D logic approach to marketing as a renovation wave from inside.

2.1 Evolution of Marketing Thought
However this topic remains a fragmented concept (Jevons, 2007). Moreover, Verhoef (2003) finds that building brand co-creation, does not require the same techniques as customer retention. Thus, in his opinion a well-established brand is more dependent on the activities of brand managers than brand co-creation. The evident disparity in opinion about the most effective means of sustaining loyalty in established brands highlighted by these different viewpoints clearly suggests there is a need for much more research in the area.

2.3 CO – CREATIVE APPROACH TO EMPLOYER BRANDING

Literature on service relationship is relatively scant from a human resources perspective. The concept of co-creating values fosters a fundamental shift in conceptualising brand management and stakeholder relations. One of the first contributions of this shifting is of Jones (2005). The authors emphasises the importance of relationships between the firm and its various stakeholders. In his
framework brand value is not just created through a dyadic relationship between the firm and its customers but “that it is a multifarious construct that is affected by, or the sum of, a gamut of relationships”. In this way the scholar places into the limelight the contribution of all stakeholders to a brand’s value.

In terms of corporate governance, the stakeholder concept implies the existence of a fiduciary duty to all groups and individuals with a legitimate “stake” in the activities of the firm – not merely to the shareholders and other investors who own the enterprise in the financial sense (Freeman, 1984). More deeply “a stakeholder in an organization is any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman, 1984). During the 1990s, marketers began to recognise the importance of non-customer stakeholder relationships to their discipline despite there are some previous references. In its definition of value, Smith (1776) bases his views on the efficiency of the division of labour – actually, the application of specialized skills and knowledge – and exchange. He explained that “real value” is found in the effort or labour required to afford the necessities and pleasures of life, recognizing labour as the real basis for value.

Considering the active role of customers in the co-creation process, the first issue to analyse is the definition of employee as internal stakeholder of co-creation in employer branding context. Thus, first of all the co-creative process includes managing internal stakeholders. In this direction according to Gronroos (1990, 1993) job products must attract, develop and motivate employees, thereby satisfying the needs and wants of these internal customers while addressing the overall objectives of the organisation.

The difficulty is in the issue itself if the starting point is the co-creation that erases organisational borders. According to Pfeffer and Baron’s (1988) a framework could help in understanding stereotypical relationships between organizations and employees, helping in defining them. The internal stakeholders differ from the other stakeholders under the condition of “affiliation” through the dimensions of (Pfeffer, Baron, 1988):

- Proximity to the organization (i.e. the employee works at a building where the organization is located);
Rewarding from the organization (the employee earns a pay check from the organization);

Time spent in relation to the organization (the employee spends eight or more hours a day at the organization).

The more an individual’s relationship with an organization is proximal, continuous, and rewarding, the more the person will feel affiliated with (or identified with) the organization (Cardador, Pratt, 2006).

Relationships between employees/employees and employees/employer, typical assumption of employer branding, are characterized by four relative shortcomings known as the IHIP characteristics (Lusch, Vargo, Wessels, 2008): intangibility, heterogeneity (inability to standardize), inseparability (of production and consumption), and perishability (inability to be inventoried). In this context, the role of brand results fundamental but difficult to understand and evaluate because of its nature of intangible asset.

In spite of difficulties companies that manage good bases for the trustful mutual relationships with their stakeholders can facilitate their value creation process (Whysall, 2000). Under this situation, stakeholders willingly share their utility function’s information with the companies. Organisations may allocate the resources accordingly to fulfil the stakeholders’ satisfaction (Harrison et al., 2010). According to Jones (2005), stakeholders approach leads to a clearer picture of the brand value and equity because this approach leads to concentrate upon a range of stakeholders’ relationships with respect to the brand.

Similarly Ind and Bjerke (2007) in their participatory market orientation framework, state that brand value is created by involving employees, customers, and other stakeholders in the development of a brand. The frameworks allows all stakeholders to “take peek behind the scenes and have a say when decisions are made […] Smart brands will welcome the [stakeholder’s] role as a natural partner in a collective process of product and brand development” (Ind, Bjerke, 2007).

Employees are influenced by a number of resources and interactions, as well as physical resources and systems. Moreover, the same employees are resources themselves participating as co-producers in the service production process (Grönroos,
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1978; Gummesson, 1979; Lehtinen, 1983; Eiglier and Langeard, 1976) and taking part of production and environment they contribute to produce, so that the employees’ influence is twofold.

On a micro economic level, and following the division of labour, the place of work reflects in the consilience of competition and cooperation. Different departments within a company have different interests, but also individuals within a company have different strength and weaknesses. Thus, considering specialization and division of labour, in S-D logic, interdependence between employer and employees and within them makes their relationships stronger. As entities become more interdependent their potential for collective, developed through relational, or social, contracts action, increases. This situation allow the entities (individually and collectively) to relate to the environment (Lush, Vargo, 2007). Thus, S-D logic is inherently relational, partly because it implies that parties co-create value.

The above mentioned notions suggest to analyse employer branding through the lens of co-creation of strategic, sustainable employer-employee relations, defined within a paradigm of social constructivism from which the concept of co-creation emerges. Brand meaning is negotiated in social settings (Fournier, 1998). As stated in the previous chapter, identity, of both a brand and an organisation, is built in relation to diverse groups of stakeholders, so that it results reshaped as a social construction (McCracken, 1993; Sherry, 2005; Csaba, Bengtsson, 2006). Thus employer branding and its roots are not a question of transmitting value but have evolved into a process of value creation (Balmer, Greyser, 2002; Hatch, Schultz, 2003).

As social construct, in employer branding, as well as in S-D logic, knowledge has a crucial. Employees – employer relations set a learning process where parties exchange resources, collaborate and even jointly perform their own activities (Payne et al., 2008). The fundamental basis for inter-firm exchange consists of information and ideas, and everything else that is involved in an interaction (Ballantyne, 2004). The dialogue improves the overall ability to co-create value for the company and for employer brand through networking, leading to service systems (Vargo et al., 2008), where each individual is a resource integrator. Under this situation, the work environment enhances the sharing of new ideas and knowledge within the firm (Aitken et al., 2006). In fact, creativity is helped by discussing different opinions (co-creation). Both perspectives of value, for the company and for employer brand, are
co – created only when interaction takes place. Moreover, also the quality and the contents of interaction should be under reflection. This, in turn, helps to foster team building and relationships on various microeconomic levels.

In these terms according to Lorenzoni and Lipparini (1999) interaction between human capital and relational capital within the system could produce new opportunities and new ways of creating learning processes (see the third chapter) accelerated acquisition of knowledge (Hamel, 1991). Both dimensions of knowledge are crucial in employment field: a traditional knowledge type linking science and rational analytical problem solving and requisite knowledge, as well as a particular subjectivity requiring an ability to deal with complexity and uncertainty (Horwitz et al., 2003). The latter requires intuition, creativity, flexibility and social skills. A central challenge about knowledge is in management employees critical to knowledge creation by ensuring that HR strategies enable the creation, co – creation and sharing of knowledge (Thompson, Heron, 2002). In this context, it is due approaching the RBT in its aims of emphasising skills and specific assets, and seeing the Ricardian rents as a prerogative for ownership scarce, idiosyncratic, difficult to replicate resources (Barney, 2002). This perspective is related to the concept of differential rent arose from the ability to produce or provide at lower costs services, characterized by a higher quality or higher performance levels. In essence, the ability of the dynamic contact with the knowledge learned from internal stakeholders should allow an organisation to reconfigure, redirect, transform and integrate the key competencies existing and face the challenge of hypercompetition (D’Aveni, 2005). In this perspective, the S-D logic applied onto employer branding is not a specific theory as distinct from the RBT. In this perspective, knowledge from employees is only one possible resource that if endowed of value, rarity and inimitability could be a possible source of competitive advantage.

Morsing and Schultz (2006) suggest that the involvement strategy invites to continuous stakeholder dialogue ensuring not only that the organization ‘keeps abreast of its stakeholders’ changing expectations, but also of its potential influence on those expectations, as well as letting those expectations influence and change the company itself”. In this dimension employer branding becomes a dynamic process of negotiating between employer and employees. This ensures that the organisation, environment of relationship, embeds co - created value in the decisional chain (Deetz,
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2003a, b). Moreover, the continuous dialogue meets and responds to internal stakeholders needs and expectations, not only financially, but also in relation to its role in society as a corporate citizen (Aggerholm et al., 2011).

Gregory (2007) finds that only few researches are focused on the active role of internal stakeholders in brand shaping and development. In fact he notes that in the literature “stakeholders are usually regarded as targets rather than partners in its development”. This is true also in the implementation of employer branding strategy: employees are considered only passive actor instead of considering the potential of their active role. Pointing on the latter the stakeholders dialogue is crucial. Thus Gregory (2007) introduces the notion of “negotiated brand”. In this perspective, a brand is the result of stakeholders interaction and engagement. These latter aim constantly at evaluating and refining core values of the corporate brand (Gregory, 2007) as co-created values in continuous development. In this view communication through stakeholders represents the very core of the process. This ensures a constant attentiveness towards all organizational units. Halal (2000) agrees with the notion of corporate community encouraging firms to recognize that stakeholders constitute partners who could collaborate with them in problem-solving. Gregory’s (2007) negotiated brand predicates a negotiation with various stakeholders (internal and external), and being responsive to their input. Through a process of dialogue and negotiation, brand value and meaning develop over time. Gregory’s perspective represents the basis of re-conceptualising the notion of employer branding as co-created process derived from employer – employees and employees - employees relations. Thus in this direction, it is possible affirm that a co-created employer brand could be seen as negotiated between the involved actors.

Moreover employer branding is tied to organisations’ mission, vision and strategic goals which articulate the values (Hatch, Schultz, 2003) continuously negotiated and re-negotiated in stakeholder dialogues (Morsing, Schultz, 2006). Thus these values represent the scenario for relationships so that employer branding is no longer merely a one-way instrumental tool for recruitment, retention and employment reduction programmes, but serves as and facilitate communicative, strategic processes for supporting sustainable development and organizational value creation (Aggerholm et al., 2011). On the other hand this relationship is not static concept but changes under different influences, such as corporate context and prosperity or crisis situation.
On the other hand, employer branding in S-D perspective makes the necessary adjustments. Access to resources in order to achieve co-creation in employment field is of little value if the firms do not create the infrastructure for dialog. The latter starts from transparency, that is the opposite of firms’ common behaviour. Moreover, dialog requires investment in time and in effort to understand the economics of experience and develop systems to come to agreements rapidly. This requires investments in socialising managers and changing managerial practices towards the creation of unique employment experience able to retain the best people.

2.3.1 **Unique Employment Experience**

In the SDL perspective employer branding create the conditions for a *unique employment experience* by considering the totality of tangible and intangible reward features that a particular organisation offers to its employees. The creation of mutual value in a relational perspective within the firm implies resources integration, competencies and interconnecting processes activation, as well as networking cooperation and integration towards a process of “co-creating relationships’ experiences” (Della Corte et al. in press). In fact an important contribution in terms of co-creation of employer branding strategies occurs in earlier work on experiential marketing (i.e., Holbrook, Hirschman, 1982) that emphasises emotions, contexts and symbolic aspects of experiences. Later work suggests that creating value is not so much about conventional advertising and branding, but focuses on building processes to support the experience (i.e., Pine, Gilmore, 1999). So, the concept of value-in-use are closely related to the experience. From the perspective of the S-D logic value proposition exists with the aim of facilitating co-creation of experience. Creating an experience involves considering how the employee have the experience, the value-in-use and what makes it possible, namely the whole relationship that the employees have with employer and the total environment. So the concept of above mentioned value-in-use is potentially extended to a more descriptive “value-in-context” (Chadeler, Vargo et al., 2011; Vargo et al., in press). Actors “come together” through exchange within a specific context and
context plays in framing exchange. This suggests that the context of negotiated value is as important to the creation of value as the competences of the participating parties. The interactions with and within organisational environment determine co-creation through resources access, especially relational ones that increase because of interaction. Starting from this evidence Hunt and Morgan (1995) describe how actors seek access to resources and, as a result, interact with one another to gain such access. Resources are thus connect actors to one another (and vice versa) and result valuable because of this. This influence determines “expansion and contraction” of a resource (Constantin, Lusch, 1994). Zimmerman (1951) affirms that resources “are not, they become; they are not static but expand and contract in response to human actions”. As a result, the single actors become tied because of joint access to a resource, not be owned or controlled but dynamically determined in the context. Moreover individuals and context are mutually defined by one another (Giddens, 1979).

From the above assumptions the dimension of experience is crucial for employer branding. An employer brand and its value are defined by a negotiation through a specific employment experience.

A first approach to experience and its management comes from consumer behaviour theory. According Berry et al (2006) the experience consists of “a series of discrete sub-experience that is full of messages which impact how customers feel and tell a story about the service and company provides it”. This definition suggests that the experience management involves a series of experiments perceptions that are based on the technical performance of the service (functional clues), the tangibles associated with the service (mechanic clues), and the behaviour and appearance of service providers (human clues)”.

Only further development embraces branding. Particularly, the first contributions is in aesthetic marketing defined as the marketing of sensory experiences that helps the activities of corporate brand in the identities development (Schmitt, Simonson, 1997). This definition highlights the close link that exists between experience and sensory issue, which represent the basis for organisational and brand identity. The Experience Economy is a new stage of experience management (Pine, Gilmore, 1998). The experience economy described by Pine and Gilmore (1999) needs a new marketing approach, able to seize the opportunities arising from this development. Experiential
marketing represents an evolution of the relational marketing concept (Schmitt, Simonson, 1997).

Two are the concepts of experience economy useful for the current research’s perspective. The first one is referred to the concept of branded customer experience (Smith, Wheeler, 2002) that describes implementation and evaluation of a corporate brand through *experiencing the brand* or *branding the experience*. In the former, an experience is created in order to communicates the corporate brand to customers. In the latter the question is of creating a brand from a lived experience. Especially the dimension of branding experience is suitable for co-creation of employer branding activities in order to retain best people. Moreover according to Smith and Wheeler (2002), the creation of a brand customer experience creates value for customers. The implementation of an experiential brand allows companies to act on customer loyalty. The same logic could be applied to internal stakeholders instead of external ones.

