



Who cares whether they care?

Interbrand

**Interbrand**  
Internal Brand Engagement

A study of the effect of  
pride in organisations



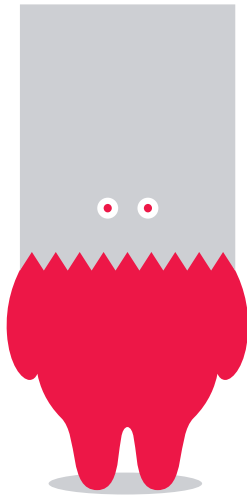
## Introduction

People instinctively understand the importance of emotions in decision making. We have all made purchases which make no sense logically and are much more to do with a deeper visceral process that we just can't explain... sensibly. So it should come as no surprise that as a branding organisation we are fascinated with understanding how our emotions affect our decisions. Using emotions to encourage people to buy your brand is well practised, but we wanted to study how emotion can affect performance in organisations.

We have long believed that pride is a powerful emotion and is a critical factor in galvanising employees to take action to support an organisation's goals. When undertaking new brand projects, Chief Executives often say to us that they would like employees to have more pride and confidence in the brand. To those in charge it seems that boosting pride feels instinctively important.

But is instinct enough? At Interbrand we wanted to explore the role of pride in organisations with more scientific rigour. So we commissioned a piece of research conducted by Market Tools asking 2000 UK residents - selected as a representative cross section of the population in terms of age, gender, social category - about the pride they felt in the organisation they work for.

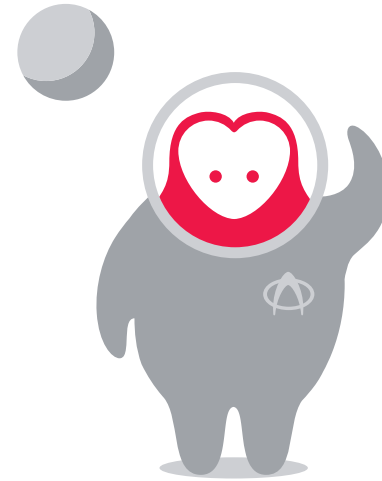




## Overview

Overall almost half of the respondents (47%) said they felt proud of their organisation, 37% were neutral and 16% felt no sense of pride in their organisation. This shows that there is a good base of pride in organisations but with plenty of room for improvement.

Next we split the analysis by company size and found that employees in organisations of up to 100 people were far more positive than larger organisations. In organisations of over 1000 people, pride in their employer drops to only 38% compared to 57% for people in organisations under 100 people.



Compared to the overall sample the results for large organisations is much more worrying and strongly suggests that large organisations should have a stronger focus on building pride.

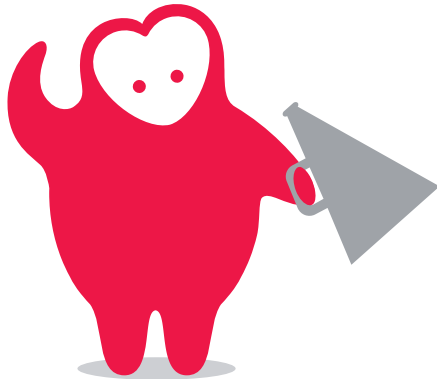
The data so far indicates that pride is an issue particularly for large organisations. But is it worth the effort to address this issue? To find out we dug a little deeper exploring the following questions:

- What impact does pride have on organisational performance?
- What factors are most important in boosting pride?

## What impact does pride have on organisational performance?

To test the impact of pride on organisational performance we used structural equation modelling to measure the relationship between pride and a number of key behaviours for employers. These included:

- Recommending the organisation as a great place to work
- Recommending the organisation's products and services
- Putting in extra effort
- Actively looking for a job elsewhere

