Brand authenticity, employee experience and corporate citizenship priorities in the COVID-19 era and beyond

Denise Lee Yohn

E conomic strain, geopolitical tensions and public health issues are challenges that will persist long after the COVID-19 epidemic has passed its initial peak. As companies learn to operate safely and effectively, until there is a vaccine or totally effective treatment for the virus, public scrutiny of how they treat their workers and serve their communities will be intense. Given the severity of the consequences of failing to act proactively, business leaders need to identify and implement practices that elevate brand authenticity and responsible citizenry as strategic priorities.

Pandemic poured fuel on the fire

The interest in corporate responsibility to employees, communities, and the full range of stakeholders beyond customers and investors was already on the rise before the COVID-19 crisis. For example, in 2019 the Business Roundtable released a "Statement on the Purpose of a Corporation" signed by 181 CEOs who committed to lead their companies for the benefit of all stakeholders – customers, employees, suppliers, communities and shareholders. [1]

As the global pandemic hit and media outlets began intensively covering the way companies treated their workers and got involved with their communities, some companies earned praise for their actions. General Motors quickly shifted to manufacturing ventilators and masks. [2] Dr. Praeger's Purely Sensible Foods, a privately held maker of veggie burgers and meat alternatives, closed its factory for sanitization and instituted employee safety procedures earlier than most other food producers, [3] and then paid grocery bills for grocery store workers to thank them for keeping their communities fed. [4]

Other companies have been harshly criticized for their actions – or lack thereof – in response to the crisis. Amazon was faulted for allegedly operating unsafe warehouse conditions and then firing workers who spoke out about it. [5] Carnival cruise line was censured for not initiating more stringent quarantine measures after it learned about the virus on its cruise ships. [6] Critics challenged Facebook, YouTube and Twitter for not combatting misinformation quickly enough on their platforms and allowing fake products to spread on their websites. [7]

Denise Lee Yohn is the author of *What Great Brands Do: The Seven Brand-Building Principles that Separate the Best from the Rest* (Jossey-Bass 2014) and *FUSION: How Integrating Brand and Culture Powers the World's Greatest Companies* (Nicholas Brealey, 2018) http://deniseleeyohn.com.

For many enterprises, the COVID-19 crisis has served as a litmus test of the true character of the company, the authenticity of its brand and the sensitivity of its leaders. Customers are increasingly using social media to articulate their dissatisfaction with companies that fail to live up to best practices, efforts that are intended to influence other consumers' purchase decisions. In research conducted by Morning Consult in March 2020 among 2,200 American adults, 62 percent said that they would be more likely to purchase from companies that pay their employees sick-leave. Forty-five percent reported that Kraft-Heinz donating $12 million in cash and products to support communities impacted by the coronavirus pandemic made them more likely to buy its products, while 39 percent reported that UnderArmour continuing to pay employees despite closing stores made them more likely to buy from it. [8]

Increased scrutiny and accountability is here to stay

But the heightened levels of scrutiny into and outcries against corporate actors who don't make employee health and customer safety a priority will certainly last as long as the coronavirus continues to be a critical risk to public health. And sadly, COVID-19 will not be the last pandemic, nor the last global crisis that challenges the corporate world – nor is it the only threat that business leaders face now. Just a few of the other potent issues confronting corporate leaders are climate change, income inequality, racial inequity and healthcare cost and availability. Companies that fail to act responsibly will come under fire from the media and irate consumers. They need to prepare strategies to wield their influence for the good of society.

Three strategies to ensure brand authenticity and responsible citizenship

All of this means that living up to higher public expectations must become a top priority for chief executives. Business leaders need to ensure their organizations pass the test of brand authenticity that customers now regularly apply to companies. Today's savvy customers are skeptical about advertising rhetoric that may or may not align with corporate practices and values, and they no longer accept brands at face value. In the wake of COVID-19, many companies have flooded the airwaves with feel-good commercials intended to demonstrate their caring and reliability.

But cynicism about the claims companies make won't abate until brands establish a record of living up to their promises and stated values. Companies often include "authenticity" in their list of brand attributes, but these efforts to create a more authentic brand image rarely convince customers. People want brands to demonstrate that they actually *are* authentic in their dealings with customers, employees and communities. And if a brand doesn't live up to its promises, customers can take their business elsewhere with the click of a mouse.

Likewise, as increasing number of decision-makers choose to do business only with companies that can certify their compliance with legal requirements and avoid negative publicity in social media, corporate citizenship can no longer be considered a nice-to-have asset.

So, companies must do more than make charitable donations and participate in episodic activities that convey good will but don't really have an impact. People expect responsibility

to be a part of the corporate ethos and for a company to consider the interests of all its stakeholders in ongoing operations.