The second concept useful for employer branding is Pine and Gilmore’s (1998) belief. In fact, in the authors’ opinion, experiences are a distinct offering from services. Experiences must provide a memorable offering that will remain with one for a long time, but in order to achieve this, the consumer must be drawn into the offering such that they feel a sensation. And in order to feel the sensation, the guest must actively participate. The current research aims at shifting this concept to customer behaviour to employer branding in order to fund it in the co-creative process. In fact, participation is possible under the condition of dialogue that becomes the base for negotiation.

On the other hand, Gupta and Vajic (2000) conceive experience as a process in which learning is generated when the actors interacts with the various aspects of the service. Thus, internal stakeholders participate in the process of creating, analysing and evaluating every aspects of the experience. In this perspective, communication unfolds even employees – employees dialogue, providing an alternative source of information and perspectives. In this way, employees are not totally dependent on the company. Relationships with others make a range of information available.

Moreover, co-creation is connected to the emotional engagement of employees through employer branding activities. In this direction, the latter is embedded in experiential marketing that emphasises emotions, contextual, symbolic and non-utilitarian aspects (Arnould, Thompson, 2005). So, it is possible to agree with
Holbrook (1996) that defines value as an “interactive relativistic preference experience”.

An important dimension comes from the following statement. Work life is no longer restricted to working hours and the physical presence within the organizational setting but is seen as an important resource for the construction of the individual identity (Baldry et al., 2007; Bourne et al., 2009). Moreover, especially new workers expect to have multiple needs met at work. They go beyond cash. Work experience is about fun, social connection, training, personal development, greater fulfilment and even environmental sustainability (McCrindle, 2006). In these terms, experience is linked to emotions. The implication of this is that of shaping environment and experience in order to match the desired employment behaviour, stimulating a general positive feeling. O ’ Shaughnessy and O ’ Shaughnessy (2003) provide a basic framework for understanding how consumers view products and services in terms of choice behaviour. The authors post six statements that are adaptable to employees:

- Technical criteria: specific role and position of employees. These include specific competences that have represent the key issues of hiring;
- Economic / sacrifice criteria: economic benefits (i.e. rewarding) set against effort expended;
- Legalistic criteria: it is referred to segmentation of employees linked to personal characteristics;
- Integrative criteria: social acceptance, status, visibility, fashion, standing within one’ s milieu;
- Adaptive criteria: it is linked to desire to minimise risk, reduce anxiety of uncertainty or fear of regret;
- Intrinsic criteria: it represent the service escape of the employment experience;

Each criterion has a different level of emotional potential. Feelings about an experience contribute significantly to attitudes toward it and beliefs about the brand being experienced (Morrison, Crane, 2007). Moreover, when emotions are memorably linked to a particular employment experience the effect of engagement is greater.
In this direction joining co-creation approach, job environment could be considered as a space of potential co-creation experiences in which individual constraints and choices define their willingness to joint experiences.

The discussed experience consists not only of aspects related to feelings or emotions, but also the rational and cognitive process (Rescitiniti, 2005). Factors that contribute to make unique the work experience include challenging work, creating a work culture permitting relative autonomy, celebrating achievement and developing a sense of purpose, direction and excitement. Other practices include willingness to share gains, effective communications, concern for people by respecting the dignity of the individual, providing enabling resources (such as new technology) and enabling employees to acquire skills to increase their employability in both internal and external labour markets (Robertson, O’Malley Hammersley, 2000; Ulrich, 1998). The last practice is gaining prominence through self-development and involvement in interdisciplinary and cross-functional projects, in support of the idea of a learning organisation (Horwitz et al., 2003).

Developing an unique employment experience means competence building, commitment building, and culture building. Moreover, this perspective demands high levels of transparency in their procedures for governance, communications and behaviours. Only in this way the co-creation determine satisfaction and retention for employees, and higher productivity, cost reduction, more profit, better image, and more satisfied customers and stakeholders for employer (Rao, 1999). These outcomes require high-level competencies of employees and an effective involvement of people through suitable roles, commitment, work motivation, and teamwork. Competencies are the prerequisites to achieve organisational goals; the other issues facilitate employee development (Huseiid. et al., 1997).

2.3.2 Co-Creation Model

The new frame of value creation creates new competitive space for firms in the war of talents. To compete effectively however, managers need to invest in building new
infrastructure capabilities, as well as new functional and governance capabilities, centred on co-creation through high-quality employees – company interactions and personalized co-creation experiences (Prahalad, Ramaswamy, 2004). In these terms it is to understand why the financial markets are increasingly recognising human capital as a source of value for firms and shareholders (Cairncross, 2000). Thus, Michaels et al. (2001) propose the explicit development and communication of the Employee Value Proposition (EVP) to attract and retain talented employees. Particularly EVP is not just a tailored financial package but a summary of the other specific benefits promised to different target groups.

In these terms the current research proposes an interpretative framework for employer branding in co-creation perspective. Current employer branding research has primarily relied on the instrumental and symbolic distinction (see the first chapter). Finally, this perspective of employer branding leverages on experiential category (see the first chapter) towards experiential brand concepts, as a further step of Della Corte et al.’s (2011) research. The experiential brand concepts emphasise the brand’s effect on sensory satisfaction or cognitive stimulation.

From the above mentioned statements the depicted framework determines the interactions between the poles towards the co-creation of experiential value (Mathwick et al., 2001). The latter is based upon interactions involving either direct or distanced usage (this is particularly true in web-based relations and in web 2.0 firms – see the third chapter). Experiential value offers both extrinsic and intrinsic benefit (Babin, Darden, 1995; Batra, Ahtola, 1991; Crowley et al., 1992; Mano, Oliver, 1993). The former indicates the utilitarianism of the interactions nature (Batra, Ahtola, 1991; Holbrook, Hirschman, 1982). The latter refers to “appreciation of an experience for its own sake, apart from any other consequence that may result” (Holbrook, 1994). So the intrinsic benefit is correlate to emotions linked to interactions. Thus, the co-creation experience becomes the basis for the creation of value, since the high quality of interactions that enable individuals to co-create unique experiences with and within the company are the key to unlock new sources of competitive advantage.
In summary, S-D logic encourages to understand that co-creation requires always a party involvement (Vargo 2008, p.212). In other the direct counterpart in interaction is indispensable to create value. The value-creating activity is not located uniquely with the node one nor even exclusively within the node two, but between them (via a thread – Ballantyne, Varey 2006). Moreover, S-D logic leads to a holistic worldview offers new insights.

2.4 CRITICISMS OF THE S-D LOGIC

Reactions to S-D logic are of different kinds. One part of academia observes that this new perspective is not so much a revolution, but a description of what has already
happened in various industries in the past few years. The I.T. industry, for example, realised since the 1990s that it is the service that the computer provides and not necessarily the computer itself that is important to the user (Buyya, Venugopal 2005; IBM Corporation 2002). Moreover, from the theoretical perspective, the notion that customers would be involved in the production process is not a new one. In the 1930s, authors like Allport (1933) and especially Barnard (1938, 1948) suggested that organizations should be treated as open systems and the contributions of the customers might be a welcome source of human resource. These and many other examples show that among practitioners, the S-D logic has been an on-going, albeit implicit, phenomenon.

Furthermore, this new logic does not provide any theories that are as actionable as the four Ps of marketing. The latter represents the field with more scepticism. Wansink (2005) argues that marketers are assured of success because of the actionability of the four Ps. At its present state, however, the S-D logic does not describe in specific, measurable terms how it affects a company’s bottom-line. Furthermore, while the four Ps enumerate the controls that are available to the marketer (i.e. product, place, promotions, price), the S-D logic, as presented by Vargo and Lusch, does not yet specify anything similar. Given these shortcomings, it appears that, at least at the moment, the S-D logic is still a loose framework undergoing further construction. The current research compensates for experiential marketing approach that represents a way to overcome the framework of the 4P marketing mix. These parameters do not consider the multidimensionality of the experience that unfolds in a more extended time and spatial horizon (Constantinides, 2002).

Moreover Grönroos (2006) observes that “the consumption of goods is a ‘closed system’ for the firm and the process of consuming goods is treated as a black box”. This leads the scholar to the question whether a S-D logic always ends in more effective marketing (Grönroos 2006, p.11). One of the reactions of Vargo and Lusch is an extension of the original eight foundational premises (FPs) that are now composed by ten (2008c).

Another criticism comes from Schembri (2006). He states that “a focus on the product as either goods or services negates any focus on how the customer experiences that product” thus obscuring the needs of the customer.
Moreover although consumers are increasingly performing tasks normally handled by the company, this role redefinition may be, at least in some cases, illusory (Humphreys, Grayson, 2008). In fact, co–creative actions have not been clearly identified and categorized in a uniform way. In essence, according with Schau et al. (2009) “we know that value is co–created, but we do not know how, which makes replicating successful co–creation strategies within a product category and even within the firm difficult and transferring successful practices from one product domain to another nearly impossible”.

In the end, considering specifically branding, the application of S-D logic to the issue is at an early stage of development that needs of further researches.
CHAPTER III
SOCIAL CO-CREATION AND INVERTED PYRAMID

In the previous chapters, employer branding has been analysed and founded in S-D logic. Particularly the core is found in a co-creative process of employer branding strategy within an organisation aimed at retaining best people.

The focus on the retention is due to the fact that maintaining a stable workforce is often linked to morale and organisation productivity. Retention could be considered the opposite of turnover. The latter is the lack of workforce for an organisation. This departure could be voluntary or involuntary. In the first case, it is anticipated by a growing rate of absenteeism. In both cases, turnover represents a cost for a firm, directly because an organisation has invested in a person for recruiting and training, indirectly for the opportunity costs of lost production. The situation get worst when turnover refers to best people in a firm, becoming critical. So that employer branding for selection should not ignore the selection for retention, providing those supports able to create an experience at both job and social level.

This section of the research aims at evaluating the web 2.0 as a tool of co-creation within an organisation in order to strength the conclusions of the previous chapters.

3.1 WEB 2.0 AS CO-CREATION SUPPORT

Social networks sites are the best examples of O’Reilly’s (2005) description of web 2.0 environment, where audiences have become co-authors on interactive websites\(^\text{11}\). Segmentation about different social networks sites could have many perspective: physical appearance, minorities and religious denominations. Because there are different types of social networks, conclusions drawn from one platform cannot be easily generalized to another platform (Hargittai, 2007). Here the focus is on the use of these platforms in a

\(^{11}\) Commonly referred to as social media, this genre of Internet-based services includes blogs, wikis, podcasts, content-sharing sites (i.e., Flickr, YouTube), collaborative productions (i.e., Wikipedia, OhMyNews) and virtual worlds (i.e., Second Life).
specific context, employment environment, aimed firstly to create and co-create the conditions for employees retention.

Research about effective benefits realization from web 2.0 investments in (inter-)enterprise contexts has not yet reached full maturity. Boyd and Ellison (2007) note that “the bulk of SNS [social networks sites] research has focused on impression management and friendship performance, networks and network structure, [bridging] online [and] offline connections, and privacy issues”. Of concern here is the potential of social networks sites to create a gap between online and offline connections.

Because of reciprocal relationship between the technology and its users, web 2.0 applications maximise engagement offered by the Internet, both technologically and socially (O’Reilly, 2005, 2006). This is possible because of a fusion between software and everyday social life (Bouman et al, 2007). In fact, online social networks software articulate existing offline social connections as well as forge new ones. It has become clear that most relationships formed in cyberspace continue in physical space and vice versa, leading to new forms of community characterized by a mixture of online and offline interactions (i.e., Müller, 1999; Rheingold, 2000). This situation could be good for firms that develop social platforms for employees in order to improve the engagement and retention for employers.

The field constitutes a rich site for researchers interested in the affordances of social networks (i.e., social capital and community formation), due to its heavy usage patterns and technological capacities which bridge online and offline connections. Both practitioners and researchers are converging on the usefulness of web 2.0 for professional organizations. In and around enterprises, web 2.0 platforms have been supported a profound change in intra- and inter-enterprise internal strategy patterns (De Hertogh, 2011).

3.2 COMMUNITY AND NET COMMUNITY

Enterprise 2.0 represents those organisations to use “emergent social software” (McAfee, 2006) to generate content, support decision-making and build communities (Chui, Miller, Roberts, 2009). Enabling structures can easily be created based on
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participative content platforms offering opportunities for mass internal collaborative content creation in enterprise wikis, blogs or podcasts (McAfee, 2006) toward a co-creation.

Even if it is early to considered them completely “enterprises 2.0” (McAfee, 2006), those firms that have successfully introduced web 2.0 required a move away from imposed strategies and structures. Allison (1971) presents evidence that organizational and bureaucratic factors significantly influenced the amount and quality of the learning during decision making. Enterprises have carefully stimulated a many-to-many communication, highlighting bottom-up connections in order to facilitate collaboration and knowledge sharing through the use of electronic networks. Moreover computer mediated communication has twofold advantages over previous communication technologies (Hampton, Wellman, 2003):

- **asynchronism**, people do not have to be connected simultaneously to communicate effectively. This erases the space – time barriers;
- **multipossibility** people could be engaged in a one – to –one and / or one – to - many communication, having some characteristics of public space (Mitchell, 1996)

Thus, social networks allow online based interaction between independent units or individuals (van Baalen et al., 2005), that have to invest personally in commitment establishing a “community of value” (Carrillo, 1998). Here new knowledge is acquired from the knowledge-based network and transferred among its members (Otto, Simon 2008).

