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## **1 Introduction**

In this paper we describe the process of brand identity development at Sunderland City Council (SCC), in an effort to advance extant theory. A framework for brand identity development is described that could be adopted and adapted by other academics, practitioners and consultants. There is currently a gap in the academic literature which has not yet extended to mapping brand identity development processes, especially in public sector organisations (PSOs). After briefly discussing relevant literature, we describe the results of action based research and a step-by-step analysis of the process of brand identity development at SCC, before developing conclusions and identifying areas for future research.

## **2. Literature Review**

Despite an encouraging tradition of research, organisational branding and the development of an organisation's brand identity remain topical subjects in need of further practical and theoretical insight (Urde *et al.*, 2013; Melewar *et al.*, 2012). The pivotal role of employees in developing and strengthening an organisation's brand identity is widely acknowledged (Crain, 2010; King & Grace, 2010; Ind & Bjerke, 2007). Previous studies have examined various aspects of brand-oriented employee attitudes and behaviour (King, 2010; Burmann *et al.*, 2009; Morhart *et al.*, 2009; Aurand *et al.*, 2005). However, little has been accomplished in operationalising the development of a brand identity in a real business context. In this paper we answer calls for further corporate branding research with an employee level focus (Brannan *et al.* 2012; Melewar *et al.* 2012) and by doing so attempts to address gaps in the literature where there has been fragmentation of scholarship and ambiguity over important concepts within corporate branding (Gyrd-Jones *et al.*, 2013).

In the academic literature, two broad approaches to developing a brand identity are described: the outside-in approach, and the inside-out approach (Urde *et al.*, 2013). When using an outside-in approach, an organisation operates with the overarching aim of satisfying customer desires, and therefore the development of brand identity is driven largely by the market (Urde *et al.*, 2013). In contrast, an inside-out approach to branding begins by developing a brand from within and then proceeds to inculcate the core values that comprise the brand amongst employees (Ind, 2007). It is the active participation of employees in this process of developing brand identity that enables them to 'live the brand' and provide superior value for customers

Research into brand building processes within PSOs remains scarce, albeit with some notable exceptions (Whelan *et al.*, 2010; Judson *et al.*, 2008). PSOs tend to be more bureaucratic in management style, and low in organisational commitment among employees (Boyne, 2002). In view of this, the inside-out approach may well prove a greater challenge for PSOs than for their commercial counterparts. Hence, our detailed account of a UK local authority's inside-out brand identity development process offers valuable insights for practitioners as well as theorists.

## **3. Methodology**

In this paper we present the results of a case study based on two years of action based research (Clarke, 2005) undertaken with SCC. We followed an abductive approach to development which systematically combines theory and practice (Dubois & Gadde, 2002). As such, extant theory was in constant dialectical comparison with practitioners' insights (Storbacka, 2011). We incorporate quotes from interviews conducted with senior employees that reinforce and validate the brand identity building process.

#### 4. The case study

SCC is one of the largest employers in the region and is situated in a region where the proportion of public sector jobs is among the highest in the country (Prothero, 2011). Like many PSOs in UK, SCC has had to cope with drastic political, economic and social changes, especially under the government's austerity measures. Such changes have led to the increasing commercialisation of the sector (Connolly & Wall, 2012; Davies, 2011), and have prompted the need for PSOs like SCC to raise their public profile. However, SCC had not embarked on its brand identity development journey as a mere reaction to the rising commercialisation of the sector. The senior management of SCC viewed brand identity development as means of achieving consistency in its interactions with stakeholders. Branding and brand-related terminology was in frequent use in stakeholder interactions, especially within the organisation. It is therefore a brand-oriented organisation in that SCC treats its brand as a strategic resource, and attempts to understand and communicate its core values (Hankinson, 2001b; 2001a).

Branding was seen as central to all such efforts to build partnerships with local and international stakeholders, as the Chief Executive of SCC points out:

*“Connectivity (with stakeholders) comes from trust, trust comes from understanding, and understanding comes from being predictable in our behaviour. To me branding is about building this sense of trust and connectivity.”*

Thus, SCC's brand identity development efforts were a strategic initiative that aimed to strengthen the relationships with its diverse range of stakeholder groups, and serve as the foundation for building future partnerships with potential stakeholders.

