



Internal Branding during turbulent times

- Prasenjit Bhattacharya

At The Great Place to Work® Institute, we have had the good fortune of interacting with some really great organizations; companies who are not only great places to work, but who have changed the world for the better, in many ways.

One such organization is not a company, but an NGO. They have made a difference to millions of people. Like many NGOs, they depend, to a large extent, on support from others. In recent months, the “corporate social responsibility” budgets of many organizations have been slashed, so this NGO is under severe cash pressures.

Most organizations participating in any of our Best Workplace Studies know that we charge a fee for our reports and in case an organization cannot give online access to their employees to do our surveys, there is an administrative fee to cover the cost of administration and data entry of a paper and pencil survey. This income enables us to keep the Study independent without taking sponsorships from any of the participating organizations, nor doing any consulting business with organizations that make it to our list of “Best Workplaces”.

Though the fee that we charge for our services is kept at a level which is affordable for any organization participating in our Study, this particular NGO currently has a freeze on any expenditure not related to the core service they provide.

Consider another scenario. As a part of our consulting services, we do customised employee surveys for many organizations. Many of our consulting clients have decided to postpone their annual employee surveys to the next financial year, due to cost constraints. Some have come to us to explore if we can do the survey for them this year at a significantly lower cost, say half of what we normally charge. We believe what we offer is the world’s best framework and tools when it comes to looking at a workplace from an employee’s point of view. As a policy we do not negotiate or lower our fees in consulting. Besides, our salary levels are based on what our customers pay us. If they pay us half (and the number of customers do not go up) our salaries have to be reduced significantly. Or we can protect existing salaries by reducing people.

We are not alone. Many organizations are facing such dilemmas today. How they and their employees respond to these dilemmas will determine how strong their internal brand is.

Internal branding is aligning employee behaviours and organizational responses in a manner that reinforces the core values of the organization (its corporate brand) in the eyes of its stakeholders.

It is more important today because the current downturn is an opportunity for different stakeholders- customers, suppliers and employees to recognise the “real” face of our organizations. I will focus on employees.

Why is internal branding important during turbulent times? We all know that you find out who your real friends are, only in bad times. Similarly, you find out for sure if you are working in a great place to work only during tough times. What an organization does today will be remembered by its employees for a very long time. They may still leave you in the good times – but they will spread goodwill for your organization if your internal branding is strong today. Let me illustrate how organizations can focus on internal branding in these times:

1. Be proactive and consistent in communicating bad news – Qualcomm is sometimes criticised for the number of legal cases it is involved in relating to protecting their patents and their licensing agreements. Yet it makes it to various Best Workplaces list, including our Study with Fortune magazine in US and in India. Glassdoor.com is a site that rates organizations based on what people say about their employers at their website. A very imperfect way of rating an employer. Qualcomm manages to be in their Top 50 list. Unlike us, they have a bottom 50 list too, and one Indian company features in that list!

What strikes me as exceptional about Qualcomm is their focus on communicating with employees- including communicating bad news. We ask a pointed question in our Study – How do you communicate bad news to employees? Most organizations gloss over this question. Not Qualcomm. They have a Daily News Site and a Daily News email service. For example, they have a special feature in their Daily News Site – called “ITC Update” to update employees about rulings made by the International Trade Commission on their technology licensing agreements, and Qualcomm’s response to it.

Competitors may not like Qualcomm, but their employees seem to. So much so, people who defend Qualcomm’s technology licensing policies on the net, are often accused of being employee shareholders!

Cadbury in India did an elaborate employee communication exercise on facing negative media coverage about their packaging (remember worms in the can, sorry, pack story!). Even today their employees know the calibrated response that can be expected from the company if the business goes up or down.

2. Be willing to role model the right behaviours - We are hearing a lot of stories about layoffs and job losses today. However, CEO compensation does not seem to have come down. Check out the highest paid CEOs on the net. Many of them have announced “bold” plans to cut people, none of the Top 10 highest paid CEOs in India seem to have announced their own pay cuts.

The same management that looks at layoff rather than shared sacrifice as the first response to a down turn will complain about lack of employee loyalty in the good times.

3. Make managers accessible – It is important enough to be put as a separate point. This is the time when employees need access to their leaders like never before. Emails from senior leaders, frequent All Hands Meet with uncensored or anonymous questions, and “Ask the CEO” corners in the intranet are some of the things that organizations are doing. The focus here is on listening rather than speaking.

4. Involve employees in making changes - When a well known steel making company had to face the down turn a few years ago, they decided to take out their top

performers from their regular jobs and give them improvement projects to help the company face the downturn. This created an opportunity for many second line managers to step into the shoes of these high performers while leaving the high performers free to work on their projects. Employee involvement, waste reduction and leadership development – a three in one benefit for the organization!

5. Empower employees with right information – A retail hotel chain has communicated the incremental cost and margin for different occupancy levels to its entire sales force. Within a threshold, the sales force takes decisions on how low they can go on the price they quote to their customers. Employees need information to use their discretion. What many organizations do is implement blanket bans- ban of travel, hotel accommodation, so on and so forth. This leaves little room for employee initiatives.

6. This is the biggest opportunity for your organization – the brick walls are not for you, they are to keep others out - While others are laying people off, you can selectively recruit some of the best talent now available in the market. While the best people of others are under-utilised, your best could be involved in strategic projects to strengthen the company while the second line can shoulder day to day responsibilities. You could not focus on strengthening your internal processes during the boom time. This is the time to build your processes for the next boom period. This is also a once in a lifetime opportunity to build credibility with your employees and customers. Stick with them now and they will not forget it during better times. The foundation of a great place to work, indeed a great organization, will be built in times like these.

Sadly, many (most?) will not be able to use this opportunity. Senior managers will prefer to reduce people rather than take pay cuts, HR, Corporate Communication and Marketing will operate in silos with blinkered understanding and appreciation of internal branding. “Internal Branding is my responsibility and not anyone else’s,” reacted the head of Corporate Communication of an MNC when we suggested that it should be one of the CEO’s key result area, in a recent workshop on internal branding. She was disappointed on realising that there is no new “technique” for internal branding during turbulent times. Companies like FedEx (contrast with DHL) who seem to be doing it well, are doing “simple things” like the ones listed in this article. No fancy communication blitz or “brand communication” that converts employees into fanatical followers (Thank God for small mercies!). In fact, Cadbury’s HR Head Mouli calls communication the last mile in what is essentially an exercise in role modelling the company values at all times.

Which is why, we will not allow any NGO to abstain from participating in our Study on account of not being able to pay. And our standard response to our customers who are keen to seek employee feedback but find it difficult to pay is, “Pay us when you can, we will continue to help you seek your employee feedback.” To my friends who are specialists in “brand positioning” I say we are not reducing our price point, merely following our vision of making India a great place to work. To my colleagues, I say that if we have to make sacrifices we will do it together, starting first with the CEO. You know your friends in adversity. You also make your best friends in adversity. This is your time.

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