Community represents a typical research field in social theory (Dewey, 1927; Simmel, 1964; Maffesoli, 1996). Internet has created a whole new form of community, the “virtual community,” that frees communities from the constraints of geographical proximity and such social characteristics as race, ethnicity, gender, and socioeconomic status. Following Phil Patton’s (1986) words

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12 Enterprises 2.0 are companies that buy or build platforms with wikis and social networking software to support and enhance the continuously changing and emergent collaborative structures of knowledge work across the (extended) enterprise (McAfee, 2006).
computer-mediated communication . . . will do by way of electronic pathways what cement roads were unable to do, namely connect us rather than atomize us, put us at the controls of a ‘vehicle’ and yet not detach us from the rest of the world

Among researchers in this field, the most prominent ones include Fernback and Thompson (1995), Powers (1997), Armstrong and Hagel (1997), Rosenblatt (1997), Shelton and McNeeley (1997), Smith and Kollock (1999), and Preece (2000). The first definition of a virtual community is given by Rheingold (1994) as:

*Social aggregations that emerge from the Net when enough people carry on those public discussions long enough, with sufficient human feelings, to form webs of personal relationships in cyberspace. A virtual community is a group of people who may or may not meet one another face to face, and who exchange words and ideas through the mediation of computer bulletin boards and networks.*

There are lots of different definitions of a community, reflecting the perspectives taken by these different groups, ranging from multidisciplinary, sociology, technology, and e-commerce viewpoints.

Whittaker et al. (1997) consider essential the following assumptions in order to identify a community:

- shared goal, interest, need, or activity that are the first reasons for belonging to the community;
engagement in repeated, active participation, and often, intense interactions, with strong emotional ties among participants;

- shared resources;

- reciprocity of information, support, and services among members;

- shared context of social conventions, language, and protocols (Preece, 2000).

Following the model of Wang et al (2002), these factors can be allocated in concentric circles scheme. The inner one is referred to:

- **Place**, a virtual community can be conceived as a place where people can develop and maintain social and economic relationships and explore new opportunities. In this direction, Benedikt (1991) argues that virtual and physical spaces are parallel. In fact, they have the same rules and nature. Contemporary theories of community accept that community does not have to be local (Fischer 1975, 1982), and in fact most community ties in the developed world are non-local (Wellman 1999).

- **Symbol**, considering the nature of social constructs, communities have a symbolic dimension (Cohen, 1985). For example, Calhoun (1980) defines community as “a complex of ideas and sentiments” that exists in the participants’ mind.

- **Virtual**, if in the other characteristics, such as common value systems, identity, and commitment are common issues between virtual and physical communities, being virtual represents the main distinction.

The more external circle is at an operational level, including:

- **People**, the human component is fundamental for a community.

- **Purpose**, the goal represents the main attraction factor of people already involved or to be involved in a community.
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- Policy, community needs policy to direct online behaviour. In order to involve a large numbers of members, unwritten codes of conduct may also exist.
- Computer systems, new technologies support and mediate social interaction and facilitating a sense of togetherness.

Moving from the original model, the two circles are connected by three fundamental factors in employer-employee and employee-employee relationships: networking, engagement and commitment.

Particularly, networking is determined between people who coexist in a shared environment providing companionship, emotional aid, goods and services, information, and a sense of belonging (Wellman, Frank, 2001). The sharing implies involvement in organizations where people create bonds, joint accomplishments, and aggregation around their demands and desires. Meanwhile, commitment consists of more than going through the motions of interpersonal interaction and organizational involvement. When people have a strong attitude toward community—have a motivated, responsible sense of belonging—they will mobilize their social capital more willingly and effectively (McAdam, 1982).

Fig. 3.1 A conceptual model of virtual community

Source: rework on Wang et al., 2002.
Networking processes determined by belonging to a community lead to the accumulation of social, relational and intellectual capital, facilitating information and knowledge exchange, integration and creation. In web 2.0 environment these sharing processes take virtual dimensions (Shane, Cable, 2002; Packalen, 2007; Zhang et al, 2008; Hormiga, Batista-Canino, Sánchez-Medina, 2010). It is the nature of social interactions and the set of resources embedded within the network that sustains virtual communities. Exactly these social interactions make individuals able to increase the depth, breadth, and efficiency of mutual knowledge exchange (Lane, Lubatkin, 1998). Thus knowledge transfer is possible because of social capital (Lin, 2001) on group-level (Nahapiet, Ghoshal, 1998) and on individual relationships as the primary source for the generation of social capital in social networks (Wasko, Faraj, 2005).

Commonly, concept of social capital refers to process of generating resources through relationships among people (Coleman, 1988). In fact, for some scholars, such as Bourdieu and Wacquant (1992), social capital represents

\[ \text{The sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition.} \]

The typology of relationships determines the kind of resources. The question of resources become fundamental considering the research approach of Resource-based Theory. In fact, in order to be sustainable online social structures must guarantee access to a bundle of resources (Fine, Stoecker, 1985), different from case to case, and support the social processes able to convert those resources into long lasting benefits for involved members. Without resources, it is impossible to provide benefits, and without benefits, it is not possible to attract and retain members. In fact, the availability of a technical infrastructure does not guarantee participation in online social structures. Considering the voluntary nature of online social structures
participation the first resource are the members (Butler, 2001). They contribute resources to a social platform both implicitly - choosing to remain a member - and explicitly - dedicating time, energy, attention, and knowledge.

3.2.1 FROM VIRTUAL COMMUNITIES TO COMMUNITIES OF VALUE

The computer mediated interactions have restored the concept of community by providing a meeting space for people with shared interests that do not depend on space and time (Sproull, Kiesler, 1991; Baym, 1997; Wellman, 2001). At the basis of online community there is democracy (Sproull, 1991), that allows for multiple perspectives (Kapor, 1993), and mobilises collective action (Schwartz, 1996; Tarrow, 1999). In such environments, social networks facilitate the sharing of social norms among members and lead members to enjoy the fruits of mutual cooperation, especially referred to mutual benefits through collective problem-solving. Interactivity is in the nature of communities and is seen as a high involvement process (Schleuning, 1997). These are the key concept of value co – creation as stated in the second chapter. Thus, the Internet provides low-cost individualised communication and interaction (Faßler, 1997). Interaction indicates a co-producer role for the community members. Co-production implies that interactivity is a necessity not a choice. According to Cross and Smith (1995) interaction is able to move a member to a co-producer and hence to a higher level of members bonding. Moreover, according to Allee (2000), new technologies only provide the mechanism for the value exchange; it is the exchange itself that holds the value. Thus, technology enables interaction and therefore needs to be seen as a core feature of the bonding. To be valued, technical infrastructure has to be used by staff. The inter-networked infrastructure of the Internet enables employees to be able to help themselves (Seybold, Marshak, 1998: Sterne, 2000). But in turn this puts more emphasis on service accessibility and ease of use. Particularly, in on-line services it is, for example, essential to remember that users’ on-line time is valuable. So, the technical infrastructure provides the capabilities to ensure that employees could become co-creators (Prahalad, Ramaswamy, 2000). Service’s potential for delivering solutions
(Schwarz, 1999) results crucial in this context. In order to create value, the service has to be accessible, otherwise it has the potential to deliver a solution but the community members are unable to receive it. Moreover this last concept is related to satisfaction. The latter often appears a vague concept; here the parameter of satisfaction is the disconfirmation of expectations model (Kristensen et al., 1999) where “satisfaction is an evaluative response of the (...) experience resulting from a comparison of what was expected and what is received”.

One the most important features about a virtual community in organisational field is linked to share the identity. Employees could identify with the firm and see their own personal success closely linked to it. The ethic of contribution to the collective value is spurred by the involvement often found in start-up firms that struggle to find a niche in the market place and require the support of employees to be successful. The willingness to share knowledge with other members in order to achieve success could transform a virtual community in a community of value (Chiu et al., 2006), first of all because these social relationships could generate resources (Coleman, 1988). Thus the precondition of democracy represents a catalysts for knowledge creation.

This form of co – creation could be seen as system of value creation (Dagnino, Padula, 2002), where convergent interest (and goal) structure where both competitive and cooperative issues are simultaneously present and strictly interconnected. In fact, employees could be seen as rivals to one another. So why help rivals? Empirical researches (i.e. Hall, Graham, 2004) have demonstrated the stronger social infrastructure amongst the group’s membership is the happier the members are to divulge their code-breaking secrets. Thus, “the trust, mutual understanding, and shared values and behaviours that bind the members of human networks and make co-operation possible” (Cohen, Prusak, 2002). Furthermore, in this social context, involved people tend towards a sense of generalized reciprocity (Kobayashi et al., 2007). The latter refers to normative recognition that if someone helps another person he/she will receive help from other people (not only from the person who is helped) within the community or society. So reciprocity maintains a positive loop to enhance the level of cooperation (Lubell, Scholz, 2001). Reciprocity is the fundamental base of social capital (Putnam 2000; Ostrom, Ahn 2002) and in building social capital (Lubell, Scholz 2001). “The norm of generalized reciprocity serves to reconcile self-interest and solidarity” (Putnam, 1993). Thus, “voluntary cooperation is easier in a
community that has inherited a substantial stock of social capital, in the form of norms of reciprocity and networks of civic engagement” (Putnam, 1993). From the above mentioned statement result clear that the transformation of a community in a community of value resides in the actions, interactions, and projects that acquired resources make possible or support (Vargo, Lusch, 2004). There are translatable in practice through implicit ways of understanding, saying, and doing things (Muniz, O’Guinn, 2001). They comprise a temporally unfolding and spatially dispersed nexus of behaviours that include practical activities, represented through knowledge sharing, procedures and engagement (Duguid, 2005; Warde, 2005). Schatzki (1996) claims that in order to engage in practices, people must develop shared understandings and demonstrate competencies that reinforce social order while allowing them to distinguish themselves through adroit performances. Using a meta-analytic review, the current step of research aims at demonstrating how these practices interact, or are bundled, to create value.

3.3 SOCIAL CAPITAL OF SOCIAL COMMUNITIES

Considering the above mentioned statements, communities are usually not groups, but are social networks that “are sparsely-knit, loosely-bounded and far-flung” (Hampton, Willman, 2003). Neighbourly relationships remain important, but as a minority of ties within the overall network community. In web field, communities are considered “virtual” and some scholars (i.e. Etzioni, 1995; Baym, 1995) use key words such as “social”, “relationship”, “virtual”, “place”, “group of people”, “common interests”, and “communication”. The introduction of ICT has provided changes in social relations, social structure (Bradner, Kellogg 1999) and in the concept of social capital. In a community field, social capital represents the ability of actors to secure benefits by virtue of membership in social networks (Portes, 1998). Moreover, aimed at research objectives, social capital plays a fundamental role. In fact, at an organizational level, social capital could be considered as an attribute of a social unit, rather than an individual attribute (e.g., Bourdieu, 1986; Coleman, 1988; Putnam, 1993). Moreover, greater social capital increases commitment to a community.
In fact, this form of social capital is linkable to collective social capital (Putnam, 1995a, 1995b, 2000; Woolcock, Naryyan, 2000; Portes, 2000), different from individual social capital (Bourdieu, 1986; Coleman, 1990; Portes, 2000). The latter considers social capital as resources generated by an individual’s social network for his or her mutual benefits. Meanwhile the collective perspective considers social capital as both people’s social network and their moral attitude or social norms contributing to the common good of a whole community or even a nation.

Thus, collective social capital has a central proposition: “social networks have value” (Putnam, 2000) also because they add emotional and subjective importance (Arnold, 2003). In this direction, social networks constitute valuable resources, which facilitate certain actions of participants within the networks (Burt, 2001; Coleman, 1990; Portes, 1998, Putnam, 1995a; Putnam, 1995b; Putnam, 2000). In fact, the strategic resources perspective here is twofold. First of all collective social capital creates value, is hard to imitate, rare to find, and very sustainable (Barney, 2001). Moreover, it is valuable because it “diminishes the probability of opportunism, reduces the need for costly monitoring, reduces transaction costs, and results in benefits for all” (Oh et al., 2004: 863). The rarity is due to the difficulty of building social capital in teams, and close interpersonal relationships among individuals (Putnam, 1995). The difficulty in imitation comes from the casual ambiguity in the discerning the exact mix of the elements comprising social capital (Maskell, 2000) beyond its nature of not simply replicability or exchanging (Dess, Shaw, 2001). Moreover the same creation of a network could be a source of competitive advantage. Thus following Nahapiet and Ghoshal (1998), Bolino, Turnley, and Bloodgood (2002), and Inkpen and Tsang’s (2005) studies, social capital represents resources embedded within, available through, and derived from relationships at organization level. Viewed broadly, collective social capital could encompass several aspects of team functioning, first of all the cohesiveness of ties between individuals (this aspect represents the structural dimension of social capital), trusting norms (this aspect represents the relational dimension of social capital), and a shared code or paradigm (this aspect represents the cognitive dimension of social capital) (Tsai, Ghoshal, 1998). These social ties within an employment settlement could be considered as an intangible resource (Dess, Shaw, 2001). In this direction, collective social capital is a valuable, unique, hardly imitable and sustainable resource in Resource-based perspective (Barney, 2001). Moreover,
this relationship which lies at organizational level creates advantage for the whole team (Kostova, Roth, 2003), “diminishes the probability of opportunism, reduces the need for costly monitoring, reduces transaction costs, and results in benefits for all” (Oh et al., 2004: 863). These aspects makes the resource valuable beyond rare (Putnam, 1995). Considering the complex nature of relationships, casual ambiguity protect them to be imitate easily (Maskell, 2000) and cannot be appropriate or exchanged (Dess, Shaw, 2001). Thus, in a Resource-based perspective, collective social capital drives toward superior competitive performance (Gupta, Huang, Yayla, 2011) not only for resource itself. In fact, this latter allows involved people to engage in high-quality exchange of information and resources (Granovetter, 1985) to generate better solutions for the tasks confronting the team.

Moreover, this collective social capital has been increased in virtual environment conducive to building social networks. The main cause is to be found in reciprocity and advancing participatory democracy, that in an organization could determine a bottom-up engagement. Moreover, social capital focused on the analysis of ties between people in nearness situation, like in sharing a job environment, is related to indices of psychological well-being, such as self esteem and satisfaction with life (Bargh, McKenna, 2004; Helliwell, Putnam, 2004). In employer branding perspective, these factors result fundamental in order to improve job conditions, limiting the risk of employees’ turnover.