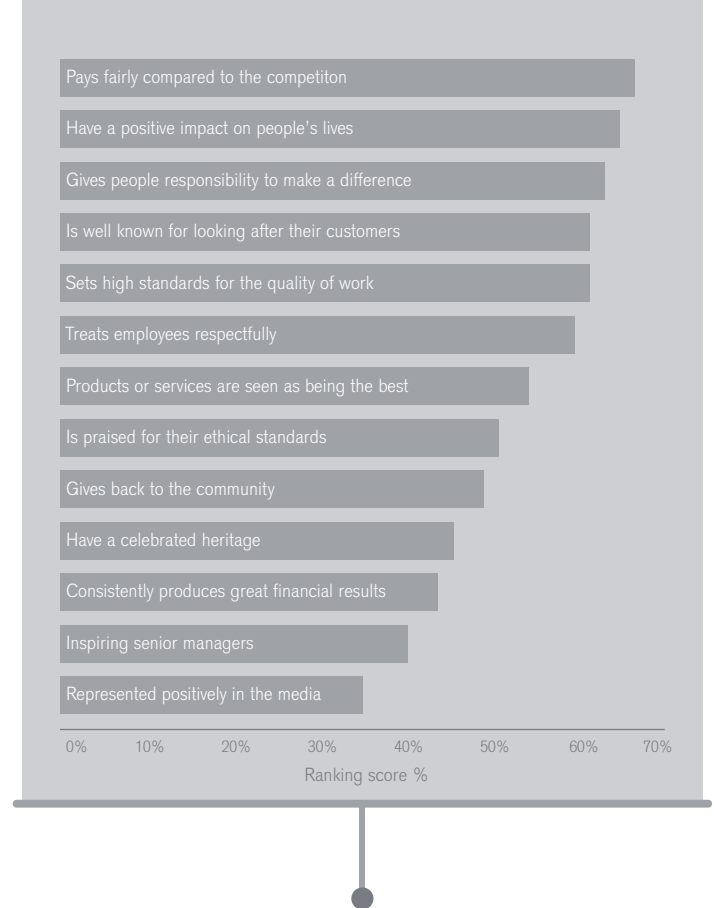


The modelling process showed that pride has a significant impact on all four behaviours. For example, in a company of 10,000 employees - about the size of Legal and General, Amazon or Ebay - an increase in levels of pride by 5% would lead to 232 putting in extra effort, 176 more staff recommending the organisation as a great place to work, 170 recommending the company's products and services to people they meet and 46 fewer people actively looking for a job elsewhere. All of these behaviours have a direct and significant impact on a company's performance. For example, a recent survey conducted by 1stopcareer.com showed it can cost as much as £30,000 to recruit a new member of staff. If a company of 10,000 avoids losing 46 fewer people each year, they would save £1,380,000.

So, perhaps unsurprisingly, we feel it's safe to conclude that building pride is an important factor in improving organisational performance.

## What factors are most important in boosting pride?

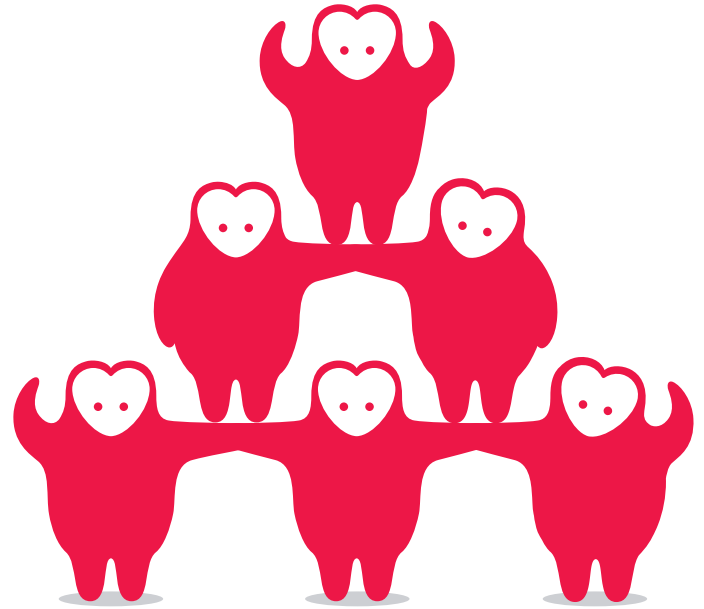
When we asked respondents 'what are the most important factors in making you feel proud of your organisation?' their responses produced the rankings opposite:



## Supporting the individual

So employees feel that as long as you pay fairly, make a positive impact on your customers lives, give people responsibility and set high standards you will encourage pride. The essential theme here appears to be supporting individuals to make a difference. This result seems to make sense.

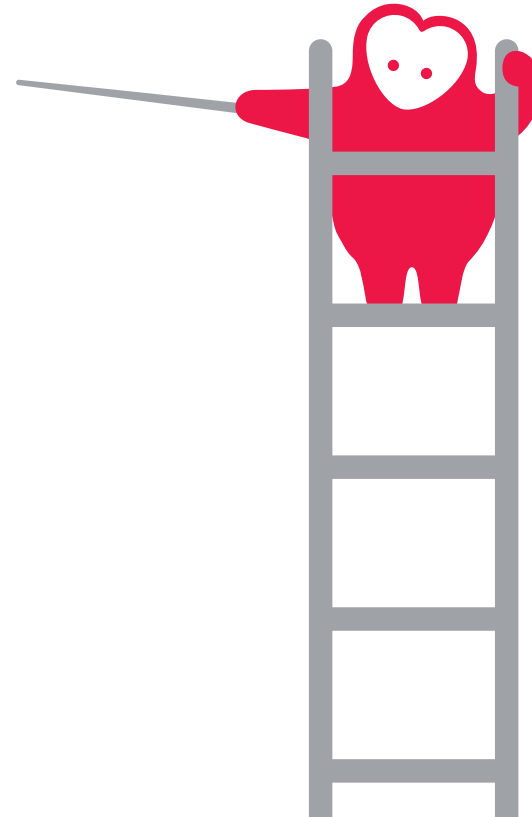
However, many painful experiences with market research have taught us that asking people to identify the factors that influence their behaviour produces haphazard results at best. So we decided to test which factors were most influential by indirect means as well.





