

The Brand Inside Woodreed Survey Report 2012



When it comes to the brand inside,
has the UK ticked all the boxes?

In 2012 Woodreed set out to uncover the extent to which the brand played a part inside UK businesses using our proprietary model STRIPES as a measurement tool.

STRIPES identifies the seven key areas within a business where brand can be leveraged to help increase levels of engagement.

s t r i p e s

Introduction

In a homogenised market place with little differentiation, employee behaviour and performance is a more sustainable point of competitive advantage than any other components of the marketing mix. It's people that give you the competitive edge. Employees matter. People make the difference.

Do it well by focusing on creating a positive culture for your employees and they will focus on creating a great experience for your customers, increasing revenue as they go. It's called the Service Profit Chain, or as Jacki Connor, Director of Colleague Engagement at Sainsbury's simply puts it:

“What goes around comes around”

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 year¹. Furthermore, evidence suggests a demonstrable link between higher employee satisfaction scores and stronger company share prices.

Do it badly and you are contributing to the estimated £64 billion² cost of disengagement in the UK. Toxic cultures have been high on the news agendas in the past 12 months. Step forward NOTW and Goldman Sachs to name just two.

Without careful management cultures can turn from good to bad, the result felt not just internally but outside too. Business owners and corporations can't afford to ignore the importance of the engaged employee – keeping staff motivated and productive has never been so vital.

It is entirely possible to develop a strong culture where one hasn't previously existed, although you'll have to work at it. As James Heskett in 'The Ownership Quotient', states:

“It takes steady and persistent efforts³”

Your very best tool for doing this? Your brand. Your brand is your weapon inside to engage employees.

¹ The Gallup Organisation

² Gallup 2008

³ James Heskett, The Ownership Quotient

brand > logo

So much more than just a logo, in its most powerful form a brand is an organisational blueprint for growth led from the top of a company. Externally to customers it's an implied promise that the level of quality people have come to expect from a brand will continue with future purchases. Internally amongst employees the brand should act as a rallying cry to unite and a blueprint for the way everyone inside the business behaves. Brands are equally as relevant to services and organisations large and small as they are to consumer goods, whether you have five or 5000 employees.

Brand is what provides the consistency between what the customer is promised and expects and what employees are living and delivering.

“ At dunnhumby we put our brand at the heart of the business. Everything we did inside with employees and outside in our interaction with customers was driven by it ”

Edwina Dunn, co-founder of dunnhumby

On with the survey results.

Why would you want to be one sort of brand to your customers and a different one to your employees?

Engaging on an emotional level is four times more valuable than rational engagement in driving employee effort. As such brands need to live as strongly inside an organisation as out. All too often internal communication is cold, rational and devoid of the emotive power a brand can deliver.

It's about thinking about employees like you do customers.

David MacLeod and Nita Clarke, authors of 'Engaging for Success' agree:

“ Engaged organisations have strong and authentic values, with clear evidence of trust and fairness based on mutual respect, where two way promises and commitments – between employers and staff – are understood and are fulfilled” ”

In our survey, a healthy **42%** said they communicate to staff and customers in the same way, treating employees like customers. **29%** admitted though that they lavish all their care and attention on customer communications (fig 1).

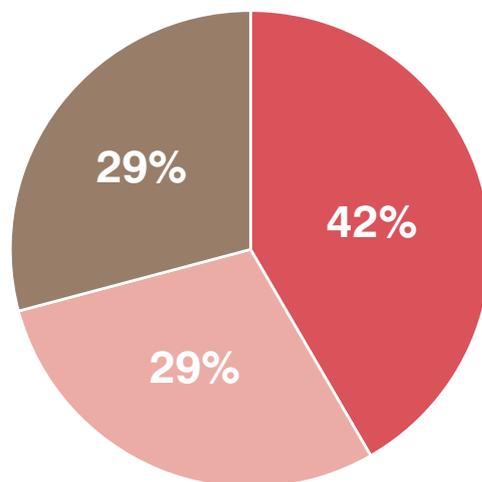


Fig 1. The way you communicate internally to staff and externally to customers is:

- One and the same
- Very different – customer comms get all our time and effort
- Other

Our survey uncovered a fascinating insight into the brand inside UK organisations. Despite the majority of respondents (74%) being able to list their own company values (possibly skewed due to the exec level participation in the survey), 47% said they were either invisible amongst the rest of the company or at best “simply words on a poster” while just over 6% thought they were used as a “stick to beat staff with”. The message is not, it appears, getting through to employees (fig 2).