Thus, with the development of Information and Communications Technology (ICT), the interactions between ICT and social capital in organizations have caught lots of interest. The scholars’ opinions are divergent about the above mentioned relationship. Putnam (2000), for example, states that electronic technology contributes to the decline of social capital based on an analysis of the impact of TV. Whereas Hampton et al. (2003) for example argue that ICT facilitate social capital building. These statements demonstrate the early stage of the research about relationship between ITC and social capital. In this field, Yang et al. (2011) define social capital as

\[\text{an individual’s network of social relationships and the qualities of those relationships, which enhance the ability}\]
of participants to associate with each other for mutual benefits. Therefore, social capital is not simply related to the extent to which people are connected to others, but also to the nature of those connections.

In spite of theoretical distinction between individual and collective social capital, and the focus of the current research on the latter instead of the former, the two concepts are not completely separated. ITC impacts influence both components. ICT, such as the Internet, is firstly used by some individuals and progressively diffuses to a larger population. Moreover, this relationship occurs in a specific environment defined by specific time, space and context (Yang et al., 2011).

Through ITC temporality is changed and could be considered at both mono-chronicity and poly-chronicity (Kakihara, Sorensen, 2002). The former is related to focus one task in one moment, the latter foresees multitasking activity in the same moment, that is the more frequent situation in labour environment.

Spatial issue is not refers only to geographical conditions (Kakihara, Sorensen, 2002) but to all situations that beyond borders create a “space”, which facilitates the construction of social networks and receipt of social support. Thus virtual communities has own space also if the members are geographically far each other; they share a different meaning of nearness, that laid on ties. In fact, as stated by Webber (1963) and remarked by Rheingold (1993), internet leads to the concept of “community without propinquity.

Contextual feature refers to a settlement where interaction at both individuals and community levels occur (Kakihara, Sorensen, 2002). ITC has changed also this aspect. In a traditional relationship, context is also a situation or a physical environment linked to specific behaviour rules. In ITC perspective context could refer to a “room” that is virtual. This does not mean a lawlessness context but different habits.

So the relationship between the two concepts of individual and collective social capital could be depicted as below.
Even, some scholars like Putnam (1995a, 2000) identify obstacles to the potential effect of online social networks. First of all, the text-based online communication lacks of non-verbal communication that builds trustworthy and reciprocal social relations. Kraut et al. (1998) point out that using the Internet alone in a private space can decrease levels of face-to-face personal conversation and bring about depression and loneliness in people. Moreover, a key question is referred to understand if the social capital developed in virtual communities is strong enough to stimulate members to overcome the barriers of complex knowledge sharing process, and then share valuable knowledge. However, Putnam and others refer only to old forms of community and participation, without focusing to new forms of communication and organization, considering the decline in social capital and an increase in interpersonal alienation. Thus, it is an oversimplification to assume that only face-to-face interaction could support sustainable social capital. In fact, in the opposite direction, studies of physical communities (such as employment community) supported by online networks have concluded that computer-mediated interactions have positive effects on community interaction, involvement, and social capital (Hampton, Wellman, 2003; Kavanaugh, Carroll, Rosson, Zin, Reese, 2005).
These statements lead to “the Internet paradox” (Kraut et al., 2002; Kraut et al., 1998). Two opposite arrays of thoughts (Valenzuela et al., 2008):

- “rich get richer” perspective: psychologically betterment (i.e., have high self-esteem and life satisfaction, have more offline contacts, are more popular, etc.) gains more from using Internet services (i.e., Tian, 2003).
- “poor get richer” perspective: it is the condition of those less better-off that gain more from the Internet than those who are better-off (Stern & Dillman, 2006).

The evidence is far from conclusive, but it is clear that the positive or negative effects of the Internet on social capital are contingent upon the way this medium is used (Ji-Young, 2006).

Another barrier to co-creation in Web 2.0 can be referred to the employees’ attitude. In fact, if the younger workforces are used to be involved in knowledge sharing, baby boomers (see Introduction) have not a natural inclination to put their ideas and opinions to the test of collective judgment. Otherwise, these activities might become perceived as pervasive control methods beyond strictly work life, allowing management to encroach on employees’ social territory. The line between personal and work reasons for settling a web 2.0 relationship is thin. Social capital becomes hard to build because relationships with others are not primarily social (Singh, 2011).

Communities within organisations have several advantages, such as the scope to make available a wider range of rewards for knowledge sharing. Moreover, they can build more robust supporting infrastructures, and promote strong beliefs about organisational ownership of individual knowledge and expertise.

3.3.1 Learning Process
The value created and co-created in an organisational virtual community activates social learning process. The latter focuses on knowledge sharing and apprenticeship in informal communities of more or less co-located professionals (Lave, Wenger, 1991). Considering the computer mediated communication analysed for virtual communities, here co-location is the software platform inside the organisation: a shared “place”, common to all employees, even if geographically spread. In fact, independently by location, all participants in organizations are encouraged to learn to perform as long as the learning does not question the fundamental design, goals, and activities. This represents a systematic behaviour aimed at strengthening organisational most important asset, the knowledge embedded in firms’ employees (Andriessen, 2005). This statement determine the so-called “community of practise” (Lave, Wenger 1991), that focuses on “situated learning”, a transferred knowledge, from workers to workers. The aim is in developing new solutions and innovative ideas. The transferred knowledge could be seen as an information enriched by personal experience and interpretation, related to an actual situation (Andriessen, 2005). Knowledge is often very implicit, not consciously articulated Thus, this kind of knowledge strengths the organisational involvement reinforcing employee–employee relationships.

This communication of contents could be considered as no-formal practices instead of those depicted by Lave and Wenger (1991), and Brown and Duguid (1991) definable as formal descriptions of work. However beyond labels, the potential of the communication and interaction platforms in an employment context allows to share resources such as routines, vocabulary, symbols, and feelings able to accumulate knowledge of that group. This shared repertoire serves as a foundation for future learning (Andriessen, 2005).

Particularly key breakthroughs in helping people understand the dynamics of learning are the concepts of single-loop, double-loop and triple-loop learning (Argyris, 1976). First, in a so-called single learning loop (that could be considered the stage of Following the Rules), workers and managers could use web 2.0 technologies to experiment and deviate from the prescribed working processes when required by a specific instantiation of that process (Argyris, 1977). Here, the goal is improvements and fixes that often take the form of procedures or rules. Single-loop learning leads to
making minor fixes or adjustments. This stage represents the precondition of co-
creation.

A further step in the learning process is a double learning loop (that could be
considered the stage of Changing the Rules). Here, workers and managers are willing,
able, and empowered to (re-)design processes along the lines of the latest state of
collective knowledge. This kind of learning involves creativity and critical thinking,
especially during times of rapid change.

The last stage is triple learning loop (that could be considered the stage of Learning
about Learning). This is properly the stage of co-creation where outputs produce new
commitments and ways of learning. In fact, this form of learning challenges firms,
especially between individuals separated widely by time and space. The relationship
between organizational structure and behaviour is fundamentally changed because the
organization learns how to learn. The results of this learning include developing better
understanding of how to respond to environment, and deepening comprehension of
employment dynamics. This serves as an a priori specified boundary control
mechanism to effectuate the realization of benefits from the intent of strategic
decision makers downward into the operations (Weill, Ross, 2004). In this step,
participants could use wikis\textsuperscript{13} to synthesize improvements to a specific process based
on common single and double loop learning experiences, or they could use tag clouds
and search capabilities to identify relevant communications and social networks that
might inform a process (re-)design.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{learning_loops.png}
\caption{Learning Loops}
\end{figure}

\textsuperscript{13} A wiki is a website that allows the creation and editing of any number of interlinked web pages via a
web browser using a simplified mark-up language (Encyclopaedia Britannica; Oxford Dictionary)
Wikis are typically powered by wiki software and are often used collaboratively by multiple users.
The three loops have different levels of complexity (Kahane, 2004). Single-loop learning is used to solve simple problems, focusing on single parts of them in isolation. This stage the organizational structure is of a top-down type; contributes are proposed by leaders or experts.

When the levels of complexity are high, it becomes more critical for a community to be able to also use double- and triple-loop learning in order to make learning an integral activity. The organization has to be open in order to involve the concerned people in developing solutions, accepting contents by all the parts as a single system. In fact, collaboration is the prerequisite in web 2.0. Individual members are incorporated into a greater whole of activities, interactions, and relationships that create a self-sustaining ecosystem (De Hertogh et al., 2011). This determines a constellation of engagement based on knowledge sharing; if collaboration fails, the system basically ends. Therefore, for a co-creation process aimed at retaining, engagement have to create a community, a group of people that share interests and interactions (Singh, 2011).

### 3.4 Social Networks and Social Networking for Employee Retention
Social networking sites are online spaces that allow individuals to present themselves, articulate their social networks, and establish or maintain connections with others (Ellison et al., 2006). Users may use the sites’ communication tools to interact with those they know from offline contexts or they may use the sites to meet new people. There is very few literature about online social networks. Boyd and Ellison (2007) define social network sites as “web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system”. As social media (Brecht et al., 2011), the functionalities of these sites vary on the users base. Interesting is the study about offline and online relationships about social networking. Social sites generally support the maintenance of pre-existing social networks, whereas some even help strangers to connect. In this direction, for example, Parks and Floyd (1996) find that “relationships that begin on line rarely stay there.” Currently the structure of online social networking sites aimed at both facilitating meetings with new individuals as well as maintain existing ties. In this direction, Donath and boyd (2004) hypothesise that online social networking sites may not increase the number of strong ties a person may have, but could greatly increase the weak ties. So, “If this is true, it implies that the technologies that expand one’s social network will primarily result is an increase in available information and opportunities — the benefits of a large, heterogeneous network” (Donath, boyd, 2004). Well – networked communities tend to be self-regulating. Without any supports labour communities are made up of weak links, more so than strong ones, and bridging relations, more so than bonding relations (Arnold, 2003). Weak links are links that exist between acquaintances, instead of strong links that are those formed among family members, intimates. Strong links could be translate also in public contexts such as employment bonding members through engagement and making the resources of the group available only to its members. Effective networks and effective networkers simultaneously bond along one dimension and bridge along another (Arnold, 2003). Moreover, Putnam (2000) makes a distinction between bonding and bridging social capital. Bonding social capital refers to the strong forms of connection which are usually thought to be characteristic of kinship relationships and traditional
communities. Bridging social capital is characterised by looser relationships, which might for, example, provide a link between distinctive social groupings. In the current research the lens of social capital has been adopted as a way to determine whether these sites are actually associated with increases in useful connections, information and opportunities for employment field.

In a professional context the use of social network sites is still no globally used. Some companies discourage their employees from using social networks at work, fearing lost productivity and wasted time. There is a sort of moral panic in reaction to new forms of communication. Nowadays, companies are intensively using these sites for company branding and product branding (Nielsen, 2007). Meanwhile, only very few companies seem to apply online social networks for employer branding, but their use could have a business purposes also if allow users to upload photos of themselves and personal information. Community-building across vast organisations is one of the goals. Moreover researches have demonstrated that relationships of a more informal nature are playing an increasingly significant role in the knowledge activities (Hansen, 1996; Tsai, 2002), with a positive relationship between participation in informal intra-organizational knowledge sharing and organizational performance (Hansen 1996). For these reasons, computer mediated networks in social environments are even more spread in all kinds of organisations. This is true both for public and private sector because new technologies aim at facilitating communication and learning (Butler, 2001). In fact, these networks enable social many-to-many communication increasing engagement as the basis of social activities.

At the basis of the creation of this kind of ties there are two characteristics adopted for public goods theory: nonrivalry and nonexcludability (Landqvist, Teigland, 2005). The former allows the good and its benefit to be offered to everyone in the collective, and nonexcludability influences individual decision-making about participation in the production, maintenance, or consumption of the public good. In this direction Wasko and Teigland (2004) identify five critical areas for understanding the production and maintenance of public goods in electronic networks:
heterogeneity of the individuals in the collective. The more heterogeneous a group is in terms of its interests and resources, the more likely that there is a critical mass or enough level of resources (Oliver et al., 1985).

relational structure of social ties between individuals in the collective. It represents the personal relationships that exist between individuals in the collective as a whole.

norms of behaviour of the collective. Basic for computer mediated communities are some norms like cooperation (Nahapiet, Ghoshal, 1998), reciprocity (Putnam, 1995b), openness and teamwork (Starbuck, 1992), and tolerance of both criticism and failure (Leonard-Barton, 1995) that are developed around appropriate conduct in the network (Wasko, Faraj, 2000) towards a “netiquette” (Landqvist, Teigland, 2005).

affective factors of the collective. Many affective factors emerge in a computer mediated community, such as trust (McAllister, 1995; Nahapiet, Ghoshal, 1998; Ring, Van de Ven, 1994), obligation to the collective and identification with the collective (Nahapiet, Ghoshal, 1998), affiliation (Leana, Van Buren, 1999), commitment (Mowday et al., 1979), sentiment and ethical legitimation (Reisman, 1990), and organizational citizenship (Organ, 1988). The affective factors result crucial for positive associations between individuals and the collective (Leana, Van Buren, 1999).

sanctions for noncompliance in the collective. Noncompliance with collective norms and subsequently sanctions enforce the sense of belonging (Olson, 1965; Ostrom, 1990). Sanctions foresee control and monitoring but considering the nature of “free – ride” participation, members of a virtual community would be involved unless they are restrained and defectors punished for their actions (Olson, 1965).

So, the software lets people join and form online groups, list their interests and expertise, post text and pictures and different kinds of data, communicate privately or openly with each other, and have all their postings tracked and/or analysed and made visible on a single screen across an organization. The basic concept is that of providing a clear understanding of who knows what, and who knows whom, within a
company and among its business partners. This has twofold impacts: on employees – employees and employer – employees relationships, and on harnessing the energy and information in order to improve core business tasks including sales, marketing and knowledge management (Cone, 2007). In this direction transforming the way enterprises share, collaborate and exchange knowledge provides a competitive advantage pointing on differentiation. These results are difficult to quantify, and much of the expected payoff depends on intangibles such as relationships and culture that are hard to measure.

