

Developing Stronger Corporate Brands Through Employee Engagement Organizational Effectiveness Strategies

Toward the bigger picture...Brand

When you see these brand names like, Johnson & Johnson, Home Depot and Southwest Airlines, what do you think of? You may think of certain images or values. You may even experience a feeling or reaction. Brand is a business strategy in that it is used as a marketing tool for selling products or even attracting future employees. Organizations can disseminate their values and promises via their corporate brand. The aforementioned companies are famous for having strong brands. Even though these companies deal with various levels of products, customers or sub-brands, customers recognize the core company values when it comes to these brands, leading them to continue purchasing brand products. That is the power of a strong brand. How do you make a corporate brand stronger? Making employees more engaged in the organizations and in their jobs is one way to build your brands competitive edge.

Engaged employees can improve customer satisfaction in that they become the living brand of the organization (Bendapudi & Bendapudi, 2005). Currently, many companies develop their employees as a part of the corporate branding process (Hardaker & Fill, 2005). If employees are engaged in the organization and reflect organizational values and missions, employees become active messengers who spread corporate brand to the world.

Employee Engagement

Employee engagement has been a hot topic for HR professionals and managers as they strive to enhance organizational performance and productivity. Highly engaged employees can reflect the company's core values, which ultimately strengthen the overall company brand. However, there is little consensus on how to define employee engagement and how it differs from other similar concepts such as organizational commitment and job involvement.

Although there are many different definitions of employee engagement, the common theme among them is captured in the definition provided by Schaufeli and Bakker (2004), "Positive, fulfilling, work-related state of mind that is characterized by vigor (feeling energetic and resilience at work), dedication (being proud of and happy about one's work) and absorption (being totally immersed in ones' work)." Employee engagement consists of two dimensions, cognitive (intellectual) and emotional. Cognitive engagement means that employees are sure about their job requirements and role expectations, whereas emotional engagement means that they receive timely feedback and social interactions with their coworkers, which make them feel connected to their organizational members.

Why employee engagement does matter?

Having engaged workers benefits the organization in a number of ways. According to the Corporate Leadership Council (2004), engaged workers were more likely to exhibit discretionary efforts and improve individual performance. In addition, engaged workers are less likely to feel exhausted or to express cynicism toward the organization.

According to a 2006 ISR survey of 664,000 employees across countries, a higher level of employee engagement actually improved financial outcomes of organizations in

terms of operating income, net income and earnings per share. In the service industry in particular, the level of employee engagement and satisfaction has been found to have positive effects on customer satisfaction as well as productivity (Harter, Schmidt & Hayes, 2002). It is not only because of the consistency of service quality due to lower turnover rates, but also because of their acting on corporate values.

In sum, most researchers agree that employees are more satisfied and less likely to quit if they are emotionally connected to people at work and cognitively committed to their work, which are the core dimensions of employee engagement. Furthermore, engaged employees can actually strengthen the corporate brand images.

How employee engagement is different from other concepts?

Work engagement, job involvement and organizational commitment are all similar in that they tap one's positive attachment to work. Employee engagement is different from these in that it emphasizes how psychological experiences of work and work contexts can shape the process of being present and absent while performing the job (Luthans & Peterson, 2002).

According to Kahn (1990), people are engaged when some psychological conditions are met. These conditions are *psychological meaningfulness*, *safety* and *availability*. Psychological meaningfulness occurs when employees feel valuable and worthwhile. When they perceive work situations around them as predictable and clear, the safety condition is met. Lastly, availability occurs when they feel they have enough resources for performing their jobs.

Engagement has not only been found to impact important work outcomes, but it has also been found to be more associated with health issues, such as depressive symptoms and physical problems, which may affect employee well-being (Hallberg & Schaufeli, 2006).

How to make employees more engaged?

Employees become more engaged when expectations between employees and employers are aligned. To put in a different way, every employee holds certain kinds of expectations toward the organizations, such as "What can I get by working for this company?" They will be more likely to leave the organizations when these expectations are not fulfilled. Organizations also have expectations to their employees in order to keep their business running, such as "What can we get from our employees? What can we promise them in return?" It is very important to have the expectations between employees and employers balanced. This balance is often found through the creation of an *employee value proposition*. An employee value proposition is the mutual expectations and promises that are agreed on from both sides. Thus, employees would be highly engaged when organizations have tangible and intangible attributes to fulfill employees' expectations, or when organizations are at least trying to hold their promises to their employees. If organizations fail to communicate with employees regarding what to expect or what is expected and fail to show enthusiastic efforts of valuing their people, employees may not feel valuable or motivated. Thus, it requires constant communication between employees and employers to reach balanced expectations.