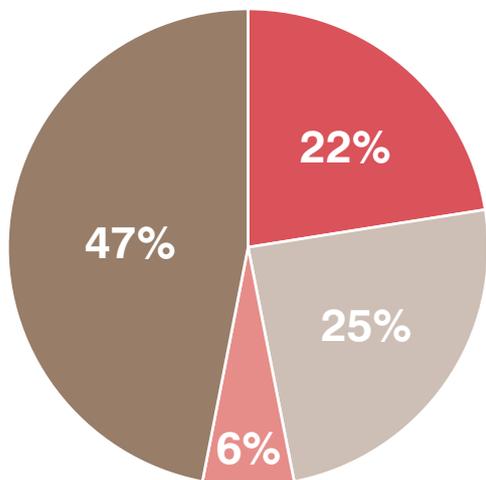


Fig 2. What do your company values mean to your staff?

- They don't know, they're invisible
- Simply words on a poster
- A stick to beat them with
- Fundamental to the way they work and interact

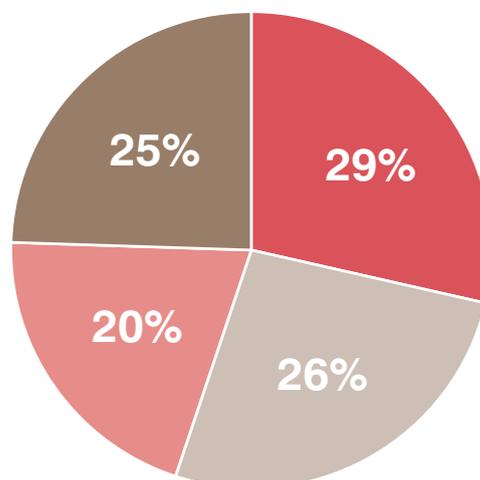


Fig 3. Which statement best represents your organisation currently?

- A great culture of people living our values
- No sense of what we stand for internally
- A culture, but not the one we want
- Other

This has a clear knock on effect on the kind of culture respondents felt their organisation had with just 29% feeling they had the right sort of values-based culture (fig 3).

“ Ugh, a culture we must change ”

Survey respondent

Are UK organisations simply paying lip service to their brand values or truly putting them at the heart of their organisations? What are the barriers to enabling brand-hearted cultures to flourish?

Training by osmosis

The low levels of values-based cultures reported seem even more surprising given **41%** felt that there were plenty of training and development opportunities to help people understand and live their brand (fig 4).

Why the dichotomy?

Are efforts perhaps being wasted in running the wrong sort of training programmes? Are they falling short of actually encouraging people to live the brand and use it in their day to day work?

Training that simply lectures the values as a dictate simply doesn't work. The values and expected behaviours of the organisation need to be kept fresh in peoples' minds, keeping them relevant and motivating, reminding people why a culture aligned with the values matters for everyone.

Relevance and authenticity are the watchwords here.

When the going gets tough, the tough abandon the values

Perhaps UK employees simply aren't seeing enough evidence of management leading by example? When people see the values being lived by the senior team, a sense of trust in the organisation is more likely to develop, and from this comes engagement. The brand must be led from the top "Hard wired into an organisation's DNA⁴". Are UK execs focusing enough attention on driving the right sorts of cultures within their businesses? Is employee engagement high enough on boardroom agendas?

In our survey **41%** said the exec team lived the values. However a disappointing **33%** say execs pick and choose the ones they like with the remainder either ignoring or treating them as fair weather friends, abandoning them when the going gets tough (fig 5).

And what about line managers?

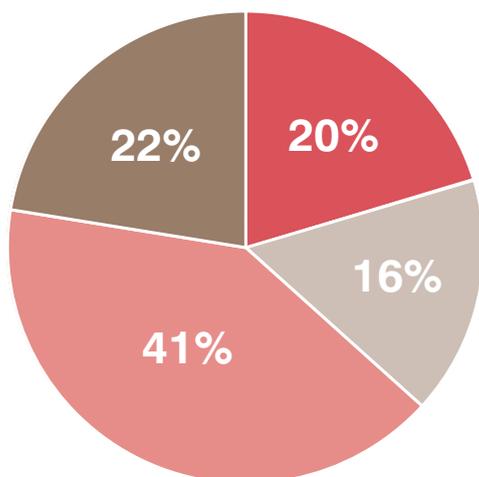


Fig 4. What training and development opportunities do you have to help people understand and live the brand?