To fulfill these requirements for brand authenticity and responsible citizenry, executives should engage three strategies:

1. Fuse external brand identity and internal organizational culture.

2. Design and manage the employee experience.

3. Evolve corporate social responsibility into creating shared value.

Fuse brand and culture. A company's external brand identity – how it is perceived and experienced by customers and other external stakeholders – should not be disconnected from its internal organizational culture.

When a company's brand and culture are not aligned and integrated, it can cause serious and sweeping consequences in the marketplace. This is precisely what happened several years ago when a former employee wrote a blog post exposing a culture of sexism and sexual harassment at Uber.

The lack of alignment and integrity between Uber's culture and brand eroded customer trust and esteem of the company and led to the #DeleteUber campaign that swept through social media. Furthermore, the loss of public support and the calls for accountability made it easier for local and national governments to impose restrictions on the company's operations. And it also opened the door for Uber's primary competitor, Lyft, to gain a strong foothold in the market.

Uber serves as only one example of the damage to customer relationships, corporate reputation and competitive advantage that can be caused by the separation of an organization's brand and its culture. Instead, company leaders should integrate and align their external identity and internal ideology. In fact, as Zappos CEO Tony Hsieh has said, "A company's core values ultimately define the company's character and brand." [9] As such, executives should cultivate a mutually reinforcing relationship between how the company wants to be perceived from the outside and the way the organization operates on the inside.

To fuse brand and culture, executives should:

■ Identify and clearly articulate a single overarching purpose and one set of core values to unite, focus and guide everyone in the organization and everything they do.

■ Conduct a culture audit to uncover the gaps between how employees currently think and behave and how they should if the company is to achieve its brand aspiration.

■ Implement an organizational design and manage the company's operations to provide the structure and processes necessary to align the company culture with its stated ideals.

■ Use employee brand engagement tactics – approaches that cultivate understanding of the desired brand identity among all employees, motivate them to align their attitudes

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and behaviors with that identity, and equip and empower them to interpret and reinforce it in their daily work.

- Develop and institute a values-based code of conduct – that is, a code of conduct that promotes the integration of brand, culture, core values and ethics through cohesive guidelines and clear expectations.

Above all, the chief executive and the company's top leadership team must accept responsibility for fusing brand and culture. Even if implementing specific changes falls to the managers of functional areas, top leaders must initiate and champion them across the enterprise. That is the only way fusing brand and culture will become and remain a priority.

When brand and culture are aligned, when everyone can be confident that the company is truly on the inside what it says it is on the outside – it can pass the test of brand authenticity.

Employee experience. Another strategic priority in the COVID-19 world should be employee experience. The experience that a company provides for its employees must be as deliberately designed and managed as its customer experience.

Employee experience is sum of every employee interaction, from the first contact as a potential recruit to the last interaction after the end of employment. Employee experience extends beyond traditional human resources functions and includes facilities, corporate communications, risk and compliance, IT and more. While employee experience involves efforts to develop an external reputation that improves recruiting, it is much more about cultivating and sustaining robust, productive engagement among existing employees through their day-to-day experiences.

According to the late Jack Welch, "It goes without saying that no company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it." [10] These days, company leaders are rethinking employee experience as they seek to align, motivate and focus their workforces.

Research shows that organizations that invest most heavily in employee experience are more attractive employers. They're perceived as more innovative, they enjoy greater customer satisfaction and they tend to be more productive than their counterparts. [11] Most importantly, though, making employee experience an ongoing priority can prepare an organization for a crisis such as the coronavirus pandemic and can help to manage its negative effects.

Airbnb's actions provide a case in point. From its early years, the company's executives made employee experience a cornerstone of their operating philosophy. They created an employee experience department that addressed every aspect of the employee life cycle – from the interviewing process to onboarding protocols, host and guest engagement, annual strategic planning, even office design and décor.

When the COVID-19 epidemic drastically reduced vacation travel, a key source of business, the company laid off a quarter of its workforce. As a natural extension of the company's employee experience strategy, it offered generous severance terms and provisions and CEO Brian Chesky communicated the changes to employees in a transparent and compassionate

manner. So instead of being vilified for the layoffs, as often is the case in high-profile workforce reductions, most of the media coverage depicted Chesky and the company quite positively. *The Washington Post* described the company's aid and resources to affected employees as "sincere." [12] Yahoo suggested other leaders should learn from Chesky's "genuine, heartfelt" communication," [13] and *Forbes* contrasted Airbnb's "enlightened approach" to others companies that were "more callous and uncaring." [14] Posts and comments from former employees and the public on social media were also generally sympathetic [15] and industry commentators observed that Airbnb's management of the reduction in force had boosted its reputation and made an "investment in goodwill." [16]

To implement an Airbnb-like approach to employee experience, companies simply need to apply to employees the principles of customer experience design and management that their marketing and operations teams would use for customers:

- **Segmentation** – uncovering employee wants and needs through rigorous research and empathy and then using those insights to group employees into distinct clusters.