Obviously the mere technological infrastructures is not enough if the aim is supporting social activity (Finholt, Sproull, 1990; Sproull, Kiesler, 1990; Hagel, Armstrong, 1998; Hof et al., 1997). In fact, the infrastructures does not guarantee that individuals join and participate in online social network. Thus, social network is the mean but not the “if...will” condition of social networking. First of all the same organisational structure has to change in order to receipt the changes. Information and sharing information represent key assets critical for success (Choo, 1998a, 1998b; Davenport, Prusak, 1997; Davenport, Prusak, 2000). Thus scholars (i.e., Heydebrand, 1989; Jarvenpaa, Ives, 1994; Miles, Snow, 1992; Nohria, Eccles, 1994; Sproull, Kiesler, 1991; Ward et al., 2000; Wellman, 1997) claim that networked organizations are characterised by new communication structures based on electronic networks where information flows flexibly and spans group and organizational boundaries (Quan-Haase, Wellman, 2004). So generated networking has a flexible structure contrasting with strict bureaucratic organisations and hierarchy (Baker, 1992; Heckscher, 1994; Heydebrand, 1989; Miles, Snow, 1992; Nohria, Berkley, 1994; Nohria, Eccles, 1994; Ward et al., 2000). Computer based means erase barriers of space and time (Castells, 1996).

According to Bandura (2000, 2002), people engage in a computer mediated community when they feel that their participation and their computer mediated communication is both worthwhile and efficacious. Moreover in order to keep and maintain membership organisations have to provide long lasting benefit for members. First of all the prerequisite of sustainability of computer mediated social structures is resources access (Butler, 2011) in order to maintain a positive balance between benefits and costs for membership (Moreland, Levine 1982). In traditional social aggregations benefits could include opportunities to influence people (Winter 1973);
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social support (Wellman, Whortley, 1989, 1990; Wellman, 1990); access to information (Butler, 2001); the ability to disseminate ideas rapidly (Kaufer, Carley 1993). In online field, the basic benefits are enriched by the mean firstly because of rapidity and spread. Thus they include development of interpersonal relationships, feelings of companionship, and perceptions of affiliation (Furlong, 1995; Hiltz, 1985; Meyer, 1989); encouraging discussion and knowledge sharing (Abbot, 1988; Kraut, Attewell, 1993; Wellman, 1995); allowing individuals to access information and quickly disseminate their ideas (Constant et al., 1996; Finholt, Sproull, 1990; Whittaker 1996); providing social and emotional support (King, 1994; McCormick, McCormick, 1992; Rice, Love, 1987; Walther, 1996). However without resources, it is impossible to provide benefits, and without benefits, it is not possible to attract and retain members in a social structure.

Members are the first source of resource; their interactions allows them to develop new resources not available without these interactions granting benefits for the same members (Butler, 2001). Moreover, the interactions lay on communication. Thus, without communication, resources remain dormant, and no benefits will be provided for individuals (Bonner, 1959; Hare, 1976; Homans, 1950; Stogdill, 1959; Shaw, 1981). Particularly, communication is necessary for supporting identity among social structure members. Particularly, personal identity is derived from community membership, and that in turn, communal identity is derived from its membership (Arnold, 2003). The amount of communication impacts on the flow of information sharing, development of strong relationships among members, and coordination of more complex activities. In spite of positive aspects, communication represents a cost for all members. In fact, communication is the first tool of knowledge and information sharing, that properly are resource for a computer mediated social network. Contributing members decide to invest time, energy and knowledge if they actively participate to social structures. This represents the explicit costs, meanwhile the passive membership, that contribute to create an audience, is the implicit cost of communication. According to some scholars (Davidow, Malone, 1992; Malone et al., 1987), it has been expected that the new communication technologies will reduce or even eliminate the costs of communication activity.

Considering larger organisation that implement online social networks, the size of the latter represents a problematic issue. In fact, even if a larger size allow the social
structures to have more resources transformable in social benefits, on the other hand the size impacts on participation. The more the size is large the more the danger of free-riding and social loafing increase (Markus, Connolly 1990; Rafaeli, LaRose 1993; Thorn, Connolly, 1990). Single member could tend to contribute less because their expectative to others’ contributions (Petty et al., 1977). This situation determines a negative circle; in spite of a larger resources pool a lack in members’ contribution does not allow to generate benefit necessary to continue to attract and retain members. The loss of interest is translated in less commitment and satisfaction (Cartwright, 1968; Indik, 1965; Slater 1958), and hence less likely to join or remain members (Baumgartel, Sobol, 1959; Cleland, 1955; Porter, Lawler, 1965).

3.5 ENABLERS DIMENSIONS

Successful functioning of the online social network without an active participation of a substantial part (ideally, all) of its members (Dixon, 2000). There should be their active participation in various activities at both synchronous (i.e. live chats, video conferencing etc.) ad asynchronous (i.e. posting questions, providing answers and feedback etc.) level (Ardichvili et al., 2003; Hayes, Walsham, 2000).

Social capital increases commitment to a community, and ability to mobilize collective actions, among other benefits. So, the strong potential of virtual communities in employer branding perspective comes from a statement. Most relationships formed in cyberspace continue in physical space, leading to new forms of community characterised by a mixture of online and offline interactions (i.e., Rheingold, 1993, 2000; Müller, 1999; Matei, Ball-Rokeach, 2001). In fact, virtual communities instruments are useful for maintaining and strengthening existing ties, pointing on commitment (Koku et al., 2001). They provide a convenient, affordable, and powerful supplement to telephone and face-to-face contact. Moreover computer mediated communities allow people to “meet” one another because of affiliation with them on a community level (Rehngold, 2000). It’s a way of both making contact with and maintaining a distance from others. Meeting in cyberspace impacts on affiliation: in traditional kinds of communities the encounter is
the precondition of knowing. The situation is completely overturned in computer mediated communities: knowing could lead to a physical encounter.

Online communities provide a place for social interaction, for people to meet others with similar interests, and for the creation of social cohesion (Quan-Haase et al., 2003) towards a sense of online community. Moreover, knowledge sharing is more likely to occur when individuals hold strong beliefs about organisational ownership of their information and expertise (Jarvenpaa, Staples, 2001), and when a positive attitude towards knowledge sharing is promoted within the organisation (Bock, Kim, 2002). In this direction business environment results crucial because it is the settlement where individuals are bound into a particular set of operations with a common corporate goal. Singh (2000) defines this kind of community “e-group”, considered as an organic community where members provide hints, ideas, support and encouragement. This situation is not tightly controlled contrasting strongly with many “managed” communities instigated in the work place.

Rehngold (2000) concludes that it is not just information or knowledge that individuals seek in virtual communities. Individuals want to establish a sense of belonging through shared identities, relationships and commitments a “collective intelligence” capability (Turoff, 1976). Considering this in terms, it would appear that e-group members are initially attracted to e-group membership by the element of “take” in a sharing relationship. It is clear, however, that return visits are prompted by the desire to give back to the community in a perspective of collective “morality” based on reciprocity (Hall, Graham, 2004). Thus, people are more committed to collective community focusing on a goal of fostering group cohesion. So, employees are invested in the success of the organization especially if they identify with the firm and see their own personal success closely linked to it. This ethic of contribution occurs through increasing the collective value as well as contributing to the success of others. In employer branding perspective, this is the real commitment for co-creation. Employees constantly help each other as they each have expertise in different areas and can pool together their knowledge toward joint problem solving.

One of the key challenges when setting up a virtual community is how to motivate participation. Hall and Graham (2004) state that offering the hard/explicit reward of access to individual learning is important to attracting people into a community, but will not necessarily mean that they will give, as well as take, from it. Also the soft
reward is crucial especially in a work environment. Here the attractive factors could be reputation and personal satisfaction particularly if the work of the group is considered intellectually challenging.

Summarising, above reported considerations suggest that virtual communities in employment field aimed at retention are more likely to be created and sustained if there is a heterogeneity of resources and interests, a pattern of social ties that supports exchange, norms and affective ties to guide collective behaviour. Creating and maintaining sustainably this kind of communities would be dependent upon the ability of the features offered on the network site to support the necessary preconditions for the collective of practitioners. The latter could be summarised in questions linked to the involvement in a employees based community: engagement, empowerment and control in a particular servicescape. In fact, structure that points on engagement has to be able to face the problem of control. A co-creation based on self-management contributions determines employees’ empowerment and consequent feeling of power and control loss.

3.5.1 ENGAGEMENT

Employee engagement is a complex concept, with many influencing issues. Kahn (1990) defines engagement at work as “harnessing organizational members’ selves to their work roles”. In this direction each company may define employee engagement differently, but the key to be effective will be rooted in the flexibility of approach. Moreover, engagement could can be considered as cognitive, emotional and behavioural (Rama Devi, 2009). Cognitive engagement refers to employees’ beliefs about the company, its leaders and the workplace culture. The emotional aspect is how employees feel about the company, the leaders and their colleagues. The behavioural factor reflects the amount of effort employees put into their work. The more employees are engaged with their organisation the more the productivity is high. The latter have a strong tie with employee, that consists of a variety of components, such as communication, respect, trust, teamwork and positive work relationships.
In this direction, the virtual community could represent a crucial brick in the engagement building. Following Ellis et al.’s word (1991) computer mediation for employment communities “support groups of people engaged in a common task (or goal) and that provide an interface to a shared environment”. Thus this community involves mutual engagement, not merely the performance of the same kinds of task (Brown, Duguid 1991). The engagement dimension and sharing feeling are crucial for development. Generally members of a community feel a sense of belonging with other members because they are well connected through the same community. This feeling is enhanced by trust.

Trust is in part a precursor for the engagement in a virtual community. People interact more easily with those who they trust and feel close (Quan-Haase, Wellman, 2005). Employees who have high trust in the organizations remain longer with the organization, put in more effort and work more cooperatively (Dirks, Ferrin, 2001). Meanwhile the opposite position may produce counterproductive behaviour, such as obstruction or seeking revenge (Bies, Tripp 1996) or decide to leave (Robinson 1996). Barney and Hansen (1994) thus conclude that perceptions of organizational trustworthiness and trust in an organization could provide a competitive advantage for firms.

Cohen and Prusak (2002) claim that trusting relationships among co-workers are the basis for knowledge sharing and joint problem solving. The scholars see in ties the key factor for success because of facilitation in developments of resources flow. The concept of trust is particularly true in virtual communities because computer mediated communication could interrupt people’s work though automatically pop-ups on the screen. Nevertheless, when a close relationship links two people, then they do not perceive the interruption as intrusive (Quan-Haase, Wellman, 2005). Also because computer mediate communication is seen as a polite request. Alerting pop-ups do not force colleagues to respond immediately, unlike a phone call. So, here trust plays an important role because employees need to trust that others will use the various media appropriately. Also because employees use various media (beyond computers) simultaneously to interact with different people towards hyperconnectivity (Quan-Haase, Wellman, 2005). As a consequence workers could communicate with each of their communication partners more frequently and they can communicate with more partners in less time not only knowledge but also feelings, humour etc. To ensure this
type of trust, organizations need to make the organizational expectations and procedures transparent through clear and widely accessible communication of these expectations and rules.

Thus, perceived organizational trustworthiness is related positively to employees’ trust in their employer. Whitley (1987) defines this organizational trust as “collective characteristics of an administrative organization and top management group which are not reducible to features of individual actors and which ensure some continuity of activities and direction when those actors change”. Therefore, it can be argued that trust in the employer is based on the evaluation of multiple sources of evidence operating at a variety of levels relating to the organization (Rousseau et al. 1998, Zaheer et al., 1998).

Trust feeds improvement in communication flow, fostering participation, and encourage employees’ to invest both tangibly, as well as emotionally, in their employer (Vandenberg et al., 1999). In this direction there is synergistic effects, resulting in maximal performance, commitment and motivation (Searl et al., 2011). On the other side, according to Batt (2002) a high involvement requires “relatively high skill requirements; work designed that enable employees to have both discretion and the opportunity to use their skills in collaboration with other workers; and an incentive structure that enhances motivation and commitment”. So, in order to increase engagement the following practices are frequently included (Huselid, 1995; Ichniowski et al., 1997; Delery, 1998; Boselie et al., 2005):

- **information sharing and employee participation**: as stated before communication is crucial for developing a relationship between employees and management (Korsgaard et al., 2002; Tzafrir et al., 2004).
- **job security**: Carnevale and Wechsler (1992) claim a clear link between job security and employees’ willingness to both take risks and the development of engagement in an organisation. In other words, job security makes people feel less vulnerable.
- **performance management**: it is a mechanism of communicating to employees what is expected of them and what they can expect in return (Searl et al., 2011). The transparency behind this system could enhance employees’ sense
of control over their situation, and hence, lead to a reduced sense of vulnerability.

**training**; this kind of investment could be seen by employees as a manifestation of an organizations’ willing to improve employees’ skills and career opportunities (Waterman et al, 1994). From an exchange perspective, training could be considered as an investment in the employee which employees may reciprocate by remaining with the firm (Tsui et al., 1997). Conversely, this is also an investment in a reciprocal trust for retention.

In this perspective engagement could be assimilated to the relational dimension of embeddedness, as hypothesised by Nahapiet and Ghoshal (1998). The latter includes interpersonal trust and trustworthiness, overlapping identities, and feelings of closeness or interpersonal solidarity. Thus, a virtual community acts on engagement to the organisation and vice versa. The possibility to see if other members are connected or not creates a feeling of closeness. This is particularly true especially if the organisation consists of numerous employees that work constantly in front of a desktop. Virtual community could represent one of the few means of keeping the sense of belonging and breaking monotony. This promotes closeness among members and integrates them into a web of online exchanges – both work and social even if the ties are of weak type, as stated before. On the other hand, hyperconnectivity requests employees to be multitasking dealing simultaneously either with their own work demands and others’ requests for information.

