

# Employer Branding and Employee Engagement at Agency Leroy

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<b>Thesis title</b> Employer Branding and Employee Engagement at Agency Leroy	<b>Number of pages and appendix pages</b> 71 + 2
<p>The objective of this study is to explore different ways in which Agency Leroy (“Leroy”) can both attract the best employees and also retain them. This is achieved by explaining how companies can use employer branding for attracting the right people and how employee engagement helps to keep the right people in the company. Leroy is aiming to gain more clients abroad and Sweden is one of the most natural sources of foreign clientele. Due to this, this thesis also explains what a company should consider when doing business with Sweden. This study was conducted during January 2015 - April 2016.</p> <p>The theoretical framework introduces different theories in employer branding and employee engagement. The common message among these theories is that a company benefits tremendously from doing these two things right. This thesis presents the basics of employer branding and employee engagement, how companies stand to benefit from them, how an employer brand is set up, how internal and external factors affect the employer brand and what a company should consider when addressing generation Y. Understanding some key factors regarding generation Y is important for Leroy, since many of their new-hires belong to this generation. The chapter regarding employee engagement explains what the employees are looking for and how a company can motivate them.</p> <p>The study was executed with action research and the data was collected using qualitative research methods. The author conducted fourteen face-to-face interviews at Leroy during the summer of 2015 and five expert interviews during the winter of 2015 - 2016. These experts were people working closely and intensively either on employer branding and/or on employee engagement matters. The interviews at Leroy focused on the driving factors of existing employees and what kind of people would fit the organization. In general, employees at Leroy are looking for challenges, autonomy and personal development. Leroy began implementing the first recommendations of this study already while the study was in progress. The company participated in a workshop where they came up with different key words that would describe Leroy as an employer.</p> <p>In conclusion, the research objective was achieved. One of the most important findings was that employees of Leroy are passionate about the work itself. The company can motivate the employees with different work-related matters and in doing so get better results from them. Also, Leroy should seek to maintain the “family” style of the company, wherein the employees feel safe and believe they can trust the leadership. The literature review of this study includes several practical recommendations that Leroy could employ in order to attract and retain the right talent. One of those recommendations is to look carefully through the results from the interviews in this study to seek out driving factors for existing employees. This thesis also covers some very practical guidelines for companies entering the Swedish market that should ease dialogue between different cultures, as well as help new-hires at Leroy understand Swedish business culture.</p>	
<b>Keywords</b> Employer branding, employee engagement, international clients, retaining talent, recruitment	

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# 1 Introduction

Agency Leroy (“Leroy”) is a creative agency working with ambitious brands. It was founded in 2011 in Helsinki and it focuses in visual intelligence and digital business. Today, Leroy has some 15 - 20 employees and it is important for such a growing and creative company to have the right people. The company has not had the opportunity to dive into long-term questions regarding employer branding and employee engagement. As a result, this assignment was given to the author of this thesis. (Nars 7 September 2014.)

The research objective is to investigate how Leroy can find the best employees and later retain them. Since the company is growing, it is important to look into this matter now. Not many studies were found that would combine employer branding and employee engagement together and it has been difficult to find any single study or source that treats the topic evenly in both areas. This leads to the author’s research problem: how to use employer branding and employee engagement to find the best employees and retain them. The research problem is also the main research question. In addition, this thesis entertains the following sub-questions:

- What kind of people is Leroy looking for?
- How can Leroy help keep existing personnel engaged and motivated?
- Would the introduction of foreign clients affect employees’ engagement negatively?

The study is conducted through qualitative research. Theory, semi-structured interviews and a workshop are used as the sources for data.

When companies think about how to find the best employees, they should start by looking from the inside. What does the company look like to outside observers? Is this image the same as that seen by its current employees? Is that image what it should be? In order to answer these and many other important questions, the first approach for finding and retaining employees is employer branding. This will be discussed in chapter 2.

Once companies have managed to get the best people inside the company, it is important to pay attention to them. What drives them as a person? What motivates them to “go the extra mile”? Employee engagement is crucial to retaining the best people. This will be discussed in chapter 3.

Leroy is planning to seek more clients in Sweden, and it is important that they can be confident they will be able to maintain a high level of service also for these clients. Going international introduces many additional considerations for a company. These aspects will be discussed in chapter 4.

After the theoretical portion, this study presents a conceptual framework and the research methodology. This is followed by the data collected regarding Leroy, both from the interviews and from the workshop. The study concludes with recommendations for future actions at Leroy.

## **2 Employer Branding**

In order to remain attractive in the eyes of consumers, business partners and current, and future employees, companies need to think about the image that they are projecting upon others. If a company has a bad reputation, it will be difficult to acquire the most talented employees or do business with the best people. The following chapters discuss the importance of employer branding including the big picture, the internal and external perspective, and what companies should think about when addressing generation Y. A chapter regarding generation Y is included in this study because Leroy hires mostly young talent and it is important to know both how the young employees think in general and what the company can do in order to get the best out of them.

### **2.1 The Reasoning for Employer Branding**

Today, talent is the factor that differentiates companies from each other (Castellano 2014, 59). As Devine & Syrett (2014, 34) indicate, the companies that most easily acquire the best talent are the ones that have executed well on their employer branding. These are companies that have a very good reputation among people. And moreover, compared with their peers, these companies spend less time and money to acquire each new talented employee.

Employer branding is too often seen as only recruitment advertising. While that is important, employee branding should be more about providing a cohesive framework for management to increase productivity, simplify priorities, and improve recruitment, retention and commitment. Barrow & Mosley (2005, 8) state that employer branding is something that should be included in the company business plan, or in other words, that it is not something a company should start thinking of “when we have time”. Rather, it is something that should work as a base for other actions. When one thinks about the business plan, one thinks “Where do we want to be, three years from now?” Companies should think what kinds of personnel resources they will need in order to reach this goal and for that they will need employer branding. (Barrow & Mosley 2005, xvi; Parment & Dyhre 2009, 58.)

Sjövall (21 December 2015) agrees that the employer brand should definitely be a part of the business plan. She has a comprehensive background in employer branding and is currently Partner and Vice President of the EMEA region at Universum Global. She has worked with employer branding for eight years – first at Capgemini Consulting as a consultant responsible for Finnish employer branding and then at Universum. She points out that companies should look first at the company’s business plan, then at the broader HR

plan that has everything from strategic workforce planning to talent management and talent acquisition. After that the company should think more closely what these matters will mean in terms of the company's employer branding strategy. As Sjövall states, "it's very hard to motivate why you should spend money on it [employer branding], if it's not aligned with the business plan". It is important to remember that employer branding is strategic HR that ultimately supports and drives the business.

Merentie (2 December 2015) touches also on the subject of employer branding being a part of the company business plan. Merentie is responsible for Nordic employer branding at Nestlé and has been working within employer branding since 2012. According to her, it depends on the company whether if employer branding should be a part of the business plan. If a company is already positively visible in the media and is able to acquire the right talent, it might not be as critical as to companies that are not there yet. Merentie states that companies should define what is important for them and not just do things because everybody else does them.

The impulse for employer branding has to come from senior management – otherwise, no-one will take it seriously. The effort should be a cooperation between senior management, marketing and HR. Senior management is needed because forming the employer brand often requires changing the status quo, establishing new roles, new approaches to measurement and answering difficult questions regarding the company values. (Barrow & Mosley 2005, 6, 8, 45 - 46; Parment & Dyhre 2009, 44, 57.)

A great business plan requires that the company has a strong identity. In order to build a strong employer brand, the company must know its identity by heart: What is its history and how is the company perceived by different stakeholders today? One should also understand who the key bearers of the organizational identity are: employees, products, stores, leaders, materials, etc. Those are the means by which the corporate identity is communicated to others. Also, the company needs to know what the target audience is. Usually it is the current and future employees, media, and owners. (Parment & Dyhre 2009, 132 - 133.)

Barrow & Mosley (2005, 58, 60) indicate that the concept of a brand is simple: a badge of identity and promise of performance. The brand describes a thing's background and what the user will gain from it. The purpose of employer branding is not to re-invent values but to communicate the current values and purpose of the company to the employees in a concrete way. The point is to be consistent with the values and communication. Fryer (in Harvard Business Review 2003, 163 - 164) agrees, and uses this to justify managers

providing regular face time to the employees. It is not enough to communicate important matters quarterly. The managers should inspire and send messages regarding company's direction to the employees more frequently. Inspiration should be a daily matter. If you ask your employees what the company values are and they do not know, it is not their fault. The leadership should communicate the company values and strategy to the employees constantly and motivate the employees to work according to those values.

If one thinks about brands in general – they are products with a feeling attached to them. The same applies to employer branding. You will not get people engaged with the employer brand if your leadership is not actively committed itself. (Barrow & Mosley 2005, 135.)

Barrow & Mosley (2005, 30 - 33) state that there are six points affecting the employer brand and that are important to consider. The first one is the reputation as an employer. To this end, a company should stay in touch with former employees. It leaves a good image of the firm and shows that it cares about people. The second point is leadership. Most senior HR person should be in the management team of the firm. When there is change ahead, companies should consult the employees first before making any decisions. The staff should know the goals of the organization. If they do not, it is the management's responsibility to repeat and explain those to them. Denny (2009, 110 - 112) agrees with Barrow & Mosley, explaining that everything starts with great leadership. The leadership should (among other things) have definite plans, stick to their decisions, remain positive and have a sense of empathy. The third point of an employer brand is communications. Employees require clarity within their organization. They need to be briefed regarding performance and profitability issues regularly. A company should have clear feedback systems that work up, down and across. Superiors should gather feedback from employees on a regular basis to understand whether if the manager is doing her/his job in managing and developing their employees (Levinson in Harvard Business Review 2003, 93). In addition, the company should regularly (at least once a year) carry out employee surveys across the firm with at least a 75% response rate. It is also important how companies respond to those surveys. Companies should have a system on how to share information and not be dependent on a few key employees. The fourth point is company values. Company values should be created together with the employees. If they were created by the founders, they should be then re-evaluated with other employees at a later stage. The employees and management should work according to the values and it is the management's responsibility to see that everyone works according to the values. As Parment & Dyhre (2009, 12) state, company values represent the company's employer brand. When created together with the people composing the organization, the result is authentic. The



fifth point is compensation and sixth is staff turnover. On both these matters, the company should know where it stands compared to the competitors. The company should also pay attention to exit interview results and monitor whether if there is a repeating pattern, so the issue may be addressed.

According to Barrow & Mosley (2005, 64), employees become disappointed quickly if the brand does not deliver what is promised – just like clients. Pilbeam & Corbridge (2010, 105) also remind us that once the company has promised something through the employer brand, it is important to fulfill those promises at risk of losing employees' trust. The employer brand can be destroyed by any mismatch between words and actions. Companies should make two definitions for their employer brand: brand reality (where the company is now) and brand vision (how the company should be perceived in the future). When the company communicates the employer brand, it should focus on the things that are already achievable or soon achievable rather than a vision far away that does not feel real (Barrow & Mosley 2005, 145).

PiB (in Barrow & Mosley 2005, 9) introduces the 'employer brand wheel' (Figure 1). It shows the key elements that influence the experience of the employer brand for employees. It also works as an example for different workshops, gives an image of how the employees see the company today, and gives a framework for companies when discussing how the company should be in the future.

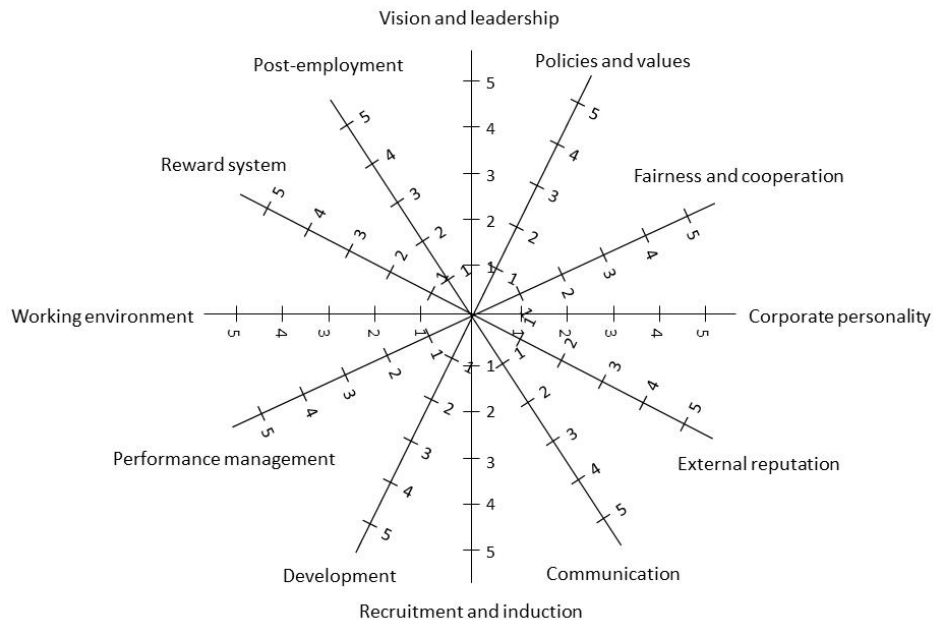


Figure 1. Employer Brand wheel (PiB, in Barrow & Mosley 2005, 9)

There are three major benefits of employer branding according to Hubschmid (2012, 50): attracting, motivating and retaining current and future employees. Hewitt Associates, The Conference Board and The Economist (in Barrow & Mosley 2005, 69) agree with Hubschmid's three points. A strong brand often reduces costs, because recruiting and training new people is almost always more costly than having current employees working longer. If a company's staff turnover is lower in comparison with that of its competitors, that company will gain a competitive advantage. Parment & Dyhre (2009, 14) agree with Barrow & Mosley. They state that companies with a great employer brand will usually get more talented people at a lower cost. The same people are more engaged, satisfied, and more profitable, which in turn brings money back to the company. Also, if the company sends the message that it is only recruiting the most talented people, this has at least two benefits: firstly, the company will most likely receive fewer unsuitable applications, and secondly, external stakeholders understand that the company will deliver good service, as they employ only the most talented people (Parment & Dyhre 2009, 100).

Parment & Dyhre (2009, 87 - 88) state that the factors employees are looking for in a company are:

- the quality of working relationships
- good leadership
- possibility to participate in different matters
- strategy anchorage and clear values
- the physical environment
- learning and feedback
- autonomy and identity
- meaning of work and fun

For example, as Ulrich & Ulrich (2010, 3) state on the subject of meaning, employees need to know the meaning of their work. Why are they doing what they are doing and why is it important for the company? When the company manages to express the meaning of their employees' work to those same employees, the latter become more engaged, satisfied and productive. People who understand the meaning of their work will also stay around longer. Rothlin & Werder (2008, 113) agree that meaning is important. Consider that if all jobs paid the same amount, people would choose the job that was the most meaningful for them. That job would be something fun and with which people can identify themselves. A job can also gain meaning when employees are recognized for their contributions.

As also mentioned, one factor that employees value in their employer is location. A company with an attractive location will automatically invite more talented people to apply. Location is about first impressions. When a candidate steps into the company for the first

time s/he will immediately decide whether if the location is appealing. A great location has attractive surroundings – like a park, great views, a variety of restaurants for lunch or after work and shopping possibilities, and good transportation options to and from the office. (Parment & Dyhre 2009, 94 - 96.)

Barrow & Mosley (2005, 161, 163 - 164) indicate that if someone argues that employer branding costs too much, it is useful to point out that one receives a lot of savings in the future in terms of recruitment, retention, and employee commitment to their work. This last point is especially important, primarily because companies cannot take their employees' commitment and loyalty for granted. Secondly, it establishes a bridge between HR, internal communications and marketing. Thirdly, it provides discipline, which in turn becomes value for the company. Merentie (2 December 2015) agrees and states that "not getting the best talent for the company costs too much". Companies do not only compete with the competitors in the same branch but also with other organizations that have done their employer branding well and are in people's minds. Merentie argues that smart companies put emphasis on how they measure up as places to work and they also communicate about it in order to stay on top of the game. Mauno (28 December 2015) agrees as well and repeats that not doing employer branding ultimately costs more. Mauno is employed as a senior advisor at Universum Global, where she has been working with employer branding for three years. Companies know how difficult it is to find the best people and how difficult it is to put the right people in the right places. According to Sjövall (21 December 2015), employer branding costs a great deal if the company does not know what it is doing. To this end, it is important to differentiate employer branding and recruitment. Employer branding is proactive and recruitment is reactive. If the company does the employer branding right, it will attract the right people and also repel the people who would not be successful in the organization. When it is time for recruitment, it will be much easier to find the best talent because people already have some kind of picture of the company. This in turn reduces the cost of the recruitment process.

