INTERNAL BRANDING: AN EMPLOYEE BASED TOOL FOR BRANDING BEYOND MARKETING

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Abstract: Employment branding is the way an organization distinguishes itself internally and externally by its unique traits and characteristics that are valued by present employees and prospective employees. It is used as part of the employer's marketing strategy. Building an internal brand is the most significant aspect of any organization in the era of global competition. The employee's attitude and behaviour must represent company's brand, values and culture. The best method an organization can adopt for brand differentiation is through its employees with the help of internal branding.

The present empirical study describes how internal branding helps in creating a strong brand image for organizations which help them becoming the employer of choice and gain the image of best employer. The data was collected from a sample of 443 respondents from four different services sector in India by using self-designed and validated structured questionnaires. A statistical analysis of the data shows how internal branding helps in differentiating organizations through a strong brand image, by using their employees as a tool for branding. This study reflects the employee's perceptions of various internal branding initiatives which in-turn build a strong brand image, helping the companies to gain a competitive advantage. Internal brand management facilitates the employees in "living the brand" of the organization.

Introduction: Brand is a statement of the functional, emotional and self-expressive benefits delivered by the company that provide value to the customer. Internal branding is the set of strategic processes that align and empower employees to deliver the appropriate customer experience in a consistent fashion. It enhances a company's brand performance seeking to achieve a possible sustainable competitive advantage. Alignment of internal branding and employer branding builds a closer relationship between the HR and marketing functions which increase organizational performance and creates a strong corporate brand image.

Employees are seen as a crucial element in the brand management, since they represent the brand in the interaction with the customer. Employees who are engaged in their companies and like their jobs usually have a strong opinion and knowledge of the brand which they communicate to customers. Thus it is important to convert employees into brand-advocates within the organization through different internal branding practices.

There is growing interest in the internal component, namely internal marketing, employer branding and internal branding. Internal Branding is an increasingly popular marketing as well as HR construct. If the organization has a good brand image in the market, it will help in getting right workforce at right time and at the same time there will be a control over the employee cost.

Before selling the brand to the customers, companies need to sell it to their employees. Employee branding is the way an organization distinguishes its employment experience internally and externally from others in the

marketplace. Many people define themselves by the brand they work for and it makes them feel proud of their association with it when the brand is more reputed. Internal Branding is a set of strategically oriented initiatives of creating brand ambassadors within the organization who represent their organization as the best place to work in the external marketplace. It helps in creating congruence between employee and organizational values and thus increases employee engagement and commitment. As companies realise this, they are investing more and more resources on communicating the philosophy and essence of the new brand to employees. As custodians of the brand, employees are responsible for delivering what the brand promises. Becoming an employer of choice and increasing retention depend on fulfilment of employee brand promise and that promise varies from organization to organization. Thus it is necessary to obtain employee commitment and create an engaged workforce which creates a strong brand image of the organization.

Internal branding programs are focused on transferring the brand attributes onto the work behaviour of employees, and it's the employees who are then expected to infuse these brand attributes in their day to day activities. This helps in creating a behavioural and psychological connection of the employee with the brand, thus aligning employee's personal values and behaviour with the organizational values. It shapes employee's behaviour so that they project the brand identity of their organization through their everyday work behaviour and develop self-images congruent with organizational objectives. The brand image is built over time, with the company's employees working together as ambassadors of the brand strategy. Employee centric internal branding helps to create an internal or employee brand of the organization just as a product or a service brand. The organization's personality is shaped as a result of the combination of internal identity of the organization and the external image. The internal identity is the result of employee branding initiatives, HR practices and is strengthened by value congruence and psychological contract which leads to creation of an internal image for the employees. The external image is developed through relationship with the external stakeholders and customers.

Employees who are converted into brand advocates give organizations a competitive advantage and upgrade customer service. Creation of brand differentiation through employees with the help of internal branding initiatives provides a strategic advantage to the firms. It is the process of engaging employees in the branding process, which enables them to more successfully represent the brand's qualities to outside audience.

Reputation is the only sustainable competitive advantage any business has. A company's reputation is shaped by the core values that shape its communications, its culture, and its decisions. When the corporate image fits what people think are the appropriate roles and behaviour for the company, it evokes a new set of beliefs about the organization and creates the corporate reputation. If this reputation is good, then the organization is held in esteem and respect; people will have the trust and confidence in its actions, and be prepared to support it. Human assets are the most important asset of any organization. To sustain in the long term amidst global competition, it has become necessary for organizations to focus on their present employees as well as the potential employees because a satisfied and engaged employee can project a positive image of his/her organization in the external marketplace.