Within SCC, there was an organisation-wide appreciation of the fact that its employees represented the heritage of the city and the region in general. Even under the pressure of austerity measures, SCC management strove to safeguard jobs within the council and avoid redundancies. They created the SWITCH (Staff Working In Transition and Change) team of about 350 employees for redeployment, whose previous positions were lost due to restructuring. SCC's brand building process attempted to harness employee's rich heritage and uniqueness by articulating and encapsulating a set of core values. These core values were identified by its employees over a two-year period of reiterative consultation and consensus-building following an inside-out approach to the development of SCC's brand identity. The central role in this process belonged to a cross-functional team, the Image Group (IG). The IG was formed to incorporate a diverse range of views from across the organisation to develop a unified and credible brand identity. As such, this approach mirrored that suggested by Martin et al.,(2005) and observed by Ind (2007) in the brand identity building process at Greenpeace. The members of the team were selected by the CEO and the heads of HR and Marketing divisions, and consisted of authentic leaders (Rego *et al.*, 2012; Gardner *et al.*, 2011). The mix of 12 members was developed carefully so that a range of personalities, functional backgrounds and demographic differences were represented (Martin *et al.*, 2005). The IG met on average for three hours per meeting at bi-monthly intervals. IG meetings were conducted in a participatory, consultative and inclusive manner, so as to allow the diversity of views to be expressed and explored (Ind, 2007). The brand identity development process, which is divided into 6 stages as illustrated in Appendix 1, and the image group's role in this process are described in detail in the paragraphs that follow.

- **Stage 1:Preliminary market research**

Adopting an approach advocated by Martin et al.,(2005), initial research was conducted by an external consultant who measured the perceptions of customers, employees and other

stakeholders regarding the SCC's core values. The results confirmed initial expectations held by the CEO and Image Group members that a uniform brand identity did not exist. The Image Group realised that they did not have the expertise to develop a brand strategy on their own and sought advice from two academics with expertise in the area of corporate branding and development of core values to devise a series of knowledge sharing workshops.

- **Stage 2: Knowledge building**

Subsequent Image Group meetings after stage 1 were co-ordinated by the two experienced academics with marketing and HR backgrounds, who served as impartial facilitators. During a series of 6 workshops, relevant theoretical developments and models were shared and discussed amongst the Image Group members. These included inside-out core values based branding (Urde, 2003; 1999), the significance of defining core values (Collins & Porras, 1996), and brand leadership (Morhart *et al.*, 2009). A modified version of the integrated brand metaphor model (LePla *et al.*, 2003, p.40) was used to help Image Group members map the brand journey that the organisation had embarked on.

- **Stage 3: Develop interim core values**

Under the auspices of the CEO, Board of Executives and divisional heads, the Image Group articulated and confirmed the organisation's vision (Ready & Conger, 2008; Collins & Porras, 1996) and identified organisational values (Urde, 2003; Lencioni, 2002). Several organisational-value statements were developed and shared, so they may be better understood from a work-related context. This was necessary because until then the organisational values only existed as vague, taken-for-granted assumptions, which made them difficult to identify. Once identified, these organisational values were used as the basic blueprint for the articulation of core values and the development of a strong brand identity in line with Urde (2003; 1999). Through the use of the integrated brand metaphor model (LePla *et al.*, 2003), the Image Group members were able to understand the importance of developing core values that serve as the compass for organisational activities and employee behaviour. The two academic facilitators asked Image Group members to form small groups, and in breakout sessions, map the organisation's brand journey using diagrams. Image Group members were encouraged to refer to the organisation's brand through adjectives and pictures (Boatwright *et al.*, 2009), metaphors (Stride, 2006) and associate it with human characteristics (Aaker, 1997). Thus, the Image Group members envisaged, and debated amongst themselves as to what their organisation's brand represented; which enabled them to formally develop interim core values from the organisational values. Several interim core values were identified as a result of this process, which were to be shared with the broader employee populace in the following stage.

- **Stage 4: Reiterative consultation**

Image Group members shared key branding concepts and models that would be used to develop a brand identity at meetings/workshops with other employees in their division via email and in person at staff meetings. All employees were provided with a list of interim core values developed by Image Group members in stage 3 and asked to rank these as well as add additional interim core values that they felt were relevant. Employees were asked to comment on the interim core values and brand identity during staff meetings, in person or in private, via email or anonymously through suggestion boxes. There was much discussion and debate amongst employees at various organisational levels as well as functions surrounding what the core values of the organisation were. The outcomes of these discussions and debates were compiled, summarised and fed back to the Image Group. 'Comms Champions' (MacStravic, 2004) played an integral part in this process of propagating information and gathering employee feedback.

Comms Champions are a group of non-managerial employees with high levels of engagement and communication abilities, which serves as an informal internal communication channel. They were appointed as a result of SCC management's recognition of the value of peer-to-peer communication and influence in organisational change management. As advocated by experts (Alloza, 2008; Sullivan *et al.*, 2002) the Image Group continued to filter and refine the interim core values through a reiterative process, taking into account diverse perspectives from across the employee populace with a view to developing a brand identity.