While some argue that employer branding costs too much, others can argue that companies should not spend money on such things as employer branding especially during recessions and downturns. Parment & Dyhre (2009, 20, 45, 48, 64 - 65) state differently. They state that good companies survive bad times. This is why companies should spend on employer branding. Employer branding is not a feel-good activity that should be reduced during bad times. It is a necessity that should be maintained through good and bad times in order to keep up the attractiveness and profitability of the company. If a company "disappears" from the market in the future employee's eye, it is harmful for the employer brand. Even though a company might not be hiring due to recession or other reasons, it is

better to stay in people's minds by entering job fairs, being active on social media etc. This way it will be easier to recruit when the time comes. The key word is honesty – companies should at all times stay transparent and authentic when speaking with people.

## 2.2 Steps for Setting up an Employer Brand

According to Barrow & Mosley (2005, 104 - 106), the process for setting up an employer brand could include for example four steps. The first step is to clarify the target market and understand what the company values and attitudes are. Companies should look for people who share the same thoughts or, on the contrary, recruit diverse people with different backgrounds. Usually the core values still remain the same. The second step is segmenting the market. Companies need to clarify what kinds of experiences and talents it is looking for. The company will also notice whether it attracts the right kind of people. The third step is identifying the most important factors that determine the target groups' choice of employer. The final step according to Barrow & Mosley is conducting deeper research into the target group's needs and aspirations. This can be done by interviewing the youngest employees within the firm. But in order to really understand the target group's needs, the company should insert a few key questions into employee interviews.

The four steps above are important. Like Parment & Dyhre (2009, 12) state, if the employer brand is miscommunicated, companies will end up with wrong types of people applying for jobs. This is why it is important to understand the target group's characteristics.

According to both Sjövall (21 December 2015) and Mauno (28 December 2015), the important steps when setting up an employer brand are the following:



Figure 2. Employer branding process (Mauno 28 December 2015; Sjövall 21 December 2015)

The first step, understanding the business strategy, means that the company needs to look deeply into the business strategy and see where the company wants to go and how it wants to change. Using the business strategy one can define what is important in terms of talent. This includes what kind of people the organization needs, what kind of competences, personalities and softer skills, and how the company can keep those people happy. (Mauno 28 December 2015; Sjövall 21 December 2015)

Parment & Dyhre (2009, 59, 63 - 64) also bring to attention that companies should conduct broader research before setting up their employer brand. Internal research data could include employee satisfaction surveys, career plans vs. what actually happens, how many people are critical of the organization's success, etc. External data could include employer rankings, salary surveys and brand attitude measures, etc. In smaller companies it might be useful to conduct such survey within a specific school or course to see what the students within the target group think about the industry and the company. These surveys also give information on what potential future employees think about competitors.

Sjövall (21 December 2015) and Mauno (28 December 2015) propose 'defining the target groups' as the second step. It is important to clarify who are the best people to do the actual work in the organization. The third step is to understand the target groups and what they want. The company needs to know what is important to them, where they are, what they want to do with their lives, and in which ways one could segment the target groups. When one puts different types of people together and tries to find common and different nominators for them, one usually finds personalities and drivers. The learnings taken from this step make it much easier to make an impression on target groups. According to Sjövall, many companies fail in the three first steps, which is rather interesting. Companies tend to jump into the practical work without first considering why they are doing it and to whom they are targeting their message.

The fourth step is to define the employer value proposition, "EVP". This value proposition includes different factors that the company can offer to future and current employees. The way to define an EVP is to think what the company wants to sell, to whom they will sell it, and how to beat the competition. It is beneficial to use the expertise of internal employees to figure these points out. An EVP needs to be true, which is why it needs to be what the current employees believe in internally, what the company is good at, and how the company differs from the competitors. The EVP should be something that sticks to people's heads and is not similar to any other company's EVP. The EVP is also discussed in chapter 2.6. (Sjövall 21 December 2015.)

The fifth step according to Sjövall (21 December 2015) and Mauno (28 December 2015) is to define how the company will measure the success of their employer branding. The company should set up objectives, including e.g. what the company wants to achieve when it starts to work with employer branding. The measurements should be defined before the actual work, because it is difficult to reach goals if the goals are not clear from the beginning.

Sjövall (21 December 2015) continues with the sixth step, which is to determine what the company will do in order to get the message to the target groups. A company should draft a clear communication plan with all tactical and operational factors. The company should also think about tangible things people will remember, for example what the company should say on Facebook, or what company representatives should say when they meet students or other stakeholders.

According to Sjövall (21 December 2015) and Mauno (28 December 2015) the last step is to execute the plan and follow everything up. If KPI's are in place from the beginning, the company will be able to follow and measure whether things have worked out or not. Companies should also re-optimize at least once a year, usually every half-a-year when it comes to smaller businesses. Barrow & Mosley (2005, 67) agree that the employer brand is something that should change over time. Employees' needs and aspirations change, and it can be difficult to keep up momentum if the company does not change along them. Hubschmid (2012, 129) and Parment & Dyhre (2009, 79) agree that measuring the results is very important. One can for example measure people leaving this year versus last year, recruitment time, percentage of applicants considered "A" candidates, cost per hire, average number of days to fill vacancies, and employer satisfaction within employees. These targets can be monitored easily and the results should be communicated within the firm as well. People want to work within good companies, so communicating good results of employer branding will do only good.

### **2.3 The Importance of Communication in Employer Branding**

When it comes to internal communication, it is very important that companies are transparent, clear and consistent. For example, leaders should communicate how the company is different from the competitors. By doing so, the employees will know more about their competition. Also, if the company is changing its values, it should communicate clearly how the new values will and should affect everyone's daily work. Employees are often opposed to change, which is why leaders need to communicate clearly how changes will benefit their employees and what is the reasoning behind those changes. (Barrow & Mosley 2005, 49 - 50.)

Overall, it is extremely important that the company's message stays as cohesive as possible to both internal and external people. Merentie (2 December 2015) indicates that companies stay most cohesive by staying true to who they are. Companies should have a communication plan and stay aligned with all stakeholders. This means that different people or teams should not send different types of messages. But as Merentie points out, it can be difficult, especially in larger global organizations, to align all messages. But to en-

sure that communication is as cohesive as possible, the company needs to communicate the vision and strategy to all stakeholders. The company should also inspire everyone to be a part of the vision and strategy, because it does not matter what the CEO says if the people in the company tell a completely different story. Mauno (28 December 2015) thinks also that staying cohesive as regards to the company message can be one of the hardest parts of employer branding and leadership overall. Both Mauno and Sjövall (21 December 2015) point out that it probably never happens that the message remains completely the same internally and externally. The reason is that people's experiences are always subjective: everyone experiences things in their own way.

Sjövall (21 December 2015) agrees that staying cohesive is a very important topic. She believes that it all starts from involving the current employees to the organization. As Mauno and Sjövall mentioned above, the message will never be completely the same to everyone. To help deal with this, Sjövall introduces the traffic light pattern, illustrated below (figure 3). Companies should think about their messages and how they can involve as many as possible to the processes. When a company has mapped out different subjects with the traffic light example, it will be very clear for the internal people what the company is today and what it wants to offer in the future.

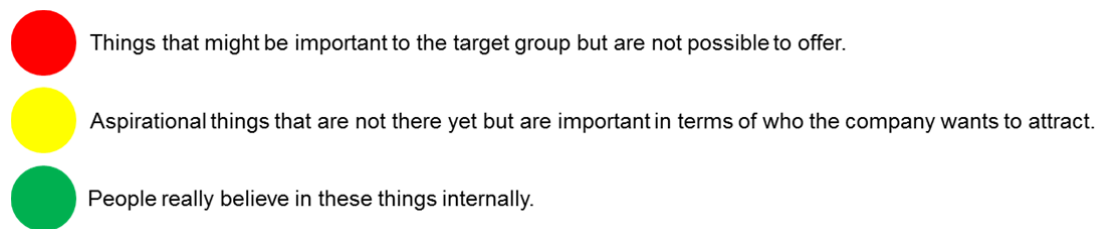


Figure 3. Traffic light pattern (Sjövall 21 December 2015)

Sjövall (21 December 2015) continues to state that companies need to involve people in the dissemination of the employer value proposition. What organizations need to understand is that employer branding is not something where an external person or a company polishes the company from the outside. The key to successful employer branding is to engage people in how the organization is unique as a workplace.

When it comes to cohesive messaging externally and internally, a company needs to be very clear on what they are trying to achieve. The strategy needs to be clear and it should be broken down to concrete things that everyone understands, from the trainees to the owners. This requires that the management speaks with such language that everyone can understand what the point of the message is. Also, when a company designs an employer brand or the key message, it should always be very rooted in the reality of the current em-

ployees. At the same time that key message needs to be aspirational, in order to have people motivated and inspired by the future. When the message is both true and aspirational, it becomes much easier for the employer to get employees onboard. (Mauno 28 December 2015.)

Consistent communication is important for employees. This is why the various parts of an organization need to talk with each other when composing an internal communication plan. If one person sends one email to everyone and another person an email just after that, the first message easily loses importance. The company should think of employer branding communication in the same way they think about communication towards clients. Managers should not just “get the message out”, but think about how to make the message most effective. When the messaging is thought-through, employees should feel a sense of clarity and they should not feel that their inbox is filled with irrelevant emails. Great communication also brings professional respect from the communicators to the receivers. (Barrow & Mosley 2005, 66, 80.)

Companies should consider the source(s) of information, how they diversify different types of content (strategy, news, social...), who is responsible for which messages, who are the recipients and why, whether the chosen communication channel the right one, how the organization gathers feedback, and it responds to the received feedback. (Barrow & Mosley 2005, 102 - 103.)

Parment & Dyhre (2009, 77) indicate that when it comes to the communication material, companies need to use cohesive materials and cohesive teams in marketing and branding. Otherwise it becomes difficult for the public to understand the message or even understand that it is the same company in two different advertisements. Hubschmid (2012, 41) brings another aspect to cohesiveness. What many companies do not think about is that all applicants form a picture of the company from the very first contact they have with the company. How people reply to emails, how quickly the replies come, how applicants are greeted on interview day, how the surroundings appear, etc. If a company wants to communicate a cohesive, strong image, it needs to think about all the small factors that together make the employer brand.

#### **2.4 Use of Onboarding and Exit Interviews when Forming the Employer Brand**

Companies should use every possible event to gather information from its employees. This information can be anything from an opinion on the company as a work place, perceptions of the career opportunities in the company, to how the company brand reflects reality. Mauno (28 December 2015) explains that Universum often draws a map for their



clients that include different touch points. The map includes all different touch-points that a potential and current employee might have with the organization. One starts with the external matters and what happens before the recruitment. Then comes actual recruitment and the experience during employment. The employment portion includes actual work, development, relationships, and more. The last touch-point is the exit interview. Mauno stresses that all touch points are important, both with future and current employees. Many theories (e.g. Parment & Dyhre 2009, 60 - 61, 118 - 119; Pilbeam & Corbridge 2010, 216 - 219) pinpoint exit interviews as an important source for information. Sjövall (21 December 2015) stresses also that on-boarding is equally as important, because during the first weeks of employment, the new-hire will talk a lot about their job with friends and family. At this point, it is critical that the company delivers what it has promised at the interviews. This chapter will discuss two of the above listed touch-points in depth: onboarding and exit interviews.

Onboarding is the phase where companies help the new-hires adjust to the company culture and working practices. As Bauer (2010, 1 - 2) points out, there are tremendous differences between onboarding procedures from company to company. Some companies tend to bring the new-hire in and see whether if s/he sinks or swims without any guidance. Other companies have clear step-by-step programs that can last as much as a few years. Such programs include often mentoring, training within different divisions of the company, on-the-job learning supported by the nearest management, meetings with the key people, etc.

In the long-term, there are tremendous benefits to a successful onboarding. According to Bauer (2010, 6), employees that have completed a successful onboarding are more committed and satisfied at their job. They perform on a higher level and are less stressed. People also do not tend to change their jobs as often.

Bauer (2010, 2) introduces four C's that express the most vital parts of a successful onboarding: compliance, clarification, culture and connection. In compliance the company explains all legal and policy-related regulations and rules for the new-hire. In clarification one ensures that the new employee understands his/her role and utsexpectations. When it comes to culture, one explains what the company norms are, formal and informal. The last part, connection, is a very important part. It includes the relationships and networks that the employee needs in order to succeed in the job. Cable, Gino & Staats (2013, 24) think differently, arguing that the traditional way of teaching the new employee how things are done in the company and explaining the company culture, is old-fashioned. According to them, companies should not expect the new employees to accept the company identi-

ties as they are. In such cases the companies expect the employees to downplay their own identities which can be harmful in the long run. According to Cable, Gino & Staats, companies should try to get to know the new employees quickly and take advantage of their knowledge and ways of thinking. The companies should also help newcomers to identify their strengths and ask new employees how they feel that their knowledge could be used in the company (Cable, Gino & Staats (2013, 27).

As mentioned in chapter 2.1, staff turnover affects the employer brand and exit interviews are one useful information source for the company. They tell why someone is leaving the company. Even though employees usually say that they are leaving because of better benefits or similar at the new place, usually the main reason is for example bad management, poor corporate culture or a lack of career planning within their position. The interviewer should need to try to get the reasoning for leaving out of the employee and remember that the company should always try to maintain good relationships with departing employees. One never knows where their paths will cross again (Kurtén & Waaralinna 2015, 191). It is important to ask the leaving person whether s/he would consider coming back to the company some day and if yes, what would be the optimal position or role then. It is also beneficial to gather information on where the person is going and why. Another fact that is interesting to keep track on is what types of employees are leaving more often than others – are they the most talented ones, average employees or the worst? Exit interview results should be categorized, for example by role, so the company can review the result when planning employer branding for that role in the future. (Parment & Dyhre 2009, 60 - 61, 118 - 119.)

Pilbeam & Corbridge (2010, 216 - 219) agree, and add that exit interviews can be thought of as situations where one can gather important information regarding future recruits. The employer gets information on why an employee is leaving and can then use that information later on. The person conducting the exit interview should be a neutral and objective person, i.e. not the nearest manager. Questions that one should ask should relate to the accuracy of the job description, salary and rewards, appraisal, workplace in general, relations within the company, company culture, opportunities, leadership, etc.

Merentie (2 December 2015) and Sjövall (21 December 2015) agree also with the statements above. According to Merentie, the company can develop both the overall business and individual job descriptions based on exit interview feedback. As Pilbeam & Corbridge mentioned earlier, the interviewer should be an objective person. Merentie adds that that person should structure the information received from the interview and push it forward to the people in the company that actually decide on bigger matters. Sjövall believes that exit

interviews are a great opportunity for building the employer brand. In addition to some statements above, she points out that it can be beneficial to ask the leaving person what they think of the company's employer brand and whether s/he believes in it.

Mauno (28 December 2015) questions whether one can rely on information picked up from exit interviews. According to her, exit interviews are at risk of becoming "political" situations, in which the leaving person decides how honest s/he wants to be. Some people can be very honest, but others play a closed hand with their career and might give feedback with not much substance. The atmosphere of the exit interview notwithstanding, it is still an important ceremony and should be held with every leaving employee. The ritual should be handled respectfully and gracefully. The person leaving will be an alumni and a part of the future employer brand of the company. S/he might want to come back some day or bring business to the company or refer to another candidate. It is very important that the exit interview is held professionally and that the company encourages the relationship to continue in the future.

## **2.5 Internal Factors Affecting the Employer Brand**

A great employer brand starts with the leaders, and a cornerstone of effective leadership is trust. Bruce (2011, 9 - 10) lists many suggestions on how the leadership can build trust among employees. The list includes asking for input and then doing something with it, tying pay raises to performance and not seniority, communicating with people, and showing employees how their work adds value to the organization. Barrow & Mosley (2005, 47, 50, 145) agree and state that if employees do not trust their leaders, they cannot communicate honestly with the managers. The leaders should be consistent with their communication and actions. If a leader makes a promise, it needs to be fulfilled as well. People's perceptions internally can either reinforce or undermine how people externally to the company feel about it.

A great leader has emotional intelligence. This means the ability to put oneself into the another's shoes. Companies use emotional intelligence often when it comes to product or service branding in order to attach clients to the company. The same should be used towards the employees. Employees become emotionally attached to their employer when they feel happy about the total work experience, including satisfactory assignments, how valued they feel by the colleagues, and their overall belief in the company. This includes quality, purpose and values. (Barrow & Mosley 2005, 16, 59.)

According to Barrow & Mosley (2005, 81, 83), if an employee has understood the projected brand of the company, and feels that it is accurate, that person will more likely com-

municate that brand forward to clients and friends. This will then give a positive picture of the company to outsiders. If a company improves employee engagement through the employer brand, the client satisfaction will most likely rise. Parment & Dyhre (2009, 137 - 138) agree that a strong, accurate employer brand is a very positive factor for the employees as well. Once an employee says the employer's name to someone else, the associations of the firm will be formed instantly. It is the same as mentioning a part of a country or a city where one lives, or belonging to a specific club or organization. This is important for the employees because even though money is important, it is not enough. Employees require a good work environment linked to values that are shared by the employer and the employee.