- **Journey mapping** – identifying the steps employees go through, from recruiting to retirement, and defining the desired outcomes for the company and for the employee in each step.

- **Experience design** – ideating, prototyping, testing and ultimately implementing experiences – and all their component parts such as content, tools and interactions – to produce the desired outcomes.

Employee experience is a strategy that recognizes employees as key stakeholders in the enterprise, as well as key influencers of its external reputation and internal culture. Externally, employer review sites such as Glassdoor and social media such as LinkedIn have created influential platforms for current and former employees to shape perceptions of companies for prospective employees.

Employees also are shaping broader public opinion about their organizations and their leaders through protests – as they did at Google, which received mainstream news coverage when over 20,000 employees walked out in response the company's handling of sexual harassment allegations. At Amazon, employees spoke out to national media over concerns about the company's role in the climate crisis.

Inside an organization, it's no surprise that employees have the power to support or stymie leadership's culture-building efforts. As such, when done right, employee experience programs enable an organization to operate with greater integrity and coherence because employees are listened to, engaged and supported, and therefore more likely to serve as authentic ambassadors to other stakeholders.

The COVID-19 crisis has drawn broader public interest in how companies treat their workers, so going forward, employee experience programs should also be considered a risk and reputation management tool.

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Create shared value. If companies want to meet the higher expectations for good citizenship that stakeholders have raised these days, corporate social responsibility needs to evolve into creating shared value.

In the past, most executives may have viewed corporate social responsibility as an obligation. But instead of it being something they have to do because it's expected of them, now they should see sustainable social initiatives as opportunities to potentially benefit all shareholders.

To make a significant, lasting positive impact, companies should re-examine their business models, re-design their supply chains, re-invent their products and rethink what they sell and how they sell it. Former PepsiCo CEO Indra Nooyi explained the mindset shift that she and her fellow leaders had to undergo, "Our social responsibility had to evolve away from corporate philanthropy and toward a deep sense of purpose that would also drive shareholder value. We needed to change the way we made money – not just give away some of the money we earned." [17]

Chief executives should be looking for ways to integrate and align the interests of everyone involved in their business – customers, employees, suppliers, communities and shareholders – and to create value for them all. In other words, they should redefine corporate social responsibility as creating shared value.

To create shared value, executives should consider how their company can serve a diverse but related set of interests:

- **Community** – the needs of the company's community, whether that is a geographically-defined local or regional community or a socially-defined one, such as a group of people with common interests or needs.

- **Industry** – the causes and priorities that impact the company's industry.

- **Ecosystem** – the needs of the other companies, groups and people involved in the delivery of the company's products and services such as employees, suppliers and distributors.

- **Brand** – the requirements of fulfilling the company's brand promise and advancing its competitive positioning.

- **Core values** – the ways the company can express and exhibit its core values.

Companies can seek to fulfill each of these interests in different ways, or better yet, to create or seize opportunities where they intersect. In either case, the desired outcome is increased relevance and resonance with multiple stakeholder groups.

The global pandemic prompted many companies to step up and provide products and services urgently needed during the crisis. Clothing businesses have pivoted to producing protective masks for healthcare workers, breweries have turned to making hand sanitizer, automobile and car-parts manufacturers have retooled their operations to build ventilators.

Most companies will eventually revert back to their core businesses, but executives should ask themselves how they can continue to bridge the divides between all their stakeholders' needs with the creativity, agility and responsibility they developed in the time of crisis. The objective should be to align and integrate a company's citizenship efforts with its business operations so that the two, instead of being separated or in conflict, actually create shared value.

The responsibility and opportunity

Despite the uncertainty of current times, one thing that has become clear is that expectations on companies are elevated – and that the bar continues to be raised. People have grown accustomed to visibility into companies' cultural practices and sharing their concerns on social media. Likely they will continue to use social platforms to hold company leaders accountable for acting responsibly.

Corporate leadership is being tested daily and the way executives respond will separate the winners from the losers. To ensure they operate on the right side of the line and emerge even stronger than ever, companies need to shore up their efforts to build and maintain brand authenticity and good corporate citizenship.

Notes

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Corresponding author

Denise Lee Yohn can be contacted at: http://deniseleeyohn.com/contact