

Corporate Identity Crisis

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Susan Hendrickson's friends envy her. They think she goes to work every day at a great job for a wonderful company. After all, she works for an organization whose mission focuses on bringing joy to the world. Once she began her job, it became clear that although it felt good to work for a company with a mission to make people happy, the work environment was anything but joyful. It was competitive, anxious and aggressive. Susan struggles to figure out how to reconcile this darker side of her employer with the bright image and experience presented to its customers.

For Robert McKinsey, an engineer, his passion is about working with some of the best engineers in the world. He loves what he does, but he feels for every step forward his company makes toward its strategic goals, it ends up taking two steps back. Issues such as bureaucracy, process paralysis and lack of trust keep the company from really making any progress. These problems seem so pervasive and apparent; surely, leadership knows these issues are keeping the company from achieving its goals. Yet, the organization appears to be stuck—not necessarily floundering, but not succeeding either. Bob wonders if his company has a future, and whether he should stick around to find out.

These two cases underscore a common issue that exists for many businesses today—a corporate identity crisis. Susan and Bob are experiencing this crisis in different ways, but the result is a loss of confidence in their employer and the direction that the business is taking.

Typically, when people think about identity crises, we think in terms of people not quite knowing who they are and what they want out of life. We think about our teen years, perhaps, where the person we showed the world wasn't quite the person we wanted to be. We think about our cousin, who is a great guy, but just seems to wander aimlessly without any purpose. Or perhaps it is the friend who is both a gifted musician and biologist who seems unable to decide which life path she should follow. In each case, identity crisis

is about a conflict between how we see ourselves and how the world sees us (or how we want the world to see us).

Corporate identity crisis is the same kind of conflict played out through the company's culture and branding rather than personality and self-image. When we say that an organization has an identity crisis, we are indicating that how the organization perceives itself and promotes itself are in conflict. This conflict prevents the organization from being able to fully attain its goals. Some companies are well aware of the conflict, but either don't see it as an obstacle (yet it is) or don't know how to resolve it in order to move forward. Many companies, however, are clueless. Although it is something that others may see as obvious, the leadership isn't aware there is a problem, and as a result, faces a wall in the company's progress that it is unable to see.

The Types of Corporate Identity Crises

Keep in mind it isn't the crisis that is dysfunctional; it is how the organization chooses to face and resolve it that determines whether the crisis will be problematic. In other words, corporate identity crises are natural phases of business growth and development cycles. It is how they are managed that determines where the organization will benefit or suffer.

The Homecoming Queen as Bookworm: Inside-Out Conflict

In the opening case study, we read about Susan Hendrickson. We learned that the company she thought she was working for, based on how it presents itself to its customers, is not at all like the company she actually works for. This is probably the most common type of identity crisis that businesses face.

Inside-out conflict is when the image (brand) that the company promotes to the world (and its customers) is incongruent or vastly different from its internal culture and work experience. It is akin to the high school homecoming queen who secretly prefers to stay home and read than go out and party. The face the world sees is different from her true self.

In many ways, it makes sense that companies experience inside-out conflict. After all, most organizations are in the business of selling something, and invest substantial amounts of resources into creating an image or brand that attracts customers, keeps the company's products/services in the forefront and is quickly recognizable. Branding has become one of the vital activities that businesses cite as being a key initiative.

However, as external branding becomes more polished and prominent, many organizations fail to realize the impact (positive or negative) that this can have on their employees. When an external brand is successful, it not only attracts customers, but it also attracts employees who want to work at an organization they perceive as possessing the values it espouses to its customers.

Proactive, performance-driven employees might be attracted to Nike's "Just Do It!" philosophy. Sensitive individuals with a sense of humor might be drawn to Hallmark's perceived warmth and caring. Radical thinkers who want a venue in which they can help revolutionize the world send their resume to Apple Inc., not IBM.

Yet, what happens to these individuals if they discover once they're employed that the company they thought was fun and creative is stodgy and repressive? This affects them as an employee, therefore, affecting how they promote and support the external brand that has been so carefully established.

