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CHAPTER 1

The importance of the corporate agenda and its links with human resource management

Introduction

In a recent book on branding and reputation management, John Balmer and Stephen Geyser (2003) perceptively argued that the drive towards 'corporateness' was one of the major trends among organizations in developed and emerging economies. This argument reflects the twin problems facing the architects of organizational design – achieving a balance between getting people to cooperate with one another (the corporate agenda) with getting them to display initiative (encouragement of individuality and differences) (Roberts, 2004). Exploring this trend towards corporateness, which we believe to be only partly supported by evidence from Europe, North America and Asia, is the starting point for our book. Let's begin our examination

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with a small sample of this evidence from two cases of corporate America. We have chosen these two since there can be few better justifications for a book on management than the importance of its subject matter to the fate of the world's most powerful nation and to one of its major corporations. Take a few minutes to read the illustration in Box 1.1, which was written just after the end of the war with Iraq in 2004.

Box 1.1 America's Image Abroad: Reputation Management, Branding and People Management

According to an *Economist* article published just after the end of the Iraq war, Keith Reinhard, the chairman of American consultants DDB Worldwide, was recently set the task of selling American business and American brands to the rest of the world following the bad post-Iraq war international press. His 2004 message to Yale University business students was that he loved American brands, '... but they are losing friends around the world and it is vital to the interests of America to change this'. He argued that the reputation of America abroad was at an all-time low and this perception, 'however misguided', was damaging the economy.

To tackle the problem, Reinhard, helped by some senior executives in America's advertising industry and university academics, set up a pressure group to improve the reputation of the USA overseas. The idea was not new, since President Bush had speculated on the reasons why 'everyone hates America' after September 11th, 2001. But Reinhard felt the need to use consumer research to tell American business what most people outside the USA seemed to understand about America's declining image.

His worries have been subsequently reinforced by an extensive DBB study covering 17 countries, which provided the feedback that 'America, and American business people, were viewed as arrogant and indifferent toward others' cultures; exploitative, in that they extracted more than it provided; corrupting, in how they valued materialism above all else; and willing to sacrifice almost anything in an effort to generate profits'. Further evidence came in the shape of a survey of global brands by Roper ASW, another consulting firm, which showed a marked decline in support for, and trust in, American brands.

Source: *Economist*, 2004

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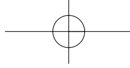
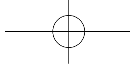


This case illustrates how important 'corporateness' is for America's continued competitive success, and shows how national and organizational reputations, and brands are interlinked. It also tells us something about the extent to which America's image abroad and that of its major corporations depend on intangible assets such as brands and reputations (Hagel and Seely Brown, 2005). Because of this increasing dependence, these corporate-level concepts have become major areas of strategic interest among the boardrooms of companies in sectors as diverse as financial services, information and communication technology (ICT), retailing, food and beverages, hospitality and tourism, healthcare, local and national government and charities.

Note also the implication in the case that the reputation and brands of 'USA inc.' and those of its major corporations are closely aligned with the poorly perceived actions, values and attitudes of American managers and employees. To illustrate this relationship, let's drill down a little from the perceptions of the USA as meta-brand to an example of how these perceptions may be formed at a micro level. This second illustration, in Box 1.2, is based on our personal research into a particular US-based company – in fact, one of its most cherished – and we shall return to it later in the book for a few other lessons.

Box 1.2 AT&T's Re-branding of the NCR Corporation

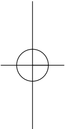
AT&T, a major US telecommunications and technology company, acquired another American giant, the NCR Corporation, in 1991 following a hostile takeover bid. Initially, the headquarters management of AT&T adopted a 'financial control' approach to NCR and did not interfere in its product-market strategy; for the first two years it allowed its subsidiary companies and plants in more than 40 countries to operate as semi-independent units. This hands-off approach particularly applied to its most profitable and high profile subsidiary based in Scotland, which, at the time, was the largest design, development and manufacturing facility of automatic teller machines (ATMs) in the world. The Scottish company was the 'jewel in the crown of NCR' and had featured heavily in the international business press as a model of success. Its CEO was also revered by people inside and outside of the UK-based company as a model leader. The rationale for allowing the Scottish operation substantial

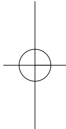


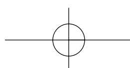
autonomy was two-fold. First, its product range and expertise fell outside top management's main interests, which were in acquiring a computer technology company. Second, it was a major contributor to NCR's profits, highly disproportionate to its size and investment requirements.

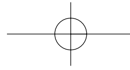
However, after a period of two years of little or no strategic intervention, AT&T's corporate management team decided to transform its NCR acquisition *en masse* by adopting a global branding strategy. The name of NCR, a company with a 100 year history, was destined to be expunged from history and replaced by the more corporate-sounding name of AT&T Global Information Solutions (AT&T (GIS)) and headquarter management decided to take a more interventionist approach to all aspects of the business, including its previous technology-based, 'macho' culture. This radical change was justified by headquarters because large financial losses were being incurred by virtually every business unit in NCR, that is, apart from the Scottish subsidiary.

AT&T's president brought in Jerre Stead, a new US-based CEO for AT&T (GIS), because of his high profile track record in turning around an ailing electrical contracting company and another AT&T acquisition. Strongly influenced by a US academic-consultant 'guru', the new CEO embarked on a near-messianic attempt to rebrand AT&T (GIS) by using corporate and organizational identity management techniques, constructing a new vision statement and introducing a culture change programme. This re-branding process was also marked by: (1) disposing of many of the old NCR management team in America; (2) developing a much more strategic and 'hands-on' approach to strategy and tactics, in contrast to the sole concern with financial control by the previous NCR management team in Dayton, Ohio; and (3) basing the cultural/identity change programme on putting employees and customers at the heart of the new corporation's policies. This programme involved three central elements. The first was christened the 'Common Bond', which included a best-practice, ethical mission statement, new values framework and set of working principles designed to 'empower employees and customers'. The ethical and empowering features of this programme are worth emphasizing at this stage, because it has been argued that the 'mutuality model' of HRM, based on treating people with respect, was more likely to lead employees to view the effort positively and to accept company actions that might have negative consequences for a minority of employees. Second, the programme involved flattening existing organizational structures and attempting









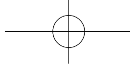
to empower the local managers and workforce by, among other techniques, re-labelling managers and supervisors as 'coaches' and workers as 'associates'. Third, Stead took a personal lead in the programme by attempting to drive the changes through in a matter of nine months, including many personal appearances in the UK and an enormous investment in corporate communications.

We tracked the effects of the programme on employee attitudes, values and acceptance of the new identity over a four-year period to allow changes to bed down. However, Stead left the company after only 18 months following the sale of NCR by AT&T, which more or less signified a failed acquisition and the end of the programme. It should come as little surprise to readers that the attempted identity and culture change failed miserably during the 18-month period of Stead's stewardship. The explanations we unearthed were quite complicated but centred on:

- The programme being seen by local management and employees in the Scottish subsidiary as a American-originated and orientated programme, and a one-size-fits-all solution. It was viewed as the personal mission of two US nationals based at headquarters (Stead and his academic guru). Stead was also seen to lack a track record in managing international companies, which showed in the extremely US-biased, evangelical language and content of the programme.
- This sense of US parentage was markedly enhanced by an absence of prior consultation and discussion with local management in the Scottish subsidiary, apart from some HRM staff who stood to gain. Quite simply, the views of the prominent and well-respected local CEO and many of his staff had not been sought on the appropriateness of re-branding a company that was an acknowledged world leader in its field.