- Nada
- Part of induction only
- Plenty, we help people live our brand
- Not enough time

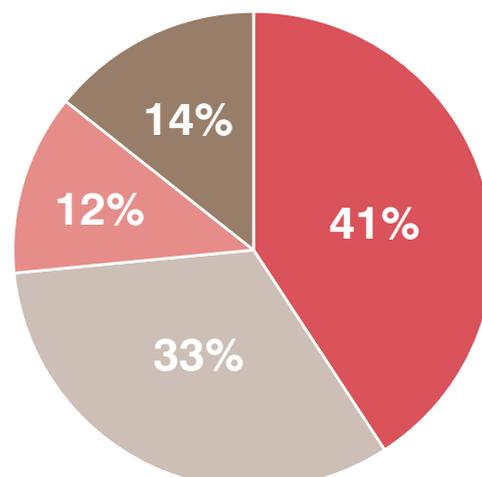


Fig 5. Your exec team, do they:

- Live the values?
- Pick and choose the ones they like?
- Abandon when the going gets tough?
- Dismiss altogether?

People don't quit their companies, they quit their bosses

One of the strongest ways to create an engaged employee, stronger even than remuneration – is through a positive relationship with their line manager. Managers are not just senior personnel, they're anyone who has direct responsibility for another person in the workplace, from the post room to the board room. And evidence shows that it's front line managers that matter more than their senior counterparts when it comes to employee engagement. The hardworking, caring supervisor – who can motivate even the most cynical employees – is crucial in maintaining a positive atmosphere. The best line managers are those who lead and inspire, becoming mentors who are remembered for life.

It's obviously easier said than done with just **19%** stating their company has line managers who lead and inspire. That's **81%** who don't (fig 6)!

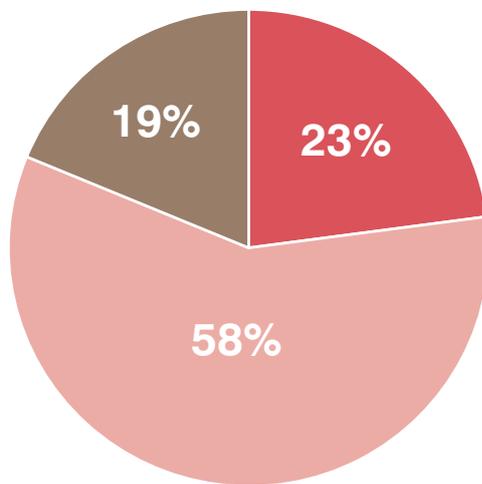


Fig 6. And your line managers, do they:

- Delegate?
- Manage?
- Lead and inspire?



Whose responsibility is it anyway?

Best practice dictates that employee engagement should be led by the board with both HR and marketing harnessing each other's strengths. HR's people knowledge should be fused with the marketing department's brand expertise. The result is one joined up marketing strategy inside and out.

Often however HR and marketing departments tend to work in silos. One looks after the people inside, the other are the guardians of the brand. **35%** said that employee engagement was the sole responsibility of HR (fig 7).

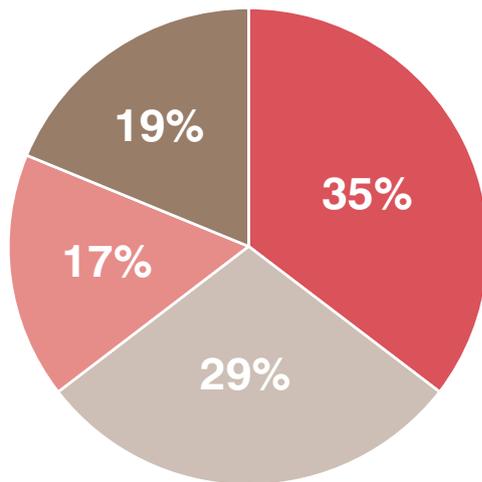


Fig 7. Employee engagement is the responsibility of:

- HR
- The Board – empowering HR and marketing together
- IC/employee engagement team
- No-one

So, how early does brand engagement need to start? How about before someone even joins your company?