An engaged employee is aware of business context and works with colleagues to improve performance within the job for the benefit of the organization. For this reason organisations with higher levels of employee engagement are also strongly linked with higher revenues, profit margins and overall returns on investment. According to Watson Wyatt’s Work USA, the three-year total return to shareholders was 36% higher in organizations with high-employee commitment (112%) compared with low employee commitment (76%) (Barrow, Mosley, 2005). As well as a research by Bernard Hodes group demonstrates the financial outcomes of employee engagement, involving emotional elements, as realised in stock prices and stock premiums to the market.
Moreover, according to Douglas (1978) and Gross and Rayner (1985), the engagement determines group ties (with high or low strength). High group strengths result when people devote considerable time and attach great importance to interacting with other group members in their unit. Group strength is low when people act in ways that benefit them individually and are neither constrained by, nor reliant upon, others in the group.

3.5.2 EMPOWERMENT AND COMMITMENT

User empowerment is a peculiar characteristic of many social network sites that renders authentic communication necessary. Empowerment is defined as enabling an individual to become more involved in the decision-making process. Thus, it could be realised through the assign individual responsibility to each member of an organisation. Four core aspects depicting empowering organizations include: “the provision of information, power, knowledge and rewards to employees” (Psinos et al., 2000). Information systems have been viewed as a supportive tool for the distribution of information and knowledge thereby enabling empowerment, though not able to initiate this practice.

This concept is clearly related to engagement. In fact, the latter could not be developed without a community and without specific role in the community. In fact, the idea of empowerment is not limited to organizations but rather is prevalent within society, most notably following widespread internet use. Empowerment in this context can be seen as synonymous to user-generated content towards co-creation, where individuals are enabled to contribute directly through the internet. The use of social network sites and wikis exemplifies the extent of empowerment. Furthermore, society has recognized this shift in influence from a select few to the vast majority, as is illustrated by Time Magazine’s 2006 person of the year: you. This award acknowledges the growing significance of individuals and their impact on community and collaboration.

In an organization, empowerment comes with controls in the form of structural boundaries, accountability and responsibility (Duane, Finnegan, 2003). In this
context, information technology continues to play a key support role in enabling a greater number of individuals to contribute, however, it also affords individuals the potential to initiate empowerment. Thus, in the employer branding in co-creative perspective empowerment assumes even more the status of proactive behaviour. Crant (2000) defined the latter as “taking initiative in improving current circumstances or creating new ones; it involves challenging the status quo rather than passively adapting to present conditions”. Proactive behaviour implies an active approach toward work (Frese et al., 1996; Parker, 2000) and aims at improving given work methods and procedures. In this direction, a variety of factors concur to pro-active behaviour, such as personal initiative (Frese et al., 1996) and flexible role orientations (Parker et al., 1997), but also search for learning opportunities and engagement in learning activities (Frese et al., 1996; London, Mone, 1999). Early studies about pro-activity tend to underline the personal disposition (Bateman, Crant, 1993). Meanwhile, more recent streams aim at demonstrating that proactive orientations and behaviours are additionally predicted by workplace factors and organizational variables (Fay, Frese, 2001; Morrison, Phelps, 1999; Parker et al., 1997).

In this direction being empowered of an activity means having the capacity to choose rather than to let reinforcement contingencies or any other internal or external pressures be the determinants of one’s actions or behaviours (Deci, Ryan, 1985). This kind of employee may be more equipped to deal with an increased workload and may be more willing or able to use control opportunities available in the environment as an antidote to stressors. In contrast, individuals who are non-self-determined may find increased job control stress-exacerbating, perhaps due to an orientation toward external contingencies and a general lack of experience in being autonomous and in utilizing personal control (Deci, Ryan, 1985; Kasser, Ryan, 1993, 1996; Ryan, Deci, 2000).

In this direction, empowerment is strengthened by commitment concept. According to Vance (2006) commitment is defined as “both a willingness to persist in a course of action and reluctance to change plans, often owing to a sense of obligation to stay the course”. In this direction people are simultaneously committed to multiple entities, such as economic, educational, familial, political and religious institutions.
Commitment, in the work context, could be defined as “a strong belief in and acceptance of the organization’s goals and values; a willingness to exert considerable effort on behalf of the organization; and a strong desire to maintain membership in the organization” (Mowday et al., 1979), and used it to predict employee turnover and other outcomes. Meyer and Allen (1991, 1997) further refined this construct by defining two discrete components of commitment: rational commitment, which is driven by self-interest or the belief that engaging will result in something of value such as financial reward or professional development, and emotional commitment, which is driven by a deeper belief in the job, other employees or the organisation as a whole (Stairs, 2005). The former starts with a clear definition of specific role with a degree of autonomy and responsibilities. The rational correspondence is the reward and remuneration and the opportunity to progress, conducted within a reasonably comfortable working environment, in exchange to efforts. The further step beyond the call of duty is findable in the emotional level. Here, like in the engagement dimension, employees need to feel the organisation is committed to them in a situation of mutual trust. For these reasons the commitment dimension is strongly influenced by employees – employer relationship. The manager bridges this relationship “dealing breaker” in relation to retention (Blessing White, 2006).

Positive emotion is emerging as a critical element in the success of teams and workgroups, especially where creativity, strategic thinking, cohesion, co-operation and resilience are required. And fun and humour could be crucial issues (Stairs, 2005).

All the components of commitment are included in the Workforce Commitment Index (WCI). This is the dependent or outcome variable, which sets the foundation for investigating what organization factors and conditions (independent variables) will have the most impact on commitment (Stum, 2001). The variables are codified in three macro – categories: productivity, pride and retention. Further these parameters are used to redefine Maslow’s model. In fact, Maslow (1943) conceptualises that the individual’s motivational needs from safety through the ultimate stage of self-actualization. New researches aim at defining factors that influence employees’ level of commitment. According to Stum (2001) while Maslow’s model looks at the individual in relation to the totality of their environment, the new model needs to analyses the employee/employer dynamic between an individual and the organization.
In this way Stum (2001) groups all the items into five distinct categories as labelled in the Performance Pyramid from safety/security up through work/life harmony. Precisely, the five levels are:

- **Safety/security.** The employee first and foremost must feel physically and psychologically safe in the work environment for commitment to be possible.
- **Rewards.** Extrinsic rewards in compensation and benefits are the next need that must be met in the hierarchy.
- **Affiliation.** The need for affiliation is intrinsic. A sense of belonging to the work team and/or the larger organization is sought at this level.
- **Growth.** The need for positive individual and organizational change must be addressed to drive commitment at this level.
- **Work/life harmony.** At this level, the drive is to achieve a sense of fulfillment in balancing work and life responsibilities.

This pattern creates the policies, practices and procedures required to assess and accelerate the drivers at each pyramid level. Employer branding in this direction provides the architecture that supports the pyramid levels and thus creates an environment where the highest level of commitment and retention could be attained.

Source: Aon Consulting's Loyalty Institute, 2001
3.5.3 **CONTROL**

ICT plays a crucial role in influencing the dynamics of control in technology mediated interaction. Particularly, the control represents the normative aspect of social interaction in employment field. Control in technology mediated interaction is crucially necessary for organisations whose operations are not only centrally located but also sometimes transcend their immediate geographic boundaries. Firms web 2.0 are characterised by local and global knowledge, differences in idiosyncratic experiences, situational priorities, threatening deadlines, risks, disparities in cultural orientations, and variations in values and norms. So, these dynamics are influenced by all the enablers of a virtual community and co-creation. Thus, technology mediated interaction may not only engender a reduction in managerial control but also scatter the controlling influence powered by the top organisational hierarchy that could be instrumental for mutual information exchange, knowledge sharing and work collaboration.

The emphasis is on today’s work practices that is speedily being shifted from centralised to decentralised business processes, partly because of organisational strategy (Malone, 2004), changing the organisational structure. In fact, a self-regulation theorised before implies that the structure has to be able to face the problem of control. A co-creation based on self-management contributions determines employees’ empowerment and consequent feeling of power and control loss, changing the dynamics and complexion of organisational control such as the driver and motivation behind control strategies. This reflects the basic tension between strengthening managerial surveillance on the appropriate work behaviour (Eisenhardt, 1985; Foucault, 1979) and concurrently aiming to achieve an appreciable level of voluntary conformity.

In order to face the new organisational structures, scholars formulate different approach to control. For example, Barker (1993) develops the notion of concertive control, claiming that organisational control is not static, and that it is influenced by the adopted media through negotiation processes. This concept reflects that control is
not a unilateral process (generally top – down) but that could involve also the targets of traditional control. This could suit with a changing in the organisational towards a more diffused leadership. The approach results holistic.

Another interesting approach to control considers bottom up perspective. Thus, guidelines and self-regulating are more harmonic than top-down control. Particularly, according with Ibarra and Hansen (2011), in order to face the challenge, the necessary skills are:

- playing the role of connector, as critical facilitator of collaboration,
- attracting diverse talent,
- modelling collaboration at the top,
- showing a strong hand to keep teams from getting mired in debate.

If companies spend significant resources on presenting themselves on social network connection, they should invest as much to monitor more than control its developments. Monitoring should be carried out continuously. However, content can only be controlled to a limited degree: employer’s manipulations are restricted by the ability of users to verify the content and may lead to undesired consequences, such as loss of trust. The existence of supportive work environment, made by a virtual community and social ties, with a supportive supervisors had direct positive effects on perceived control as well as some direct effects on psychological, physiological, and behavioural indicators of strain. Perceived control, more that a monitoring, in turn, was associated with lower levels of work conflict, and lower levels of job dissatisfaction, depression, and somatic complaints (Thomas, Ganster, 1995).

Moreover, engagement and control are intrinsically connected considering the online social behaviour of employees. Applying the Douglas grid/group typology (1970, 1978) in employment field, it is possible create a matrix pivoted on two variables: engagement and control. The intersections of different levels of mentioned variable determine four different behaviours (Otto, Simon 2008) narrowly correlated to organizational structure:
Fatalism (high control, low engagement); individual autonomy is minimal. The organizational environment is hierarchical and people are classified according to well-established and formal rules.

Egalitarianism (low control, high engagement); individualism is founded in shared social experiences. The organization invites to less structured relationships aimed at active participation.

Individualism (low control, low engagement); the social context is dominated by strongly competitive conditions, volatile circumstances and prescription for individual autonomy.

Hierarchy (high control, high engagement); is a social context with strong control on individuals and group individual. The structure is based on overt competition and social mobility.

The use of social network sites in a co–creative employer branding perspective take the position of egalitarianism. The latter implies an organisational structure able to face the correlated features. In these terms the question of leadership becomes crucial.

3.6 Leadership and Social Co–Creation

The effect of resources is facilitated when situated in a proper context (Hitt et al., 2001). In this direction, the performance impact of new technologies is also likely to be stronger in the presence of appropriate contextual variables (Hsieh, Tsai, 2007). Therefore, it is important to consider the changing in the organizational structure that a web 2.0 could determine; from directive to emergent styles of governing, in order to avoid risk of discouraging user participation. Technology-supported organizations are expected to be “flatter”, with less internal hierarchy and more fluid processes and communication patterns (Davidow, Malone, 1992, Sroll, Keisler, 1990). Participants will have to be granted sufficient freedom and training to use the Web 2.0 capabilities for process experimentation and discovery purposes. So, leadership style turns in a more consensus-based approach, working toward common goals. An emerging stream in leadership literature views the team as a potential source of leadership (Avolio et al., 2009; Yukl, 2010). Even more researches point to the importance of sharing leadership among members. For example, Gibb (1954) states “Leadership is probably best conceived as a group quality, as a set of functions which must be carried out by the group. This concept of ‘distributed leadership’ is an important one”. But shared leadership is “still a relatively ‘primitive’ term” (Pearce et al., 2008). As in this referred definition of shared leadership, some authors highlight that the distribution of leadership between members of a group or community first of all influences them in engaging in leadership activities (Carson et al., 2007). In this vein, Pearce et al. (2004) defines shared leadership as a “simultaneous, ongoing mutual influence process within a team that is characterized by ‘serial emergence’ of official as well as unofficial leaders.”

The team literature suggests that transformational leadership is a key aspect for virtual community. Burns (1978) introduces the concept of transformational leadership as a
A new paradigm of leadership that pays more attention to initiating changes among followers and transforming followers’ personal values and group and organizational cultures. Bass (1985) develops the concept pointing on the building of a qualitatively different relationship with followers based on personal, emotional, and inspirational exchanges. In this direction, transformational leadership fit well with the new concepts of community involvement considering its encouragement of human development and interaction and promotes collective motivation and outcomes (Avolio, 1999; Bass, 1998; Yukl, 2002). By developing followers’ self-confidence, self-efficacy, and self-esteem, transformational leaders have a strong, positive influence on their followers’ motivation and goal achievement (Bass, 1990; Yukl, 2002). An extensive amount of empirical evidence now indicates that leaders who display the components of transformational leadership are viewed as more effective leaders and achieve higher performance than leaders who are not transformational (i.e., Howell, Avolio, 1993). Thus, transformational leaders are able to support organizational citizenship behavior (see second chapter), enhancing a social and psychological work environment. Transformational leaders motivate group members to internalize and prioritize a larger collective cause over individual interests. Individuals in this collective vision may be inclined to contribute towards achieving the shared workplace goal without personal and direct expectation. Employees are invited to be involved by their senses of self-worth and/or self-concepts are enhanced in making these contributions (i.e., Podsakoff, Organ 1986). Thus, this affects team members’ ability to benefit from working with each other (Pearce, Conger, 2003). In this context members are motivated to (Avolio et al., 1996)

- question assumptions and challenge status quo (intellectual stimulation);
- support and encourage individual creativity (individualized consideration);
- “stretch” themselves (inspirational motivation);
- move beyond immediate self-interest (idealized influence). Together, these four leadership

Fi. 3.5 Comparing Three Styles of Leadership
In this direction, the current research adopt the Sivasubramaniam et al.’s (2002) findings. The scholars claim that when transformational leadership is enacted collectively by the team level has no direct impact on performance. Leadership is important for these teams since it contributes to team continuity and success (Pearce, Conger, 2003). Particularly the transformation of transformational leadership in virtual context could be referred as collective transformational leadership (Gupta et
al., 2011). The latter could be seen as the team’s capability for collectively engaging in transformational leadership behaviours (Avolio et al., 2009). So that, leadership becomes a collective process that influences, inspires, and motivates team members (Sivasubramaniam et al., 2002). The implications of co-creation in employer branding strategy are various. Basically, existing employees result engaged as a result of altruism or reciprocity or to attain higher status (Dichter, 1966; Engel et al., 1969; Gatignon, Robertson, 1986). More deepening, motivations to participate in the new world of network coproduction are more complex and culturally embedded, shaped by communal interests and communicative orientations. Important factors are personality and general communal involvement (Wang, Fesenmaier, 2003), desire for social interaction (Hennig-Thurau et al., 2004; Wang et al., 2007).