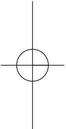
Source: Based on Martin, Beaumont and Pate, 2003

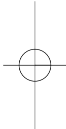
This second case not only illustrates the desire by firms such as AT&T for a strong sense of 'corporateness' as a means of competitive advantage, but also details how reputations and brands are made or broken by the values, attitudes and behaviour of people, most notably leaders and board members, who shape the cultures and identities of their firms. Perhaps just as important from our perspective, it also implies great potential for more effective human resource management (HRM) to contribute to



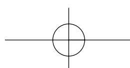
the corporate agenda by designing and executing HR strategies that *support* and *drive* corporate strategy rather than those that hinder or follow it.

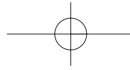
This book, then, addresses these issues from an HRM perspective, uniquely as far as we are aware, because a strong case can be made that brands and reputations are driven from the inside – sometimes well but often poorly. Because of this 'inside-out' thesis, it follows that HR specialists have a great deal to contribute if they can grasp the corporate agenda, organizational needs for corporateness and begin to understand and use the language and insights of branding, marketing, communications, public relations and corporate social responsibility (CSR) specialists. Such a grasp has become progressively more important because of the so-called 'war for talent', which will become even more intense given the changing demographics of the major world economies of Europe, Asia and even the USA (Pfeffer, 2005), the changing basis of competition towards the knowledge-based and creative industries (Florida, 2005) and for calls for more socially responsible, sustainable and well-governed organizations (Clarke, 2004; Jackson, 2004).





For example, IBM is warning firms of the persistent talent shortages brought about by the baby-boom generation reaching retirement age, with their head of human capital management cautioning that the ageing population will be one of the major issues facing organizations in the 21st century. Most European and Asian governments are facing quite rapidly ageing populations, but even the USA, which benefits from high levels of talented immigration, is estimated to be short of 17 million people of working age by 2020. Another example comes from a recent set of consulting surveys on the importance of corporate reputations and corporate branding not only to senior executives in America and Europe but also to Asian executives, including Chinese CEOs (Hill and Knowlton, 2004). One of these surveys conducted in 2004, in conjunction with *The Economist*'s panel of more than nine hundred senior executives worldwide, showed that 93% of these respondents believed customers considered corporate reputation to be either important or extremely important while 31% of them also believed that corporate reputation was one of the top three factors that customers consider in deciding to purchase from a company. Seventy-nine per cent of





these senior executives also believed corporate reputations were one of the top three factors that influenced investors in investment decisions. Recruiting and retaining talent was seen as the most important benefit of building and maintaining a strong corporate reputation, with 43 per cent seeing it as one of the top three factors in attracting people to join (second only to compensation and career growth). The survey of 120 senior leaders of major Chinese companies showed that corporate reputation and brand building were the most important objectives for their organizations. Three-quarters of respondents said that brand building was the most important business outcome of their companies' reputations. And nearly all of these executives saw these brands as very important for developing strategic partnerships and for recruiting and retaining talented people.

Before going any further, however, we need to define our terms a little more accurately and consider all of the reasons why corporateness has become part of the strategic agenda for organizations (and, increasingly, cities, regions and nations). The box gives a working definition.

Key definition: Corporateness

We use the term 'corporateness' as an umbrella term for the various powerful and revealing corporate-level concepts, including reputation, identity, image, brand, vision, strategy, communications, culture, social responsibility and governance that have come to form a new way of thinking about organizations. Corporateness implies the desire for many, especially large and complex, organizations to develop a unified approach to business and present a distinctive corporate identity in key areas such as branding, reputation, cost control and, increasingly, legitimacy to all stakeholders. This does not imply that such organizations are not interested in encouraging diversity or acknowledging, and often promoting, the existence of legitimate sub-cultures, multiple identities and employee segments, but that they need to balance the classic trade-off, as economists put it, between the requirements for people to *cooperate* to fulfil common goals and to show individual *initiative* in achieving sub-unit goals (Roberts, 2004). Sometimes, organizational scholars refer to this trade-off as the integration-differentiation problem.

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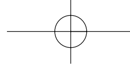
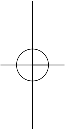
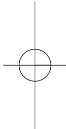


Corporate reputations, brands and business success

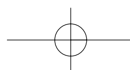
There are strong positive reasons for believing that reputations and brands drive business success. Indeed, John Kay (2004), a distinguished British economist, has gone on record stating that brands and reputations are among the very few sustainable strategic assets of an organization. Economists also argue that reputation is the most important means through which a market economy deals with imperfect information. Perfect information is so vital to efficient markets that consumers simply cannot have too much information on which to base rational purchasing decisions. And, of course, reputations work best when they are contagious, when people with good reputations trade with others with good reputations. For example, reputable firms will usually only seek to partner with reputable celebrities to endorse their products, and vice versa. Marketing people point out that reputations and brands only create value when they allow an organization to enjoy relative advantages over others. It is this *differentiation* feature of corporate reputations and brands that help contrast them with the topical interest in corporate social responsibility (CSR) and governance that typically focus on *conformance* to socially accepted standards of behaviour and *organizational legitimacy*. David Deephouse and Suzanne Carter (2005) have suggested that the distinction between the reputation and legitimacy aspects of corporateness is based on the penalties incurred for being different: reputations and brands gain significant credit for being *unique*, whilst firms that do not match widely accepted standards for socially responsible behaviour – the CSR and governance agendas – incur penalties for *non-conformance*.





Let's begin, however, by looking at the legitimacy problems of organizations since, as we write, CSR and requirements to improve corporate governance are two of the reasons driving much of the current interest in corporateness. Recent corporate scandals in almost every country in the world have demonstrated the risk associated with irresponsible behaviour and poor governance to damaged reputations, brands and, in some cases, the demise of companies. These include:

- *The decline in general levels of trust and consumer confidence* following the highly publicized cases of *questionable*



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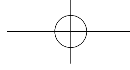
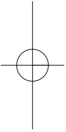
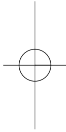
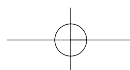


(and, sometimes criminal) corporate governance and *unethical behaviour*. Well-known examples include the US cases of Enron, Andersen Consulting and WorldCom financial scandals during the early part of this decade, and the long-running case of Philip Morris (now Altria), the tobacco and food conglomerate, which has fought a constant battle over the social legitimacy of its products. In the UK, Shell and the Rover group have suffered public condemnation for dubious practices of their senior managers, whilst in Italy and Germany, companies such as Parmalat and Mercedes have shown that family-based and joint management–employee governance structures are not immune from criticism. Even organizations such as the European Union and the United Nations have been charged with corruption and ethical malpractice.