The extent to which recruitment consultants understand and use the values split our respondents. Just under half said their headhunters understood the company values and actively used them to search for the right fit, the other half either had no idea or couldn't care less (fig 8).

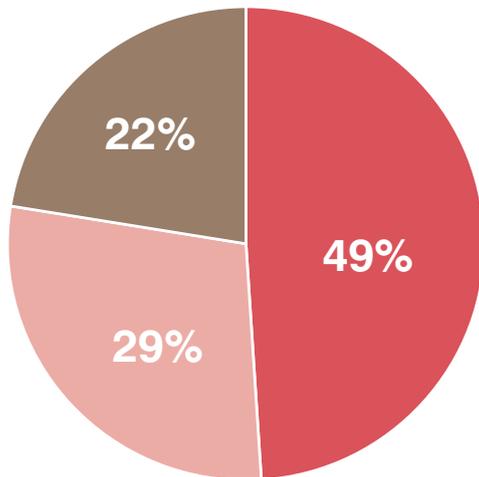


Fig 8. When recruitment consultants and headhunters are briefed they:

- Understand your values and use them to search for like-minded talent
- Have no idea about your values and culture
- Couldn't give a monkey's about your values or culture

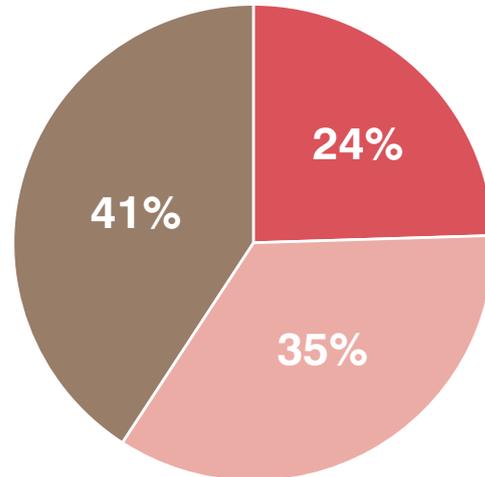


Fig 9. When you interview candidates, you look for:

- People who demonstrate your values and behaviours
- The right skills for the job
- Both

The better fit you get between new recruits and your brand values, the more likely you are to create a culture of people living your brand. We asked whether it was values and behaviours, skills or both that people were looking for in new recruits. 41% said both while 35% just looked for the skills (fig 9).

Getting people who are a good cultural fit from the start can make the likelihood of their becoming a true 'brand evangelist' a whole lot greater. If the fit's wrong and the candidate leaves, the average cost of refilling that vacancy, according to The Chartered Institute of Personnel and Development (CIPD) is on average £7,750.

On top of this expense you could find that skilled workers are actually relatively scarce and that recruitment takes much longer than you anticipated – putting additional strain on the remaining workforce who may then themselves start looking elsewhere.

High retention rates motivate potential employees to join the organisation. Conversely high attrition rates give an employer a bad reputation, which in turn makes it harder to attract good candidates. It's a vicious circle.



I've started so I'll....not finish

Induction programmes offer great opportunities to begin to embed your values and behaviours; what you expect from people and what they can expect from you, their colleagues and managers – what it's like at your place. You should have an enthusiastic, motivated and receptive individual in front of you so investing time and effort in immersing them in the culture of the business is time and effort well spent.

Encouraging to see then, that **86%** of companies make some sort of effort to introduce the brand up front, although most of this is left to a page or two in the company handbook about what it's like at their place (fig 10).

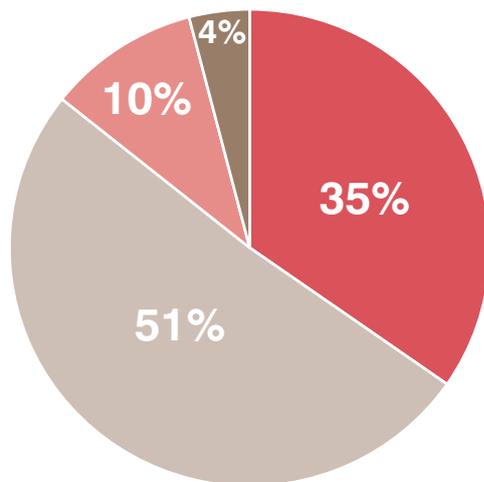


Fig 10. When it comes to new joiners, you:

- Envelop new recruits into your culture, even before they start
- Have a page or two at induction on what it's like 'round here'
- Base induction on skills only
- Think, what induction?

