

Ogilvy

**INVESTING IN
EMPLOYEES**
IS INVESTING
IN YOUR BRAND

OVERVIEW

Employees have tremendous influence on brand perception, both internally and externally—so why are their contributions often overlooked? Many organizations fail to prioritize employees and their experience despite their importance in everything from reputation building and talent recruitment to organizational change. When companies invest in their employees, their team members become strong, credible brand advocates who move the business forward.

It's time to assess whether your investments truly support a great employee experience (EX)—one that creates a lasting foundation for your brand.

INTRODUCTION

Every year, organizations spend billions of dollars to create and sustain positive brand perceptions. That includes consumer advertising, public relations, social media and influencer marketing not to mention substantial initiatives to build better customer experiences through digital channels. In the United States, advertising alone reached \$315 billion in 2022—a number that continues to increase year over year.¹ But for all the money being spent on those channels, many companies are missing out on a significant opportunity to win the brand preference game if they aren't thinking about their employees as key contributors.

YOUR PEOPLE INFLUENCE BRAND PERCEPTIONS

Whether you recognize it or not, your employees represent your brand in many important ways. They interact with customers, whether directly or indirectly. They share their opinions about the workplace with their professional networks. They play a key role in championing internal business strategies with their peers. Their influence can be powerful. It affects how customers see you, how future talent sees you and the level of trust teams have in your initiatives. In other words, their opinions can sway others in a way that your brand messages may not.

So, what impact do they have? Here's what we've learned by watching organizations succeed—and fail—at creating an effective employee experience.

CUSTOMERS SEE HOW YOU TREAT EMPLOYEES—AND THEY'RE JUDGING YOU FOR IT

The COVID-19 lockdown taught us that what happens inside your company will become public knowledge—and customers are paying attention. We all witnessed the backlash organizations faced when they didn't prioritize the health of front-line workers.

33 percent of consumers believe that treating employees well is important to building trust with a company. And 91 percent of customers say they would buy from a company that gained their trust.² There is a correlation between how employees are treated and how much customers trust your company.

REMEMBER THAT EMPLOYEES HAVE CLOUT WITH THEIR OWN SOCIAL NETWORKS

Employees can influence whether friends and family pay attention to your message. Content shared by employees has a click-through rate two times higher than when shared by the company itself.³ Enthusiastic employees can extend the message you want to convey, and they're more likely to sway friends and family because their opinions matter in their social circles.

BE A GREAT PLACE TO WORK, AND EMPLOYEES WILL VOUCH FOR YOU

Employee opinions matter when thinking about your company as an employer. According to Gallup, engaged employees are 23 times more likely than disengaged employees to strongly agree that they would recommend their organization as a great place to work.⁴

Particularly among Gen Z workers, it's common to read employee reviews of your workplace before even applying for a job. In fact, 89 percent of respondents from Adobe's *Future Workforce Study* looked at employee reviews and industry awards.⁵ If the brand you promote externally doesn't match the experience employees actually have, you'll lose credibility and miss out on great talent.

EMPLOYEES TRUST EACH OTHER—BUILD ON THAT

Within your organization, team members tend to trust their own peers the most. According to Edelman's special report *Trust in the Workplace*, an offshoot of the *2022 Edelman Trust Barometer*, 79 percent of employees say they trust their co-workers, a higher percentage than those who trust their manager, the head of HR or the CEO.⁶ It's important to get your employees on board with strategic initiatives—their involvement is essential to your success.

INVEST IN EMPLOYEES TO CREATE A BETTER EXPERIENCE THAT WILL DRIVE BRAND ADVOCACY

What do we mean by investing in employees?

Investments don't equate to HR benefits and programs alone but also to the commitment of leaders and managers to shepherd careers, align teams to purpose and communicate effectively. A competitive benefits package is table stakes because as we've uncovered in our extensive research, employees expect on-the-job skill building and career pathing, they expect transparent communications, and they want to work for a company that delivers on its values in a public way.

After years of experience helping clients, we've identified six fundamentals for building a better employee experience and turning employees into champions for your brand.

1. Chart a path to your ideal employee experience

To create an employee experience that will foster brand advocates, you must make a concerted effort to understand what the ideal employee experience should be. The following steps can help start your understanding of where you are today and where you can improve.

GET CLEAR-EYED ABOUT YOUR CURRENT EMPLOYEE EXPERIENCE

If you don't know where you are, it will be hard to move forward. Some companies ask for input from employees once a year, but that may not be enough to provide a clear picture of your ideal employee experience. For perspective you can work with, make sure to gather input frequently from a cross-section of your talent via informal meetings, manager touchpoints and company pulse surveys.