- *Problems associated with inferior ideas and dangerous lines of business, products and services.* Matt Haig's (2003) book on the 100 biggest branding mistakes is a catalogue of failures that fall under this heading, including the well-known cases of the Ford Edsel, Sony Betamax and New Coke. Other examples include: Intel's problems with its Pentium processor that could not handle some simple mathematical calculations; the Ford/Bridgestone fiasco, during which Ford sued the Japanese company Bridgestone for providing faulty tyres that caused their Explorer 4×4 to be involved in a number of fatal accidents; the UK high street jeweller Ratners, whose products were so cheap that the chairman, with a disarming but fatal honesty, admitted that many of his products were 'total crap' and even he wouldn't buy them; Sunny Delight's high-sugar orange juice, which was marketed to children as a healthy way to begin a day but was associated with dental decay and obesity; and the continuing problems of poor reputation faced by motor vehicle servicing companies in the UK over the past 30 years, reported by the consumer magazine *Which?* in October (2004).
- *The more fundamental concerns of the critics of big business who point to the apparent encroachment of corporate interests and economic globalization on nearly every aspect of social and*



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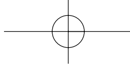

political life, and the declining influence of governments to represent the interests of ordinary people. A powerful example of this line of criticism is Joel Bakan's (2004) book and film *The Corporation*, which argued that corporations are rapidly becoming more powerful than many governments but are mandated by statute to a single-minded pursuit of shareholder value; only when a convincing business case has been made, do they consider exercising social responsibility and addressing stakeholder interests. Another example of a best-seller dealing with these is Naomi Klein's (1999) *No Logo*, which claimed that the power of global brands was at the heart of major injustices in the world and became something of a bible for the anti-globalization movement.

However, there are also more positive reasons why companies are interested in their corporate brands, identities and reputations, all of which are associated, in one way or another, with improvements in long term financial performance and returns to other stakeholders in an organization.

First, corporate brands are increasingly being treated as significant intangible assets, sometimes worth up to twice the book value of their tangible assets (Hatch and Schultz, 2001; Fombrun and Van Riel, 2003). This is especially the case for so-called celebrity firms that take bold or unusual actions and display distinctive identities (Rindova *et al.*, 2006). For instance, the world's best-known brand, Coca-Cola, was estimated to be worth $67bn in 2004 (see Table 1.1), whilst the newer brand images of companies like Nokia, Sony, Virgin, Tesco and the UK-based budget airline EasyJet, have allowed them to leverage their super-brands by offering new products and services to new markets (Haig, 2004). The valuation of such intangible assets is slowly being recognized by the accounting bodies of many developed countries and will become an even bigger factor in the market for corporate control in these countries. Second, there is emerging empirical proof of a strong and positive link between corporate reputations and financial performance (Roberts and Dowling, 2002; Deephouse and Carter, 2005). The basis for both of these financial outcomes – improved book market values and long run profitability – arise from the ability of companies to consistently

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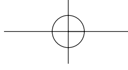


differentiate themselves from competitors to enjoy the benefits of *customer captivity, since* intangible assets are difficult to copy and take years to perfect (Fombrun and Van Riel, 2003; Greenwald and Kahn, 2005).

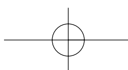
Table 1.1

Top ten brands by value, 2004

Brand	Estimated value ($bn)
Coco-Cola	67.39
Microsoft	61.37
IBM	53.79
GE	44.11
Intel	33.50
Disney	27.11
McDonald's	25.00
Nokia	24.04
Toyota	22.67
Marlborough	22.13

Source: *Business Week Online*. http://www.businessweek.com/magazine/content/04_31/b3894096.htm. (accessed 8 December 2004)

As noted earlier, both cases illustrate the role of *employees and mangers* in creating and maintaining these valuable assets, largely through their *unscripted and discretionary* actions, attitudes and behaviours, which lead customers, investors and other key stakeholders to infer favourable or unfavourable impressions of the company (Boxall and Purcell, 2003; Sjovall and Talk, 2004). The key point here is that it is not only the formal communication of corporate identity and image which is important. It is also the informal impressions created by managers and employees in the normal day-to-day conduct of their work. These impressions, in turn, lead stakeholders to attribute to the company important positive or negative qualities, such as its reputation. So, many organizations have come to recognize that one of their few unique and inimitable assets is their *human resources* in creating *reputational capital*, since other forms of capital, including their products and services, and many of



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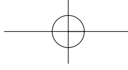
their internal management processes, including financial engineering, supply chain management and purchasing strategies, are all tangible and, therefore, open to imitation by any firm wishing to dig deep enough into their operations (Joyce *et al.*, 2003; Jackson, 2004).

Key definition: Reputational capital

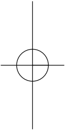
Reputational capital is often defined as the difference between the book valuation of an organization and its market valuation. It is built on the trust and confidence of stakeholders in an organization that it will act in their best interests, and for a reputation to be effective, in each interaction between the organization and its key stakeholders (customers, employees, suppliers, etc.), 'the returns from maintaining an unsullied reputation must exceed the gains from violating trust and reneging on promises' (Roberts, 2004, p. 161). From an economist's perspective, it is the timing of these returns that determines the value of these returns. Since these are largely in the future, the value of a good reputation to a company depends on the number of times and the range of situations in which it can be used to generate such value (Dowling, 2001, p. 23).

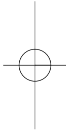
For example, marketing managers are likely to place high value on a corporate reputation if it could influence consumers during the search phase of their purchase and during the post-purchase phase when they can use the brand or company reputation of its product or services to ensure repeat buys. HR managers are also likely to place high value on a corporate reputation if it helps them attract talented people to apply for posts, to accept offers and to remain with the organization during bad as well as good times. In both of these situations, a reputation for ethical trading and socially responsible behaviour has be used successfully – the Body Shop being the most notable example. Indeed a strong business case has been made for CSR by the American academic Kevin Jackson (2004), who has argued that a 'reputation for integrity and fair play is the most overlooked intangible asset that a business has'.



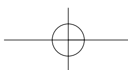
As is often the case with intangible assets, however, measuring the implicit contracts between organizations and their stakeholders, recognizing when they are breached and punishing transgressors are difficult. It is these characteristics of reputations that place a limit on their value to organizations. Opportunistic or criminal behaviour often only becomes evident long after the acts took place.

The business literature is replete with anecdotal evidence of how customer service and good human resource management makes a significant difference to consumer purchasing decisions. Companies throughout the world have sought to link good human resource management to consumer purchasing decisions. Well-known examples, which we shall use as illustrations in this book, include: Hewlett Packard, Yahoo!, Sears, and Southwest Airlines in the USA; Agilent Technologies, British Airways, Royal Bank of Scotland, HSBC, Scottish & Newcastle Breweries and Tesco based in the UK; and Evian, Orange, Mars, BenQ and Acer in continental Europe and the Asia–Pacific region. More rigorously researched justifications for this proposition comes from our own case research, work and consulting experience, and at least four sources of literature that we will examine further in this book:





- Mary Jo Hatch and Majden Schultz's (2001) work on more than a hundred leading companies in the USA and Europe, which found that organizations wishing to create a strong corporate brand had to align three essential, interdependent and largely intangible elements – the organization's vision, image and culture.
- Charles Fombrun and Cees Van Riel's (2003) work on corporate reputation management since the early 1990s, which has demonstrated a close link between the financial fortunes of companies worldwide and their reputations. They have found that bottom line returns, operating performance cash flows and growth in market values are closely tied to their reputation quotient (RQ), a measure that includes important people and culture management variables.
- Grahame Dowling, along with his colleague P. W. Roberts, who have shown that companies with an



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above-average Fortune reputation score are more able to sustain or attain an above-average return on assets.