A company's internal employee brand (the face that it shows to its employees through its culture and practices) does not have to be the same as its external customer brand. In fact, it is rare that they would ever be an exact match if for no other reason than a company's external brand serves a different purpose than its employee brand. One dictates why a customer should buy its products; the other shapes why someone would work there.

However, the two should be congruent rather than in conflict. Congruency, in part, comes from a full awareness of the similarities and differences between the two brand types. The more leaders are aware of this, the better they can manage one (employee brand) to promote the other (customer brand). However, this conflict becomes dysfunctional when leaders don't recognize the incongruence, or actively manage the differences between the brands.

The Med Student Comic: Internal Conflict

Whereas inside-out conflict is conflict of external presentation with internal presentation, internal conflict is, as the name states, conflict that occurs within the organization. Internal conflict is similar to the situation of the medical student who wants to be a stand-up

comic. He is at conflict because he doesn't know which path in life to pursue—becoming a doctor or becoming a comic. The result is paralysis. He doesn't know which way to go, so he may end up not going anywhere.

For organizations, internal conflicts often stem from changes in leadership and strategy. A founder of the company may have created a very patriarchal, yet caring, internal brand where people are valued for what they know. Then the founder retires and is replaced by a professional manager, who sees that in order to compete, people need to be valued for their performance, and creates a need for buckling down on expenses and frills. The caring, trusting identity becomes conflicted with the performance-driven hardnosed identity.

Part of the resolution is knowing the difference between who you say you are and who you really want to be. People may adopt the performance-driven culture, but still value and crave the caring, nurturing culture. Without resolution, the two forces become obstacles to one another.

If your company is pushing a strong agenda and direction, yet somehow feels no matter what it does, employees just aren't on board, then it could be a victim of internal conflict. Employees know what needs to be done, and why, but because it conflicts with what they value and desire, they are not necessarily motivated to fulfill the other obstacle. And at the same time, leadership is promoting one set of actions while neglecting or ignoring what needs to be attended to in order to get those actions accomplished. Again, the result is paralysis.

This also results in the company hiring one type of employee who serves the needs of one identity, but who conflicts with another type of employee, who serves the needs of the other identity. Instead of working in tandem, they work in opposition.

Resolving internal conflict is not necessarily choosing one identity over the other. Our promising med student may find his stand-up talents perfectly suited to creating a great bedside manner. Success in resolving this kind of identity crisis comes not just in knowing what the identities in crisis are, but knowing which characteristics of each identity employees value.

In the opening case about Bob McKinsey, the conflict may stem from the company's need to excel at process and efficiency, but failure to realize that people also value trust and autonomy. Instead of leading this process through rules and authority, the company can learn to achieve process and efficiency by nurturing the talents that will see these processes through.

To get there, Bob's company would have to realize that the values of one identity are in conflict with the values of the other. Once this is clear to the organization's leadership, they can then resolve how to consolidate the two identities into one, and progress from there.

The Lost Soul: Lack of Identity

Perhaps the least common—but most debilitating—corporate identity crisis is the lack of a strong sense of self. In reality, every business has some kind of identity; it just may not know what that identity is. If a business does not know who it is, leadership cannot effectively drive performance. Therefore, the lack of identity doesn't necessarily mean a business has no identity; it is just clueless about what that identity truly is.

This is like our friend who is a lost soul—the one who seems to wander aimlessly trying to “find himself,” yet never seems to find any real footing. As a result, he never seems to accomplish anything substantial, and one may start to wonder where he is going to be in 15 years. He has a great deal of potential, but it hasn't been realized.

For organizations, becoming a lost soul can stem from many sources. It can be due to radical changes in the business environment, or it can be changes in leadership and values. But more often than not, it is just the fact that the leadership hasn't invested any time or care into understanding who it is and the impact this has on the business.

Like our friend who wanders aimlessly, these organizations seem to do a lot to get on track, but never seem to get to the heart of the matter. They often fall victim to doing whatever the current business fads are rather than take actions that are suited for what the business represents. They constantly struggle to find a strategy that gives them traction. They struggle to express who they are as an employer to job candidates, and seem in a constant state of reinvention.

