Corporate partnerships: how deals can unite or alienate your employees

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A positive, self-affirming arrangement can bring employees closer and strengthen their connection to an organisation, while a cynical deal can drive them away just as quickly

Today's business world is a crowded place; relying on the strength of products and services alone is no longer enough for companies to stand out. How, then, can organisations find their niche and carve out a clear identity? Advertising campaigns and clever product design can always help, but one of the most simple and useful ways through which a company can define itself is partnerships. More and more companies are joining forces with charities and sports teams (among others) to make their identity clear. In fact, global corporate sponsorship spending is expected to exceed $65 billion this year.

Partnerships obviously matter when it comes to customers, as an organisation's partners influence our buying decisions. But what is easy to miss is how important partnerships can be to employees, due to what is known as "organisational identification”. Put simply, this is the extent to which employees define themselves in terms of their company and get value from that self-definition. Organisational identification can be vital to keeping employees happy, retaining them, and getting the best out of them. Partnerships influence organisational identification as they tell employees a lot about the company they work for: whether it shares their values and principles, and whether it matches their expectations of how it should behave.

Picking a partner

Failing to take employees into account when establishing partnerships can be very dangerous. Take, for example, the case of Florida Atlantic University’s short-lived 2013 partnership with private prison operator Geo Group. Academic staff received the partnership badly: they did not want their university to partner with a company that was accused of treating prisoners poorly. On the other hand, Toyota’s sponsorship of the 2016 Paralympics had the opposite effect; this partnership was a success, with employees responding positively to it.

> Your employees are among your greatest assets; they’re unique, sometimes irreplaceable, and they hold your organisation’s future in their hands

What is the difference in these two cases? It comes down to how good a fit the partnership is. With Florida Atlantic University, employees didn’t feel Geo Group represented their own principles, nor did it match their view of the university as a force for good in society. As for Toyota, employees felt Paralympic sponsorship reflected their personal values, and matched or even improved their image of the company. Clearly, organisations need to keep an eye on these two factors when deciding on a new partnership; the arrangement should ideally agree with employees’ general sense of who they are, and either fit with their expectations of the company or exceed them.

Not a magic wand

With that in mind, it might be tempting to think partnerships with good causes are a failsafe way to keep employees happy. However, this ignores the importance of authenticity, and might even suggest a cynical, disingenuous attitude that can damage relations with employees.

There are many cautionary tales that highlight this danger, but few more clearly than KFC's sponsorship of the Susan G. Komen Race for the Cure event. On paper, supporting a charity event to raise breast cancer awareness is a good idea: most employees would approve of the cause and, as a result, see the company in a better light. In this case, though, KFC's plan backfired; the general public found the fast food company's involvement to be inauthentic at best, and at worst an attempt at whitewashing. With condemnation so widespread, many employees likely lowered their opinion of the organisation, or had their already poor opinions confirmed.

> Partnerships influence organisational identification as they tell employees a lot about the company they work for

So, how could KFC have avoided this trap? It is critical for organisations to choose partners that the public sees as an authentic fit – those the organisation genuinely wants to partner with – rather than seeming to "buy" partners and goodwill for disingenuous motives. A good example of this is GSK's partnership with Save the Children, a charity that supports children in developing countries. While pharmaceutical manufacturer GSK has had its own controversies, the positive link between medical provision and poverty relief is well established. As a result, the partnership was well received by the general public, and 96 per cent of surveyed GSK employees said it made them feel proud to work at the company. Clearly, an authentic partnership can do wonders for employees, especially by helping staff identify more closely with the organisation.

At the end of the day, that's what it's all about: making sure partnerships bring employees closer rather than pushing them away. Your employees are among your greatest assets; they're unique, sometimes irreplaceable, and they hold your organisation's future in their hands, so they deserve to be treated with consideration. Choose partners that fit with how your staff see themselves and your company, and you'll be rewarded with loyalty and dedication to the cause – qualities that are priceless.

This article draws on findings from "The Company You Keep: How an Organization's Horizontal Partnerships Affect Employee Organizational Identification", which is forthcoming in the Academy of Management Review *and is authored by T. Bettina Cornwell (University of Oregon), Jennifer Howard-Grenville (University of Cambridge) and Christian Hampel (Imperial London).*

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