- Gary Davies and his colleagues at Manchester Business School in the UK, who have been working hard, especially in the retail industry, to develop a link between organizational identity and external image, showing how an alignment between the two can lead to superior performance.

So, in this opening chapter, we will look at the relationship between corporateness and strategic human resource management, since this is one of the most important areas in which the effective management of people has been proved to impact directly on performance. It is also, as we have argued, one of the areas in which the HR profession can make a profound and distinctive contribution to all types of organizations and in all sectors of the economy.

Definitions, a model and a storyline

First, however, we need to be a little more specific about the ideas underlying corporateness and how they relate to each other because there is great deal of confusion among practitioners and academics about the meaning of concepts such as image, branding, reputation and identity. This is a practical problem, because if you cannot define something you are unlikely to be able to measure it or manage it effectively, which will be a constant theme of this book Second, being a little more clear about definitions helps us develop a model that links HRM to the leading corporate-level indicators that focus on differentiating organizations – corporate reputations and corporate branding – and, thereafter, to outcomes such as financial performance and CSR (see Figure 1.1).

The storyline for our model can be summed up in relatively simple terms:

- Corporations in all sectors of the economy have a need to differentiate themselves to achieve long-run success,

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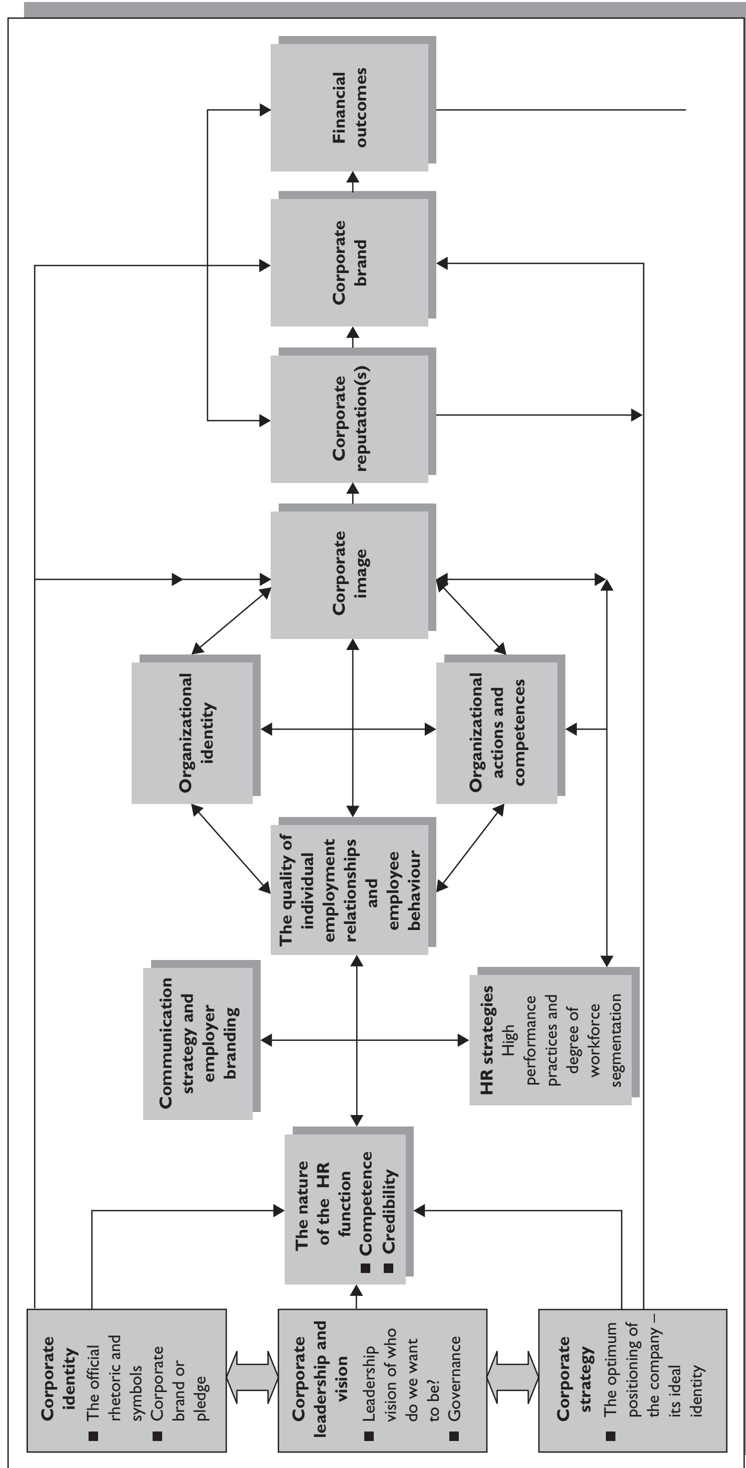

Figure 1.1
Modelling the relationship between people management, reputations, brands and performance.

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which is often measured in financial outcome or in the public sector, by public good. One of the most important ways in which they can achieve this aim is to create and maintain positive reputations for being unique, which helps build a strong corporate brand, and by conforming to stakeholder expectations for socially responsible behaviour and good governance.

- Corporate vision, leadership and good governance, corporate strategy and the design of an appropriate corporate identity are the first-level, strategic decisions that drive this process.
- These first-level strategic decisions have to be executed through second-level, effective HR and communications strategies to create and maintain high quality employment relationships among individuals, and to have them identify and engage with the overall corporate direction and decisions flowing from it.
- In turn, these individuals help create a unique organizational identity and, in conjunction with leaders, take actions collectively that reinforce this identity to project a positive image to customers, clients and other stakeholders.
- It is how this image is perceived by relevant outsiders (and by employees) that will determine how successful the whole process has been, but there is good evidence to believe that alignment between HR strategies, identity, action and image is critical to strong reputations and corporate brands.

We have developed this storyline into a model to organize the rest of the book in Figure 1.1, though you should be aware that the relationships among these variables are two-way and circular. So, just as good HR is likely to enhance reputations and performance, high levels of performance are likely to attract good human resources in the increasingly global competition for talent (Florida, 2005).

Finally, in this chapter, we shall begin a preliminary discussion of the significance of corporateness for the HR profession; what potential does it create and what challenges does it pose for practitioners?

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Defining corporateness: corporate branding, identity and corporate reputation

As we noted at the beginning of this chapter, Balmer and Greyser (2003) have argued that the interest in corporateness has never been higher, providing a new and powerful lens to show corporations how they can improve their overall performance. The promised benefits derived from strong corporate brands, images and reputations are now being taken seriously by businesses on a global scale. Witness the various rankings of companies in the business press, which we have already referred to, and the attention paid to these rankings by major organizations. Yet, corporateness also creates a great deal of confusion because a variety of corporate-level concepts compete for prominence. These include corporate identity, image, branding, reputation, communications. Rather unhelpfully, these concepts are sometimes used as synonyms for one another and create confusion among the people who have to work with them.