## What factors have the highest correlation with feeling proud?

We measured the correlation between how well people felt their organisation performed in each factor with the level of pride they felt for the organisation. The results revealed a different set of priorities.



## A culture of high standards for customers

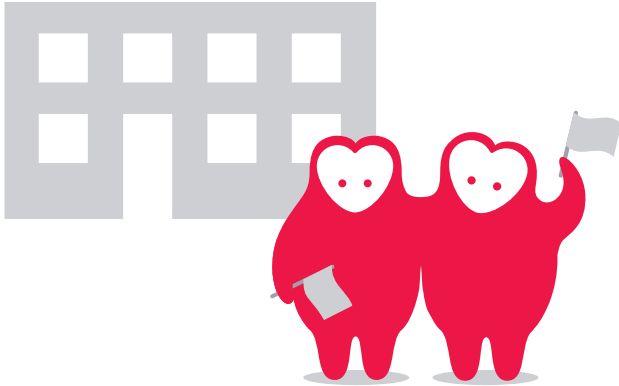
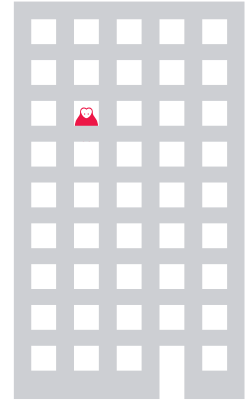
This analysis suggests that organisations would do better to focus on producing the best products and services, setting high standards for quality, looking after customers and treating employees respectfully. It emphasises the importance of building a culture focused on delivering high standards for customers.

In summary, to build pride in the organisation you need to both support individuals in making a difference and create a culture of delivering high standards for the customer. But if you pushed us on it we would emphasise the culture of high standards for the customer first.



## Location, location, location and other demographic trends

People's pride is particularly vulnerable when they have been with a company between 5 and 10 years, with only 43% feeling proud. Whilst 52% of people who have been with a company for less than a year feel proud, 49% of people who have been at the company for over 10 years feel proud. When you are new to an organisation you accept claims about the organisation at face value. Then as people become more experienced they naturally question those claims until finally only those who believe in the company stay for the duration.



Organisations situated in East of England, Wales, West England, London and the South East instil significantly more pride than organisations in the North East, and the Midlands. Key contributing factors to this difference in pride were that respondents in the North East and the Midlands did not feel their organisation was as strong on:

- The standards they set for the quality of work
- Producing the best products or services in their sector

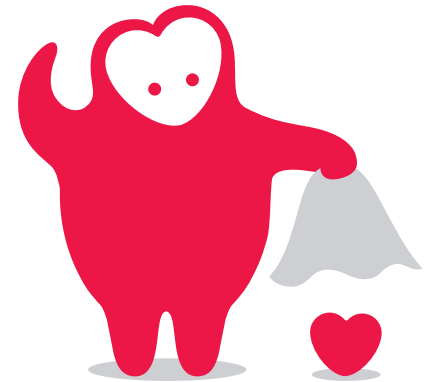
## Conclusion

What can be learned from these results? Firstly, that pride is an important factor in driving positive behaviour. This behaviour can improve results. If people are proud of their organisation they are likely to stay longer, work harder and act as ambassadors for their organisation and its products and services.

Overall, though, only 47% of people say they feel proud of their organisation. This means that more than half of all employees remain unengaged. The situation is worse for large organisations in which only 38% of employees say they are proud. These results reveal a significant reserve of untapped potential in most organisations in the UK.

Capitalising on this potential requires commitment to developing a positive internal culture and customer-focussed communications. As a key interface, marketing has a pivotal role to play both in selling the company to the customer and the customer to the company.

These findings confirm the importance of brand engagement that focuses both on organisational culture (what we stand for and what makes us special) and the customer experience (how the organisation meets customer needs and secures lifetime loyalty). This combination is a powerful manifesto for change. The result is a workforce committed to delivering more satisfied customers, increasing profitability and boosting shareholder value.





Contact Richard Gray,  
[rgray@interbrand.co.uk](mailto:rgray@interbrand.co.uk) or  
Stephanie Colton,  
[scolton@interbrand.co.uk](mailto:scolton@interbrand.co.uk)

Interbrand  
85 Strand  
London WC2R 0DW  
Tel: +44 (0) 20 7554 1625  
Fax: +44 (0) 20 7554 1001  
[www.interbrand.com](http://www.interbrand.com)

Interbrand