- **Stage 5: Develop consensus on brand identity**

The brand identity development process continued until a final set of core values was agreed upon. Four values were identified as candidates for the core values that comprised the brand identity: Proud, Decent, Together and Ambitious. In order to finalise the core values, the Image Group presented its findings to SCC's senior management team including the CEO, and the Board of Directors. The last value: 'Ambitious', became the centre of further debate as it was felt that this did not accurately represent the organisation's brand identity. This led to some further consultation amongst Image Group members and employees, as a result of which it was decided that 'Ambitious' would be excluded from the final set of core values. Consequently, the core values of 'proud', 'decent' and 'together' were chosen to collectively form the organisation's brand identity using the projective technique of humanising a brand (Davies, 2008; Davies *et al.*, 2004; Aaker, 1997).

- **Stage 6: Develop an internal branding strategy**

Finally, the Image Group devolved specific responsibilities to sub-groups representing organisational functions (Marketing, HR etc.). The aim was to devise an internal branding strategy that embedded the brand identity into all organisational processes and enabled employees to consistently reflect core values in stakeholder interactions as emphasised by theorists (Ind, 2007; Reid *et al.*, 2005; Hankinson, 2002; 2001b). As part of the subsequent internal branding efforts, the HR and marketing departments jointly devised strategies to improve employee engagement levels and internal communication mechanisms. An integrated effort between HR and internal marketing communications was considered important for the success of internal branding efforts, as highlighted by SCC's internal communications manager:

*"We [internal marketing communications] need to have not just a formal working relationship; we need to have...like [sic] a very strong, collaborative relationship with HR because so much of what we do crosses over."*

SCC used a variety of methods including two-way communication methods to engage with employees on various issues including the SCC values. Some of these were found to more successful than others in terms of achieving adequate coverage of the employee populace. SCC's internal communications manager describes some of these methods:

*"We do things like, what we call pulse surveys where we identify small number of people that we ring and then do like a five to ten minute telephone conversation with to ask them specific questions. It enables us to take a very quick temperature check around a specific issue with potentially specific groups of people. Last time we did that...we used comms champions. We do quarterly postcards, which is another way of helping the chief exec take a temperature test. We also have an employee magazine. We use the payslips; we either insert stuff or we put a message on the payslip. We've got the intranet, but the intranet only goes to a certain percentage of the employees...and I think that's part of our problem. It's important ... that we're seen to be as inclusive as possible."*

It was important however that the Internal Branding strategy was not overly based on conventional marketing techniques such as posters and propaganda. SCC concentrated more on using brand-consistent (consistent with SCC values) attitudes and behaviour to reinforce the SCC values with the employee populace. This is evident in a comment by SCC's director of HR:

*"...I'm really glad that we haven't got big posters around the council with **Proud, Decent, and Together**.....The important thing for us is to deliver those values through behaviours; and primarily through the behaviours of leaders and managers across the council."*

The above quote also points out that the behaviour of line managers was deemed to play a vital role in developing brand-consistent employee attitudes and behaviour and avoiding cynicism amongst them regarding the SCC values. SCC's director of Human Resources (HR) reflected further on this:

*"They're [employees] looking up at who represents the organisation to them, and if it's me...I'm sort of the human face of the organisation. Then that individual's relationship with the organisation is almost defined by their relationship with me. So, if my behaviours don't demonstrate those values [SCC values], then immediately a cynicism develops."*

Accordingly, special training was provided to all line managers to effectively instil the core SCC values within the organisation's operations and stakeholder interactions. Consequently, line managers began to play an instrumental role in facilitating internal communication of SCC values and administration of employee surveys. The senior management team took steps to develop a framework for assessing the state of the organisation's brand identity on a regular basis with the assistance of experts from academia. As to how the HR function itself aimed to reflect the SCC values and embed them within the organisation, the director of HR replied:

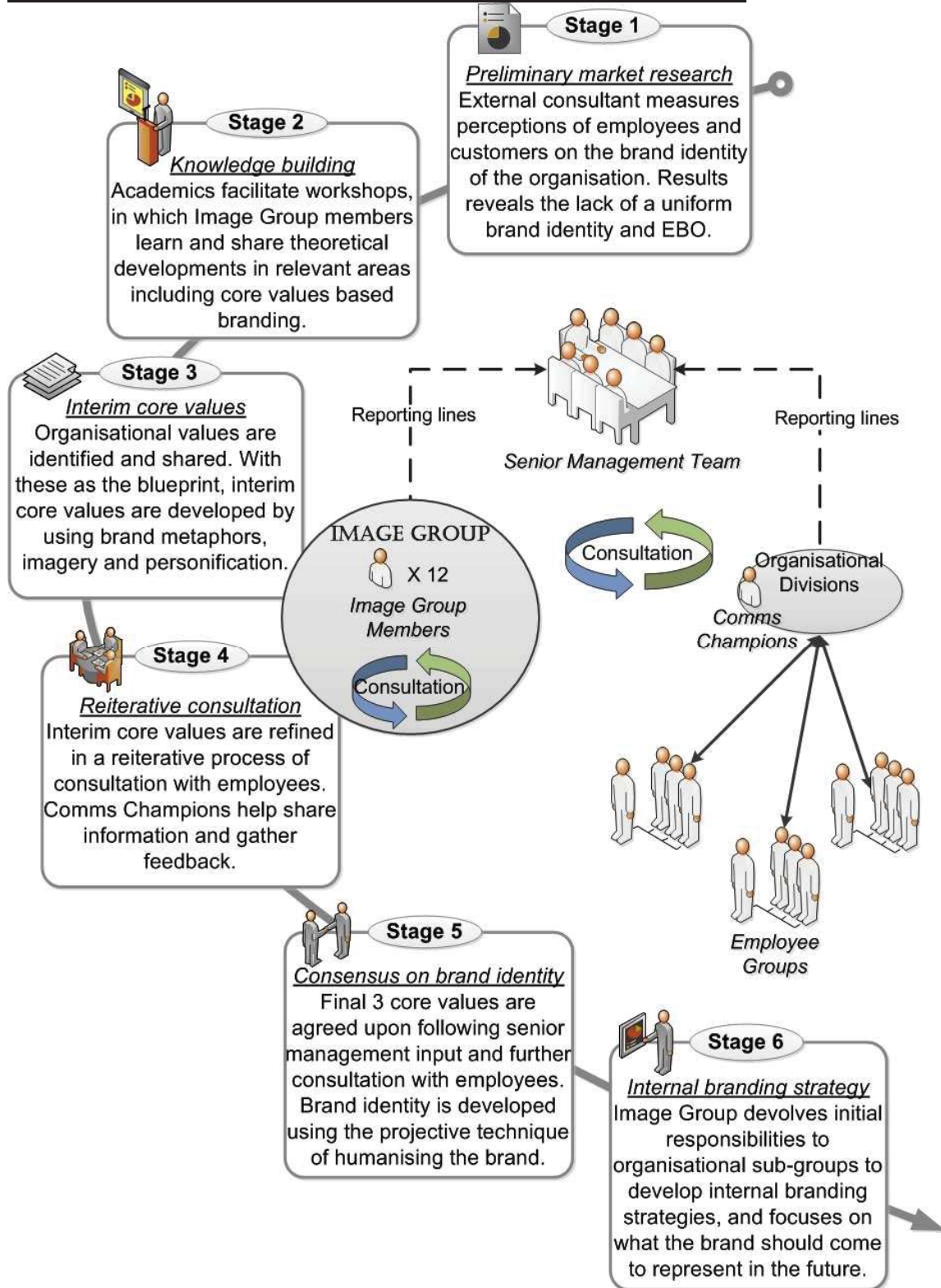
*"First of all....to make sure that any employee based policies that we have are at least checked-off against those values [SCC values]....more importantly the way we deliver those policies. The values are now integrated into all of our leadership programmes.....every decision we take in the council, every decision we take."*

This reflects how SCC is committed to being or becoming a brand-oriented organisation in that the core values served as a compass, which guided organisational policies and decisions. The Image Group is continuing to function, and focusing on the evolution of the organisation's brand by drawing up a five-year vision, which includes what the brand should represent in five years as well as what it currently represented. The brand identity development process at SCC has been successful, but is an on-going process, which is driven by employees and supported by all organisational functions.

#### **4. Conclusion**

In this paper we have provided details of the brand identity building process at SCC, thus contributing to the body of research on the subject. We provide a map of a step by step process that can be used to develop an inside-out approach to developing a brand identity which has not to date been articulated in the literature. The approach is transferable to other organisations including universities, PSO's and for profit businesses. Further empirical research is currently being conducted to examine brand identity as part of internal branding frameworks, conceptualise and operationalise employee-level branding, and explore if a strong brand identity can be developed from organisational values. In the future, it would be beneficial to conduct longitudinal studies that measure and map the process of brand identity development in other brand-oriented organisations over a period of time or at different phases of the process.

**Appendix 1: The Brand identity development process at SCC**



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