To help shed light on these problems, Balmer and Geyser set out six questions that explain corporateness. These questions relate to six distinctive corporate-level concepts (see Table 1.2).

Table 1.2
What 'corporateness' means: six questions and related concepts

Key question	Key concept
What are the corporation's distinctive attributes?	Corporate identity
To whom and what do/should we communicate?	Corporate communications
What is our corporate promise or pledge?	Corporate branding
What are organizational members' affinities, or 'who are we'	Organizational identity
How are we perceived as time goes on?	Corporate reputation
How are we perceived right now?	Corporate image

Source: Adapted from Balmer and Geyser, 2003, p. 4

They have also pointed out that each of these concepts have been popular with practitioners and academics at different periods during the past 40–50 years, probably reflecting the

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contemporary problems that organizations faced and the various disciplinary interests and ambitions of those contributing to the debate. For example, at the time of writing this book, corporate branding is a pre-eminent concept, perhaps because marketing specialists are asserting their claims to ownership of this field of study and practice, no doubt since it serves their professional identities and interests to do so. However, from the perspective of HR, and to repeat our core message, what is common to all of these concepts is the crucial role of people management in shaping, making or 'breaking' them. As a number of senior HR academics have commented in a recent, wide-ranging review of the links between HR strategy and organizational performance, it is not the fact of the existence of sound HR policies that are important, but how employees actually experience the intent and implementation of these policies by senior leaders and their managers (see Special Issue of the *Human Resource Management Journal* on HRM and performance, 2005).

Let's take a brief look at some of these ideas to help us sketch out our model in Figure 1.1 that shows how they stand in relation to each other, and how HR strategies might be used to influence them. We will spend a little more time on each of them later in the book but it will help you when we begin to get into more detail in later chapters to refer back to the overall picture in Figure 1.1.

Corporate branding

Branding product and services has played a significant part in the marketing strategy of firms for many years, with a number of products and services having world-wide recognition and helping create market values well in excess of book values (see Table 1.1). We have already highlighted the example of Coca-Cola. Another good example from the service sector is the MBA, which is the single most recognizable global brand in educational services. The classic case of branding lines of products, however, is associated with Procter and Gamble, the American multinational that is attributed with 'inventing' the branded

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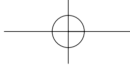
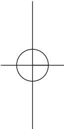
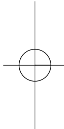


strategy for its household cleaning, personal hygiene, baby and pet care goods (see http://www.pgprof.com/). Although some of its brands are global, such as Crest toothpaste, Sure deodorant and Old Spice aftershave, others are specific to particular countries. This strategy is sometimes referred to as a 'house of brands' (Aaker, 2004).

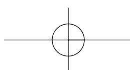
Nevertheless, it is the *branding of companies* that has become increasingly valuable, especially in industries such as financial services and consumer goods and services (Alessandri and Alessandri, 2004; Schulz and de Chernatony, 2002). Marketing jargon for company or corporate branding is *monolithic branding* since it reduces the needs of firms to promote individual lines of business or products/services to capture customers (Berthon Hulbert and Pitt, 1999; Harris and de Chernatony, 2001). Such developments are not new: some strong corporate brands have retained their place in the top 100 global brands for 50 years or more, including Coca-Cola itself, Hewlett-Packard, Gillette, Volkswagen and Kellogg's. In the case of the MBA, it is Harvard that is mostly associated with this brand, although it was not the first business school to develop such a course. So, to some extent at least, the fact of the continued existence of these organizations reflects the power and functions of corporate brands to *look outwards* by bestowing the following advantages on their companies:





- building long-term trust by increasing customer loyalty and convince consumers of the benefits of their products and services
- reducing customers' search costs for perceived quality products and services and also convey on them certain psychological rewards
- ensuring repeat purchases, assist in the development of new product launches, facilitate market segmentation by communicating directly to the intended customers of the product or service, and facilitate premium pricing.

Corporate branding, however, is also recognized for a further, important reason, and that is its ability to *look inwards* to engage the 'hearts and minds' of employees. Marketers increasingly acknowledge that corporate branding *depends* on the hearts and



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minds of employees, since, as we have already seen, much of the value of corporate brands is delivered through people, having employees identify with the brand and align their efforts behind the brand. As one leading academic in this field has argued: 'One of the challenges of brand management is ensuring that staff have values that concur with those of the firm's brands' (De Chernatony, 2001, p. 5). A well-known example of this relationship is the service profit chain in retailing, which is based on the propositions that (a) a 'compelling place to invest in' will derive from a 'compelling shopping experience', and (b) a compelling shopping experience will, in turn, be driven by employees' experience of a 'compelling place to work' (Kaplan and Norton, 2001). We shall return to this idea in the next chapter.

As a result, corporations have begun to use the language and tactics of internal branding to create employer brands, a practice which is quite widespread in the USA, Europe and Asia (Barrow and Mosley, 2005). One good example is the financial services company HSBC. This is a bank with a long history and until recently had grown quite slowly and mainly organically. In recent times, however, it has grown through acquisitions, some of them large, including Brazil and Mexico. Part of the secret of its success has been its ability to transfer the brand equity of these acquired firms into the corporate brand equity, so that customers and employees identify with corporation rather than the local banks they used to be served or employed by. Again, we will return to this idea of employer branding later in this book, with cases of Yahoo!, Southwest Airlines and others. At this point, however, we wish to flag a note of caution regarding the importance and desirability of corporate branding; not every organization needs it nor does a corporate brand always deliver the benefits promised, as our case of AT&T and NCR illustrated.

Corporate reputation and corporate image

Organizations have always had a concern for their image and in the 1950s academics began to examine the idea of image in terms of personality theory in the retailing sector. This concern led a number of commercial research organizations to conduct

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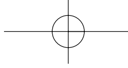

image studies, such as Marketing and Opinion Research International (MORI) in the UK and the Opinion Research Center (ORC) in the USA. The concept of image and image research, however, has been bedevilled by a number of problems because the concept has been used to refer to quite different aspects of an organization. These include the *transmitted* image (the visual image or desired image, transmitted by the corporate designers), the *received* image (how stakeholders perceive the brand, corporate reputation, or the organizational symbols), and the *construed* image (how, for example, employees believe customers see the organization). As a consequence, image is a concept that is difficult to pin down and, according to Balmer and Geyser (2003), has ceded ground to corporate reputation as a more useful concept. In a landmark paper, however, Dave Whetten and Alison Mackey (2002) have attempted to clear up the terminological confusion and have rescued image as a key concept in explaining corporate reputation, which we will draw on in Chapter 3.

The study of reputation has grown rapidly since the 1990s, bringing together scholars and practitioners from marketing and branding, organizational studies, communications and strategic management (Dowling, 2001; Hatch and Schultz, 2001; Davies *et al.*, 2003; Fombrun and Van Riel, 2003), and, more recently, our own work in HRM (Martin and Beaumont, 2003; Martin *et al.*, 2005). Whetten and Mackey (2002) see the identity-image-reputation process as a fundamental component of an organization's 'self-management project'. To make their point, they draw on a useful analogy and distinction between an organization's autobiography (self-authored narratives about identity that influence the projected image) and its biography ('official' and 'unofficial' assessments of the organization by outsiders – its reputation).