Knowing value propositions (i.e. what to expect and what is expected) and having personal values consistent with them can help organizations utilize employees as

representatives of the corporate brand, since awareness of value propositions is the first step of building a brand (Sandberg, 2001). According to marketing literatures, corporate brand reflects the core value propositions of the organization, and implies that those values are always to be met. When thinking of a certain brand that everybody knows, it guarantees certain values that it is promising to its customers (e.g., “Like a good neighbor, State Farm is there” or “Nationwide is on your side”). Customers have expectations when purchasing certain products. If those expectations are well fulfilled as it promises via a corporate image, customers become loyal. The same process can be applied to employees as well. Employees expect their organizations to fulfill their needs. If their needs are met as suggested by a corporate image, employees become more engaged. Thus, building a strong corporate brand begins with employee branding, which refers to aligning corporate and employee values together as well as empowering them to live the core values at work and in their lives. Business cases illustrating how employee branding impacts corporate brand are included later in this paper.

Improving Employee Engagement

Engaged employees are not naturally born, but can be developed by organizational support and practices. It is important to have engagement methods aligned with employee value propositions. Here are several suggestions for improving employee engagement based on research findings. First, resources, which are necessary for performing the job, should be provided in a timely and appropriate manner. If employees perceive that resources are not available to perform the job, they become less engaged to work, which can lead to turnover (Schaufeli & Bakker, 2004).

Second, clear communication within the organization is essential. As research findings suggest, it is important to let employees know what to expect and what is expected from them. An atmosphere encouraging open communication at all levels can make employees more engaged. If employees perceive that they play an important role in the decision-making process and that organizations are good at updating changes regarding business plans or policies, employees are more likely to show their loyalty and commitment.

Third, social support from coworkers and immediate supervisors is critical. The big part of engagement is emotional attachment toward work and work context. If they have good friends at work and are being supported personally as well as professionally, employees will have positive attitudes and emotions toward organizations. Thus, organizations need to consider how to enhance the quality of work relationships. Encouraging mentorship and implementing sophisticated performance feedback sessions can be useful.

Lastly, providing opportunities to participate in development programs or courses not only improves employees’ performance, but also fosters positive feelings toward the organization. In addition, employees who have a personal career development plan are more likely to be engaged to work. Wellness programs considering employees’ health and well-being can promote positive evaluations of the organization as well.