Literature Review: Business firms are increasingly moving from the branding of products towards corporate branding. Olins (2000) offers this description of the shift. According to Nicholas, Ind. (1998), it is

important to note that at the heart of corporate branding is the idea of "nurturing" existing employees as well as attracting and recruiting the right candidates.

Rafiq and Ahmed (2000) explained the concept of internal marketing where employees are considered as internal customers and the product delivered by the company to these internal customers being their jobs.

de Chernatony (2001) argued that people's impressions of brands are more strongly influenced by the staff they interact with.

Collins, C. J. & Stevens, C. K., (2002) have suggested that development of a strong internal brand image is one of the challenges for organizations today and also, there is a need for aligning the external and internal brand image too.

Schultz and de Chernatony, (2002) have examined the alignment between managerial element of the organization and corporate branding which results in creation of a strong brand image. Collins, C. J. & Stevens, C. K., (2002) have suggested that development of a strong internal brand image is one of the challenges for organizations today and also, there is a need for aligning the external and internal brand image too.

Internal branding assists an organisation in promoting the brand inside, namely to employees (Ahmed and Rafiq, 2003).

Backhaus and Tikoo (2004) has shown that training staff in internal branding activities could present opportunities for career advancement thus enhancing the total employer brand experience and encouraging employees to remain with the organization.

Berthon et al., (2005) explains the internal marketing perspective that defines employees as internal customers, viewing jobs as internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organization.

King and Grace (2007) researched internal branding with a focus on how employees viewed and understood the ethos of the brand within services contexts. Ind (2007) explains that when a company has a strong ideology and values, employees are more likely to engage in the organization's interests.

Punjaisri et al. (2009, 2008) has conducted research to uunderstand the outcomes of internal branding on employee's brand supporting behaviours.

Objectives Of The Study:

- To analyse how internal branding helps in creating a strong brand image for organizations and help them becoming employer of choice.

- To compare the internal brand images of four different Indian services sector organizations under the present study

Hypotheses: The Hypotheses of the study were framed based on how internal branding factors are considered to be significant by the employees for building a strong brand image. The following hypotheses were formulated to compare the employee perceptions of internal branding across the different services sectors:

(H1): There is no significant difference between the Internal Branding processes in the four different services sector selected under the present study.

(H2): There is no significant difference between the employee perceptions of Organizational Culture across the four different services sector.

(H3): There is no significant difference between the employee perceptions of Organizational Integrity across four different services sector.

(H4): There is no significant difference between the Management Communication and Information Sharing process in the four different services sector.

(H5): There is no significant difference between Management Attitude in the four different sectors.

(H6): There is no significant difference between the Employee Brand Equity levels in the four different services sectors.

(H7): There is no significant difference between the Employee Engagement levels in the four different services sector.

Research Design & Methodology:

Research Approach: The research approach adopted for this study is empirical and descriptive in nature.

Sample Design: The research was carried out in 4 different organizations, choosing one organization each from IT, Telecom, Banking and Aviation. The data was collected from a 443 respondents who are the permanent employees at executive and managerial levels working in these organizations. The sample was selected through stratified random sampling.

Data collection: Data was collected through survey method, using self-designed, structured questionnaires which were tested for reliability through cronbach's alpha and split half reliability tests.

Data Analysis & Interpretation: Data was analysed through Descriptive Analysis including mean and standard deviation, and also Inferential Statistics using multivariate ANOVA.

Variables under the Study:

Internal Branding variables:

HR Processes: It is an integrated set of human resource management practices - from the sourcing and hiring of talent, through workforce development and engagement, to employee separation – which engages people, with focus on a chosen strategy and set of core values.

Organizational Culture: The best kind of organizational culture is recognized by OCTAPACE which exhibits eight HRD values; Openness, Confrontation, Trust, Authenticity, Pro-action, Autonomy, Collaboration, and Experimentation which give a sense of direction to the HRD function.

Organizational Integrity: The business and market environment today is highly fluctuating. It is necessary to be ethical and have integrity at organizational as well as the individual level.

Integrity reveals the truth about an individual or a corporation. It involves walking the talk - not just talking it. Sometimes there is inconsistency between what the corporate reports, filings, and stakeholder communications state and what happens in reality.