This bottom up perspective of leadership leads to a crucial involvement of single employee in the co-creation of value in employer branding field. In fact, members of a specific employment context are intellectually stimulated, supporting and encouraging one another. This “stretch” themselves (inspirational motivation), and move beyond immediate self-interest (idealized influence) (Gupta et al., 2011). In such an environment, team members are able to interact with each other without fear of criticism and ostracism, enhancing cohesion and empowering ties.

3.6 Social Employer Branding Benefits

New technologies that support social networks is expected to allow benefits to overshadow costs because their new organisational forms subject to different dynamics (Daft, Lewin, 1993). From employer perspective, the three major benefits of employer branding are (Hewitt Associates, The Conference Board, The Economist): lower cost, customer satisfaction, and financial results.

In the perspective of co-creation, a virtual community in employer branding view is able to generate value and could also help to reduce costs. A north America study (2003) reveal a clear correlation between levels of employees engagements and cost of goods sold.
The use of community enablers aims at increasing retention. Moreover the reduction of turnover is a clear reduction of cost, Aon, in the study US at work (2000) estimates that replacing an employee costs half of his/her annual wage, assessment that increases up to one and half times for middle management, and two and half times for senior management.

Co-creation and sense of community allow employees to be cognitively and emotionally involved in an organisation and its identity. Sequentially, employees live the brand (Barrow, Mosley, 2005) and deliver customer satisfaction. The link between employees engagement and customer satisfaction has been corroborated by a number of studies.

While reducing cost and increasing customer satisfaction provide a strong business rationale for focusing on this perspective of employer branding, the question linked to financial performance rest on demonstrating. This could be focus of further researches.

Social capital of social networks site allows individuals to benefit in a variety of ways. First of all participation in a social network allows a person to catch resources from other members of the network and to leverage connections from multiple social contexts (Ellison et al., 2006). These resources could be of different nature such as important information, employment opportunities, personal relationships, or the capacity to organize groups (Paxton, 1999). Particularly, in employer branding field, individuals could access to non-redundant information, resulting in benefits such as employment connections (Granovetter, 1973).

From employees perspective, Mayer and Davis (1999) found that a well conceived performance management system demonstrates that employers want to recognize and reward employees’ contributions, signalling that management cares about their interests. Moreover, rewards system could create a positive circle, becoming itself a retention tools In this direction, the scholars differentiate between directly and indirectly benefits. The former involve the actual work attributes such as pay, career planning and job security. Meanwhile the latter are related to more intangible aspects, such as the culture, co-worker affiliations, structure of the organization. The most effective compensation plans support an organization’s strategic objectives. A well-designed compensation plan gives your organization a competitive advantage if the plan comes from an attentive strategy of total reward system and work/life balance.
3.7.1 TOTAL REWARD SYSTEM

Considering the scarcity in financial resources, employers have had to find alternative forms of rewards that cost less to implement but that still motivate employees to excel. An answer to this instance is the “Total Rewards Strategies” (Ledford, Mohrman, 1993) which matches with the work ethic, emphasizing the relationship between enjoyment of reward elements and performance. Fernandes (1998) describes total reward as “The sum of the values of each element of an employee’s reward package.” In this direction, total reward is a reward strategy that brings additional components such as learning and development, together with aspects of the working environment, into the benefits package (Armstrong, Brown, 2001) in a holistic approach (Kaplan, 2007). For these reasons it result crucial for co–creative employer branding strategies. In fact, Worldatwork, the Total Rewards Association of U.S., defines total rewards as “all of the tools available to the employer that may be used to attract, motivate and retain employees” (Worldatwork, 2006). It also indicates that total rewards include everything the employee perceives to be of value resulting from the employment relationship.

This kind of reward consists of a variety of factors, from the basic needs (compensation for the done job) to psychological compensation (satisfaction and gratification), modelling on Maslow’s scale (1943). Particularly, among the others definition that of the Total Rewards Association results particularly interesting for the purposes of the current research. The Association have introduced a relatively new framework of total rewards consisting of three components: compensation, benefits and work experience (including recognition, work/life balance, company culture, employee development and environment). Practically, specific outlines are:

- Pay, that consists of base salary, variable pay, recognition and stock options;
- Benefits, that consists of health care, retirement, savings and time off;
Learning and development that consist of career development, performance management, succession planning and training;

Work environment that consists of organization climate, leadership, performance support and work/life balance.

Recognising the work/life balance demonstrates the sense of community in a employment field beyond a reward for the costs sustained in order to develop social capital through social network sites.

![Fig. 3.6 Total Rewards System components](source: Worldatwork)

This system and its components are necessary especially because people do not work simply for pay, they also want get chances for individual development through which they are able to obtain new knowledge and apply their own talent and valuable skills. The advantage in the total reward strategy is in the improvement if employees’
efficiency, satisfaction and performances. Thus an employee feel not anonymous part of a large firm but a considered factor enforcing psychological contract and organizational citizenship behaviours (see the second chapter) (Adams, Ferreira, 2008). In summary total rewards system consists of everything that is “returned” to an employee in exchanging for associating and contributing towards the efforts of an employer. These returns could be tangible and intangible.

**Fig. 3.7 Differences between traditional and total rewards**

Source: Torre, 2008

### 3.7.2 Work/Life Balance

A first definition of work/life balance is

> Work/Life Balance is a state of equilibrium in which the demands of both a person’s job and personal life are equal.\(^{14}\)

Work/life balance is a complex factor raising in the top of many employers’ and employees’ consciousness. The concept was founded in the United States at the end of

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the 70s even if the first employer interest in an early-stage work/life program is W.K. Kellogg Company before World War II. The company created four six-hour shifts to replace the traditional three daily eight-hour shifts, and the new shifts resulted in increased employee morale and efficiency.

Today identification of a supportive workplace is not about salary or benefits, but policies, programs and actions of Work/Life Balance. On one hand compensation is simpler to understand: wages should be adequate to industry, to cost of living and to done job. On the other hand work/life balance has not a so fix definition, the meaning can be different for different people (Ross, 2008). Different individuals will have different expectations and needs at different times in their life. In fact some elements of judgement consist of truly care about employees; keep the promises made while recruiting; work flexibility on a weekly basis due to changing circumstances; family-oriented management of employees.

On the contrary the impacts of the balance are uniquely analysed in improvement of employee morale, retaining employees with valuable company knowledge, and keeping pace with workplace trends (Lockwood, 2003). These factors are fundamental for both internal environment and external reflexes. In fact work/life balance challenges offer a win-win solution between two opposite positions: employees’ personal lives/family values and employers’ aims of competitive advantage in the marketplace. The benefits include:

- Increased productivity
- Improved recruitment and retention
- Lower rates of absenteeism
- Reduced overheads
- An improved customer experience
- A more motivated, satisfied and equitable workforce.

In addition, work/life balance is increasingly important for engagement and affects retention. In fact, new generations X and Y (see Introduction) have different workplace expectations than do the baby boomers and mature workers (Families and Work Institute, 2004). By being aware of the unique needs of diverse groups, as well as by recognising individual differences within these groups, employer branding
could better understand the challenges of increased diversity in the organization’s workforce (i.e., different generations, more females) and work towards designing and implementing workplace policies and practices to engage diverse employee groups.

3.8 Employer Branding Mix Tool

The above mentioned statements lead to the fact that employer branding by means of social network sites has been inspired by the increase of user-generated content with the spread of web 2.0 and the lack of specialized human resources. In spite of the importance of these developments, the phenomenon is yet not very well understood. When companies implement certain strategies, this can lead to short-term and long-term consequences. The former usually only have a considerable impact on the adaptation of SNS strategies and thus help achieve goals on the operational level. The latter usually only emerge after a certain time and experience. They have an impact not only on the presence strategy, but rather on the company itself and thus help fulfil the strategic goals.

First of all, the adoption of social network sites contributes to the creation of social capital, particularly in the category of bridging social (Ellison et al., 2007) enhancing access to a broader set of resources and exchange of useful information. In employer branding context, bridging social capital could lead to potential benefits on both employees and employer sides. Moreover this pretension allows to accumulate the experience with social network sites. This long-term orientation concerns in particular certain types of goals, such as encouraging interaction and communication within the organisation. On the other hand this means also changes in the perception of the adoption of social media toward a flatter organisation in a continuous dialogue stream.

According to Brecht et al. (2011) the use of social network sites could determine long terms consequences. For example, in order to present themselves distinguishably from others, many companies are forced to incur many changes in order to adjust their company identity. Thus, employer branding via social network sites could encourage sustainable improvement.
At operational level, an important advantage of this mean as opposed to others is in the personal information dissemination of users. This status leads to an increasing information value (Brecht et al., 2011). This is quite intuitive. Information given in an informal context is usually regarded the most valuable and the most trusted, bettering the quality of information.

Aspects of both sides flow in the employer brand mix (Barrow, Mosley, 2005). The pattern refers to the wide range of factors that shape people’s employment experience. These can be divided into two groups, relating to wider organizational context and policy, and local context and practice. Every component within the employer brand ‘mix’ should reflect the proposition and values and reinforce the desired brand experience and shape employee experience.

The research finds that if a social network site is settled strategically, organisations could increase their global reach and improve employer brand awareness, in the recruitment stage. Thus, through social network sites, the community of employees
keep in contact with possible candidates. This approach supports the principles of personality and authenticity and helps to disseminate the necessary content and to decentralize the maintenance process. Thus, this approach could lead to increased communication and bonding in order to build the company image.

On the other hand, crucial point in the this research is that these means allow to create a community of employees achieving valuable user bonding, able to increase identification, empower psychological contract and generate retention. If this is true for employees’ side, from employers’ perspective the situation could lead to achieve a long lasting competitive advantage through collective social capital, knowledge sharing and starting up of co – creative processes.
CHAPTER IV
EMPIRICAL ANALYSIS: BEST PLACE TO WORK FOR, ITALY VS. UK

4.1 CASES STUDY

This research has adopted cases studies in order to build theories, adopting a quantitative and qualitative approach. Further, triangulation of multiple investigators is adopted within building case and cross-case analyses from case studies into the larger context.

Particularly, in the labour context the current research has address to analyse two areas of Europe: Italy and UK. The unit of the study in this research starts from two rakings: a comparison between Italian and UK’s “Best Companies to work for”. Both the perspectives are determined from The Great Place to Work Institute, which is a partner of European Commission through Great Place to Work® Europe Consortium (GPW-Europe).

4.1.1 ITALY

The selected cases are of different sectors with no comparison in number of employees.

4.1 Italian best places to work for, some details

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<th>Rate</th>
<th>Firms</th>
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<tbody>
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<tr>
<td></td>
<td>1513 employees</td>
</tr>
<tr>
<td></td>
<td>Manufacturing &amp; Production - Furniture</td>
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<tr>
<td></td>
<td>On Stock Exchange</td>
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<tr>
<td>2</td>
<td>Cisco Systems Italy</td>
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Giuseppina Zamparelli

In Italy the situation linked to Best Place to Work for appears stable, as demonstrated in the next figure. The reason behind this situation is linked to the context. In Italy, the business context is characterized almost by SMEs that only in rare cases have a management different from propriety. This situation determines a scarce propensity to develop employer branding strategies for own employees. Thus is the reason why only bigger brands are in the GPW rank.

4.2 Italian best places to work for

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<td>4</td>
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<td>2</td>
<td>Cisco Systems Italy</td>
<td>↓</td>
<td>1</td>
<td>4</td>
<td>7</td>
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</table>

Source: (GPW-Europe, 2011)
### ELICA GROUP

The Elica Group hoods in the market for domestic use since the ‘70s, is today a world leader in terms of units sold. It is also a market leader in Europe in the design, manufacture and marketing of electric motors for hoods and heating boilers for domestic use. The firm counts 2,800 employees divided into nine manufacturing sites specialized for processing and product types, four of them in Italy and the other five in rest of the world including Poland, Mexico, Germany, China and India. The Thirty years experience is made through important statements, spurring its employees to innovative thinking and facilitating employees involvement in order to have and transmit total energy. The involvement is based on a continuous learning loop. Listening is the weapon winning. Elica has promoted many internal initiatives, collected in a program called Life * bow, aimed at improve the quality of life for employees, inside and outside the company. Of this program are the AERO, the company gym, I AM, the holidays-study in England for the children of employees and a network of subsidized goods and services, but Propeller extends its social responsibility and cultural business to the outside world with so many proposals, projects and initiatives to support.

### CISCO SYSEMS ITALY
Trust, cooperation, respect for individuality and training. Cisco has a culture that is based on goals and the collaboration is in the DNA of our company. Trust is the basis of relationship that Cisco establishes with each employee. Thanks to intensive technologies for example, employees together work from remote at certain times of the day or few days of the week, managing time in a flexible manner. This allows employees to reconcile professional lives with personal needs, trying to achieve an optimum balance between work and private life. The Cisco training is seen as a value: beyond specific moments of professional development on technology for more than one year each Friday afternoon all of University employees participate in the Friday, a currently hosting a meeting scheduled speakers (journalists, academics, consultants) who talk about current affairs and general interest. It is a very welcome initiative because it offers the opportunity to reflect on issues of broad, not necessarily related to our business.