This biographical metaphor then helps stake out a claim for the notion of reputation to feature prominently in the corporate agenda. There are other justifications, however, which are equally important. Though corporate branding and reputation share common origins in their concern with the external image of an organization, proponents of corporate reputation claim it to be a more distinctive, 'root' and intuitive concept than branding. This can be attributed to the notion of reputations taking into account the past as well as present and future impressions of a company's

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image and incorporating a wider range of measures and wider range of stakeholders in defining a reputation. It is also arguable the term reputation is more widely acceptable to people, especially in the public and voluntary sectors of the economy, particularly as it has become to be progressively associated with companies' efforts at socially responsible and sustainable behaviour. Ask any person in the street if they understand what reputation means and they will be able to give you an answer; the same is unlikely to be said about a brand. One important attempt to spell out the relationship between corporate reputation and corporate branding is by Grahame Dowling (2001, 2004). He has argued that corporate reputations are lead indicators of brands; without a positive reputation it would be impossible to create a powerful corporate 'super-brand' or celebrity brand (Rindova *et al*., 2006) (see Box 1.3). The brand pledge or covenant, created by the designers of corporate identity, has to be positively evaluated by key stakeholder groups, including customers, employees and, increasingly, financial analysts, the press, non-government organizations (NGOs), the general public and, increasingly, the media, which help create celebrity status; and it is on the basis of these evaluations that corporate brand reputations and brand equity are built. As a result, corporate reputation is slowly beginning to compete with branding and identity as the superior organizational lens.

Box 1.3 Google and Apple as Celebrity Brands

According to Rindova *et al.* (2006), a celebrity firm is developed from the media's search for organizations that serve as dramatic examples of important changes in society by taking bold or unusual actions and attempt to create distinctive identities (see next section in this chapter). These firms are natural targets for 'dramatized realities' created by the business press.

A good example is Google, which has become one of the most widely discussed success stories in the business press, and an organization, like Apple, whose products define the industry standard. Just as the iPpod is synonymous with digital music players, Google is with search engines. We now talk about 'doing a Google'.

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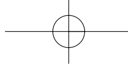

Most of the business press coverage is on the founders, two young Stanford graduates, Larry Page and Sergey Brin. For example, an *Economist* article of January 2006 portrays Page as the 'visionary geek-in-chief', pronouncing at software conferences on the range of new products that will help Google achieve its ambition to 'organize all the world's information'. The storyline portrays the firm's celebrity through Page's missionary fanaticism, claiming that visitors feel they are in the company of religious zealots rather than employees (in much the same way that Apple was portrayed in the 1980s under the guidance of Steve Jobs). They also hint that Google may have an even grander design, to produce artificial intelligence that surpasses human capacity in written conversations – a 'god from a machine'.

In the context of celebrity brands and people management, two questions are worth reflecting on:

- Could this dramatization rebound on Google in the future?
- Will Apple's iPod celebrity conflict with its earlier image as a counterculture? Apple wants to use the iPod success to sell more computers, which have always been seen as niche product produced by niche people.

Much of this interest in reputations can be attributed to the work of the Reputation Institute, a world-wide network of companies, consultants and academics (www.reputationinstitute.com), which has been a forum for discussion of these concepts and the development of measures of the components of reputation since the mid-1990s. Charles Fombrun, the originator of the Institute, began his academic work in the field by examining the extraordinary impact of *Business Week* reputation rankings of US business schools on their ability to compete in the marketplace for students, donations and faculty, and the factors that underlay these rankings. Since then, we have witnessed an explosion of similar rankings in the business world, including rankings of companies' overall reputations (*Fortune* magazine, *Asia Business* and *The Financial Times*), best-managed companies (*Management Today*), rankings of good companies to work for (*The Sunday Times*) and, more recently, CSR (the Dow Jones Sustainability Index – see Chapter 9), which have lent the idea of reputation great credibility with the general public and other stakeholders. We examine this issue in more detail in Chapter 2.

Identity

The interest of reputation management in organizational identity has its origins in earlier work by academics on individual identity, which focussed on how individuals came to take on the identity of the groups and organizations with which they interacted (the process of identification). Since then, this notion of identity has metamorphosed into the idea of an organization having an identity in its own right (an organizational identity), either as a kind of collective supra-personality or, borrowing from the legal concept of the firm, as a 'social actor' capable of being held accountable and 'finding one's own place in society' (Whetten and Mackey, 2002).

In a classic interpretation of organizational identity, Albert and Whetten (1985) outlined three of its central principles:

- It should capture its essence or 'claimed central character' of the organization
- It should set out its claimed distinctiveness
- It should show continuity over time.

These principles are the usual starting point for more recent discussions of the topic. Two of the most interesting concern its continuity and central character. First, some writers claim that fluidity and flexibility is a requirement for organization identities to cope with rapid environmental changes in the modern world (Goiia *et al.*, 2000). Arguably, then, this third principle should capture the idea of flexibility as well as endurance; what Goiia *et al.* refer to as a 'mutable identity', capable of helping an organization change over time. One good example these researchers draw on is how IBM managed to change its view of itself and its projected image as a single-minded mainframe company in the 1980s in response to market changes so that it could compete with small PC companies. Since then it has undergone another identity change to a solutions-based company, but all the time retained elements of its original character.

Second, other writers point to the existence of multiple identities in organizations. This idea runs counter to the idea of a monolithic corporateness but is probably a more realistic picture of and for many organizations. For example, just as an

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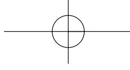

individual can be a mother, doctor, athlete and daughter at the same time, a hospital can be seen by its members as a business, a caring organization and a professional organization. Thus, how you see an organization at any point in time thus depends on where you are viewing it from – from the perspective of a politician or financier looking for value for money, as a patient looking for high levels of care, as a doctor looking for a place to practise a craft and develop a reputation, or as a business journalist looking for a dramatic story (as in the case of Box 1.3). We examine these issues more closely in Chapter 3 but they do suggest that attempts by corporate communication departments (in conjunction with a willing business press), to create corporate identities which are unrecognizable to employees are counter-productive in the long run; often they generate unofficial, opposed identities and resentment towards heroic leadership.

Organization actions, governance and leadership

Just as organizations can be said to have identities in their own right they are often attributed with the ability to act. Whereas organizational identity deals with the 'Who are we?' question and how such conceptions influence the corporation's autobiography, its image cannot be sustained without supportive organizational actions. Though the idea of organizations acting (or making decisions, having an identity, learning, etc.) can be considered as an anthropomorphism (attributing human forms or qualities to entities that are not human), the idea is a useful one in so far as it draws attention to the question: which people are most influential in shaping organizational direction and actions?

The usual answer, of course, is the board of directors, leaders and senior managers. Good governance and leaders help bind an organization together as it changes. They help organizations to differentiate themselves from others and meet social legitimacy goals. Leaders' actions symbolize the organizational identity. Finally, they also meet the needs of individuals and the organization by taking on its collective work. One only needs to

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look at cases of bad governance and leadership to see its impact on organizations, and indeed, nation-states; witness the cases of malpractice and unethical behaviour referred to earlier in the well-documented cases of Enron and others (Clarke, 2004; Kellerman, 2004). Particularly important to our framework, it is through their actions or inactions that employees come to understand and experience the 'true' identity of an organization rather than that which is portrayed in mission statements and public pronouncements (see Box 1.3). Governance and its problems are embedded in the identity of organizations, or more likely, their multiple identities.