UNDERSTAND WHAT FUTURE TALENT WANTS

This is the talent you need to meet future business goals. What research have you done to understand how your employee experience must evolve to attract and retain the skill sets critical to future success? Do you understand the needs of the next generation of employees and how you stack up to your competitors to attract them? Do you have a sense of what skill-building opportunities your future talent seeks in order to entice them to your organization?

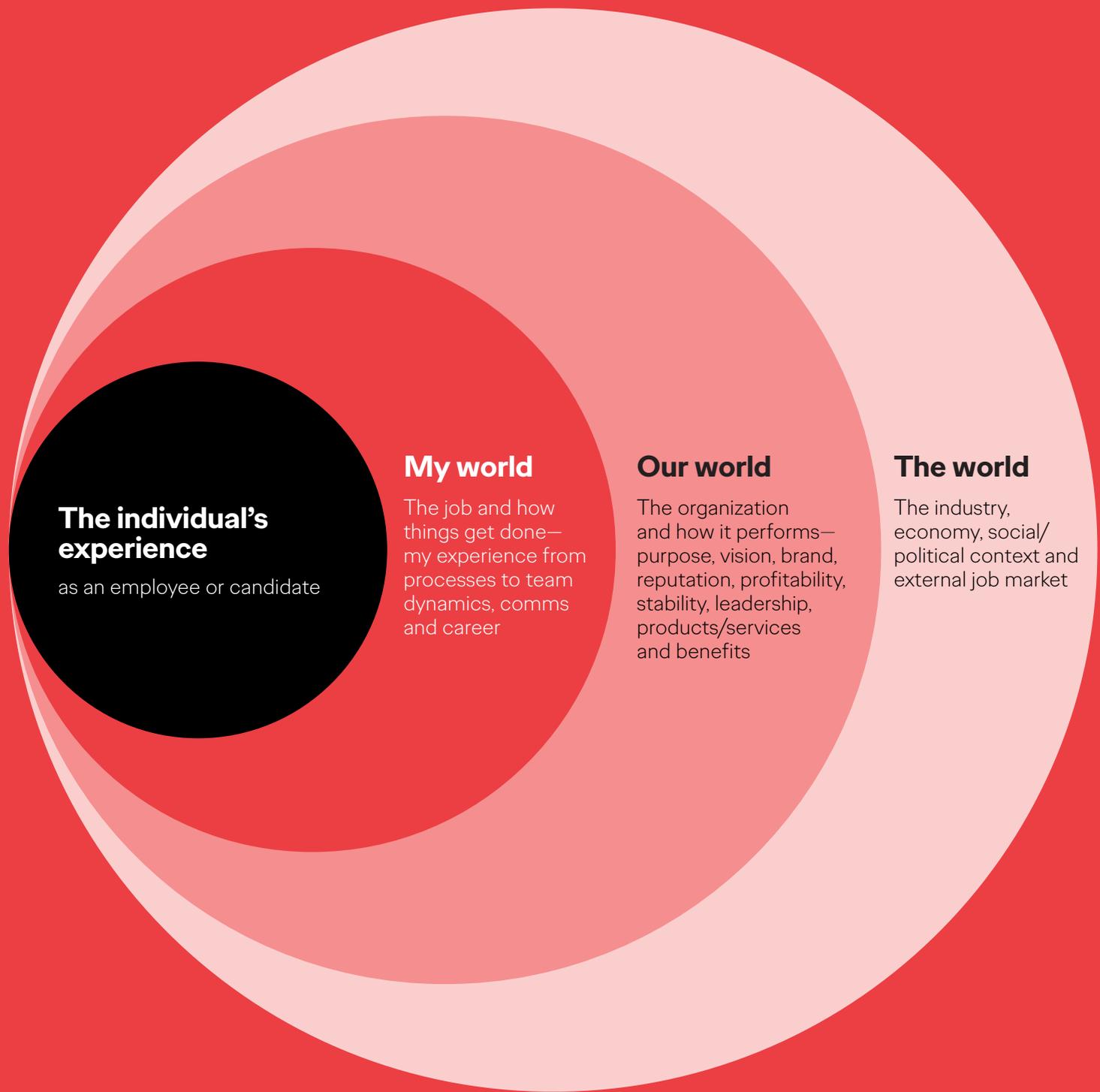
2. Bring it all together for employees

Many companies view their teams as a collection of skills brought together to do a specific job. That perspective is transactional and mechanistic—and it doesn't account for all the overlap, interdependencies and influences that each person brings to work every day. Not only does a transactional view of the employee lack humanity; it's also blind to the reality of what's important to how people work, interact and invest their time.