In order to have a sustainable and great employer brand, the company needs to be authentic. Authenticity is important because it creates trust and it is very difficult to be successful if one is not authentic when dealing with others (Mauno 28 December 2015). The employees see immediately when something is going wrong because they often observe the workplace for about 40 hours a week. Companies cannot communicate one thing to people outside the firm and do something else inside the firm. In such a situation, the current employees will not believe the brand message the company is sending, and this will eventually backfire. At the same time, it is very important that the employees hear news from the firm itself and not from some other media. If the employees find out about something regarding the company from the newspapers, this will shake their trust in their employer. The employer brand is successful if it is based on the current company culture and employees' shared aspirations. (Barrow & Mosley 2005, 61, 141, 143, 151.)

Merentie (2 December 2015) believes that authenticity comes from good leadership and being accurate, honest and inspiring at the same time. A company should stick to the strategy and vision but own its mistakes as well. Companies should push their employees and challenge them, but they should also be supportive of them when they make mistakes. Mauno (28 December 2015) agrees that a company cannot be authentic if the management is not authentic in everything they do and how they lead the organization. The management needs to know what is happening all around the organization and decisions should not be made without taking different organization levels into account. An authentic management spreads many seeds around the company as well, which has an overwhelmingly positive effect on the working environment.

Sjövall (21 December 2015) agrees with Mauno and says that authenticity requires open communication. When a company wants to change direction, its goals become more aspirational. At this point, the company should be very clear internally regarding these new

goals and inspire others to become change agents and a part of the team. When people get excited about the goals internally, they will tell the same stories to others as the management does. Companies should make it easy for employees to talk about the organization, because silence does not contribute to authenticity. Also, it is very important to “walk the talk”, meaning that what the company says, it does. Sjövall says that authenticity is important because without it, the chances of success become very slim.

In general, it is very useful to know what employees think of their company. One should regularly ask questions such as: How is the employer brand perceived at the moment? How do the employees understand the company values? How do the employees feel that they should behave? (Barrow & Mosley 2005, 49.)

If you would describe your company and your employees to your friends, what kinds of words would you use? Those words should be the ones to think about when defining the employer brand. As Barrow & Mosley (2005, 95 - 97) state, those words describe how the company and the employees are different from others, how the company is unique. Uniqueness begins at the company’s roots, which make the brand authentic. Companies should share these stories, milestones, key persons etc. with the public. A company can arrange workshops where they ask their employees about their image of the company. It might be good to divide the group between those who have been in-house for longer and the freshest faces. Parment & Dyhre (2009, 56) agree with Barrow & Mosley and state that it helps to ask the current employees what it is that drives them: why are they there, at this company, instead of with a competitor? The answers received should be built into the employer brand because it describes what the employees value in their company.

It is also beneficial to ask employees where they see the company heading in the future, what describes the past and what represents today’s situation. The adjectives, metaphors, language etc. the employees use speaks volumes about their perceptions of the company. The company should look for positive things that energize people, and also for tensions between how things are supposed to be compared to how they are. (Barrow & Mosley 2005, 99.)

It is important to know what employees expect from the company. It might be good to start by considering that what the company expects from an employee, the employee also expects back. For example, if the company expects quick service, innovativeness, efficiency, transparency etc., they should also give the same back to the employees. (Barrow & Mosley 2005, 155.)

## 2.6 Attracting the Best People

As hereinbefore mentioned, a company will get the right people as employees through great employer branding. The company should ask what they can offer to employees that differentiates them from competitors and makes them a more attractive company.

Through the employer brand, it makes promises to both current and potential new employees (Hubschmid 2012, 50). For example, small- and medium sized companies should sell themselves as opportunities to work closely with the leadership of the organization, as places where everyone will have access to different senior leaders, and as places where innovation is respected and people can have wide job descriptions (Great Place to Work 2014, 5). It is critical to target the market of current and future employees in the same way as one targets a client market with the right brand. Companies should also remember that the most talented people are different from each other. This is why it is good to clarify first what kinds of talents and personalities the company is looking for and then start communicating the employer brand outside the company. (Barrow & Mosley 2005, 63; Parment & Dyhre 2009, 56 - 57.)

Great Place to Work (2014, 4) introduces six strategies that small and medium-sized companies should use in order to compete with other companies. These strategies are:

- Providing growth and development opportunities for the employees.
- Demonstrating how each employee is a part of the big picture and what the impact of every individual's work is to the company.
- Making sure every employee is paid competitively and that the benefits are appealing.
- Using creative recruitment tactics.
- Maintaining an excellent first impression.
- Building and enhancing a unique company culture.

If a company wants to have the best employees, it should also be prepared to promise the components that such employees are looking for. These could be for example a favorable work/life balance, a well-planned start within the company, prospects to learn and grow, the chance to be recognized, and the opportunity to share rewards. A company should ask their current employees what they are looking for. This should be done at least annually, because people and needs change over time. With these components in hand, companies can also differentiate themselves from competitors. As mentioned in chapter 2.2, the company's employer value proposition, "EVP", is important. The main message should be coherent, but companies can and should promise different benefits to different target groups (for example by position), because different people have different needs. (Barrow & Mosley 2005, 124 - 125.)

As Hubschmid (2012, 52), Parment and Dyhre (2009, 66 - 70) and Talentsmoothie (2010) state, the EVP is about why a talented person, desired by the company, would choose this organization and what that person gets out of the exchange. The EVP is the “deal” between the employer and the employee and it is what differentiates the company from its competitors. Companies with a great EVP can often pay lower salaries, because they compensate it with something else. The EVP needs to be true and transparent to everyone; it needs to be attractive towards the target group(s) and different from the competitors. The EVP can be identified from an employee survey. The company can also conduct an IPI analysis (Identity - Profile - Image) that includes three parts:

- Identity: What the organization is about: What do the current employees perceive the organization to be? What are the common denominators and values?
- Profile: What kind of an employer would the company like to be: management should be interviewed and they should explain how they want the employees to see them as an employer.
- Image: What is the perception of the company within different target groups: quantitative surveys with target groups.

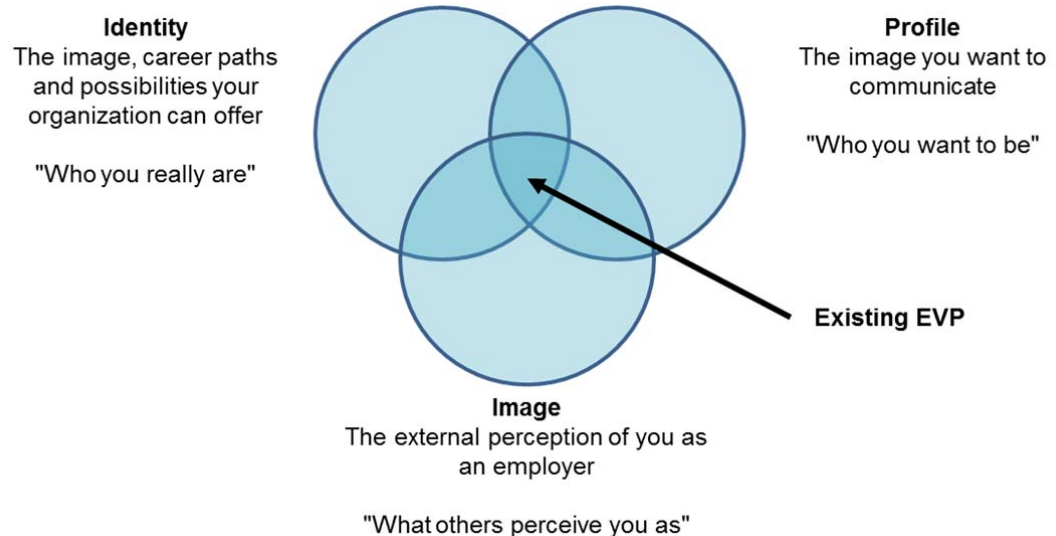


Figure 4. Identifying the Employer Value Proposition (Parment & Dyhre 2009, 70)

As it can be seen in figure 4 above, it is most advantageous to the company to find identity, profile and image broadly in agreement. It will be much easier to formulate an attractive and unique EVP. Differentiation is a key part of an EVP and, in turn, the organizational culture is a very important part in differentiation. It creates the employer brand. Employees want to feel important and part of a team. In order to create loyal employees and great ambassadors, companies need to make everyone understand their role and what part they play in the bigger picture. (Parment & Dyhre 2009, 70 - 71.)

Talentsmoothie (2010) also touches on the fact of feeling important and part of a team. When the company starts to think about its EVP, the process includes talking and interviewing the current personnel. The process alone usually motivates current personnel because they feel included.

One part of employer branding is often marketing towards students. If the company wants to look good in the eyes of students, it should offer trainee programs or internships. Even though trainee programs are often mainly offered within the bigger firms, smaller firms can do the same just as easily. Trainee programs also give the company a possibility to try something new, for example an alternative leadership style or a new company theme, on a new employee or group of employees. Companies can also see if there is any future potential within the trainees. In order to have a successful trainee program, the program should be of an appropriate length (according to Parment & Dyhre: 14 - 24 months; personally the author of this thesis believes traineeships starting from 6 months are good enough). The trainees expect to see various sides of the company and meet many interesting people. If the traineeship does not meet the trainee's expectations, the news travel fast within the trainee's social network. It is important that the entire company is committed to the traineeships, not only the Human Resources Management ("HRM"). Otherwise, trainees will understand they are not important to the firm. (Parment & Dyhre 2009, 49 - 50.)

It can be beneficial to cooperate and communicate with schools in other ways as well. Companies could for example participate in teaching, give guest lectures and organize excursions in their offices. The reason why many companies cooperate with schools is how easily students' impressions can be changed. They might not know a lot about the company yet, but they will forward a positive message if they receive one. In today's world, companies have very little power over when something is communicated about them. The interaction on social media has taken over and stakeholders are writing about different companies freely and directly. The company can control the communication to a certain extent if it has been authentic, open, transparent, and trustworthy. In addition to influencing the students' perception about the company, cooperation helps finding trainees and potential candidates in the future. (Parment & Dyhre 2009, 146 - 147, 152.)

Building awareness among students is a great opportunity for companies according to Sjövall (21 December 2015). She states that depending on the company's target audience, many companies should cooperate with schools. If the company's target audience is people with minimum 20 years of experience, schools might not be the right place for



them. But as Parment & Dyhre mentioned above, it is a great opportunity for companies to influence young people. Also, companies can get great ideas from the students when cooperating with them.

Merentie (2 December 2015) agrees with Parment & Dyhre and according to her, teaching methods do not completely resonate with work life at the moment. Students seem to have miss-perceptions on what working life is like overall. Merentie believes that university programs could benefit from having companies more involved. University master's degrees could, for example, include internships in the study program and companies could be more involved in the thesis assignments as well. Merentie sees such cooperation as a win-win situation: the students would get the best possible education and the companies would get people trained to be more "ready for work" than they might now. One big reason why tighter cooperation between companies and schools would be important is that working environments are changing all the time. The pace is faster, and companies demand more from the employees since the nature of their work is so dynamic. Merentie believes that a closer relationship with schools would make it easier for companies to find great talent. While she acknowledges the current situation is not completely counter-productive, she sees room for improvement.

Mauno (28 December 2015) also discusses cooperation between organizations and schools. She, like Merentie, worries that companies might not be especially happy with the results they get from new graduates. It would be beneficial for organizations and schools would find new ways to cooperate. She also expands on the reasoning for that companies' cooperation with schools. In her mind, companies should feel that it is a responsibility of theirs as much as it is a trade – companies can give a lot to the students and they can be a part of the community, in a sense.

## **2.7 Characteristics of Generation Y**

Generation Y is usually defined as people born in the 1980s (Tienari and Piekkari 2011 in Aalto University Business JUNIOR 2012). Today, generation Y has just started their careers or are entering the job market. Why should companies care about this demographic? The reason is that the new generations are different from the previous ones. Castellano (2014, 39) writes that today's business environment is competitive, technically demanding, and rapidly changing. It is a situation we have never seen before. Simultaneously, the workforce looks different from before. The 21<sup>st</sup> century workforce is more diverse, expressing a variety of values and needs that companies need to know how to work with. According to Parment & Dyhre (2009, 15), not only is there a higher demand of white-collar workers (strategic, abstracted jobs), but also an increased demand on social skills,

emotional intelligence, client orientation and a “market-oriented approach”. Young, talented people start their career planning at an early stage and they know what to demand from the companies. The new generations will change the labor market and they have already started to do so. Below are some changes that have and will occur in the business world:

- Authorities lose their influence. Respect is gained through competence and behavior, not with a title.
- Communication is fast and direct, and business is transparent.
- Instant feedback is expected from the management.
- Social networks will be used for work-related communication.
- New generations will change jobs more often than the previous ones.
- Career steps are something people want to take faster than before – generation Y’ers know their value and do not just want to sit and wait until something happens.
- Creativity is valued and the workplace should be informal. This does not mean a place with no structure.
- Work should be meaningful. Sentences like “it is done like this because it has always been done like this” are cursing words to the new generations.
- Money is not everything that counts when deciding on whether to stay or leave a company. Today people want something more intangible like great coworkers and a nice working environment.
- A direct link to the management is needed where questions and suggestions can be made.

(Devine 2014, 81 - 82; Hubschmid 2012, 71, 77, 78 - 79; McKinsey & Company 2008, 51; Parment & Dyhre 2009, 15 - 16, 26 - 27, 31 - 33, 36, 51, 75.)

Newer generations also demand more flexible hours. People will be coming and going to and from the office when they feel like it. They may want to work from home, but at the same time many are willing to combine business and leisure trips, and work during vacations. Also, younger generations expect that they while need to work sometimes during weekends or vacations, it is, for example, perfectly acceptable to a member of Generation Y take private calls or book private holiday trips during office hours. It is all about flexibility, from both parties. Of course this does not apply to all people within the new generations, but it is something organizations should consider talking with the employees before hiring in order to develop a cohesive and functional working culture. (Hubschmid 2012, 69; Parment & Dyhre 2009, 18, 43.)

As mentioned in the list above, younger generations expect and require open, straightforward communication. Kerr (in Harvard Business Review 2003, 154) states that many companies still discourage direct communication, and do not accept people challenging the status quo within the company. Many company leaders do not appreciate it when others bring up difficult matters. Unfortunately, this means that people raising these questions often do not get higher positions because the leaders find them “too difficult and too di-

rect” to work with. This is a problem, because companies should be able to address tough questions, not just sweep them under the rug. Parment & Dyhre (2009, 94) agree. According to them, companies should not think of demanding employees as a burden but rather as something positive: demanding employees force the company to develop into a company where others want to work. Talented people in particular demand a lot. And if the company has developed itself according to those demands, it will more likely attract the other such talented people.

Even though the lists and paragraphs above might seem daunting, Hubschmid (2012, 71) reminds us that generation Y’ers are also known for wanting to improve things, making a difference, challenging the status quo, and wanting to add value to the company. These are features that companies should take advantage of.

Bersin (in Forbes 2014) addresses the fact that many companies struggle to engage the 21<sup>st</sup> century workforce. As a matter of fact in the research to which Bersin refers (Deloitte Global Human Capital Trends), 75% of the respondents (out of 2500 organizations worldwide) had problems attracting and recruiting the top talent that their companies needed. According to the research, companies identify increased demands of today’s employees as the cause of their failure to engage people. It is no longer enough to have a secure job – people are looking for experiences and something different, meaningful and rewarding.

The theory of meaningfulness is supported throughout the literature. Crawford, Rich, Buckman and Bergeron (in Truss et. al. 2014, 59) introduce the theory from Kahn (1990) in which meaningfulness comprises of job challenge, autonomy, variety, feedback, role fit, opportunities for development, and rewards and recognition. Once these work elements are fulfilled, employees themselves want to be more engaged in their work.

According to Bersin (in Forbes 2014), companies should focus on the following five elements in order to have engaged people:

- The work itself should be meaningful.
- The management environment should be transparent and respectful.
- Employees should be respected and included in big questions.
- The company should have a clear plan for growth and learning.
- Company leadership should project trust and authenticity.

When a company succeeds in the five points above, it gains a soul and people want to be a part of it. Hubschmid (2012, 70) touches the matter of trust as well. According to her,

companies need to realize that they will not get the trust from generation Y if they do not show loyalty and trust to them as well. As mentioned above, generation Y is expecting low hierarchy and that everyone is treated with respect.

### **3 Employee Engagement**

Work engagement has become a more popular topic in the past 10 years. Schaufeli (in Truss, Delbridge, Alfes, Shantz & Soane 2014, 17) states that there are two reasons for this. The first reason is that human capital and psychological involvement of employees in business has grown, and the second reason is that there is an increased interest in positive psychological states.

This chapter will explain what different theories and experts think about employee engagement. Following matters are discussed: the definition of employee engagement, why it is beneficial, what the employees are looking for and how to motivate employees.