In an enlightening participant observation study of a US voluntary organization, Golden-Biddle and Rao (1997) have shown how its directors' behaviours were embedded in the multiple identities of the organization *and* helped create and sustain them. These directors experienced not only role conflict resulting from competing expectations from their legal and fiduciary obligations but 'conflicts of commitment' as they struggled to reconcile incompatible expectations ensuing from their desire to uphold two primary identities – 'volunteer governance', in which the direction of the organization was invested in volunteers rather than professional managers, and to act as a 'family of friends', which implied strong feeling of friendship among directors and conflict avoidance at all costs. When faced with a challenge to its ways of operating by a senior volunteer board member who broke the rules of conflict avoidance, the organization's identities were severely tested, but were effectively repaired by breaching the contradictions between them through an acceptable compromise. As this case demonstrates, governance and leadership action are embedded in the multiple organizational identities that helped create the problems of dual commitment but also helped them work out a compromise solution that reinforced these identities. It also hints at how more recent and well-documented problems of governance may have arisen and been dealt with, in many cases unsatisfactorily at least from the perspective of the media and general public.

Leadership *styles* are also important in translating organizational identity into an image. We often refer to senior leaders' (in)abilities to 'walk the talk' by acting out the mission and values statements, and to the gaps between 'rhetoric and reality' in

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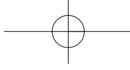
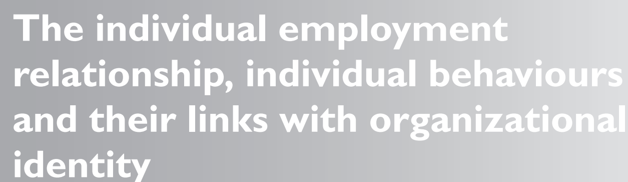


which the leadership style is totally inconsistent with the usual mantra of 'people are our most important asset'. From an employee perspective, there are few more important breeding grounds for cynicism than the failure of senior leaders to match organizational identity and image with action, as we have discovered in a number of studies of organizational change (Pate *et al.*, 2000). The reverse is also true, however: employees are known to invest their leaders with almost mythical qualities to inspire them to achieve radical organizational transformations (Martin and Riddell, 1996), though the higher the pedestal the further the potential for a fall from grace. The major debate in leadership most obviously related to this issue is the ubiquitous division in nearly all studies on management between task-oriented behaviours and person-oriented behaviours; like most solutions in management, the idea of a compromise or 'optimization' between them is the most favoured way forward. Without attention to both performance and people, it is unlikely the employees will identify with the organization and act in ways that will enhance its image.



The individual employment relationship, individual behaviours and their links with organizational identity

We contend there are processes at work in which individuals may, *under certain circumstances*, come to incorporate elements of their organization's identity into their self-perceptions. These processes draw on social identity and self-categorization theories. One of our core messages for practitioners: changing employees' identities is a more difficult and uncertain task than most of basic culture management and communications-driven, customer relationship texts would have readers believe, notwithstanding the ethical problems and potential backlash from so-called 'brandwashing'. Organizational identity (the 'Who are we?' question) and the relationships between leadership and followers will depend on the ability of key managers to understand

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and manage the psychological contracts that exist in the organization, that is, the perceptions held by individuals concerning organizational 'promises' and the relative values they place on these promises or expectations (Conway and Briner, 2005). It will also depend on other key individual–organizational linkages that contribute to the quality of individual employment relations (see Chapter 4). These include: *individual identification* (the 'Who am I?' question), *internalisation* ('What do I believe in?'), *psychological ownership* ('Do I feel that the organization is mine?') and *commitment* ('Will I stay?') (Pierce *et al.*, 2001; Sparrow and Cooper, 2003). Such a list is often confusing for practitioners and is probably why the idea of *employee engagement* has become so popular in recent years, since it promises to tap into or overlay all of the others as a form of temperature check for HR managers. However, like any idea or tools claiming to do everything, it may end up doing nothing particularly well, which we believe is the problem facing most of the consultancy-based engagement approaches. Nevertheless, engagement does bring something extra that organizational psychologists have sometimes failed to consider, including, most importantly, measures of attitudes relevant, business-related behaviours. These attitudinal dimensions of business-related behaviours usually refer to a belief in the organization and its mission; a desire to work to make things better, an understanding of the business context and the strategic drivers of the organization; respect for colleagues and willingness to help them, willingness to go beyond contract, and keeping up to date with developments in their field (Robinson *et al.*, 2004).

Recent academic research on engagement, and there has been very little of that, has shown it to be positively related to customer satisfaction (Harter *et al.*, 2002), which in turn has been shown to be a lead indicator of financial performance in tests of the service profit chain in the retailing and banking industries (Gelade and Young, 2005). Though more work needs to be done on defining engagement and its correlates, it shows promise as a concept.

Finally, it almost goes without saying, critical behaviours for reputations and brands also depend on the outcomes of knowledge, skills and abilities – the human capital pool. Investment in knowledge stocks and knowledge flows is one of the key

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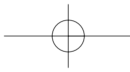

messages of strategic human resource management (Dunsford *et al.*, 2001).

HR strategies and the quality of individual employment relations

The central premise of this book is that HR can contribute significantly to corporate reputations and branding by influencing the lived experience of employees, the quality of their individual employment relationships, and through these, organizational identity, governance and leadership. The connections between HR drivers and these variables, however, are not clear-cut: how HR fast-forwards into individual employment relations and interpenetrates with corporate strategy is a complex process; it is not just a question of aligning HR with the business strategy and pulling the right levers to generate positive psychological contracts, engaged and competent employees.

Some HR researchers and many practitioners advocate a 'one-best-way' set of practices under a range of guises – high involvement HR, high commitment HR or high performance work systems. The basic but compelling message (not always intended but often read as such) is: search for best practices among 'best-in-class' firms on a range of HR variables, benchmark yourself against these firms and implement those practices that fit your needs. Yet, the very idea of best practices has been roundly criticized, most importantly, on the grounds that context is all important, whether it be the strategic, industry or national context (Leseure *et al.*, 2004). This has resulted in another school of thought in strategic HRM, focusing on the 'fit' between 'bundles of practices' and organizational contexts. Best fit approaches have tended to dominate the academic, rather than practitioner, literature on HRM, reflecting the portfolio planning/life cycle approaches in marketing during the 1970s and the competitive positioning work of strategy writers such as Michael Porter during the 1980s (see Chapter 5).

However, best fit is not only concerned with this external fit between HR systems and strategy, but also with internal fit. This latter concept comes in two varieties. The first is the degree of

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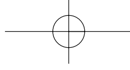
coherence among HR policies and practices themselves, to create powerful combinations but avoid deadly cocktails. The second type of internal fit focuses on creating synergies between HR policies and practices themselves and between HR systems and other organizational systems. One of the most insightful of these is the 'architectural' approach, which we shall discuss in Chapters 5 and 6. The basic argument of this approach is the need to segment the labour force in much the same way that we segment customers. Also it suggests that talented people matter, but, more importantly, it is managing talent that matters: the value and uniqueness of human capital to organizations differ, and these different groups should be treated differently – the so-called talent management approach.