We wonder if there's a sense of perhaps thinking it's 'job done' on the brand induction when in truth effective induction is the very opposite of a one hit wonder. It's in fact a process that has no end, woven into the very fabric of the organisation. Deloitte, for example, strive to maintain employee engagement at all times, it starts from the moment they join and continues even after they have left. It's part of their 'cradle to grave' approach to communications.

Recognition and reward – the greatest missed opportunity

In organisations where big remuneration packages and the annual bonus are not the core reward mechanism for the majority, and where salaries of those at the coal face are more in line with the national average, brand-centred recognition and reward programmes can represent the biggest opportunity to engage staff each and every day.

According to Jeffrey Pfeffer,

“ High involvement companies (those who empower, actively engage, recognise and reward employees (in good times and bad) have consistently outperformed their competitors over the long haul⁵ ”

The best recognition and reward schemes are created directly in line with the brand and have a powerful ripple effect through a company, creating a culture of recognition. A place where people enjoy their time because they know the contributions they make are noticed. It allows an organisation to shine lights on those best living the brand, encouraging others to do so as they go.

By contrast as this quote demonstrates, gimmicky reward schemes unconnected to your brand can do more harm than good:

“ I understand that the company wants to show they appreciate us, but a £20 voucher for some rubbish chain store isn't going to get those results⁶ ”

⁵ Jeffrey Pfeffer, The Human Equation. Building profits by putting people first.

⁶ www.officebitching.com

Unfortunately it happens time and again. Woodreed have been in to organisations where all too often we hear about the thoughtless ways staff are 'rewarded', with the generic taxable gift voucher wheeled out time and time again.

This was borne out by the survey results where **37%** said R&R comprised ad hoc generic tokens (fig 11).

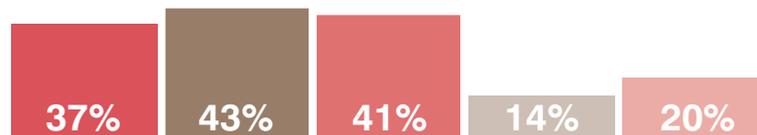


Fig 11. In addition to your annual performance reviews, how do you recognise and reward your people?

- Ad hoc with generic token offerings
- Line managers have clear criteria and autonomy to recognise behaviour
- For living your values
- For selling the most, no matter how
- No reward and recognition process

Understanding the role the line manager has to play

The line manager has a key part to play in recognition and reward. Provide line managers with the right tools and give them the autonomy to recognise and reward their team in a way that is transparent, equitable and measurable and you'll see positive results.

43% of respondents claimed that their line managers were given autonomy to recognise. Whether line managers are fulfilling this obligation is another question (fig 11). Are yours? Do they know how?

Social media – The Devil’s work or a crucial part of your IC strategy?

It’s big, it’s clever and it’s here to stay. It’s revolutionised how people communicate. It took radio 38 years to build an audience of 50 million, terrestrial TV took 13 years. Facebook built an audience of 900 million in just eight years. Social media is all about conversations; it’s democratic, collective and immediate. Compare this to email, for example, the stalwart of workplace communication.

Social media can help organisations solve many of the problems that email has helped create, letting knowledge flow freely, bringing people together to collaborate and innovate, making connections and sharing ideas.

Our survey agreed with the vast majority (63%) stating that it was becoming increasingly important as a way of creating communities inside organisations, they’re just not sure what to do with this powerful and increasingly ubiquitous media (fig 12).