#### **3.1 Defining Employee Engagement**

Employee engagement has many definitions, but those definitions usually include organizational behavior concepts including job satisfaction, commitment to the organization, work effort, and motivation (Bridger 2015, 4). Truss (in Alfes et al 2010 in Bridger 2015, 5 - 6) defines employee engagement as the creation of an environment where employees want to connect with their work and where they feel motivated. According to CIPD (2009 in Dibben, Klerck & Wood 2011, 179), employee engagement can be defined as the combination of willingness to offer 'discretionary behavior' and a positive psychological contract. Robinson, Perryman & Hayday (2004, ix) define the state of engagement to mean belief in the organization, understanding the business and seeing the bigger picture, having the desire to make things better, having the willingness to go the extra mile, being respectful of and helpful to colleagues and keeping up-to-date with developments in the field. Employee engagement is about putting flexibility, change and continuous improvement into the same place. These factors are important, because that is how employees work towards company goals and achieve a heightened sense of well-being. Employee engagement is important because it is the people working for the organization that define how well the company will do. (Bridger 2015, 10, 18.)

Schaufeli and Bakker (2004, in Bridger 2015, 5) state that employee engagement is "a positive, fulfilling, work-related state of mind". They also mention that an engaged employee is vigorous, dedicated and absorbed. Vigor means a high level of energy, persistence, and the willingness to put extra effort into one's work. One is dedicated when one is strongly involved in one's work, and when one is enthusiastic, inspired, proud, and challenged. Absorption is the state in which time at work passes by quickly, and it is difficult to leave the work place because one is so focused. Great Place to Work (2014, 5) agrees, that the employees of today are looking for a job where they have the possibility to grow and

where they are challenged. They are not satisfied with just a job – they want something that will further their careers. Truss et al (2014, 59) agree with Great Place to Work and state that an employee should have demanding but achievable assignments. Assignments should be such in which the employee can grow personally as well as professionally.

Both Fryer (in Harvard Business Review 2003, 159, 161 - 162) and Robinson, Perryman & Hayday (2004, 21 - 22) believe that it is the manager's responsibility to make employees feel valued and involved. Every person wants to feel respected and appraised. Like Shau-feli and Bakker stated above, pride affects dedication. It is the manager's task to make the employees feel proud of themselves. If an employee has done something great and especially something out of the person's comfort zone, the leader should reflect that to the person. Doing so will motivate her/him to do as well or even better in the future. Employees want to feel recognized and many surveys reveal that this is one of the most critical factors in employee motivation. Positive feedback is a simple and not-costly way to engage people. In addition to immediate feedback, it is the manager's responsibility to make sure that everyone gets training, and that there is a development plan and a career plan for everyone. Also, the managers should treat everyone fairly and give equal opportunities for all employees.

The perfect situation is one in which the employees feel both proud of themselves and proud of the company. This is often the result of a strong employer branding and employee engagement together. Engaged employees are proud of the company brand and promote it continuously. At the same time, a strong employer brand helps to attract and retain employees. (Dibben, Klerck & Wood 2001, 183.)

Just like employer branding (in chapter 2), employee engagement should not be a one-time-effort based on the results of a single employee survey. It is best achieved with a continuous approach that is integrated into the business strategy and company culture. This is also called transformational engagement. When employee engagement becomes a part of daily business, the company does not even necessarily need a survey to know what the employees think about their company and work. Rather, improvements and ideas emerge naturally. (Bridger 2015, 11 - 12.)

Denny (2009, 22 - 23) writes on the importance of listening. Employees have often many ideas regarding improvement, cost-saving, efficiency and time usage but unfortunately,

not many managers listen to their employees. It is important to let the employees know that they are a vital part of the organization and that their ideas matter. A great manager listens to their ideas and acts upon them as appropriate.

According to Bridger (2015, 43 - 44), When a company thinks about the business strategy and business plan, it needs to think about the definition of employee engagement to the company. It can be for example that they want to be “a great place to work” or they want to become “an employer of choice”. After composing this definition, the company should think about the vision. The vision will direct employee engagement activities and help the employees understand what the company goal is. The employee engagement vision should be in line with the organizational vision. A great way to start is asking the employees about their thoughts on the employee engagement vision. One should ask them to focus on what the future in the company *could* be like. The point is *not* to discuss things that are not well within the company at the present time. Bridger (2015, 47), Bruce (2011, 83) and Dessler (2011, 184, 186) agree that when deciding on the goals and outcomes, they need to be *smart*, meaning:



Figure 5. Smart goals and outcomes (Bridger 2015, 47; Bruce 2011, 83; Dessler 2011, 184, 186)

Niemelä (3 December 2015) agrees with Bridger’s statements above. Niemelä has worked in HR and recruitment for over a decade, working with consultancies and in companies. She echoes that employee engagement should be embedded into the company vision and mission. The reason is how critically important it is for companies to have engaged employees that are interested in what the company does and want to go the extra mile. It can also be a competitive advantage for a company if employee engagement is embedded to the business plan. Every company wants to stand out and a statement that one’s company has engaged employees – together with proof of it – gives an advantage against the competitors.

To this end, questions a company could ask its employees include, for example (Bridger 2015, 44):

- If anything were possible, what could it be like to work here in the future?
- Describe what would be happening – what will it look and feel like?
- What will a typical day be like?
- Why will people want to work here?
- Why will people want to stay?

Many believe that working harder yields increased success, and that this is the path to engagement. This has now been turned around and many say that one needs to be happy and engaged first, and then one will work harder and achieve success. Bridger (2015, 53 - 54) says that once one feels happy and engaged, people feel more positive emotions. Through these positive emotions specific chemicals are released by nerve cells to other nerve cells, which leads to learning more quickly, retaining information more effectively and organizing information in the brain more quickly. In other words, engagement leads to better performance. Niemelä (3 December 2015) agrees that increased employee happiness engenders better results for the company. Employees will be more energized and innovative when they are happy at work.

Even though employee engagement has been proven to bring success to companies, several organizations still think about engagement and being happy at work as “fluffy” or “soft matters”. Many executives do not believe that people work hard enough if they focus on being happy at work. Many companies also still believe that employees only want better salaries or rewards, and the companies are reluctant to hear about the importance of employee engagement. What they do not understand is that the old carrot-and-stick approach does not work anymore. There are less and less jobs that are routinized, unchallenging and highly controlled (where such an approach would work). Jobs in the 21<sup>st</sup> century have become more interesting, more complex, and more self-directed. What motivates people depends on the person, but for many even a thank you after every assignment is a motivation factor. (Bridger 2015, 54, 57, 59.)

Bruce (2011, 4) agrees and states that when the employees feel happy at work, their brains become more engaged, creative, motivated, energetic, productive and resilient. This is why it should be the manager’s concern to help the employees find happiness at work.

Bridger mentioned above that some companies still believe that employee engagement is just something “fluffy”. Niemelä (3 December 2015) does not understand why some companies still believe what she considers antiquated reward strategies. In her opinion, en-



gaged employees are one of the most important features of a business: “If nobody is interested and nobody is really into what the company is doing, how could you expect any good results from anything?” Engaged employees are interested and enthusiastic, and if the workplace encourages the employees even further, they are in turn likely to give even more of themselves back to the company.

There are different ways to implement an employee engagement plan in an organization but one example is the planning cycle introduced by Bridger (2015, 170):

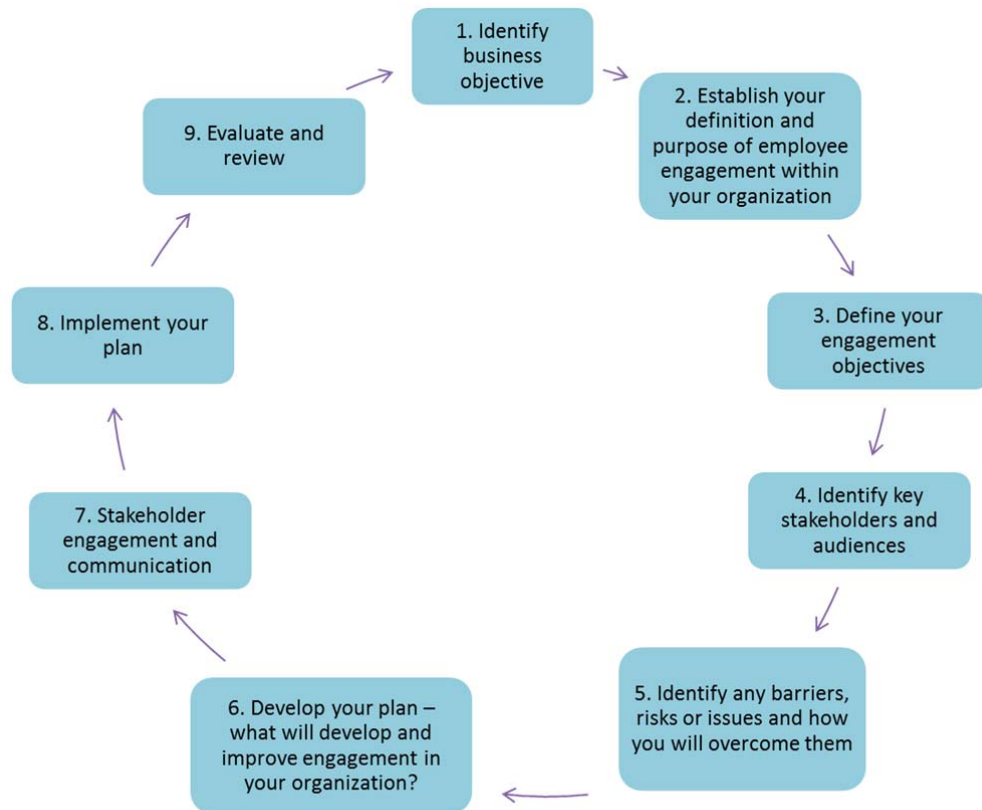


Figure 6. Employee engagement planning cycle (Bridger 2015, 170)

The first part (identifying business goals) should be about how engaged employees will help the company to achieve its business goals. One should think, for example, what the business outcomes and benefits for the company are if/when it concentrates on employee engagement. The second part (definition and purpose of the employee engagement) means thinking about how a very engaged workforce would look like in the company and what would be the difference compared to the status quo. Appreciative inquiry (mentioned in chapter 3.3) is a good tool for this part. In the third part (defining engagement objectives) the company needs to estimate, for example, how highly engaged people will affect

the percentage of absence or how engagement will affect innovation within the company. The engagement objective should be something concrete, for example to improve the level of engagement in the annual employee survey by X%. (Bridger 2015, 171 - 174.)

The seventh part (stakeholder engagement and communication) is where the company should consider whether there is a mutual understanding on what engagement means for the organization and if not, how will the company get there? It is also useful to identify what the company needs from its different stakeholders in order to achieve the level of engagement desired. Different stakeholders expect or require communication in different ways (reasoning/objectives, message/content, channels of communication, timing, etc.) (Bridger 2015, 187 - 188.)

According to Maslach, Schaufeli & Leiter (2001 in Castellano 2014, 97 - 99), there are six areas that affect a person's engagement or disengagement. The first one is workload. There should not be too much to do for one individual. The second one is control. An employee should not have a lot of responsibility and little capacity at the same time. If an employee does not have control over necessary resources, for example, the situation becomes frustrating. The third one is reward. The employer should always remember to reward the employees when something is achieved. The ways of rewarding can range from financial rewards to public recognition and so on. The fourth one is community. Managers should make sure that no-one is left outside the groups within the organization. People need colleagues for emotional exchange and instrumental assistance. The fifth area is fairness. Unfairness can occur with workload, payments, evaluations, promotions, etc. It often leads to cynicism towards the leaders. The sixth area is values. The company leaders should explain their values and discuss with the employees how they see them and how those values can be incorporated in their work. This way there can be no mismatch with the values of the leaders and the employees.

Niemelä (3 December 2015) says that employee engagement should be the responsibility of everyone from trainees to the owners. She states that when organizations attempt bigger movements, such as employee engagement, they should be done in unison to reach the best result. Bridger (2015, 174 - 176) agrees and states that employee engagement is never the sole responsibility of a single person or a group – it is something to which everyone must contribute. Employee engagement should be a part of everyday business and of company culture.

Employee engagement can be measured with different questionnaires at regular intervals (Truss et al 2014, 274 - 278). Before one can measure engagement, one needs to define

what it means for the organization. According to Castellano (2014, 109), engagement can be measured through job involvement (passion and absorption), affective commitment (pride and identity), and positive affectivity (enthusiasm and alertness). The purpose of an employee survey should be clear within a company: what is the goal and how its importance can be communicated, i.e. making employee contribution a positive matter (Bridger 2015, 191, 197 - 198).

There are many different types of engagement surveys available and the organization should research which one gives them the best result. Some surveys provide an engagement index, some identify key drivers of engagement, some look at the pre-conditions of engagement, and so on. It is also important to understand whether if the company is only interested in measuring engagement levels or whether they are also interested in revealing what drives the employees. In the latter case, the survey will usually include more questions from a wider perspective. (Bridger 2015, 192, 201.)

Organizations should also consider carefully what these surveys bring to the organization. Many theorists find employee satisfaction surveys very beneficial, but for example Niemelä (3 December 2015) says that the employee satisfaction surveys that are conducted once or twice a year usually do not bring much to the table. In her mind, the results are reflective of the feelings that the respondents have on that particular day or week. It does not necessarily show the management what the employees have felt through the entire year. Instead, according to Niemelä, smaller surveys should be done more often. This way the management would constantly know how the employees are feeling and they have the possibility to react quickly before it becomes worse or to emphasize positive reactions. It can be very difficult for a company to react to a survey that is conducted only once or twice a year, because the reasons behind the answers might have started a very long time ago.

Rautiainen (6 February 2016) believes that yearly employee surveys are a great tool to help leadership make plans for the future of the organization. Rautiainen has worked in employer branding and company culture development for four years. She is currently working as a consultant at Great Place to Work and builds better workplaces in Finland. Surveys speak to what is going on in the company and they are useful especially if there is not enough trust from the employees' side to discuss the matters openly. Furthermore, according to Rautiainen, surveys can reasonably be held once a year, as this gives companies time to develop and improve between measurements. Clearly, Niemelä and Rautiainen differ in their opinions.

Bridger (2015, 205 - 206) states that it is important to communicate survey results to employees as soon as possible. At the same point in time, leaders should communicate what will happen next. For example, it is common to investigate the reasoning behind some results or others. The company could organize workshops, follow-up interviews, lunch sessions with senior leaders etc. in order to learn more. It is usually better to have an external person responsible for these follow-ups in order to keep the objectivity as high as possible. Rautiainen (6 February 2016) agrees that results should be communicated with the employees right after the survey has been conducted. She says that it would be pointless for a company to even conduct a survey if the results are not communicated or used. In such case the employees might feel that their answers do not matter, and it will be subsequently very difficult to get any replies from the next survey. Niemelä (3 December 2015) proposes that the results should be evaluated together with employees. She believes, it improves matters if the employees can participate in the process instead of only listening to the results.

It will always be impossible to address all points that come up from an engagement survey. A company should define a few key points at a time on which to focus. Once these key points are sorted out, the company should take some time to really understand those points: what is working, what is not, and why. After deep reflection, it is time for an action plan and embedding the action plan into 'business as usual'. The progress of these actions should be monitored, measured, and communicated to the employees. Any time there is some progress from among those key points, it is important to recognize and celebrate it. (Bridger 2015, 207 - 208.)

Bridger's (2015, 227 - 229) summary recommendations to companies in the future are:

- Leaders need to get personal by having conversations across the organization and making sure everyone is on the same page as regards engagement.
- Companies need to get comfortable with the idea of employees collaborating.
- Companies need to listen more to the employees.
- Leadership should take time for engagement training.
- Companies should involve the employees in the big questions.
- Leaders should support and encourage happiness at the workplace because happy people do a better job.
- Managers should take a strengths-based approach.
- Leaders need to consider the role that social media plays in your company now and in the future.

When it comes to strengths, Ulrich & Ulrich (2010, 57, 59) state that a leader should help the employees enhance their signature strengths and help employees understand how their strengths fit into the organization. In doing so, one emphasizes the value they can

bring to the company. Company leaders can help employees to find their strengths through assessment, conversation, assignments and observation.

### **3.2 Benefits of Employee Engagement**

Engaged employees bring many important benefits to an organization. For example, Youssef-Morgan and Bockorny (in Truss et. al. 2014, 37) refer to Stairs and Galpin (2010) who have stated that high levels of engagement relate to increased sales, improved quality, reduced error rates, higher profitability, enhanced customer satisfaction and loyalty, increased employee effort and productivity, lower absenteeism, higher employee retention, faster business growth, and higher likelihood of business success. According to Aon Hewitt (2012 in Bridger 2015, 35) engaged employees are approximately 50% less absent from work. Also, disengaged employees will leave the company four times more often than the average employee (Bridger 2015, 33; Cascio, & Boudreau, 2011, 146; Dibben Klerck & Wood 2011, 180, 192). Overall, one can conclude that engaged employees give a sustainable competitive advantage to the companies. As Castellano (2014, 99 - 100) indicates, engaged employees are willing to go beyond their job description and work quickly. This is something that companies desperately need today, as the world is changing rapidly.