Modelling the relationship between people management and corporateness

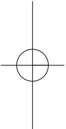
We are now almost in a better position to explain our model in basic terms (see Figure 1.1). First, corporate brands depend on corporate reputation(s), which is set out in more detail in Chapter 2. Corporate brands result from the levels of confidence that people place in the ability of an organization to deliver high levels of what they value about its corporate image and the support they give to its products and/or services. Reputations represent the degree of alignment between the beliefs and feelings held by a group about an organization's overall projected image and its values (and Mackey, 2002).

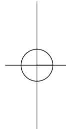
Second, the drivers of corporate image lie in the interactions between organizational identity and individual identification with their organizations, together with organizational governance and effective leadership. These interactions are the subject of Chapter 3. Third, these interactions depend on the quality of individual's employment experiences, including their perceptions of psychological contracts, their levels of engagement and their skills, which is the subject of Chapter 4. Four, how employees experience their employment relationships depend on the sophistication of human resource and communication



strategies, which we explore in our four-part discussion of strategic human resource management in Chapters 5, 6, 7 and 8. It is these people management variables that represent the operational but core element of our model and forms our particular contribution to the emerging literature and practice in the field of reputation management and branding. We will set out exactly what challenges they bring for the HR function in the last chapter of the book. In the penultimate chapter, however, we discuss how strategic human resource management and the HR function are related to three, leading corporate-level indicators: corporate strategy, senior leaders' vision and governance, and corporate identity, increasingly through a CSR agenda, to influence reputations and brands.

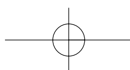
So our model, which we shall use to organize the rest of this book, is based on explaining the related concepts of corporate branding and corporate reputation and their links with people management, which, in turn, work through organizational identity, actions and the processes of psychological contracting and identification.





The core propositions of the model, which are a slightly more formal re-statement of our storyline for the book, are threefold:

- Corporate reputation and evaluations of corporate brand strength are ultimately dependent on effective people management strategies and behaviour, including HR strategies, formal and informal organizational communications, policies designed to connect and engage employees with the organizational aims and the kinds of behaviours they engender. This contention is the central one of the book.
- The competence and credibility of the HR function, working in tandem with other functions such as marketing, are key variables in translating important corporate-level antecedents, including senior leaders' corporate vision of leadership, corporate strategy and the expressed desire of leaders to have a corporate identity, into effective people management strategies.
- Finally, these people management strategies work through the interrelationships between organizational identity, governance and leadership styles, competent



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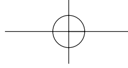

employees and supportive behaviours to influence the links between corporate image, corporate reputation(s) and the corporate brand.

The significance of corporateness for HR professionals

If human resources are at the heart of corporateness in any organization, what role does this imply for human resource professionals? This question leads us to our third main contention, which is that corporateness presents a significant challenge and opportunity for senior HR professionals. These challenges are especially relevant for practitioners working in complex and often fragmented organizations, those in internationally differentiated organizations, those in highly customer-focused or knowledge-based organizations, and those that seek to develop reputations and brands for CSR. More and more, HR specialists are witnessing calls for the HR function to play a strategic role as business partners, strategic partners and leaders (CIPD, 2004; Ulrich and Brockbank, 2005). Though this concept has not been particularly well articulated, we see it as working directly with the senior management team and other functions to play a leading role in interpreting changing external environments for organizations and creating added value by managing talent, helping create strong individual–organizational linkages, shaping organizational cultures and contributing to the change management process. So, in such contexts, HR will require a more expert understanding of these corporate-level concepts, organizational identity and identification, and their potential in building and sustaining corporateness. By doing so, they will become better equipped to become not only business partners but also ‘corporate partners’ or corporate HR leaders, an idea to which we will return to the final chapter on creating a fit-for-purpose HR function.

What has been a surprise to us in doing the research for this book and for previous work in the field is that the human resource literature is almost silent on the relationship between corporate-level concepts and people management. This silence, however, is becoming much less deafening. For example, recent evidence drawn from research into the strategic issues facing

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international firms, showed that employer branding, one of the key ideas associated with corporate branding, was one of the most important of these issues for international HR managers (Sparrow *et al.*, 2004). In addition, an unpublished panel survey undertaken by *The Economist* in 2003 showed high levels of awareness among US, Europe and Asia international firms of the importance of the branding-people management link (Martin *et al.*, 2005). These trends are supported by our own research,[1] and by the extensive interest shown recently by practitioners at numerous conferences on employer branding and the like.

This lack of previous interest in issues such as reputation, branding and identity management from the HR community – practitioners, HR consultants and academics – contrasts markedly with marketing and communications specialists, both of whom have produced a substantial literature on the connections between brand advantage, customer service and people management strategies (de Chernatony, 2001), corporate reputation and people management (Davies *et al.,* 2003) and communications, branding, corporate reputation and people management (Van Riel, 2003). The central message of much of this work, like our own, is that external image and reputations are intimately linked to employee values, attitudes and behaviours, especially in customer-facing industries, knowledge-based and creative organizations, and those seeking to promote CSR. In the field of branding, for example, two leading UK marketing experts argue that employees exert a powerful influence on linking the external and internal interface with the (Harris and de Chernatony, 2001), and that employees are at the core of delivering the 'promises' of the brand. That same message has also been delivered by two marketing professionals who have recently moved into HR consulting (Barrow and Mosley, 2005).

Yet, despite all of this interest shown by marketing and branding specialists, we do not have a sophisticated enough

[1]We have been examining the relationship between HR, branding and corporate reputation since 2003 as researchers, consultants and practitioners(see Martin and Beaumont, 2003; Martin *et al.*, 2005; Hetrick and Martin, forthcoming. This work has led to the establishment of a Centre for Reputation Management through People at the University of Glasgow's School of Business and Management, http://www.gla.ac.uk/crmp).

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understanding of the linkages between HR and marketing in the brand management and reputation building processes (see also Sparrow *et al.*, 2004). Naturally enough, given their backgrounds, education and interests, marketers have been good at using the language of branding and communications to shed new light on people management, and have produced practical tools for assisting HR professionals to apply the language of branding to people management problems. However, they have said little about the complex nature of employee identification with brands and organizations, other than at a general level and usually in highly prescriptive manner. As befits business disciplines that are essentially normative, marketing and communications rarely deal with the realities or causes of much of organizational life, such as cynical or apathetic employee attitudes to customer service, unethical products and practices, disenchanted managers and the competing professional identities of many knowledge workers that has little connection with advancing ideas of corporateness.

So, for HR professionals, the rising star of corporateness marks a watershed and a real opportunity to become corporate, as well as business, partners. However, it also brings significant challenges for the role of the HR function, as well as the capability of HR professionals to 'round themselves out', lead and deliver people strategies that support corporate reputations and brand, CSR and good governance.

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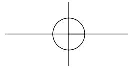

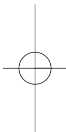
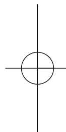

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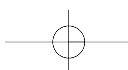

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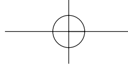

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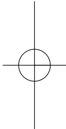

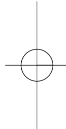

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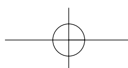

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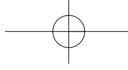

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