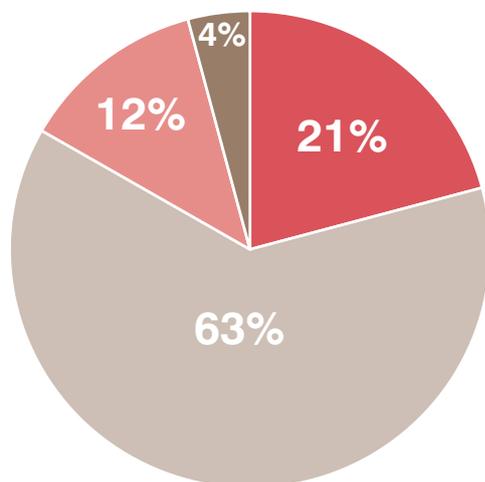
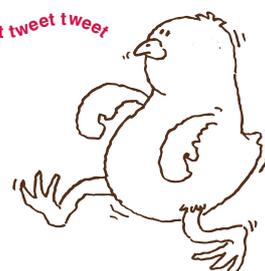


Fig 12. Social media is:

- A crucial part of brand engagement inside
- Increasingly important to create communities inside, just not sure how
- For out of office hours only
- The Devil's work

Social media in the workplace is not just about allowing your employees to update their Facebook status or to spend lunch breaks watching a couple of videos on YouTube. If understood and managed properly, it can improve your communication with and amongst employees inside your business. It’s a key tool for employee engagement with the brand, driving business (and profits) forward.

A pioneering 21% of our respondents said it was a crucial part of their brand engagement strategy inside. Much like a large UK retailer who launched an online community to let employees share knowledge, jokes, best practice, frustrations, aspirations and jokes. Companywide turnover runs at around 60%. Turnover amongst the online community? Just 8.5%⁷.



⁷ Hewitt Associates

Conclusion

It's clear from our results that organisations do have values and that amongst the senior teams there is an understanding of what these are. There are many positives to be taken and clearly some organisations are firing on all cylinders when it comes to bringing their brands to life inside.

The disconnect the survey identified comes in successfully embedding the values amongst employees in a sustainable way to help create the right kinds of values-based cultures. The kinds of cultures that keep employee engagement high and so customers happy and loyal.

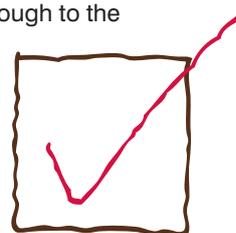
Without doubt, in order to create a positive culture, the brand must be lived and be seen to be lived by senior staff. It's one thing to list the values, another altogether to proactively embrace and demonstrate them. Perhaps more importantly though is the role of the line manager. It's vital they are seen to be aligned with the company culture every step of the way.

Make employee engagement a board issue, allow HR and marketing to work together. Isolate some of marketing's budget for internal communications. A little spent inside goes a very long way, and don't forget there's a direct and proven link between engaged employees and revenue.

Brand engagement is an ongoing process, not simply a handbook with a couple of pages of what it's like at your place given to new recruits on day one.

Recognition and reward is one of the best ways to create and sustain a brand-hearted culture. Values and behaviours-based R&R allows employees to learn about the brand from example as spotlights are shined on those who are best living the values. R&R offers opportunities every day to reinforce the culture you are trying to create.

Every opportunity should be used to embed the brand, from the tone of voice used across internal communication right through to the physical environment you create – one brand inside and out. Brand engagement by osmosis. When you communicate inside, think about employees like customers. Explore the many positive opportunities created by using social media as a tool inside. Done right, the benefits will easily outweigh any negatives.



Appendix

Methodology and respondent data

Our survey attracted responses from 50 professionals, **80%** of whom work in the UK. The majority are executive level. They represented a wide range of industries from automotive and charities to financial and retail. Roughly half our respondents worked in large organisations (501 – more than 1000). We thank you all for your input.

About Woodreed

Woodreed, founded in 1991 is a creative communications consultancy that puts brand at the heart of internal and external communications to engage employees and customers alike.

We help clients create cultures within their organisations that work to achieve their corporate and strategic objectives.

We believe that you should be one brand to customers and employees, inside and out. As such we use the strategies, creativity and media used by consumer marketers along with our proprietary model STRIPES to bring brands to life inside organisations.

Woodreed plans brands and helps shape company cultures using various research tools and methodologies and creates and runs employee and customer workshops and focus groups. Its in-house creative teams devise employee engagement campaigns using a range of media from film, social media and experiential, through to traditional print.

If you'd like to find out more about Woodreed's proprietary approach to building brand-hearted internal cultures, please call Jo or Charlotte at Woodreed on 01892 515025, or email jo@woodreed.com



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