Today, innovation is one of the key words organizations use to describe what is important. An innovative company more easily differentiates itself from competitors. According to Bridger (2015, 29 - 30) there are many studies that prove that engaged employees are much more innovative. Niemelä (3 December 2015) agrees and states that when people truly believe in the company, they tend to get all kinds of crazy, wild, and different ideas, and it becomes natural to take them forward within the company. When people are engaged, innovation comes as a by-product to the company.

Ulrich & Ulrich (2010, 5) state that employees that know why they are within the company are more committed and contribute more to the company. This is reflected in the quality of client relationships, and those clients tend to get better service. When the clients are happier, the company gets more profit. Bridger (2015, 25) agrees and notes that engaged employees will also transfer their enthusiasm to clients. Moreover, it does not matter whether the employee is directly in contact with the client or not: it can be through client interactions or through quality and consistency of the product/service.

Bridger (2015, 22 - 23) remarks that employee engagement brings measurable monetary benefits to the company. There are many studies that demonstrate the relationship between employee engagement and revenue growth, profit margins and overall shareholder

returns. For example the Hay Group (2010 in Bridger 2015, 23) has reported that companies with the best engagement scores had a revenue growth of 2.5 times greater than the companies with the bottom engagement scores. Robinson, Perryman & Hayday (2004, 10) agree with Bridger and point out that companies with engaged employees make greater sales. In addition, those companies got improved customer loyalty and better employee attendance.

Dibben, Klerck & Wood (2011, 180) introduce a simple figure of the different components of employee engagement and the benefits the organization gets from it:



Figure 7. Components of employee engagement (Dibben, Klerck & Wood 2011, 180)

According to Niemelä (3 December 2015), a great benefit that comes from employee engagement is a strong company brand. If people are engaged and enthusiastic at work, they will say so to their families and friends. Interestingly, the same will happen even more often if the employees are disengaged. Bridger (2015, 36 - 37) agrees and states that companies with engaged employees do not have to worry about bad reputation as much as companies with disengaged employees. There are many forums on the internet where anyone can write anything about an employer.

### 3.3 Expectations of the Employees

Today's employees want to be autonomous, master their assignments and have a purpose in the world. According to Bridger (2015, 62 - 63), companies can support these three drives in different ways. First of all, employees should be supported with autonomy on some or all of the following parts of their work: when and how the assignments are executed, with whom employees do the assignments, and what employees do – one

should give employees freedom to decide on some assignments themselves. Truss et al (2014, 59) agree with Bridger, and state that autonomy at work means giving freedom and independence to employees. Secondly, one should allow employees to become better at something that matters to them and give such assignments to employees that are not too easy but not too difficult either. The company should also give clear goals and immediate feedback for the employees. Giving immediate feedback helps to achieve goals and gives an employee a feeling of being valued and appreciated (Truss et al 2014, 60). Thirdly, it is important to communicate company's purpose goals to the employees – not only the profit goals. One should use words such as “we” and “us” when communicating, because such words help the employees will feel more like a part of a team.

As mentioned above, the assignments for an employee should be challenging. The risk of having too easy tasks for employees is that they fall into boredom. This is something that will happen slowly but the result will be that a bored person will distance him/herself from work, will not overextend him/herself or might only do a fraction of work assignments. (Rothlin & Werder 2008, 25.)

Employees highly appreciate an engaging manager. There is a very good list on how to become such manager in Bridger's book (2015, 79 - 82, 84) including the following 20 steps (figure 8):

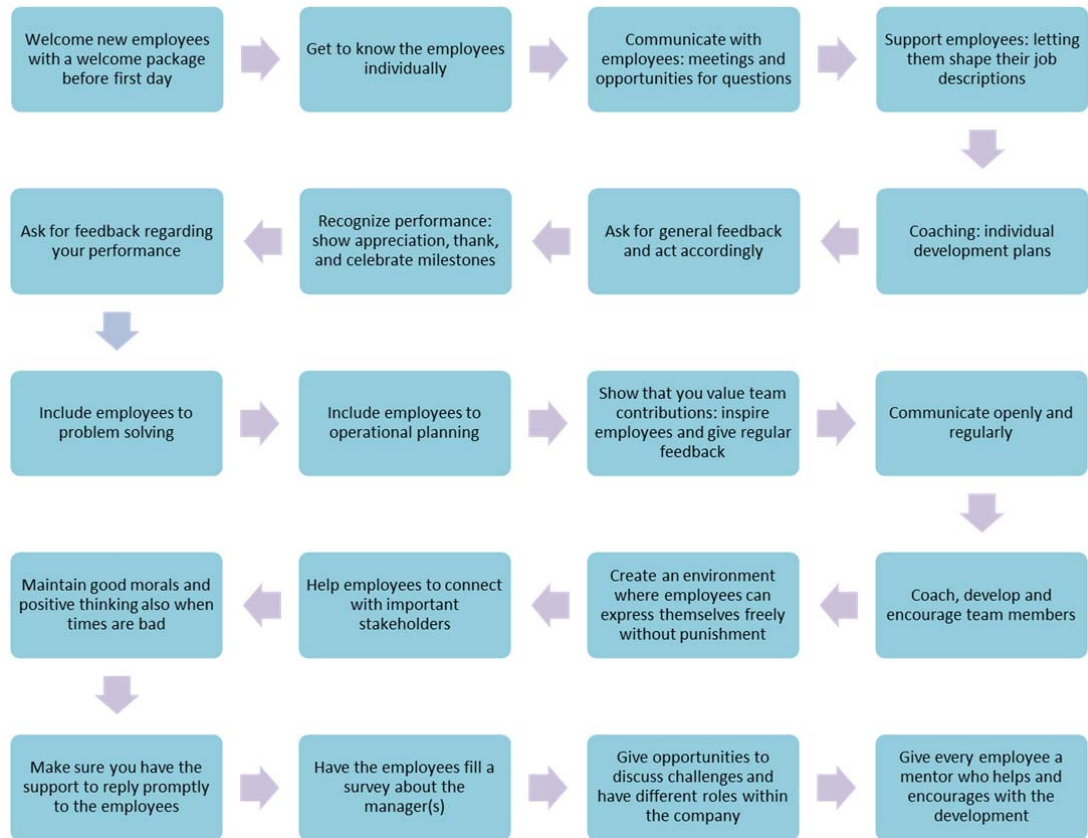


Figure 8. Way to become an engaging manager (Bridger 2015, 79 - 82, 84)

Nicholson (in Harvard Business Review 2003, 28 - 30) agrees with the steps above. A manager needs to look at every single person as an individual and understand the individual's driving and blocking factors. The reason is that all employees are unique and same motivators do not work for everyone. It is also beneficial for a manager to know what is going on in employees' personal life. One does not need to know every detail, but in general – if life is treating the people well or not. How managers will get to know their employees is simple: they should have short informal conversations with their employees. The answers will reveal facts about the employees and might give hints on what motivates them.

In the thorough steps above, Bridger mentions the importance of teams a few times. Levinson (in Harvard Business Review 2003, 91) agrees that companies should look at the employees not only as individuals but also as team members. If companies want to have a team or teams that work well together it is important that the companies also have an appraisal and rewarding plan for teams. It is very common that only individuals receive bonuses and appraisals, which can often lead to people keeping information and knowledge to oneself. If employees know that a part of the rewards and appraisal comes from great team work, the company will be much stronger.



A common goal encourages employees to work well in teams. Organizations should strive to common goals for managers and their superiors. A goal needs to be important for a team, otherwise the team members might not be excited about the assignment. It is also recommended that superiors and managers would have meetings where they discuss their joint goals and past work done together and the future steps. During those discussions, managers should also give constructive feedback to their supervisors. It is also important to give feedback to everyone in the team and not exclude some from the appraisals or feedback. Otherwise the level of motivation might decrease. (Denny 2009, 92 - 95; Levinson in Harvard Business Review 2003, 93 - 94.)

Bruce (2011, 10) points out an important matter regarding company goals. People usually think “What’s it in for me?” It can very difficult to motivate employees with the manager’s goals. Managers should find a way to connect people’s personal motivators with company goals. If this is successful, people start asking “What’s it in for us?”

The steps above mention personal development a few times as well. Devine & Syrett (2014, 100 - 103, 106) agree on this matter and outline that it is important having an interest in the employees’ careers. Managers should have open, repetitive career discussions with their employees. Through these discussions, managers have the possibility to find out what their employees are interested in and make personalized career paths for them. Simultaneously, managers will find out if there is interest or need for development or training. Employees appreciate if the employer offers some tailored development opportunities.

Bridger (2015, 99 - 101) states that companies should consider how to involve employees within the organization. Involvement means not only listening to employees but giving them possibilities to do something meaningful – to contribute to the organization. The involvement does not always need to be regarding big questions (for example strategy) – it can also be about changing the way of working, changing assignments, and so on. Manville & Ober (in Harvard Business Review 2003, 3) agree. Many workers have a little say or no say when it comes to company strategy and company goals. Due to this, knowledge workers can feel distrusted, their attitude might be cynical and their loyalty tenuous. Also, according to Dibben, Klerck & Wood (2011, 184) and Castellano (2014, 109), employee involvement is one of the key aspects in employee engagement. Being a part of decision-making reduces conflicts. Employees will also feel more valued if their management is interested in their opinions on diverse matters, for example organizational culture or

strategy. Niemelä (3 December 2015) agrees with the statements above and says that involvement is very important. Involvement gives an employee the feeling of “owning the matter”. Involvement leads to a feeling of appreciation among employees, which is very important.

According to Robinson, Perryman & Hayday (2004, 23), there are ten factors that affect the feeling of being valued and involved. Those factors are communication, immediate management, performance and appraisal, training, development & career, equal opportunities and fair treatment, pay and benefits, cooperation, health and safety, family friendliness, and job satisfaction. Dessler (2015, 331) adds that it is important that employees understand how they and their department contribute to the organization and how one helps their company to achieve its goals. When one gets a sense of accomplishment from working at the firm, one feels involved in the team.

Companies should remember the well-known statement “People join companies but leave their managers.” This statement is usually true. The relationship between a manager and an employee is very important and the manager should show that to the employee. As Denny (2009, 21) states, employees need feel valued and respected. Recognition is one of the most important matters when it comes to employee motivation. Barrow & Mosley (2005, 17 - 18) continue that employees perform better when they are not controlled by someone else. When people get to express themselves more openly, they do a better job. Managers should think of themselves as coaches for the employees.

According to different studies (for example ISR 2002 and 2004 in Barrow & Mosley 2005, 157 - 158), employees are more engaged when they receive training regularly from the company. Those employees tend to like the employer brand better as well. People want to develop themselves and grow professionally. This is an area in which companies should pay attention to.

As mentioned in chapter 2.1, what also affects current employees' job satisfaction is their working environment, including office spaces, ergonomics, lighting, colors, break spaces, etc. If one compares a modern office with tables that one can use both sitting and standing up to old fashioned, dark rooms with no attention to people's ergonomics, the first one is the one that helps the employees enjoy their time at the office. (Barrow & Mosley 2005, 159 - 160.)

Trust was mentioned especially in chapter 2.5, where it was said that it is a key factor for employer branding to work. As Rautiainen (4 February 2016) said, it is a key factor for

employee engagement as well. According to Bridger (2015, 103), companies might make different promises to their employees. Sometimes employees experience that the company does what it promises, but very often there can be a gap between the words and the actions. In such case the company lacks integrity and trust from the employees' side. This is one reason to conduct regular employee surveys: to know whether if there is a gap and how big it is.

It is useful to discuss and monitor employee engagement within companies. Bridger (2015, 121 - 124, 126) states that when a company holds for example workshops with their personnel regarding employee engagement, one should not focus on negative matters but positive ones instead. When the group only focuses on negative issues, people will most probably leave the room angry and unhappy. Companies should start by looking what actually works within the company and what employee engagement means to their employees. The idea of appreciative inquiry (AI) is to focus on the matters that have worked before and what the learning outcomes from those situations could be. As Walling (2013, 8) explains, the idea of AI is to create empowered solutions for the company through focusing on company strengths. For example, one could ask the group to describe when they felt most engaged at the company. When others share their stories, it forms later on a bigger picture on the cohesive way of thinking. Usually the answers include having autonomy, being valued and appreciated, having a great supervisor and a team, among others. By using appreciative inquiry for a group, it will engage the people within the group because they feel that they are being involved in decision making in the company. Ludema (2001), Hayes (2007), and Rogers & Fraser (2003) (in Anderson 2013, 65 - 66) agree. They state that appreciative inquiry brings out more imaginative responses and innovative practice improvement. The idea is to look into areas of strength – within matters already known and also future possibilities within the company. In organizations, people attend workshops easier when they know that it will be held with an appreciative inquiry mindset. One does not need to be afraid of being criticized too much.

After finding out the situations when people have felt most engaged, the group should start envisioning how working at their company could look like and what kind of dreams there are related to work. For example if the topic is “we want to be a better place to work”, one could think about how it would look like, what the assignments would include, etc. After dreaming about the future, the group should start designing it. They should think about needs for change within the company in order to reach their dreams. Because the group has been thinking positively during the process, their replies are also often positive and not such as “nothing will ever work here”. After designing the future, the group should

think about their concrete actions on how the company will make everything happen in practice. (Bridger 2015, 124 - 125.)

The stages of the AI can also be visualized as a “make the difference” toolkit or the 5-D cycle introduced by Bridger (2015, 127) and Walling (2013, 8 - 9):

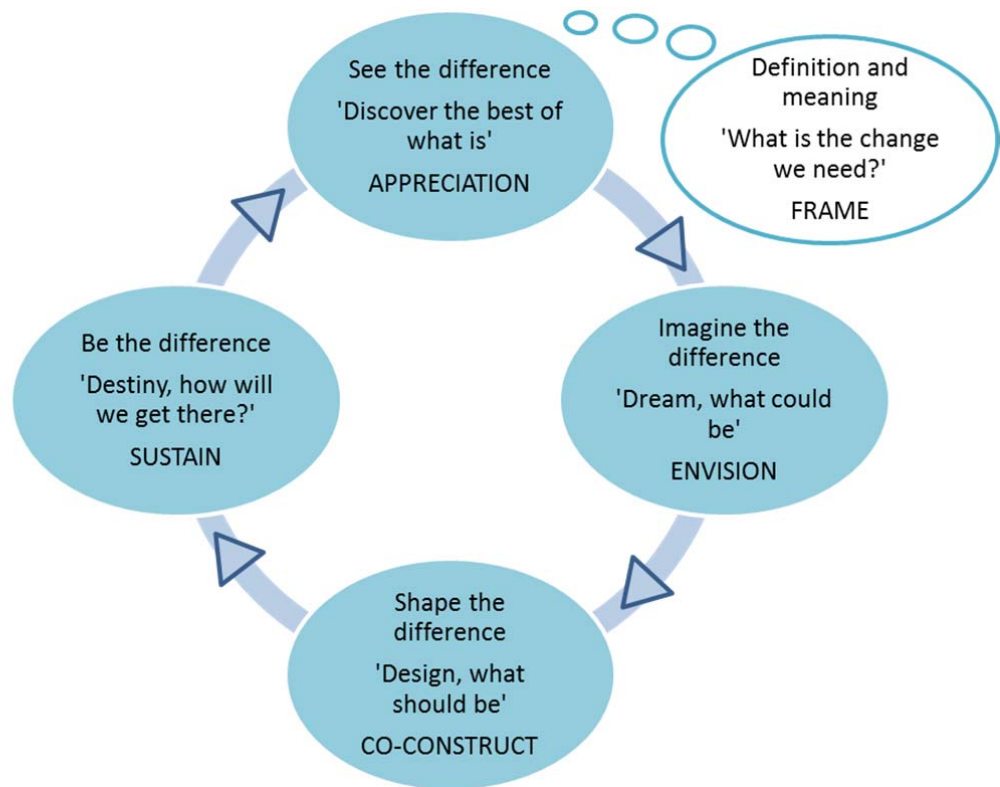


Figure 9. 5-D cycle for appreciative inquiry (Bridger 2015, 127; Walling 2013, 8 - 9)

Appreciative inquiry does not always work, though. Sometimes employees need to get everything off their chests and in such situation people will only get angrier if they need to start with positive thinking. First half of the session with the employees should then be about listening to the employees and making notes about the feedback received. It is very important to take action on those points quickly. After the first half, it is important to switch into appreciative inquiry in order to switch the mood to a positive one. (Bridger 2015, 189 - 190.)

### 3.4 Motivating Employees

Motivation is something that comes from the drivers that move us to do what we do. The drivers can be biological necessities or psychological needs. Bruce (2011, 1) believes that since motivation comes from oneself, it is not possible for a manager to motivate employees. *But* – it is possible to influence what employees are motivated to do. People are mo-

tivated to do different things when it is in their best interests to do those things. It is the manager's task to show why certain assignments or a job is in the best interest of the employees. Even though Bruce states that it is not possible for a manager to motivate employees, she also writes (2011, 2) that even if it is said that motivation comes from inside, external factors affect people's motivation a lot. Most people want to hear that what they are doing is worth their time and effort, even if they already feel like it themselves. Usually the external motivation comes in a form of rewards, bonuses, appreciation, and so on. In the thesis' author's opinion the writer overwrites the first statement with this.