Ogilvy Employee Experience believes the reality is more complex. Employees experience your company in multiple ways, living in multiple worlds throughout the course of their

employment. That includes their personal world, the world of their immediate team, the organization as a whole and the world at large. Companies must address each of those worlds to truly offer a holistic experience.

This means taking a unified approach to planning that brings together executives from across the organization—the CEO, the CIO, the CHRO, the head of learning and development, and others—to define what the employee experience looks like and collectively agree on priorities in a measurable way.



3. Align around your purpose— and communicate, communicate, communicate

Leaders need to be able to consistently communicate why your company exists and help translate this to their teams. Employees need to understand how they are making an impact within your company, and it's up to you to help

them see it. We've seen success when companies begin with a workshop for leaders to drive alignment on a common vision and consistent language to cascade to their teams.

4. Help managers be good managers

Think about all the complexities managers must navigate in today's workplace—supporting team members through hybrid work approaches; accomplishing the same workload with a downsized team; and understanding and addressing the shifting needs of a multigenerational, multicultural team. In many cases, managers have been left on their own to address these new dynamics at work. Let's be clear—as an organization, if you are failing your managers, your people and culture are suffering because of it.

If you want managers to be effective, then invest in them. Clearly define the company's expectations of them, and give them the support they need to show up for their people. Consider additional training and coaching sessions to help them navigate the

various work styles and needs of their teams to cultivate the talent you have. Provide guidance on how to be more effective communicators. We know that a single approach to communicating information is not going to reach everyone because many employees are not sitting in front of a laptop. Give managers the flexibility to communicate in ways that are most effective for reaching their teams.

70%

of team engagement is attributable to the manager.⁷

Gallup estimates that low engagement costs the global economy US\$8.8 trillion and accounts for 9 percent of global gross domestic product (GDP). Giving employees a better manager has been shown to increase team engagement up to 18 percent.⁷

5. Put people at the center of your change strategy

People are the force multiplier in ensuring that any new company strategy is successful, yet they're often left behind during times of significant change when transformations occur. Harvard Business Review found that *how* companies engage with their people during a transformation will dictate its success—and with a 78 percent failure rate in enterprise transformation, prioritizing employees is essential.⁸ Ensuring that employees understand why there's a shift in strategy, how it affects their job and what's expected of them should be fundamental to any transformation, along with the right communications and training to bring them along.

While the right change strategy can be a complex, multistep, multitiered process, it's the critical piece needed to understand and address the barriers you will face at every level of the organization and every stage of the process. Success hinges on your leaders' and managers' ability to effectively overcome the barriers that are just around the corner. Personas and resistance maps have helped our clients see upcoming challenges with more clarity and be prepared with the tools required to address them.

6. Empower employees to drive change

When you bring employees in at the onset of planning to help shape the strategy, they're more likely to take ownership of the program and advocate for it across the organization. Their voices can be powerful in influencing others. Ogilvy's Employee Experience team has worked with

clients to listen to a cross-section of employees to inform the change strategy and establish participation from day one. We've helped develop change champion programs that equip employees to be the internal advocates who help drive the change among their peers.

SUMMARY

So here we are, already well into 2023. You might be thinking that, given uncertainty in the market, now is not the time to double down on employee investments. But consider the long-term impact of losing the talent and skills that are critical to your success. Where will you be when the economic situation turns around? Will you be ready to seize the opportunity? According to Forrester's Predictions 2023: Future Of Work, recession-focused firms will slow EX investments and pay the price. Don't slow down your EX investments in the face of economic tightening, because you will pay for it in talent replacement and low-engagement costs.⁹ The potential loss of critical skills and the hit to brand reputation as a result of layoffs may influence your ability to hire the talent you need to grow and innovate in the future.

How you choose to invest now in the employee experience will affect the long-term returns your employees can bring. Will they advocate for your company? Will they be apathetic? Or worse, will they detract from your brand? Based on their own experiences, they will decide how much effort they want to give in service of the organization's brand, their teams and the culture itself. And this effort will have a direct effect on how your brand is viewed in the world.

Cheryl Ader-Dunne is the Executive Director of Strategy for Ogilvy's Employee Experience practice, which includes the service pillars of employee experience design, change management and communications, and sales and service activation, all focused on driving employee groups to embrace change and deliver on a brand's promise. She actively works to leverage research, strategy and change management to chart the right path forward and define what measurements to put into place to amplify their results.

As a certified change management practitioner, she's helped companies develop thoughtful approaches to organizational change by focusing on leader alignment, manager enablement and more effective employee communications.

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