MICROSOFT ITALIA

At Microsoft it is essential to promote concept of “well-being”, which refers to how a person experiences the relationship with the organization where he/she works. The more they share the culture, if employee embodies the “well-being” concept, he/she feels at ease and is able to unfold their potential, the more culture organization is transparent and shared, the more people are able to respond quickly to changes in the internal and external, motivation to find work and innovation in addressing the problems. For Microsoft in brief promote “well-being” means a reliable relationship with “smart” resources and skills such as cooperation, responsibility and innovation - all of which are reveal today more important than ever, for any employer. People in Microsoft are constantly able to do quality work with systems and technological structures, organizational and cultural, which allow anyone to make informed decisions every day. There are no barriers type of communication, organization is clear, transparent and agile, and provides motivations and leadership able to support all activities successfully. Microsoft Italy’s commitment in this regard is made well as the commitment to facilitate daily the lives of everyone in the
company, for example by making available tools that can reconcile the work and family time. The first of these is PC Portable, smart phones and broadband at home that allow everyone to work from home or on the move, responding to their family responsibilities.

W.L. GORE

One of the pillars of the corporate culture W.L. Gore is the “power of small groups”, both in carrying out projects in the evaluation of results: defeated by the challenge is to reconcile the assessment of the contribution of individual maintaining a high level of internal equity and competitiveness to the the market. As says Bill Gore, “compensation follows contribution”.

NISSAN ITALIA

Nissan’s most important achievements are the result of talent and versatility of its people. The company gives a lot of space for this reason the ideas employees, rewarding individual initiative: the internal competition Cost Saving Idea, designed to collect ideas to streamline processes and reduce cost, orientation is an example of the company to continuous improvement through the involvement of all. Some successful initiatives for the company comes from the bottom not by top management and the proposals are accepted by managers as an opportunity to improvement, no matter who proposes them. The transparency and dialogue between the people do feel employees an integral part of the team of Nissan Italia and everyone feels that their work contributes to results of the company.

4.1.2 UK
The selected cases are of different sectors. Only two cases are of food and beverage manufacturing. Here the firms’ size is quite equal: all are of medium – large size with around 200 employees.

### 4.3 Italian best places to work for, some details

<table>
<thead>
<tr>
<th>Rate</th>
<th>Firms</th>
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<th>Industry</th>
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<td>Professional Services</td>
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<tr>
<td>2</td>
<td>NetApp UK Limited</td>
<td>350</td>
<td>IT</td>
</tr>
<tr>
<td>3</td>
<td>Twinings - UK &amp; Ireland</td>
<td>90</td>
<td>Manufacturing &amp; Production</td>
</tr>
<tr>
<td>4</td>
<td>Bacardi Brown-Forman Brands</td>
<td>262</td>
<td>Manufacturing &amp; Production</td>
</tr>
<tr>
<td>5</td>
<td>Taff Housing Association</td>
<td>200</td>
<td>Social Services/Government agencies/Housing</td>
</tr>
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</table>

Source: (GPW-Europe, 2011)

In UK the situation linked to Best Place to Work for appears highly variable, as demonstrated in the next figure. The reason behind this situation is linked to the context. UK is a fertile context for the development of new firms with high interchangeability. The competition is higher than in Italy also because the international comparison is more direct.
4.4 Uk’s best places to work for

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<td>3</td>
<td>Twinings UK &amp; Ireland</td>
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<td>Taff Housing Association</td>
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</table>

Source: (GPW-Europe, 2011)

BARINGA PARTNERS

Baringa Partners has won the Best Workplace Award for the second year running. This a small consultancy with 170 staff, specialising in the energy, utilities and financial services markets. Their vision can be summarised in the words “more of the same”, according to Managing Partner Mohamed Mansour. “Baringa has grown by 35% in the past year and acquired a lot of new and exciting clients, but we have managed to maintain a cultural energy rooted in a sense of pride, fairness and involvement. Despite our rapid growth, people still feel that they can influence the direction of the company and contribute to its growth”. These small businesses not only challenge the larger companies but have been at the forefront of innovations in workplace and people management practices. It’s often easier in small businesses for
the leaders to be accessible to staff than it is in large ones, but because Baringa’s consultants spend most of their time working alongside clients on-site, it makes a special effort to ensure there is a strong sense of community. All official communications, whether the news is good or bad, come directly from senior management and are committed to remaining frank and open. Company–wide emails applaud significant individual efforts, congratulate promotions or carry updates and summaries of the latest client engagements, while quarterly newsletters detail the firm’s successes. Sensitive subjects – reminders of how to behave appropriately when representing Baringa or bad news about people leaving – are handled directly and with tact and humour.

A great workplace depends on the people who work there. In 2010, Baringa received 1,408 CVs (50% up on 2009), conducted 378 first interviews and recruited 51 permanent staff. Baringa has an explicit commitment to providing opportunities to current staff first, with promotion based on ability, not time served. There were 28 internal promotions in 2010, an increase of 60% from 2009. Celebrating success and rewarding achievements contribute to a ‘feel-good’ factor in the workplace. Baringa makes a quarterly award to an individual nominated by colleagues who has demonstrated an exceptional contribution to the company’s core values of passion, ownership, quality, integrity and collaboration.

NETAPP UK

NetApp UK, a storage and data management company operating in the IT sector in the UK, has been in the top 10 of the UK’s Best Workplaces rankings for three years. Workplace culture plays a big part in the company’s success. Its values are underpinned by trust and integrity, a positive attitude from leaders and a culture of openness and honesty. The company puts a strong emphasis on publicly congratulating employees on their achievements. Staff praise the company’s flexible approach to working and a welcoming, family atmosphere, adding that there is a strong feeling of trust that they can get on with their jobs.
TWININGS

Market leader Twinings has been making tea since 1706 and now sells 400 products in the UK. Its global workforce numbers some 2,000, yet it prides itself on a small-scale entrepreneurial approach by encouraging its UK employees to live by five cultural values. “Successful Twinings People” aim high, collaborate, look outside, find new ways and have freedom to act and scope for growth. Among its benefits, the company has a Twinings Tea Academy, an 18-month development programme with modules on tea markets and the tea supply chain. The scheme culminates in a week in Sri Lanka to watch the tea production process.

BACARDI BROWN-FORMAN BRANDS

Nearly 150 years old, the drinks giant remains a family business. It also has a relatively flat hierarchical structure. This is reflected in one of the behaviours outlined in its core competencies, “Challenge or Commit”, where all employees are encouraged to challenge decisions made by any level of staff, whether manager, director or colleague. The idea is that any employee could come up with an idea to improve the company. Bacardi Brown-Forman Brands operates a culture of openness and transparency. Management shares information freely with staff via a number of forums, and feedback is encouraged at all levels.

TAFF HOUSING ASSOCIATION

In only four years, this housing association reduced its staff turnover from a whopping 25% to 5.7% after implementing a culture change programme. Adopting a competency based assessment process and amending the recruitment and selection process broadened its recruitment focus from skills alone to skills and attitude. The
association also aligned behavioural core competencies to corporate values, and developed an employer brand that articulates the association’s values and engages commitment from employees to the business aims. It recognises that not everyone will fit with its culture. The organisation has also sought to reassure staff following the Comprehensive Spending Review in Wales, using email messages and magazine articles from the CEO.

The Cardiff-based housing association has been busy since it first appeared in the UK’s Best Workplaces ranking. In 2010, it formed a specific Business Planning Group to focus on the feedback provided for the previous Great Place to Work survey. The group has been responsible for prioritising issues that are important to staff, such as how well the organisation communicates with employees, how it recognises high-performing employees, pay progression and acknowledging length of service.

4.2 ORGANISATIONAL PERSPECTIVE AND DEVELOPING RETENTION

Figures from international statistics suggest more than one in five young people are now out of work. For example, profits warnings by UK businesses rose by 50% between the last quarter of 2010 and the first three months of 2011, according to accountancy firm Ernst & Young. Local government and the NHS are undergoing radical (and painful) change. Despite this, how the workplace of the future will look and feel remains an important question. Moreover, how employers motivate, engage, retain and ensure they are getting the most out of their workers in terms of productivity and performance when costs remain tight is a critical issue and one that, if anything, will become even more important as time goes on. When this supplement last looked at the issue two years ago, much of the debate was about the clear trend towards more flexible working patterns, flatter management structures, globalised and remote working and employee “agility”, or the ability to work in more collaborative and flexible ways.

Fig. 4.5 : UK data
Analysing the areas of membership and the change compared to last year, we find that it doubled the percentage of participation of companies in the ICT and is increased by more than 50% that of the manufacturing companies, and collapsed the banks and insurance companies.

If we turn to the distribution of qualified companies, we find significant shifts in the presence of market sectors compared to last year, with the chemical pharmaceutical industry, which remains the most heavily represented, but with two fewer farms in the rankings. There is also a drastic reduction in services.

All the selected firms, of both Countries, have high percentage of Trust, Pride and Camaraderie by their employees. Differences between Italy and Anglo Saxon realities are not so marked, at least in the ranking of companies, in part because many are multinationals, and so they have a culture taken directly from the parent organization, in part because even the Italian companies have long been classified models adopted advanced organizational. If we consider, on the contrary, other realities, there is a lack of managerial culture (entrepreneurial style “master” and “family” is still alive in many Italian companies), is a difficult dealing typically Italian and also in different environments valid.
4.6 The GPTW dimensions of Trust, Pride and Camaraderie

Source: rework on (GPW-Europe, 2011)

The turnover is not everything in the current socio-economic increasingly attentive to the not only financial interests but also the respect and the satisfaction of the needs of workers. A firm may be called excellent financial and significant performance when registering at the same time such as work environment has all the "basics" in order: the wages, benefits, hours and working environment. Fundamental fact in order to maintain high productivity of the company is able to create a positive work environment, where everyone could express their personality and develop the best professional skills required. In this context, particularly important is the adoption of flexible work arrangements, making possible to reconcile the needs of both business and personal and family needs.

The results distinguish between good environment and excellent working environment. A good relationship with colleagues, a good salary, benefits, special quality elements are certainly important from the point of view of those who work, but alone are not able to determine the excellence of the environment.
Even the professional interest in the work, although a very important component for self-realization of the person, cannot determine by itself an excellent environment: the person will be very gratified, but for something that is not so much a characteristic of that particular company, because of their professionalism. The key factor that for excellent organizational environment, according to research, is rather the trust relationship between the individual and the company. And it is precisely this element that we are going to measure to give an assessment of the situation in an organization.
Most companies have a natural scepticism towards anything that encroaches into the workplace from people’s personal lives. Technology is no exception, and the internet has always proved a quandary: on one hand, the business uses were immediately apparent; on the other, a previously unimaginable array of nonwork-related distractions was suddenly a click away. Whereas it’s easy enough for a manager to spot an employee playing an online game or ogling something they shouldn’t, social media sites have proved more complex – is an employee chatting to friends or clients? Or, worse still, competitors? The reaction of many employers to sites such as Myspace, Facebook and Twitter has been to prevent employees from accessing them at work. From an employer’s perspective, most of the concerns relating to the use of social media during work hours relate to decreased productivity, information leakage or damage to the company’s image or reputation. But there is a growing trend for employers to embrace social media in the workplace rather than reject it. These tools are being used for increasing the communication within the organisation, branding, engaging employees and creating more personal bonds between the customers and employees and within employees. So, leaders have to changed its attitude towards social networking by employees. Work space has changed so rapidly that the previous guidelines are restricting the same firms. Employees should be allow to use social networking, but on a professional basis, within professional guidelines. In fact, social networking is now such a common form of communication for employee and employee, employees and clients, and potential employees and clients, that is necessary to reap rewards from it.

Thus, Social media is a very good fit culturally. It’s not only how employers connect with their employees but also how they understand what the target audiences are doing. And the talents to attract are using social media all the time. If social media has transformed recruitment, in the current research the focus is that they have changed also the retention.

The exact details of an employer’s social media policy tend to differ. Some could be happy for employees to be “brand ambassadors” by tweeting about work on their personal accounts on Twitter. Others, however, has preferred to have one named
Twitter account with a handful of approved users, and remind employees that they must maintain professionalism in their personal accounts, no matter how private they may seem.

However, this should not be mistaken for allowing employees to take liberties. The potential of social media goes far beyond employee engagement and client relationships, no matter how important those may be. The role of management and that the worker is integrated into a common process that aims at excellence, linked to the reciprocal trust. The Trust is built primarily on the credibility of management, which means regularly information to employees about the guidelines and strategies and to respond openly to their questions. Then, for there to be credible, words must be followed by action: leaders must treat all employees with respect, providing them with equipment, resources and knowledge appropriate to carry out their tasks and creating a safe working environment, both from a physically and psychologically and emotionally.

In addition, the economic successes must be shared fairly by salary and incentives, promotions and assumptions made in an impartial manner, and should not exceed’s attention to all forms of discrimination.

A multitude of factors explains why employees remain in or leave an organization, but scholars have consistently recognised employees’ expressed intentions to stay as a reliable precursor to actual turnover and as reflective of employee commitment to the organization. As mentioned earlier, a better match between employee and organizational values is related to employee attraction and turnover.

From the research results that the use of social media sites is correlated to job satisfaction. Here it could be seen an overall attitude toward the work experience or as multiple components, including attitudes toward compensation, co-workers, roles and tasks. The employer branding strategies through social media sites represent a catalyst and generator of the whole experience. Moreover, the relationships and social capital developed with a firm between employee – employee and employees – employers increase the sense of belonging to a specific job community. This makes voluntary departure more difficult retaining the best people to an organisation. In these terms retention becomes a source of competitive advantage that should be improved time by time in order to be sustainable.
In this direction, a further pattern of development could be twofold. On one side there will be a more generalisation of results enlarging the samples. On the other side, next research could be refer to the dynamic capabilities behind transformational process at organisational level in order to shelter the newest employer branding strategies and the challenges in human resource context.
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