Herzberg (in Harvard Business Review 2003, 50 - 54) agrees that different people get motivated about different matters. He believes that general ways to motivate people are for example giving flexibility as regards from where the work is done and different fringe benefits. Also an increase in the salary every year motivates the employees to work harder. Employees also appreciate clear communication from the management and they would like to know what their part is in the big picture.

As mentioned e.g. in chapter 3.3, one very important factor is giving feedback to others. Motivation does not last if it is not boosted continuously. This is why a once-a-year positive talk with the employee will not have much of an affect. Nor does a once-a-year Christmas or a summer party. Feedback should be given continuously and at all times. It should be accurate, meaning that it is positive or constructive when appropriate. (Denny 2009, 19.)

Bruce (2011, 74) also discusses motivation and states that what usually motivates people is giving them responsibility for achieving something and letting them do it their way. The feeling of empowerment is a great motivator and employees feel trusted and valued. Herzberg (in Harvard Business Review 2003, 60 - 61, 67 - 69) agrees with Bruce and describes how it is important that employees get new enriched assignments during their career. It does not help if a company gives meaningless, boring, easy assignments to employees on top of the current ones. If a company wants their employees to grow professionally, it should also mirror it by giving motivational assignments and responsibilities. Companies should brainstorm with their employees regarding their assignments and responsibilities and make a list of suggestions on how to enrich those. After making a change to a responsibility, the manager should have a test period for monitoring results after the change. The results do not come within the first few weeks – it is important to give time for change. Niemelä (3 December 2015) agrees with Bruce and Herzberg and

says that in addition to giving responsibility to employees, managers need to stand behind their employees as well. This means that managers should communicate to their employees that it is allowed to make mistakes – one tries just again after that.

What many companies often tend to forget is that people work because they want to fulfill their own psychological needs. A person's commitment needs to come from the individual's wishes to support the organization's goals. A manager needs to understand an employee's needs and then together with employee assess how well the company can meet those needs. If these needs are not fulfilled, the company might get an employee who does a very good job by fulfilling all the assignments as one should, but the company fails in getting a partner, a subordinate, a superior or a real colleague. Some might say that employees are in a company to work for the company and fulfill company goals. That is true, but first, as mentioned before, everyone wants to fulfill their own goals. This is why it is important for managers to listen to their employees and to learn what they want from life and what they want to achieve. The idea is to make the individual's and the company's goals mutual. If such mutual goal cannot be found, the employee might do better working somewhere else. The employees want to know what the company can offer them in return while they are giving their knowledge to the company. (Levinson in Harvard Business Review 2003, 73 - 74, 85 - 87, 89; Ulrich & Ulrich 2010, 38.)

Sometimes, if an assignment is not very pleasant for employees, their manager can get employees motivated if the project time is short. In some cases, it is good that their manager says that it is permitted to do mistakes, as long as the employees are working according to the main principles and values. When employees work quickly, they see the light at the end of the tunnel faster and get motivated by that. (Fryer in Harvard Business Review 2003, 171 - 172.)

What also affects the motivation is what a manager thinks of an employee. According to Livingston (in Harvard Business Review 2003, 175), if a manager thinks that an employee is slow and not up to the standards, the employee will most likely notice that and it does not motivate the employee. It is the same situation as in school with a teacher and a student. If a student feels that the teacher thinks s/he is stupid, it will not encourage the student to perform better. It is important that every employee gets a great supervisor for his/her first year of employment because that is when the expectations for the new-hire are set.

In some problem cases where the employee is not motivated at all and does not fulfill the requirements, it might be good to switch the employee to another task or give new re-

sponsibilities that might match his/her personality better. The company might still not get what it wants from their employee but surely more than what s/he was giving before. If the employer feels that their employee is not motivated and does not give his/her utmost, it is good to also have a one-on-one discussion with their employee. The discussion could start with the manager assessing the situation as s/he sees it and asking what the employee thinks about the statement. After that it is the employer's responsibility to find a solution where both parties are satisfied. It is good to point out that the company does not want to lose the employee but that the current ways of working are not acceptable. (Nicholson in Harvard Business Review 2003, 33, 35 - 38.)

Nicholson (in Harvard Business Review 2003, 42 - 43) identifies that different companies have different motivation problems with employees. Some might notice that one is having the same conversation over and over again with an employee. In such cases it is beneficial to change the approach because the current one is clearly not working. If the managers feel that they do not know what motivates the employees, they should spend time to dig deeper and understand what the driving factors of their employees are. Sometimes managers do not care what their employees think of them. This is wrong, because if employees perceive their manager in some way, they will also act accordingly. Bruce (2011, 7) agrees and states that the managers should ask their employees what motivates or drives them at work. After receiving the answer, the ball is in the manager's court. The key to motivated employees is to use those motivational aspects and driving factors with the employees. If someone says s/he is driven by difficult assignments that are then completed well, it is good to give such assignments to the person in question and after the conclusion of the assignment, acknowledge how the assignment was accomplished.

If the company does not find a common path with their employee, there should be a discussion about finding a new employer. In a longer run neither the employer nor the employee will benefit from having a de-motivated employee in the house. If an employer has tried different ways to motivate their employee without any positive result, the best result for everyone is to let their employee go. (Niemelä 3 December 2015.)

## **4 Swedish Business Culture and Going International**

Leroy is a Finnish company with mainly Finnish clients. It has had some clients abroad and the aim is to get a larger clientele from foreign countries in the future. The following chapters present shortly what a company should think about when they might go international. Since Sweden is one of the most probable countries where Leroy would have more business, it is important to know the small cultural differences and business habits that one has in Sweden (chapter 4.1). Chapter 4.2 explains on a higher level how globalization affects companies and what possibilities there are for companies when one thinks about human resources.

### **4.1 Doing Business in Sweden**

One of the research questions in this study was about whether the introduction of foreign clients would affect the engagement of employees at Leroy. The unanimous result from Leroy employees was that it would not affect their engagement at all, as can be read in chapter 7.5. This is why the international aspect of this thesis changed. One result from the interviews with Leroy's management was that their employees need to have an understanding of the countries and cultures in question in order to communicate and cooperate at the highest level (see chapter 7.5). Leroy has already had some clients in different countries, but the majority is still located in Finland. One of the possible countries in which Leroy would have more business in the future is Sweden. This chapter will introduce aspects related to business culture and business etiquette in Sweden. The author of this thesis has lived and worked at a law firm in Stockholm during 2010 - 2012 and also worked since 2012 in a Swedish company in Finland. The theories found for this chapter have been edited based on the author's own experiences.

A basic guideline for all different cultures comes from Swedish Institute (2015a). They point out that it is important to show respect towards the Swedish traditions and ways of working. In new situations, one should watch and listen before acting. For example, according to Passport to Trade 2.0 (2014a), the Swedish communication style is relatively soft. One does not usually bring up power or hierarchy in business situations. According to the website, Swedes also communicate directly and openly. Passport to Trade 2.0 (2014) suggests that one should go directly in to business and not waste time. In the author's own opinion, from a Finnish point of view, the Swedish style is not that direct. Compared to the Finnish business style, the Swedes like to small-talk more in the beginning. Swedish people find it rude if someone interrupts the other and it is polite to wait for one's turn.



Swedes are similar to Finns when it comes to one's personal space. People do not want to sit too close to a stranger nor do they touch others unless they are friends. One should respect the other's space and one greets business acquaintances with a firm handshake. When it comes to greeting, it is good to know that one does not use 'Mr.' or 'Dr.' or similar when greeting people in Sweden. Everyone goes on a first-name basis, undependable on the position. (Kwintessential 2014; Passport to Trade 2.0 2014a; Swedish Institute 2015a.)

When it comes to booking meetings with Swedes, according to Kwintessential (2014), one should make appointments at least two weeks ahead of the desired date. Many Swedes are not available during the holidays and it can be difficult to have a meeting or a reply during Christmas, winter or summer holidays. Punctuality is an important matter as well. Different sources (Kwintessential 2014; Passport to Trade 2.0 2014a; Swedish Institute 2015b) agree on the matter of punctuality in Sweden. Both Finns and Swedes respect time and punctuality. If a meeting should start at 13.00, one expects to have everyone present at 13.00. Punctuality shows respect and efficiency.

If one is about to give a presentation to Swedish people, Kwintessential (2014) reminds that it is important to know, that Swedes are very detail-oriented, which is why the presentations should be flawless and logical. Swedes do not make any decisions during the first meeting. This meeting is only for them to evaluate the presenter. More meetings will be ahead for decision-making.

One should also remember that if there are people from different levels present at a meeting, everyone should be addressed equally. It is often the middle-managers that make most of the decisions. This is important also because Swedes will discuss the issues among themselves and want to find a consensus. In such case it would be very harming, if the presenter has only addressed the top level managers during a meeting. (Kwintessential 2014.)

Swedish Institute (2015a; 2015b) points out that people value team-playing in Sweden. Companies try to value everyone's opinions and everyone's role is seen equally important. Swedes find it important that everyone thinks alike and this is why they tend to have many meetings – to discuss different matters together. Action is usually not taken before everyone agrees on the direction. Usually, Swedes do not want to stand out from the crowd nor take responsibility for everyone. This leads to the fact that decisions often take a longer time. Passport to Trade 2.0 (2014a) and Kwintessential (2014) agree. They state that it is important to find a consensus in meetings in Sweden. Everyone should take part in the decision making and there should not be any confrontations during meetings.

Everyone should do what is agreed during their meeting within the given time frame. Swedish Institute (2015a) reminds that one should not try to force new ideas in Sweden. Swedes are not very receptive to new ideas if they feel that they do not have an option to affect.

Passport to Trade 2.0 (2014b) points out that Swedes dress more casually than many other countries for work, but they dress more conservatively for business appointments. Swedes value quality and like to dress fashionably – also for business meetings. If one is invited for a dinner or other event in the evening, one should wear more highly-styled clothes. Kwantessential (2014) agrees as well and adds that for business meetings it is often good to wear a suit (especially men).

Swedes value their coffee breaks (“fika”), which they usually have twice a day. It is often a 15 - 30 minute break when colleagues (including managers) sit together and discuss off-work topics. This way they get to know each other better. If one is invited to a “fika” in Sweden, it is impolite to refuse. The “fika” culture is one example of how Swedish companies are less hierarchical than companies in many other countries. Overall, the CEO is very often available for all employees for discussions, for example. One does not need to go via many people in order to get the message through – one can go directly to the person. (Kwantessential 2014; Swedish Institute 2015a; 2015b.)

#### **4.2 Internationalization Affecting the Companies**

The world has changed a lot: globalization has increased, there are many demographic changes, emerging markets are becoming stronger, and companies need more knowledge workers all the time. These changes form the fact that companies need local employees with an international mindset. (Pilbeam & Corbridge 2010, 101.)

Globalization affects HR in different ways. First of all, it affects movement of personnel: where is it most cost effective for a company to have different functions and what kind of aspirations do employees have? It also affects the type of work and where it is done. Routinized jobs can often be transferred to somewhere else while personal service jobs stay within the local market. Knowledge based work performed mostly via computers can be done from wherever. (Dibben, Klerck & Wood 2011, 110.)

According to Dessler (2011, 335), due to rapid growth especially in the emerging markets, companies need to market and manage themselves internationally. This affects companies in many ways. For example, business and production plans need to be executed on a

global basis and different country regulations always come in question. Today, even the employees who never travel for work need to be internationalized because people work virtually with people from all around the world.

Companies that operate beyond their home country often use expatriates in the other countries of business. The reasons can vary, but it could be because it can be difficult to find the required knowledge in the other land, expatriates know the company already and do not need to spend time in understanding a new company, and expatriates can help others understand their organizational culture. The cost of using expatriates can be rather high, though. People that are sent abroad need to learn the culture and maybe even basics of a new language before leaving. Companies usually also need to pay for the accommodation etc., which can be costly. This is why companies need to consider carefully the need of expatriates. Will it be costlier to train a local person or to send one from the home country to another country? (Dibben, Klerck & Wood 2011, 124.)

Dessler (2011, 339 - 340) also juggles with the expatriate question and states that when a company needs to have a representative abroad, it should carefully ponder whether if the representative should be from the company and sent to another country, or if one should use a local person who understands the culture, language and ways of doing business in the country in question. Both options have pros and cons. Company's own people understand the company values, business, and they know on what level they can perform. But they might not be fluent in a foreign language and they might not understand the culture that well. Local people will understand the local habits but might not understand the business well enough.

McKinsey & Company (2008, 52) suggests that it might be beneficial to do both options: companies should have local employees and also expatriates. They state that due to globalization, companies need to have people that are willing to travel and work abroad every now and then. Usually companies also need talented local people who understand the local business culture.

If employees are going to do business with companies and people from different countries, a company should train their personnel before and during the process. According to Dessler (2011, 345), there are four levels of training:

- Impact of cultural differences and raising the personnel's awareness of how differences will affect business outcomes.
- How attitudes are formed and how they influence people's behavior.
- Facts about the target country/countries.
- Skill building in languages, adjustment and adaptation.

Overall, when companies start to do business internationally, they need to study cultural, political, legal and economic differences and regulations that will affect the business and the employees (Dessler 2011, 336).

## 5 Conceptual Framework

The purpose of the conceptual framework is to get a clear view of the theories used in this study and how they are linked with the research question. The conceptual framework for the thesis was formed based on literature and interviews.

Employer branding, employee engagement and what one needs to consider when entering the Swedish market are discussed in the literature review. Employer branding and employee engagement form the first and second part of the conceptual framework. The theories help in explaining why certain matters are important for the employees and what the management can do in order to get the best talent and keep them engaged. Employer branding is a proactive way to get the best talent and the right people interested in the company. Employee engagement ensures that those people want to stay in the company and make the company even better. The academic theories helped the author to form her questions for the expert interviews and in the end, the expert interviews were very much aligned with the previous theories. The wide range of theories assisted also in forming the interview questions for Leroy.

Since the employees at Leroy did not find clients abroad disengaging, a new international aspect was brought to the thesis. The management at Leroy stressed that their employees need to have an understanding of different countries and business cultures. Sweden was one of the most potential new markets which is why it was important to investigate what the employees at Leroy should know about doing business in Sweden. This is a minor, but an important part of the conceptual framework.

The conceptual framework (illustrated in figure 10 below) consists of the following elements: employer branding, employee engagement, and international clients. In order to answer the research question and all the sub-questions, one needs all three parts of the conceptual framework.



Figure 10. Conceptual framework of this study

It is difficult to choose many smaller sub-matters from employer branding and employee engagement for the conceptual framework, because all different aspects within the subjects are important. Depending on the company's situation and what it wants to emphasize, different phases are relevant. It is important to realize that employer branding and employee engagement go very much hand-in-hand and that it is important to work on both matters continuously.

## **6 Research Methodology**

Pragmatism is used as the research philosophy in this study. It means that the research question is the most important factor and one pays attention to practical consequences. Within pragmatism there is not only one single point of view that can give the entire picture and the information required is credible, reliable and relevant (Saunders, Lewis & Thornhill 2012,130).

Ontology means the view of the nature of reality. As Ritchie & Lewis (2011, 11) identify, ontology is about whether if there is a social reality and what the construction of it should be. The key debate is between having one common, shared social reality, and having multiple context-specific realities. According to Saunders & al. (2012, 140), when pragmatism is used as the research philosophy, ontology has a view that is chosen to best enable answering the research questions. Epistemology describes what acceptable knowledge is. Within pragmatism epistemology has focus on practical applied research and has either or both observable phenomena and subjective meanings. It is concerned with for example what the basis for our knowledge is (Ritchie & Lewis 2011, 13).

The research approach used in this study is deductive. The reason for this is that the research builds on theory instead of creating new theories. The data collection relates to existing theories. (Anderson 2013, 165; Rubin & Rubin 2012, 15; Saunders & al. 2012, 144.)

The thesis is a mono-method research with a longitudinal time horizon. A longitudinal research has capacity to study change and development, which is very important in this research. (Saunders & al. 2012, 190.)

### **6.1 Action Research**

The research strategy in this study is action research. Action research is chosen as the research method, because as Reason and Bradbury (2006, 1 - 2) mention, it is participatory process in which action, reflection, theory and practice are brought together. The purpose of action research is to produce useful practical knowledge and to develop current knowledge. According to Saunders & al. (2012, 183 - 184), action research develops solutions to real organizations, has a participative and collaborative approach and implications are beyond the project. The purpose is to promote organizational learning to produce practical outcomes. This is done through identifying issues, planning action, taking action and evaluating action.

Action research has research cycles. The idea of the cycles is to have the research question and a specific context in mind throughout the research but the focus of the research might change as the research develops. Every cycle has four parts: diagnosing, planning, taking action and evaluating. (Saunders & al. 2012, 183.)

The research spiral for this is presented below. The cycles consist of theory reading, interviews, conclusions, a workshop and recommendations.

