

How to Turn Your Employees into Brand Champions

By Felicitas M. Morhart, PhD and Walter Herzog, PhD

Introduction

In most service businesses customers' perceptions of a corporate brand depend highly on the behavior of frontline staff. Service firms face the challenge of having employees, in particular those with customer contact, build and strengthen the organization's image in customers' minds (i.e., show brand-building behavior). But what can managers actually do to get customer contact personnel to act as ambassadors for their firm?

In this article, we summarize our recent research on brand-specific leadership as a driver of brand-building behavior on the part of frontline employees. We first explain the notion of employee brand-building behavior. We then discuss different styles of brand-specific leadership and show how they affect employee brand-building behavior based on a quantitative study in the field. We close with concrete recommendations for managers as to the optimal mix of leadership behaviors to adopt and how to learn it in order to create a workforce made up of brand champions.

Employee Brand-Building Behavior

Now, what are the behaviors that managers desire to see in their customer contact employees as brand ambassadors for their firm? In our research we focused on three categories of employee brand-building behavior:

- (1) retention, which refers to employees' loyalty to their employing firm,
- (2) in-role brand-building behavior, which refers to frontline employees' meeting the behavioral standards prescribed by their organizational roles as brand representatives (either written down in behavioral codices, manuals, display rules, and so forth, or unwritten), and
- (3) extra-role brand-building, which refers to employee actions that go beyond the prescribed roles for the good of the corporate brand and which are discretionary. In this category, most important in terms of a firm's branding efforts are participation in brand development (e.g., internally passing on branding-relevant customer feedback from customer touchpoints) and positive word of mouth (off the job).



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Brand-Specific Transformational and Transactional Leadership

In our attempt to understand supervisors' leadership as a driver for employees' brand-building behavior we resorted to a prominent perspective in leadership research that contrasts two generic leadership approaches: transactional and transformational leadership (Bass 1985). While transactional leadership is founded on the idea that leader–follower relationships are based on a series of exchanges or implicit bargains in which followers receive certain valued outcomes on the condition that they act according to their leaders' wishes, transformational leadership implies the alignment of followers' values and priorities with the organization's goals to accomplish higher-order objectives. According to our research context, brand-specific transactional leadership comprises the following supervisor behaviors:

- (1) specifying behavioral standards for appropriate exertion of followers' roles as brand representatives and offering rewards when role expectations are met and
- (2) clarifying what constitutes ineffective performance of a brand representative and punishing employees for not being in compliance with these standards. The latter involves closely monitoring employees for deviances, mistakes, and errors and then taking corrective action when they occur.

In contrast, brand-specific transformational leadership gets manifest in

- (1) the supervisor acting as a role model and authentically “living” the firm's brand values,
- (2) articulating a compelling and differentiating brand vision and arousing personal involvement and pride in the firm's brand,
- (3) making employees rethink their jobs from the perspective of a brand community member and empowering and helping followers to interpret their corporate brand's promise and its implications for work in individual ways, and
- (4) teaching and coaching them to grow into their roles as brand representatives.

We assumed that both brand-specific transactional and brand-specific transformational leadership affect employees' brand-building behavior. However, we expected the mechanisms through which these leadership styles operate to be different, resulting in different outcomes.

The Impact of Brand-Specific Leadership Styles on Employee Brand-Building Behavior

In a cross-sectional study with 269 customer contact employees, we found that brand-specific transformational leadership is more effective in enhancing brand-building behaviors among employees than brand-specific transactional leadership. The transformational approach works through an intrinsic motivation process which leads to an increase in employees' in-role and extra-role behaviors and decreased turnover intentions. In contrast, the transactional approach works through an extrinsic motivation process with followers merely complying with their role as brand representatives, which mainly has a negative impact on followers' brand-

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building behaviors (see Figure 1). Thus, in the former case, employees feel they *want to live* their role as a brand representative while in the latter case they feel they *have to play* that role.

These results are impressive given the fact that a transactional leadership style is still the most common practice among managers in charge of customer contact personnel, first and foremost sales force managers. However, in reality, most managers will exert neither a purely transformational nor a purely transactional approach, nor will such an "either-or"-decision be advisable, because both leadership styles have their legitimation. Thus, we also looked at these leadership styles' interactive effects and found that they are related in a complex way. Brand-specific transactional leadership can function either as a "catalyzer" or as a "neutralizer" for the positive effects of brand-specific transformational leadership (please refer to Figure 2). When used at a low to moderate level, brand-specific transactional leadership "adds" to brand-specific transformational leadership in that it strengthens the latter's positive effects on followers' intrinsic motivation for brand-building behavior (which would be called a "crowding-in effect" according to motivation psychologists Deci and Ryan 1985). However, when used at higher levels, brand-specific transactional leadership undermines the positive effects of brand-specific transformational leadership (a "crowding-out effect" according to motivation psychologists Deci and Ryan 1985).

Summary

So, what can supervisors do to enhance brand-building behaviors among frontline employees? Our research suggests that managers should make a paradigm shift from the prevalent transactional to a more transformational leadership philosophy. At first glance, specifying behavioral codices and scripts for employees dealing with customers and then monitoring and rewarding appropriate demeanor might seem to be an easy solution for obtaining adequate performance from employees representing the firm. However, we found that such a highly transactional style was counterproductive in terms of followers' motivational condition. Managers would do much better by opening their minds to a more transformational approach, which would entail behaviors such as articulating a unifying brand vision, acting as an appropriate role model by living the firm's brand values, giving employees freedom to individually interpret their roles as brand representatives, and providing individualized support by acting as a coach and mentor. This would allow employees to experience intrinsic motivation in their roles as brand representatives, which would ultimately spill over into the commitment, authenticity, and proactivity that characterize a real brand champion. However, this is not to suggest that brand-specific transformational leadership on its own is a panacea and that supervisors should refrain completely from transactional leadership behaviors. It is difficult to conceive of an effective brand-oriented manager who would not at the same time clarify for employees their roles as representatives of the corporate brand, monitor their performance, and provide adequate compensation. Rather, this would be an important feature of brand-oriented leadership, bringing an otherwise too cloudy transformational style "down to earth." However, when used to the extreme, transactional leadership may make employees feel like string puppets dancing for the customer with their supervisors operating them from backstage. In contrast, when used carefully and in a limited way, transactional behaviors are

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likely to be understood by subordinates as helpful guidance, fair and constructive feedback, and signs of appreciation, thus adding substantial value to a transformational leadership style. Thus, we believe that managers will be most successful in turning their crew into brand champions with a combination of a *high* level of brand-specific transformational and a *moderate* level of brand-specific transactional leadership.

In order to help managers apply this "leadership formula" in practice, we have developed a management training program for brand-specific leadership and evaluated its effectiveness by means of a rigorous experimental study with 60 managers and their 302 direct reports. Our data provide clear evidence that our training and coaching intervention has a significantly positive impact on managers' brand-specific leadership style (as perceived by their subordinates) even within a few months. So, it seems that leaders are not always born. In fact, there is a lot managers can do to change and improve their leadership style for the good of themselves, their firm, their employees, and their customers. Why not give it a try?

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