

# [Effects of rebranding on employees’ loyalty: analyzing the impacts of change with...](https://assignbuster.com/effects-of-rebranding-on-employees-loyalty-analyzing-the-impacts-of-change-within-an-organization/)

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A brand may be defined as ‘ a name, symbol, design or a mixture of them intended to identify certain products to a company and to distinguish them from those of competitors’.

In a world where trends and realities are constantly changing, it can be hard for a company to maintain a modern and sustainable image. Rebranding is an option that management often overlook. However keeping the organization’s look, feel and values fresh can be the key to retaining the company at the top of the industry. How does management know that the company needs a complete brand face-lift? Management need to ask several questions prior to the commencement of the rebranding exercise, such as:

* Who needs to be involved in the rebrand?
* Will the re-brand exercise be evolutionary or revolutionary?
* How can management of the company encourage a bottom-up groundswell of support for the re-brand, instead of a top-down mandate?

A re-brand has a number of benefits as it:

* Connects the company with a new audience.
* Helps differentiate a company from its competitors.
* Assists the company to stay current and relevant within the market realities.
* Helps the company reflect on current goals, products, offers and / or values.
* Enhances the company’s bottom line.

Change is an intrinsic characteristic of any company wanting to be successful in the market. The evolving needs of the company itself, the customers, the stakeholders and the work environment create need to change over time. Employees associate change with uncertainty and even though change might bring positive outcomes, routine is certain and employees tend to fear the unknown.

Creativity has become one of the critical success factors for organizations in today’s rapidly changing business environment. Managers are focusing their attention on enhancing employee creativity as they strive to build companies that respond rapidly and effectively into the dynamic competitive conditions of the market.

Rebranding is a valuable marketing tool when it comes to expanding the company and helps management build awareness. Beyond its external benefits, many companies evolved towards integrating the employees. Promoting a positive image among employees has become part of the companies’ branding strategy. This internal perspective aims at motivating and retaining employees who act as ambassadors of their companies with clients and prospective employees.

Employee loyalty is primarily about reciprocation. Employees should have the feeling that the company wants the best for them, and consequently they will do their utmost and not look for alternative employment. A company’s success is very much dependent on employees’ loyalty.

Regular changes in strategic direction are healthy and natural for a company to be successful. Markets, technology, the economy and operational trends do not stay stagnant, and neither should a dynamic, adaptable company. It is important that a company involves a wide range of people in the monitoring and planning activities on a regular basis to fully leverage the creativity of the workforce.

Leaders must promote change by creating vision. Change management plays an important role in successful organizational transitions. It is a formal way of communicating with employees by telling them why change is happening, what it will look like for them, and how it will ultimately benefit them in the end.

Employers have to help their employees overcome their fear of change and adopt behavioral styles to create the correct mind-sets for creative performance. Empowering leadership, whereby management share their power to improve employees motivation, is essential.

1. Rebranding

Rebranding is the process of changing the corporate image of an organization. It is a market strategy of giving a new name, symbol, or change in design for an already-established brand. The idea behind rebranding is to create a different identity for a brand, from its competitors, in the market. The “ brand identity” includes verbal, visual and emotional attributes that define the company and set it apart from the competition. Brand perception is how the branding makes people feel and react to it.

1. Employee Loyalty during Change

Change in a company occurs when management decide to move from its current operational state to another one. This change has an impact on all or some parts of the company; either way the change will have an enormous impact on the employees.

Successful management of change and transformation within a company is very much dependent on employees accepting, participating and committing towards the change process.

### Defining Employee Loyalty

Employee commitment towards the success of the company is influenced by how the employee identifies with the culture, structure and leadership within the organization. Management communication with employees plays an important role within employee loyalty. Employee loyalty requires almost as much attention as customer loyalty.

### Enhancing Employee Loyalty through Story-Telling

Storytelling dates back to the earliest means of communication between human beings. It enables stories to carry information and give meaning, as well as enhancing commitment. Organizations are dependent upon effective communication as a driver of success, particularly internally.

Employees who believe their desires are given attention by their employer embrace a stronger loyalty for the organization. Employees have a keen interest in information that relates to their own wellbeing and opportunity for advancement. From an employer perspective, the broad value for corporate storytelling is its potential to persuade, motivate and inspire employees about their organization, particularly during periods of change, thus strengthening loyalties.

1. Employees’ Emotions and Engagement

### Employees’ Emotions

Managing emotions can contribute to productive change management. Both helpful and harmful emotions are connected with commitment, resistance and support for change. Optimistic valuation of change is associated with positive emotion; it helps employees cope with change and improves trust and emotional commitment. Emotional well-being, compassion and contentment of people at work are interconnected and change management is best achieved from ‘ within’.

### Leadership during Change

The quality of leadership in managing emotions is fundamental and high emotional intelligence associates with successful leaders who promote the use of emotions effectively in work. Emotional intelligence can predict readiness for change, assist people to better adapt and cope, discourages job insecurity and stress.

Collective leadership during change should include everyone. Communication can improve psychological well-being and job satisfaction, although delivery and timing of change have to be considered. Change reaction is influenced by emotion, communication, and involvement in decision making. Change leaders need to communicate effectively to their employees. Cultural change is vital and leaders should develop, anchor, and adjust this with change needing to be sustained to prevent any decline.

1. Resistance to Change

One reason why employees resist change is because they experience stress when encountering new stimuli and performing outside their comfort zone.

### Conclusion

In view of the above, this study is sought to comprehend the employees’ understanding of the need to change and evolve with the company, and the implications of the change during a rebranding process with a particular focus on employee loyalty and engagement. Following this research study the MCC will be able to understand the internal implications of change. Management will be able to recognize any variances in the employees’ loyalty towards the Centre.