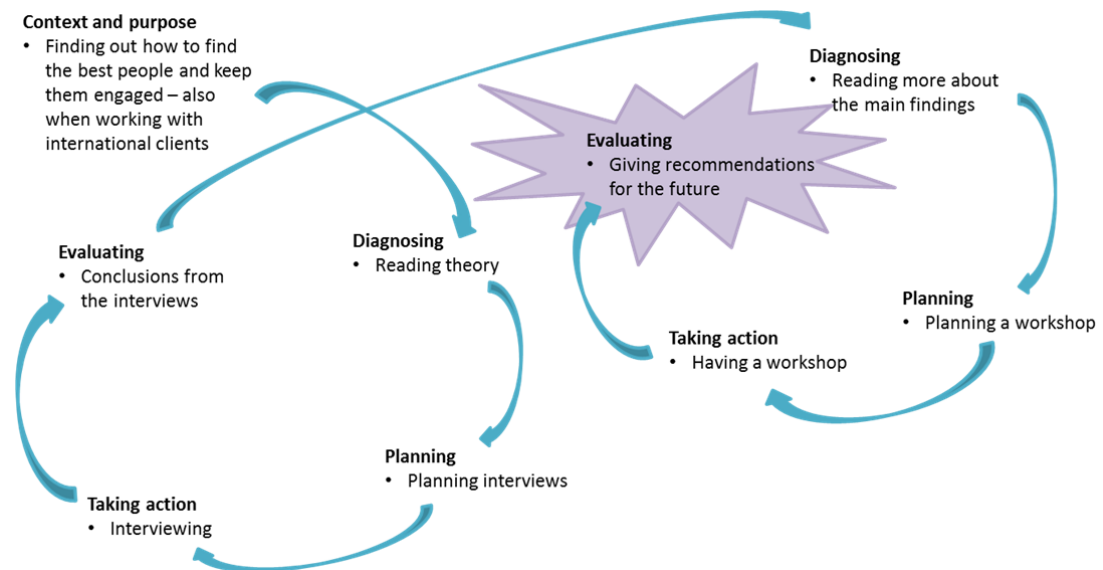


Figure 11. Action Research cycle of this thesis (based on Saunders & al. 2012, 183)

Also, Anderson (2013, 64) proves that action research suits this study well, because human resource matters are often under change processes and involve looking into HR issues and making recommendations for future improvement. In general, these are usually then evaluated and further developed. The HR pattern fits the action research cycle perfectly.

## 6.2 Interviews and a Workshop as Data Collection Methods

In addition to existing theory, qualitative interviewing was used as the data collection method. The questions are listed below with more detailed information regarding additional questions and data gathering methods.

- What kind of people is Leroy looking for?
  - This was studied through interviews: both people responsible for recruiting and the employees.



- How can Leroy help keep existing personnel engaged and motivated?
  - This was studied through interviews with current employees.
- Would the introduction of foreign clients affect employees' engagement negatively?
  - This was studied through interviews with the current employees.

Since Leroy had fewer than 20 people at the time of the interviews, it felt difficult to take a reliable, representing sample from the company and keep the anonymity of the respondents at the same time. This is why everyone who had been in the company for more than a few months was interviewed. The people that were interviewed are illustrated in table 1 below.

Table 1. Background information on the interviews

Role	Amount	Time when interviewed
Management	7	June 2015
Employees	7	June - July 2015

The interviews at Leroy were held during June - beginning of July 2015. All interviews were individual, face-to-face interviews and they took place at Leroy's office. As illustrated in table 1 above, seven employees and seven people from the management were interviewed. People that had just started in the company were not included in the interviews.

In addition to Leroy's interviews, five expert interviews were conducted as individual face-to-face interviews. The experts were from different organizations, including companies and consultancies and they had many years of expertise within the subject. These experts worked within the field of either employer branding and/or employee engagement. According to Nunkoosing (2005) and Sandelowski (2002) (in Gubrium, Holstein, Marvasti & McKinney 2012, 244), using expert interviews is the most commonly used data collection strategy when conducting qualitative research.

Josselson (2013, 27, 33) states, that when interviewing people, it is important to be reflective, meaning that the interviewer should understand his/her own assumptions and pre-conceived ideas about the interviewee. The ideal is not to let these thoughts affect the interview. As an interviewer one should stay as objective as possible and not let the preexisting thoughts clutter the listening. Even though the interviewer will feel different emotions during an interview (happiness, sadness, boredom, anger, etc.), s/he should not show those feelings to the interviewee. Andrews (2007), Gubrium & Holstein (2009) and Hydén (2008) (in Gubrium, Hostein, Marvasti & McKinney 2012, 283) continue that it is important that the interviewer is an active listener. This means that the listener is quiet when the respondent is talking, and creates a space for the interviewee for gathering the

thoughts and telling stories. An active listener asks for explanations or more information, when it is needed. The author of this thesis tried to follow these guidelines and stay neutral during the interviews. Even though she stayed quiet for the most parts of the interviews, she tried to show with her facial expressions to the interviewee that she was listening carefully and was interested to hear more. The author also asked the interviewees to explain things that she did not understand or to tell more about something that seemed interesting or important.

It is also relevant where the interview takes place. Seidman (1991 in Gubrium, Holstein, Marvasti & McKinney 2012, 209) points out that the interview location should be quiet and a place where the interviewee feels secure. For example a café would not fulfill these requirements, even though it might be convenient for the participants. The interview location should be effective and familiar to the interviewee in order to minimize the distraction. All the interviews for this study were held at the interviewees' work places. This way the respondents did not need to use time for travelling and it was possible to have the interviews in a quiet place.

In the beginning of the interview it is very important for the researcher to make sure the interviewee knows why s/he is there and why the interviewer is there. The interviewee needs to understand what the aim of the interview is and what is expected of her/him. One should clearly inform how the material will be handled and how it will be analyzed further. As Josselson suggests, at Leroy the author of this thesis told the interviewees who she was, and why the research was conducted. The interviewees were told what was expected from them and how long the interview would take. The interviewees were also informed about who would see the transcripts and that if the interviewee felt that s/he wanted to stop the interview, s/he had the right to do so. When it came to the expert interviews, the interviewees received an email before the interview describing how the interview would look like (duration, language, purpose, etc.). At the interviews the author of this thesis briefly explained what the thesis was about and why the interviews were so beneficial. (Josselson 2013, 29 - 30, 61, 63.)

During the interviews the author let the interviewees talk and did not interrupt them. According to Josselson, it is important to show the interviewee that one is interested in what s/he has to say and ask for more. Also, the author did not take notes during the interviews in order to keep the interview more as a discussion without distracting elements. (Josselson 2013, 133 - 137, 161.)

It is important to assure the interviewees that there can and will not be any harm from the interview responses. The researcher needs to follow the ethics, meaning that the interviewees cannot be pressured, they need to be respected and promises need to be kept. When it comes to the expert interviews, the author of this thesis always sent the transcript to the person for approval before using the material in the thesis if that was agreed with the interviewee. (Rubin & Rubin 2012, 85 - 89.)

The interviews were all semi-structured with a ready-made list of questions, but depending on the interview, some additional questions might have been asked too. The additional questions brought some valuable information to the findings. As Anderson (2013, 212) and Rubin & Rubin (2012, 29, 31) introduce, in a semi-structured interview method the researcher has the research question in mind and a set of interview questions ready. The interviewer can also ask the questions in a random order, add new questions if they feel helpful at the time and skip questions if they are out of the area of discussion at that moment.

When it comes to the interviews at Leroy, the toughest, or most negative question was about describing a nightmare working day. The question was put in the middle of the interview. The reason for this was to get the interview going before the more negative question and then there would still be time to build up the energy with more positive questions afterwards. This way the interviewee would hopefully not leave the interview with negative feelings. Also, according to Rubin & Rubin (2012, 111), difficult, blunt questions should not be asked before the researcher has managed to build trust with the interviewee. Regarding the questions overall, they were built in a logical order so that the interviewee could “tell a story”.

As one could see in the action research spiral earlier, information was gathered from a workshop as well. The first step to implementing the findings was the author of this thesis holding a workshop with people at Leroy. The workshop took place in January 2016 and consisted of six participants, both from the management and the employees. The content of the workshop was based on the author’s suggestion and it was held in Swedish. The topic of the workshop was deciding on the key words that Leroy would use to describe them as an employer. The follow-up work after the workshop is to act based on those words. The more detailed description of the workshop can be found in chapter 7.7.

The workshop that the author held was small in size and informal of its nature. Nevertheless it was important to think about general facts regarding workshops. These can be for example the space where the workshop was held, how the topic was presented, and what

the role of the participants was. Highmore Sims (2006, 35 - 36) explains that the participants will learn and concentrate more when the workshop is dynamic and the presenter/facilitator is not the only one talking. The structure of the workshop is also important. Highmore Sims (2006, 89 - 90) continues that one should start with a question, then tell what the workshop is about, how the result will be achieved during the workshop, and finally how the audience can use the learnings in the future. The author followed these four steps by starting with the question “with what words would you like Leroy’s employees to describe it as an employer?” The author then explained why it is important to have a cohesive thought regarding these words (explained in chapters 2.5 and 7.7), then how the outline of the workshop would be and in the end what the company should do with the words. The workshop results are discussed further in chapter 7.7.

### **6.3 Data Analysis and Results**

As Rubin & Rubin (2012, 64) state, once an interview has been conducted and recorded, it is important to transcribe it as soon as possible, preferably on the same day. Otherwise one might forget what something meant, what the mood was, etc. It is also always better if the researcher transcribes the interviews him/herself. This way all tones of voice etc. will not be missed. All interviews were transcribed on the same day of the interview and word-to-word, which makes the results reliable. One could also go back and look for answers from the transcriptions if needed. Previous theories also mention that transcriptions should be written word-to-word, but small sounds such as “hmm” and “aa” can be left out if they do not resemble something important (Rubin & Rubin 2012, 190 - 191).

Different authors (Anderson 2013, 241; Beech 2015, 106; Richards 2009, 93, Rubin & Rubin 2012, 192) stress the importance of coding the interview transcriptions. The data from an interview is much richer than from a questionnaire. Analyzing the results is much harder, though. The researcher should code the transcripts by marking repeated themes or words in order to find the most popular statements. These codes can then be used in the analysis by calculating how often certain matters were expressed and whether if different people suggested same ideas together. Ritchie & Lewis (2011, 2013) open the coding more specifically. They introduce two ways of coding: either deciding on the relevant codes beforehand or looking for interesting and relevant matters from the text. The latter is called non-cross-sectional data organization and it starts from looking into specific parts of the data and marking those with relevant categories. This method might give a better understanding of the flow of the interview while the cross-sectional way helps in locating the different concepts. This is also what the author did: after transcribing, she looked for different key words and phrases from the interviews and wrote them down in a matrix. The key findings are introduced in chapter 7.

Table 2. Example matrix

	Employee 1	Employee 2	Employee3
1 <sup>st</sup> question	key points...	key points...	key points...
2 <sup>nd</sup> question	-“-	-“-	-“-
3 <sup>rd</sup> question	-“-	-“-	-“-

The author’s matrix for the Leroy interviews had the interviewees on one axis and the interview questions on the other axis (example in table 2 above). Two separate matrixes were used – one for the management and one for the employees. Once all the key words were put into the matrix, one could see the overall picture of the answers and compare the results.

#### 6.4 Validity and Reliability of the Research

Ritchie & Lewis (2011, 273) define that validity is about the precision and correctness of a research. Basically it is about whether if the researcher has investigated what s/he said s/he would be investigating and whether if the results generated from the test group apply to other people as well. Miles & Hubermann (1994, 278 - 279) state that the validity of a research means whether if the findings of the study make any sense and whether if they are credible to the people studied and the readers. For example answers to the following types of questions define whether if a research is valid: Is the content rich and is the study convincing? Is the presented data well linked to the prior theory? Are the findings coherent? Have rival explanations been actively considered and what happened to them?

The content of the thesis is rich because a wide variety of academic and professional sources are used and in addition to those, five experts that work within the field of this thesis were interviewed. Regarding the interviews at Leroy, everyone was interviewed which gives a very trustworthy and comprehensive result. The study is convincing based on the richness of the data and the planning of the data collection methods. The author prepared herself very well for each interview and made notes on everything she read. The theory part is written as a conversation between prior theory and the experts. The findings from the Leroy interviews are very much coherent with the theory presented in this study. People want to do a great job, develop themselves and they expect to get the support from the organizations. After a thorough search for rival explanations, no academic results were found. All academic results researched for this study regarding employee engagement and employer branding were positive on the subject.

When it comes to the credibility of the interview results, Rubin & Rubin (2012, 64) describe that the information received from the interviews is credible but in order to keep it credible it is important for the researcher to report how the interviews are analyzed. How the interviews were analyzed is explained in chapter 6.3.

Miles & Huberman (1994, 278) describe that reliability of a study means that the process of a study is consistent, reasonably stable over time and different resources have been used. The basic question is whether if a research has been conducted with reasonable care? For example, the research questions need to be clear, the researcher's role needs to be well defined and one should make data quality checks (e.g. for bias, deceit and informant knowledgeability). Ritchie & Lewis (2011, 270 - 271) discuss the matter further and state that reliability is about the ability to replicate the research findings in another study. The focus is that one should get similar research outcomes even if one would conduct the research on other people. Reliability can also be achieved by showing openly how all the data has been collected and formed. This way other researchers can already "replicate" the study in their minds and make their minds about the reliability. The author has been very open and transparent about how this study has been conducted. This way anyone could replicate this study.

Beech (2015, 93) points out a situation when a study can be biased. If a researcher has, for example, been selective with data collection, meaning who have been included in the research, from where the data has been gathered, the research is biased. Everyone at Leroy was included to the interviews, which excludes the possibility of bias in those interviews.

The author believes this study is of rich content and well-explained with help of prior theory. Reliability within the interviews and workshop results was assured by studying good interview techniques and questions. Since the author was not employed by Leroy, she believes better, reliable answers were obtained.

The ethical principles in research are very important. For example, Saunders & al. (2012, 231 - 232) identify that, as a researcher, one needs to be open, truthful and accurate. One needs to assure every participant is participating voluntarily and that they know what their role in the study is. When the case, one needs to keep the participants (individuals, companies) anonymous and one is certainly not allowed to make up anything written. Anderson (2013, 142 - 143, 145) agrees and states that it is important to have the research ethics in mind when conducting a research. These include for example letting the interviewees know that answering all questions is voluntary and make sure the confidentiality

promises are being kept. As a researcher one needs to make sure no-one feels pressured to answer in a certain way and one has to collect and record the data accurately and fully. The author has conducted her interviews according to the statements mentioned here, which makes this research ethical. When it comes to the Leroy interviews, it is also very important to keep the anonymity of the people when writing the conclusions. No-one should be able to recognize a person from a quote or conclusion. Confidentiality falls into the same category – while the author interviewed people, she made sure she did not make any comments of other people or their views (Ritchie & Lewis 2011, 67). The situation is different when it comes to the expert interviews, where the data is only credible once the source is announced. This is why those interviews are not anonymous.

As mentioned above, the author was not working at Leroy, which made her an external researcher. There can be seen both benefits and disadvantages in it. The benefit is that the author was objective and she was not biased towards any results. The disadvantage might have been that the author did not know a lot of how the team works and how the dynamics at the office are etc.

## **7 The Way to Employer Branding and Employee Engagement at Agency Leroy**

This chapter explains what the findings from the interviews and the workshop at Leroy were. First the results of the interview findings that were most valuable for the organization are discussed. After the interview findings, the workshop results are demonstrated. The workshop was based on finding the key words that Leroy would use to describe themselves as an employer.

### **7.1 A Leroy Employee**

Both the employees and the management had their answers very much in line regarding the skills, knowledge or competences the employees at Leroy should have. The employees brought up many characteristics, such as one needs to be able to work with other people, have social skills and be able to communicate with different people and in different situations. At the same time, one needs to be independently creative and know how to take feedback from others. Employees at Leroy should also be able to change teams and projects quickly. The more project related skills that were brought up were that one needs to be creative, versatile, talented, have an eye for design, understand modern technology, and learn new things. Also one point mentioned was that one should not be satisfied with whatever. One needs to have some self-criticism when working in the creative industry.

Also the management thought that one should not be pleased with whatever, but that everyone should challenge themselves and challenge everything around them as well. The management agreed that the employees should know how to work well in a team, with other people and be open-minded. People at Leroy should not be shy and they should be open for feedback. They should also be versatile and know how to work and solve problems independently. There were not any larger differences in the answers from the management and the employees. It means that everyone has a cohesive point of view on the question.

When asked whether if the characteristics of Leroy employees would be different in two-to-three years, the answers from the employees and the management were mainly similar. Both agreed that in two-to-three years Leroy will probably need more specialized people in different areas or for different types of clients/branches, and more technically specialized people because technology changes fast and the amount of technical work will most likely increase. What also both employees and the management said was that the same mind-set that people have today should remain because it is the core of the company.



The people at Leroy were also asked about characteristics that would describe people that would fit in the organization but also about characteristics of such people that would not fit in. The most important factor that came from the majority of the employees was that the employees that fit well to Leroy need to have good social skills and they need to be able to communicate well in different situations. They should also be able to take criticism and they want to constantly learn new things. A Leroy-person has his/her own ideas and is not afraid to take his/her own path within the company.

