

Walking the talk

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UNLESS EMPLOYEES ‘LIVE’ THE ORGANISATION’S VALUES, INVESTMENT IN EXTERNAL BRANDING WILL BE WASTED

“OUR PEOPLE ARE OUR GREATEST ASSET” is a much-used but largely empty phrase across much of corporate Britain. Despite heavy investment in HR initiatives and external brand building, a survey by HR consultancy Watson Wyatt found that the number of people who are happy at work has fallen from 25 per cent to seven per cent over recent years, with over half of those surveyed complaining they lack a clear line of sight between their job and the company’s objectives.

This growing malaise is highly dangerous. Internal marketing agency Enterprise IG Business and Brand Engagement (BABE) estimates that only one-third of staff act as ‘brand champions’, one-third add no value to the brand, because they don’t engage with it, and one-third act as ‘brand saboteurs’.

Numerous studies show the link between loyal employees, satisfied customers and profitability. According to Jason Frank, head of marketing and research at brand consultancy SAS: “Employees’ behaviour and performance is a more sustainable point of competitive advantage than any other components of the extended marketing mix, including price, promotion, product and place.”

DIY retailer B & Q goes so far as to quantify the link, estimating that ‘engaged’ employees add up to £70 million sales to its top line every year.

The realisation that falling employee engagement is damaging external brand perceptions is prompting growing numbers of businesses to turn to ‘employer branding’ – sometimes called ‘employee branding’ or ‘inside-out branding’. The twin aim is to improve their appeal as employers to existing and potential staff and to ensure workers ‘live’ the brand values that the company promotes externally, so that they become, in effect, an integral part of the brand.

In companies such as Orange and First Direct, the internal brand and external brand are indistinguishable. “It’s not a question of getting staff to behave ‘onbrand’; our staff are our brand,” explains Matthew Higgins, head of brand communication at First Direct, the most recommended bank in the UK.

At the other end of the spectrum, big, long-established and geographically diverse companies like Allied-Domecq and Unilever, which have traditionally focused on their individual product brands, are using employer branding to develop a cohesive brand- and people-focused culture. Allied-Domecq, for example, recently identified its ‘people brand’ as one of its nine core brands, and resolved to nurture it as assiduously as it does its prized drinks brands.

There is some debate as to who should ‘own’ employer branding in the organisation. Arguably, given its focus on people, it should fall within HR’s remit. But because few HR professionals are trained in marketing or communications, many employer branding programmes fail because the message is not compelling or personal enough or because they are under-funded and resourced.

In truth, the best organisations take a genuinely joint approach – often with the input of internal communications too. David Hail, managing director of internal marketing agency Serac Communications, says: “What’s required is a real step change to ensure employees are aligned behind the brand positioning and promise, and to have the systems and processes in place to do that. In an ideal world that means that marketing should drive it, with strong support and involvement from HR.”

“But you can’t create an employer brand overnight with a glossy brochure and a few training events,” warns Susanna Mitterer, head of consulting at people development company TMI. “It involves significant organisational change.”

Companies that do sustain the focus will reap rewards all round. Julian Misell, employer brand specialist at MORI, says: “Businesses that address their brand holistically will see benefits in recruitment and retention, customer satisfaction, corporate reputation and, ultimately, to their bottom line.”

And as a nice by-product, marketing and HR could benefit from an unprecedented opportunity to break down their functional silos and work together, winning new respect in the boardroom.

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