

Research: Follow the leader!

Researchers Wieseke, Ahearne, Lam and Van Dick studied to what extent leaders (higher echelons of management, CEOs) can instil a sense of commitment to the company in their employees. They refer to that as 'internal marketing', which we will, for the sake of convenience, categorise as 'internal branding' here. Internal branding is all about a company ensuring that the work and the workplace fulfil the needs and wishes of employees, whilst also meeting the company's targets. A related concept is that of 'organisation identification', i.e. the extent to which employees find they can identify with the company. Recent large-scale research has shown that organisation identification makes for a good indicator of employee satisfaction, cooperative behaviour, job performance, corporate responsible behaviour, and customer-driven attitude. The role of leadership in internal branding and organisation identification has, however, as yet never been subjected to thorough research. Leaders can, through their behaviour, continuously transmit the corporate culture, values and vision to other employees.

In their article, Wieseke, Ahearne, Lam and Van Dick start off by summarising conclusions that emerged from earlier research:

- It is important for employees to be on the same wavelength as the company's mission, vision and objectives.
- A company needs to shape a collective corporate identity (long-term strategy).
- The degree of identification with the company impacts on employee satisfaction, commitment and collaboration.
- Charismatic leaders have the greatest influence on employees.

Wieseke et al ran two studies among sales staff at a US pharmaceutical company and employees at a travel agency chain in Germany. Both studies showed that the extent to which the leader identifies with the company and is able to transmit that to his staff, directly influences the degree of organisation identification among employees. This influence runs down the company hierarchy; CEOs influence managers, and managers, in turn, influence employees.

Managers with a high degree of identification managed to generate greater revenue. Employees with a high degree of identification turned out to work more efficiently and sell more. But it should be noted that 'bad' leaders and charismatic leaders who do not endorse the corporate vision and values have a negative influence on their staff members.

The above highlights the importance of solid middle management, alongside charismatic CEOs, for the propagation of the corporate vision and values. Middle

managers are often the direct link between top-level management and employees. The distance between employees and CEO is often too great for the CEO to be able to directly influence employees. Corporate values have to be propagated actively by management, not only verbally, but also through behaviour. A positive influence on employees, and with that eventually on financial results, is only possible when managers (leaders) themselves also actually identify with the company and make that apparent through their behaviour. Merely playing out a role will not suffice; employees will soon rumble pretend commitment.

Reference(s)

Wieseke, J., Ahearne, M., Lam, S.K., Dick, R. van (2009), The role of leaders in internal marketing. *Journal of Marketing*, vol.73, no.2, p.123-145. *

* : Available in the EURIB library.