The management's main thoughts were, that the person, who fits in at Leroy is flexible, works quickly and also knows how to work together in a team. The management believes that positive thinkers do well and the ones that are passionate about the work.

The employees think that the ones that do not do well within the organization are the ones that are introverts or shy and have problems with communicating with others. One should also not be afraid to ask questions from others.

The management's main thoughts of the person who would not fit in at Leroy were similar – one should not be an introvert nor have difficulties in communicating with others. One should also not use too much time with the assignments and one needs to be able to adapt from one situation to another quickly. There were different ideas from the management, but most of them were single-person thoughts. The full list of interview results can be found in appendix 1.

## **7.2 Leroy as an Employer**

When the management was asked with what words they would like their employees to describe the company, the result was a long list of different words. They were all very good, but it might be worthy to have a cohesive opinion within the management group as regards how they would like to be perceived as an employer. This would then make employer branding of Leroy much easier. The main results from the leadership are illustrated in the figure below.

**challenging**                      **One can do what one has dreamt of.**  
**It is possible to try out different things.**                      **aspirational**  
**One gets the best portfolio in Finland or even Scandinavia.**  
**fun**                      **positive**                      **relaxed yet professional**  
**awesome**                      **encouraging**                      **creative**                      **flexible**                      **reliable**  
**Great co-workers - like a family.**                      **a good place to work**  
**People have the opportunity to shine.**

Figure 12. Leroy as an employer – management's perspective

The main thoughts from the employees regarding Leroy as an employer today can be seen in the figure below.

**caring**                      **work/life balance**  
**top of the line**                      **creative**                      **motivating**  
**Gives opportunity for own projects beside regular work.**  
**Opportunity to pursue own goals**                      **secure**  
**awesome**                      **Unknown from a developer point-of view**  
**Place where one can learn a lot.**                      **a nice place to work**  
**Doesn't work for mainstream brands.**

Figure 13. Leroy as an employer – employees' perspective

The similar words in both groups are marked with yellow. The words that describe Leroy as an employer from both the management's and the employee's point of view are creative, awesome, reliable/secure, a good/nice place to work and one can pursue own goals at Leroy.

### 7.3 A Nightmare versus a Perfect Working Day

The employees were to describe a nightmare working day. The reason was to find out what the employees would really hate at work. The answers give some insight for the management on what kind of working environment is not preferred. All the employees were more or less in line with each other on this question.

A nightmare working day would include too much to do, too few people working at the office, and having too many deadlines with too little time. Also, jumping from one project to another was seen as negative – especially, if the communication was not working because it might cause a lot of useless work and frustration. Re-doing work came also up as frustrating. The employees also said that having only easy, boring tasks would be a nightmare.

The employees were also asked to describe a perfect working day. This will give the management ideas how to motivate the employees day-to-day. The employees were also very much in line with the answers on this question.

A perfect working day at Leroy consists of intensive projects that have great guidelines, where people know what they should do. The tasks are challenging but manageable – employees at Leroy want to learn something new at work. The employees want to feel proud of the work they have done and receiving good feedback makes the day even better.

When the employees were asked whether if the employees were proud to work at Leroy and the cohesive answer was “yes”. The most common answer to “why” was that the quality of work at Leroy is very high. Also, the company has a good reputation and is considered as one of the best design agencies. A list of the more individual results can be found in appendix 1.

#### **7.4 Engagement, Motivation and Driving Factors at Leroy**

In order to know what the engagement and motivation “policy” at Leroy is today, the management was asked how they engage and motivate their employees. The replies were rather different depending on the interviewee. Regarding engagement, the similarities that came up were trying to get the employees involved as much as possible, and giving responsibility for them as well. Social events and Friday lunches were also mentioned as a way of team-building. The entire list can be found in appendix 1.

When it came to motivation, the majority of the replies were in line with each other. Most mentioned that one motivates others by giving immediate feedback and by acknowledging what others have done. Also, the environment of really talented people should motivate others to work even better. The employees have a support network from the other colleagues. The management gives the employees a feeling of success when it is relevant and rewards the employees for great work. The management believes that great, challenging projects motivate the employees to work at their best.

The driving factors are very important for the management of an organization, because those factors are the ones that help retaining the best employees. The employees at Leroy are driven for example by challenges, learning new things and having the possibility for personal development and improvement. Some mentioned here that doing same tasks all the time will cause boredom and eventually those people will leave. Employees were also driven by the current environment where it is easy to collaborate and talk with everyone. Independent projects at work were also brought up as driving factors. A more detailed list can be found in appendix 1.

### **7.5 An International Client**

The employees at Leroy were asked whether if their engagement would be affected in a case where the client would be abroad. All the employees answered that it would not affect the engagement, because the most motivating part of the work is done at the office. Some even mentioned, that it would be even better if Leroy had more international clients, because it is often easier to work with them since they are used to creative agencies more than Finnish clients.

What the management expects from the employees is great communication skills and understanding of the countries and business cultures in question in order to communicate in a correct way. The employees need to understand the time and place for everything. It is great if the employees have lived abroad and received some international understanding and know how to speak different languages.

### **7.6 Other Important Findings**

The interviewees mentioned some other things outside the interview questions. All random “we had a great week, let’s have a beer”, or other outside-of-work-events are welcomed among the employees. The Friday lunch when Kenneth Nars cooks was mentioned many times during the interviews and it was highly appreciated as well. The employees feel that the current way of working works well and they like that the roles are not as defined as they might be in larger organizations. Leroy has a monitor at the front door, where people can press whether if they have had a bad or a good day. At the time of the interviews, the results of the monitor had not been communicated with the personnel. A key rule for gathering information from the employees is to show the results as well and act upon them. The management should look at the reports at least once a week and react if the results are alarming but also pay attention if the results show that everyone had a great day.

The management brought up that they have noticed that there is a lack of communication within the organization, even though everyone sits in an open office. Motivation was also brought up and as one said: "Motivation is something that is very easily lost if you don't get reminded of the great feeling afterwards."

### **7.7 Workshop on Describing Words for Leroy as an Employer**

As mentioned in chapter 2.5, it is wise that a company works on the key words that they would like their employees to use when they describe the company as an employer. Those words make the company unique and attract the right type of people to the organization.

When the people at Leroy were interviewed, the employees were asked how they would describe Leroy as an employer and the management how they would like their employees to describe the company to outsiders (chapter 7.2). As mentioned earlier, the similarities from both groups were the following words: creative, awesome, reliable/secure, a good/nice place to work, and a place where one can pursue own goals.

The idea of the workshop was to figure out which words would Leroy use going forward. The author stressed that the purpose of the workshop was not to only list 3 - 5 words but also to start thinking about how Leroy would put the words to action going forward. The words needed to be authentic, rooted in reality and both management and employees should agree on them. This is why it was good that there were both management and employee representatives at the workshop.

We started with the common words that came from the interviews. The discussion started to flow slowly and people realized more what the purpose of the words would be when going forward. This helped them also to brainstorm around the topic. What the group decided was that "creative" should be a no-brainer and that it should not be a unique quality of the company. What the group wanted to bring forward was the fact that people found the place secure and reliable, that it was a great place to work and that it was a challenging (in a positive way) place to work.

These words molded into different combinations and the final result was:

**Awesome place to work**

**Aspirational culture**

**Reliable**

Figure 14. Outcome from the workshop with Leroy

As it was discussed in the workshop, it is not common to see creative agencies as “secure”, because the work is based on projects. This is why the group decided to have “reliable” as one of the keywords. “Awesome place to work” was a combination of “awesome” and “nice place to work”. It might give the company the extra punch compared to companies that say that they are great places to work. “Aspirational culture” comes from the fact that both the employees and the management thought that Leroy is a company where people can pursue one’s own goals.

In the end of the workshop the author said that from that point forward it is up to Leroy to also do something with these words. Leroy should think of different ways how they would strengthen the feeling of each word/phrase. Also, Leroy should decide how often they would check with the employees whether if they still think that Leroy stands for these words.

Feedback from Leroy was that the workshop was successful. Everyone who was present participated, and through brainstorming and a lively discussion the group came to a conclusion that can help them to form their employer brand. The CEO at Leroy said she would take the results from the workshop further and develop them even more.

## **8 Conclusions and Recommendations**

This final chapter begins with answers to the stated research problem. Following that, the study offers recommendations for Leroy regarding employer branding, employee engagement and considerations for their international ambitions. Lastly, the author reflects on her own learnings from the execution of this work.

### **8.1 Conclusions**

The primary research question was how Leroy can both find the best people and keep them engaged as employees. The answer to this question is broad, spanning all the chapters regarding employer branding and employee engagement in this thesis. But when it comes to employer branding, it is of primary importance to consider the image projected by the company both on internal and external persons. A company with a bad reputation will have difficulties in attracting the best talent or doing business with the best clients.

This thesis presents clear steps for setting up an employer brand. A clear understanding of the company's business strategy is fundamental, and forms a basis for all following steps. Subsequently one should establish the target audience and what it is they are looking for. With these matters in place, companies can address their employer value proposition and proceed to execution. But as mentioned earlier in the thesis, companies need to understand their audience before executing anything.

Engaged employees are more valuable to companies than disengaged employees. Engaged workers are motivated, they are committed to the organization, and they have a positive psychological contract with the company. The optimal situation is when engagement is a continuous approach and integrated in the business strategy and culture. When engagement comes naturally, the organization does not necessarily need surveys in order to learn what their employees think about their work and the company.

This study presents a clear example of for how companies can implement an employee engagement plan in their organization. Just as with employer branding, this starts from an understanding of the business and of rationale behind employee's engagement. Again, stakeholders need to be defined clearly before any plan can reasonably be carried out.

Employee engagement begins with management. A company manager can do a lot to be engaging, as was explained earlier in this thesis. Employees should be seen as individuals, with their own individual motivating factors.

When it comes to doing business in Sweden, cultural respect is primary. To increase their chances of success, employees at Leroy should learn at least the body of Swedish business culture presented in this thesis. Also, a few words of spoken Swedish will do no harm.

The first sub-question for the research question was what kind of people Leroy was looking for. This question was addressed in the employee interviews at Leroy. These interviews suggest that prospective employees should be social, independent and creative. A person at Leroy will be expected to take feedback well, and to be flexible enough to jump quickly from one project to another.

The second sub-question asked how Leroy can help existing personnel stay engaged and motivated. This was also studied through interviews at Leroy. The studied employees find personal development and improvement, challenges and strong project management rewarding, among other things. The main message is that Leroy employees find themselves most motivated when everything goes smoothly and they get to work on exciting projects.

The third sub-question was whether the introduction of foreign clients will negatively affect employee engagement. As the interviews revealed unanimously, no such negative effect need to be expected. In fact to the contrary, employees of Leroy find the prospect of international clients both motivating and exciting. They also stated that the most engaging part of their work is done at the office, and as such it does not matter whether they meet their clients personally or see the end result physically.

## **8.2 Recommendations and Suggestions for Future Research**

The first recommendation to Leroy is that they begin thinking about key words that they would want the employees to use when describing Leroy as an employer. Based on this recommendation, the author held a successful workshop from which feedback was very positive. The key words were established and the company could start working on them. The author's recommendations from this workshop were that Leroy should think of concrete ways how they could send the message to current employees and external people regarding those key words. As the author mentioned at the workshop, the key words and employer branding need to be authentic. One needs to always "walk the talk" and not say something that is not true. Leroy will continue working on the words and ways to enhance them.

As a further recommendation, this study maintains that Leroy should examine the results from the interviews held. Leroy should pay attention to the key motivating factors for em-



employees, including what a nightmare- or perfect day might look like. Based on these results, Leroy has many tools that they can use in order to give the employees what they are looking for. As the results show, employees at Leroy are passionate about the work itself, which is a perfect situation for the company. From this position, the company can motivate their employees with different work-related matters and even expect better results in return.

It is important for Leroy to keep is the informal “family” style of management. The term “family” in this case means that the employees feel they can trust the management, and that they feel secure, which can be rare in creative agencies. To maintain this culture, the leadership should try to keep the environment open, honest and non-hierarchical.

This study also recommends that the management goes through the various action points presented in the included literature review and apply the ones that fit Leroy the best. As mentioned, it is important to start with small things and add new factors gradually. Since Leroy is a small company, it has the benefit of being able to discuss various approaches with all employees. For example, if Leroy were to start building their employer brand according to the steps presented in chapter 2.2, it should definitely include people from throughout the organization while laying the ground work. This way Leroy will ensure that the projected brand is authentic and the message represents everyone or at least the majority.

This thesis covers a wide range of theories. This is been intentional, as an effort to establish the big picture. The author’s suggestion for future research would be to concentrate on one subject at a time and maybe even make separate handbooks studying each topic on a very concrete level. To restrict the scope of this research, the focus should be in creative agencies and knowledge workers.

### **8.3 Reflections on Learning**

For the author, this thesis was the largest assignment of her life thus far. It took a bit over one year to complete (excluding the thesis plan) while working full-time simultaneously. The overall time plan has held during the process, with only minor changes in the middle.

When looking retrospectively at the thesis plan, the objectives have remained more or less the same throughout the process. They have only become more specific, giving a progressively clearer framework for the study. The author held a reflective diary during the entire process, which now reveals how lost she felt in the beginning with the large thesis work in front of her. It also reveals how the process began to flow more naturally after that.

The author's advisor was updated regularly, with face-to-face meetings held throughout the process. That feedback has been applied throughout the final product.

The author did not know much about different research methods nor the terminology before conducting this study. What she learned was that it is very important to plan what research method will be used before conducting anything, as the research method necessarily guides its execution. It would be difficult to apply a research method to a study that has already been done.

The author read a lot of theory regarding interview methods since it was her first time conducting interviews. In total, she conducted 19 interviews, and learned a lot about the process: how to interview, how to transcribe, how to code, etc. This thesis also provided the author with her first experience holding a workshop, which proved both interesting and rewarding. What the author learned during the workshop was that one needs to remember that the one giving the workshop is *only* the facilitator and the answers must come from the participants themselves. Otherwise, one could just give the ready answers to the participants and the result would not be authentic.

One of the most important lessons learned about the thesis process in general was to work continuously to preserve momentum. Another lesson was to stay true to oneself, for example when selecting interview questions. One needs to know when to ask for help, but also know how to apply it. This thesis work has also taught persistence and patience, also matters did not proceed according to plans. The author's capacity to adapt to new situations has grown a remarkable degree.

During this thesis the author has not only learned practicalities in conducting research but also almost everything on the topic itself. The author has been previously interested in the topic, and this opportunity to research it deeply was appreciated. The author believes that every company can learn something regarding the topics herein discussed and among those apply those that fit to that company's particular culture. This work has educated the author in the big-picture considerations of employer branding and employee engagement, which gives the author some possibility to work professionally within these areas in the future.

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## Appendix

Appendix 1. Detailed results for some interview questions.

### Who tend to do well at Leroy and who do not?

Does well	Does not well
able to take feedback and don't get upset	envies people
independent people who do without asking permission	ambitious people who might not always get the spotlight
positive thinkers	detail-oriented
flexible	introverts
know how to work together	not speaking up
able to communicate at all times	people who are non-communicative
people who want to change things in the long run	cannot adapt from one situation to another quickly
able to see the big picture	stuck in old-fashioned ways of working
quick	use a lot of time
passionate	lazy
people who know how to give constructive feedback without upsetting the team	don't feel responsibility towards the clients
sense of humor to work with some customers	

### Why are the employees proud to work for Leroy?

- The work is of a high quality.
- The company has a good reputation.
- People get along very well.
- No old thinking (as in some big agencies).
- There is an opportunity to experiment, thanks to talented employees.
- People do things together outside of work.
- Really nice working place.

### How Leroy engages the employees

- Communicate everything one knows to the team.
- Have a flat organization.
- Teamwork.
- Open company culture.
- Let people find solutions to problems.
- Give responsibility to employees.
- Let employees try new things.
- Give everyone the opportunity to know and understand the big picture.
- Give as much as possible to the employees.
- Know the employees on a personal level.

- Friday lunches.
- Give the employees their own space.
- Have interesting customers.
- Try to get people involved.
- Trust people in what they do.
- Create events outside of office.
- Leroy is a cool company.
- Let the entire team meet the client – builds up the employees' professional confidence.
- Reduce hierarchy.
- Make an environment where everyone knows everyone pretty well – one understands others better
- New, different projects.
- Let people present their own work.
- Interior design is in-house nowadays – creates interest in others.

### **Driving factors for the employees**

- challenges
- to make cool stuff
- to make something that leaves a mark
- talking to everyone involved in projects
- being happy with what one has done
- seeing the end result of the work
- team-buildings and other out-of-work events
- learning
- personal development
- work in the current environment, where it is easy to collaborate with different people
- to work in a design agency, not an ad agency
- appreciation and thanks from the managers
- interesting work
- solving problems independently
- improving oneself
- seeing the organization grow
- pushing oneself to do something bigger and cooler than before
- trying out new things
- colleagues are very friendly