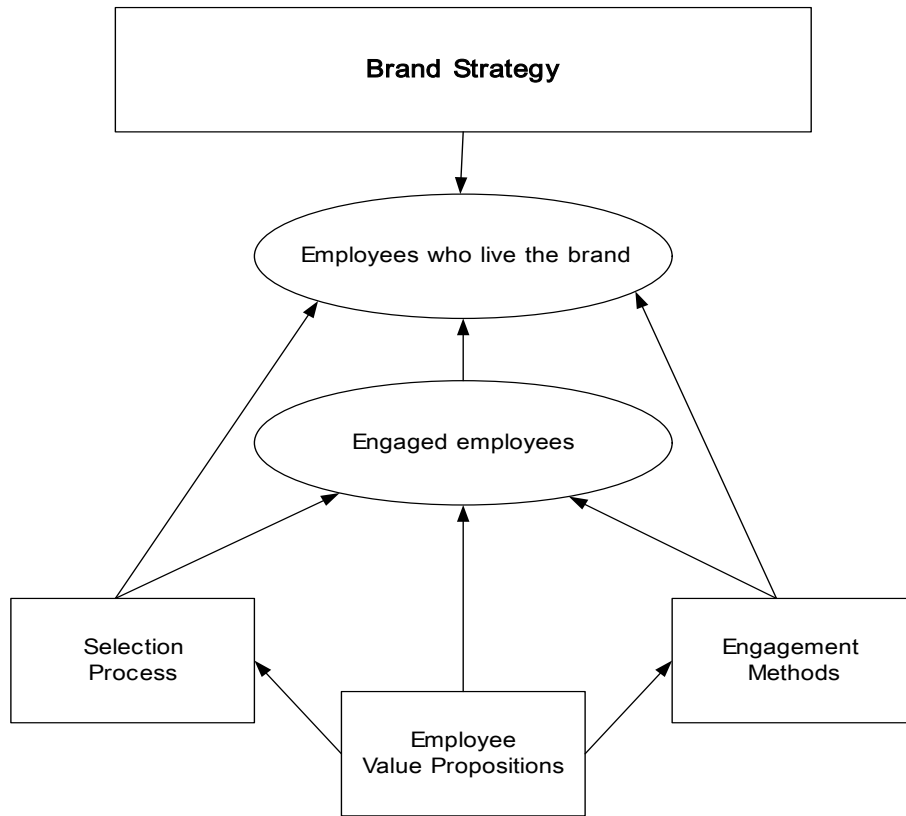


Figure. A model for brand strategy via employee engagement

The figure illustrates how employee engagement can be achieved and how it impacts corporate brand strategy. First of all, organizations should have concrete value propositions that clarify what to expect and what is expected from various perspectives. It helps employees to understand and act upon the core corporate values. Once employee value propositions are established, it is important to implement various methods for employee engagement in accordance with core values. Engagement methods can include providing benefit options, career development programs, and encouraging open communication at all levels. In addition to focusing on current employees, new hires can be shaped by going through selection processes that reflect corporate values. At the early stage of selection, job applicants may self-select out if their expectations or values are not matched with corporate values. The remaining applicants may have strong identification with the company since they know what to expect and what is expected. Thus, it is necessary to develop a selection program that can reflect corporate values as well as clearly lay out corporate expectations and promises. The end result of these efforts will be engaged employees who are empowered to act on corporate values.

Case Study: How employee engagement can bolster corporate branding strategy

Southwest Airlines

Southwest Airlines is known for its caring and family atmosphere as well as its high level of employee engagement, customer satisfaction, productivity and lower employee turnover rates. The top management team attributed their success to their emphasis on relationships with employees (Gittell, 2001). They spend more time and money on recruiting, hiring the right people and leadership development than their competitors. The mission of Southwest Airline is “Dedication to the highest quality of customer service delivered with a sense of warmth, friendliness, individual pride and company spirit” and its corporate brand captures this spirit in its “Freedom to Fly” tag line. For their employees, Southwest Airline also has an internal brand that corresponds to the external brand, which is “Freedom Begins With Me” (HR Focus, 2001). They encourage employees to live the corporate message by providing resources and support for personal and professional development. Resources include information about career development programs, financial planning programs, retirement plan and personal benefits that are easily accessible to employees. In addition, they encourage employees to share their concerns or suggestions, facilitating open communication. Thus, employees are encouraged to internalize and deliver a corporate brand. The result is a strong reputation for reliability and friendly service (Gittell, 2001). Southwest Airlines demonstrates that investing in employee engagement actually pays off not only by improving financial productivity but also by strengthening a corporate brand.

Johnson & Johnson

Johnson & Johnson emphasizes a family atmosphere, strong values of respect and participation. Their one-page Credo reflects their values and promises with a consideration of each stakeholder group (e.g., employees, customers, stockholders and communities). The Credo has been part of their company over 60 years and has served as a guide to determine the direction of their business strategy. The importance of acting on this Credo is emphasized from day 1 in the recruiting process as exemplified by the company website. In addition to their business strategy, their HR practices are also aligned with their Credo. For example, HR emphasizes teamwork, work-life balance, and career development. This aligns with the section of the Credo saying, “We must be mindful of ways to help our employees fulfill their family responsibilities.” In sum, the alignment of Credo, business strategy and HR practices enables Johnson & Johnson to engage employees to become living ambassadors of the Johnson & Johnson brand.

Conclusions

As seen in these examples of best practices, employee engagement is not only important for improving productivity and diminishing turnover rates, but also closely connected with other bigger pieces of business, such as enhancing corporate brand power and financial viability. In other words, effects of employee engagement can spill over to external corporate brand and reputations when the employee value propositions, HR practices and business strategies are all consistent with each other.

Acting on values is the first step for employees to be a representative of corporate brand. Once highly engaged employees become advocates of the corporate brand, they are beneficial not only for productivity and loyalty, but also for marketing resources.