The best way to resolve this type of identity crisis is to stop and realize that no company is well defined. What makes this type of crisis so hard to identify is that unlike the other types, which are clear conflicts between identities, this form of conflict stems from a lack of identity. To recognize the problem, an organization must realize it is missing something which is tough to do.

Organizational Therapy

People who benefit from good therapy are those who realize that they keep making the same mistakes or that, no matter what they do, they aren't progressing toward their goals. These people stop and realize that they are missing something, and need help in defining what that something is. That's when they start therapy.

For organizations, it is the same process. To address this kind of identity crisis, organizations just need to realize that they aren't really progressing. They keep coming back to the same problems and issues despite the changes they have tried to make. At this point, it is time for the company to stop and get some help in defining what it isn't seeing.

An evaluation of one's culture and practices is a good first step. The process may reveal that there is a stronger underlying identity for the organization than was realized; it just wasn't being attended to in practice. Or, the company may learn that it has a diffused set of identities—none dominant—and can then work to decide on a more dominant identity to help shape its policies and practices, and attract and retain employees who are best suited for that identity type.

From Identity Crisis to Identity Management

In each case of identity crisis, the underlying opportunity is in learning more about who an organization is, what is in conflict and then working from this point to actively manage that identity.

So much energy is put into establishing an external brand, but companies are just now starting to realize that it is important to put an equal amount of focus on its internal employee brand as well. Knowing who you are as an employer can yield substantial gains in how you manage and lead your human resources. A strong employee brand can help shape your recruitment campaigns, selection programs, performance management systems and succession planning. It defines what it means to work at this company, and what you want people to bring to it, and get out of it.

Similarly, many organizations focus on improving processes and their work environment. Enhancing employee engagement is a critical metric on the leadership scorecard of many companies. Processes and work climate focus on the “what” and “how” of business—what you are doing and how it is done. Employee branding answers the “who” and “why” of business—who you are as a company and why you do things the way you do. Understanding the “why” element can help you be more successful in accomplishing the “what.” It helps explain the bad habits you are trying to break and the obstacles to the ideal behaviors you wish to achieve.

It is about managing your employee brand and using it to help effectively run your business. The place to start managing is by understanding. This can be done through a series of interviews and assessments that can help define your identity and uncover any crises that your company is currently facing.

Once you understand your identity and issues relating to it, you can begin building actions that help support that identity (e.g., through formal branding initiatives to employees) and build upon it (e.g., through processes that best suit the energy that identity provides).

Resolving your corporate identity crisis will unleash new energy and focus for your organization and employees. Obstacles once invisible are defined and acted upon, new directions become available and progress can be made. But just as people are constantly evolving and changing, organizations do as well. Managing your corporate identity is an ongoing process. Like one's self journey, it never ends, but can be a source of inspiration and strength. ■

About the Authors

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Jeffrey A. Jolton, Ph.D., is the director of global services at Kenexa, overseeing the project management and thought leadership for many of Kenexa's largest global survey projects. Dr. Jolton has over 15 years of extensive consulting experience, which have made him a leading expert in assessment-based organizational change. He has applied his innovative and insightful guidance to number of global businesses ranging from retail giants such as The Home Depot and Gap Inc. to leading financial and professional companies such as Allianz, HSBC, PricewaterhouseCoopers and Wachovia, as well as other global organizations such as DPWN, Textron, and Pitney Bowes. As Director of Global Services, Dr. Jolton oversees project teams in all corners of the world including Germany, Hong Kong, Singapore, the United Kingdom and the United States.

Dr. Jolton is a regular presenter at numerous professional conferences and has more than 25 publications in professional and scientific journals. Recent topics of his works include understanding dysfunctional organizations, global truths about employee engagement, the role of critical thinking in strategic planning and behavior change across the global spectrum. He holds a Doctorate and a Master of Science degree in Industrial and Organizational Psychology from Ohio University.

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