Management Communication & Information Sharing: Communication leads to the internalization of brand values. Communication plays an important role in the formation of congruent perceptions. Good communication has an influence on strong buy- in. Many organizational problems could be attributed to inadequate communication between superiors and their subordinates, whose task was to implement their decisions. For the congruency of perceptions between the brand team and employees, it is necessary to have a proper multidirectional or two way communication.

Management Attitude: The management's degree of support affects employee's behaviour and it has a direct impact on the person organization fit. In trying to improve effectiveness, companies look to engaging the employees more in the organization. A high performance workplace focuses on increasing people's influence on the business, organization as a whole.

Brand Image Variables:

Employee Brand Equity: Successful brands are considered to have high brand equity. There is less focus on the employee who is the central part of service brand management and thus the major contributor of brand equity. As organizations are increasingly encouraging employees to embrace their role as brand ambassadors, brand equity research from an employee perspective is being focused. Thus it is important to understand how they perceive the organization, what is their level awareness of the

Table 1: Descriptive Statistics showing Mean values of Internal Branding variables and Brand Image across the four different services sector				
	Industry Sector	Mean	Std. Deviation	No. of Respondents
HR Processes	IT/ITES	3.48	.692	259
	Telecom	4.07	.646	65
	Banking	3.72	.644	98
	Aviation	3.23	.812	21
	Total	3.61	.715	443
Organizational Culture	IT/ITES	3.63	.739	259
	Telecom	4.27	.563	65
	Banking	3.92	.687	98
	Aviation	3.48	.655	21
	Total	3.78	.738	443
Organizational Integrity	IT/ITES	3.73	.688	259
	Telecom	4.30	.616	65
	Banking	4.07	.662	98
	Aviation	3.59	1.011	21
	Total	3.88	.725	443
Management Communication and Information Sharing	IT/ITES	3.61	.624	259
	Telecom	4.25	.543	65
	Banking	3.81	.664	98
	Aviation	3.11	.859	21
	Total	3.73	.684	443
Management Attitude	IT/ITES	3.57	.567	259
	Telecom	4.23	.564	65
	Banking	3.86	.570	98
	Aviation	3.24	.816	21
	Total	3.72	.634	443
Employee Brand Equity	IT/ITES	3.71	.561	259
	Telecom	4.20	.508	65
	Banking	3.75	.651	98
	Aviation	3.57	.582	21
	Total	3.79	.601	443
Employee Engagement	IT/ITES	3.77	.652	259
	Telecom	4.22	.564	65
	Banking	3.89	.665	98
	Aviation	3.41	.814	21
	Total	3.85	.674	443

brand, how do they differentiate their employer brand from others, and how do they associate with their employer brand.

Employee Engagement: Employee

Engagement is a measurable degree of an employee's positive or negative emotional attachment to their job, colleagues and organization that profoundly influences their willingness to learn and perform at work. It is the extent to which employee commitment, both emotional and intellectual, exists in the organisation. Engaged employees within an organization provide a competitive advantage to organizations.

Hypotheses Testing: Inferential statistics using multivariate ANOVA test was used to test the hypotheses.

The descriptive analysis was first carried out to study the mean values of variables across the four sectors. The results of the same is given in the above table 1.

The above table 1 provides descriptive statistics including the means and standard deviations of the internal branding and brand image variables (HR Processes, organizational culture, organizational integrity, management communication & information sharing, management attitude, employee brand equity, employee engagement) for each industry sector (IT/ITES, Telecom, Banking, Aviation) under the present study.

Mean value of each variable was found to be maximum in Telecom sector and minimum in Aviation sector. This shows that employees have a higher degree of consensus about the internal branding variables in Telecom sector as compared to others. Thus, telecom sector is found to be better implementer of internal branding followed by Banking, IT/ITES, and Aviation. Hence according to this research, Telecommunication sector has the strongest internal/employee based brand image as compared to other organizations, based on the internal branding practices. The following observations were made:

- Telecom sector has the highest mean value (4.07) and Aviation has the lowest mean value (3.23) for HR processes, mean for total sample being 3.6.
- The Telecom sector has the highest mean value (4.27) and Aviation sector has the lowest mean value (3.48) for organizational culture. The mean for the total sample of 443 employees is 3.78. Thus the best organizational culture exists in Telecom sector.
- For organizational integrity, Telecom sector has the highest mean value (4.3) and Aviation sector has the lowest mean value (3.59), the mean for total sample is 3.88.
- For Management Communication, telecom sector has highest mean value of 4.25 and Aviation sector has the lowest mean value of 3.11, mean value for total sample being 3.73. Therefore telecom sector shows the presence of better communication processes and information sharing as compared to other sectors, aviation sector being the weakest in this context.
- Management Attitude shows the highest mean value in Telecom sector (4.23) and lowest mean value in Aviation sector (3.24), the mean value for total sample is 3.72. Therefore, telecom sector extends a better management support and favourable attitude towards the employees as compared to other sectors. The same variable is found to be weakest in aviation sector.
- Telecom sector has the highest mean value (4.2) and Aviation sector has lowest mean value (3.57) for Employee Brand Equity. Mean for total sample is 3.79. Hence, employee based brand equity is more in telecom sector as a result of better internal brand management initiatives in telecom industry.
- Employee Engagement has the highest mean in Telecom sector (4.22) and lowest mean in Aviation sector (3.41). The mean for total sample is 3.85. Therefore, of all the four services sectors, employees are found to be more engaged in telecom sector, followed by Banking sector, IT/ITES being the next and

aviation being the least engaged sector. Internal Branding is of more significance in service sector organizations, where there are direct employee-customer touch points. Employee's perceptions of various factors contribute to the success of internal branding activity in the organization. It plays a great role in building a successful employee brand. All four sectors, IT/ITES, Telecom, Banking and Aviation show high mean values of the inputs of internal branding and its outcomes. The observed mean scores show that out of the four sectors, Telecom sector has a highest mean value of all internal branding variables (mentioned above) and Aviation sector has the lowest mean value of the same. Employees play a significant role in building brand image. They can be used as a strong tool for internal brand management by implementing better internal branding practices.

Table: 2.1 Multivariate ANOVA tests for Internal Branding and Brand Image variables									
	Effect	Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared	NoncentParameter	Observed Power
Inter-cept	Pillai's Trace	.979	1794.454	11.00	426.0	.00	.979	19738.9	1.000
	Wilk's Lambda	.021	1794.454	11.00	426.0	.00	.979	19738.9	1.000
	Hotelling's Trace	46.34	1794.454	11.00	426.0	.00	.979	19738.9	1.000
	Roy's Largest Root	46.34	1794.454	11.00	426.0	.00	.979	19738.9	1.000
Industry Sector	Pillai's Trace	.887	16.340	33.00	1284.0	.00	.296	539.2	1.000
	Wilk's Lambda	.287	20.074	33.00	1255.8	.00	.340	647.9	1.000
	Hotelling's Trace	1.90	24.489	33.00	1274.0	.00	.388	808.1	1.000
	Roy's Largest Root	1.56	60.612	11.00	428.0	.00	.609	666.7	1.000

The above table 2.1 of **Multivariate Tests** shows the result of the one-way MANOVA. The second Effect, labelled "**Industry Sector**" and the Wilk's Lambda row shows the statistical significance of the one-way MANOVA. As P < .0005, *it was concluded that there is a significant difference among the various industry sectors, when the different variables in the hypotheses are compared.* After the above multivariate test, homogeneity of variances was computed for carrying out the ANOVA further.

Table : 2.2 Test for Homogeneity of Variances for conducting ANOVA				
	F	df1	df2	Sig.
HR Processes	.718	3	436	.542
Organizational Culture	1.326	3	436	.265
Organizational Integrity	3.595	3	436	.054
Management Communication and Information Sharing	1.766	3	436	.153
Management Attitude	2.769	3	436	.051
Employee Brand Equity	1.946	3	436	.121
Employee Engagement	2.242	3	436	.083
Tests the null hypothesis that the error variance of the dependent variable is equal across groups.				

The table 2.2 shows that assumption of homogeneity of variance is met. The "sig" values for all variables show that Levene's 'F' Statistic has a significance value greater than 0.05. Further ANOVA was done to compute the 'F' statistics. Based on the 'F' values, hypotheses were either rejected or deemed to be accepted.

Table: 2.3 ANOVA for comparison of four services sector								
		Sum of Squares	Df	Mean Square	F (calculated)	Sig.	F – Critical Value (from table)	Hypothesis Accepted/Rejected
HR Processes	Between Groups	21.846	3	7.282	15.764	.000	2.60	F (calculated) > F (critical) Thus Null Hypothesis, H1 is rejected
	Within Groups	202.79	439	.462				
	Total	224.64	442					
Organizational Culture	Between Groups	25.088	3	8.363	16.997	.000	2.60	F (calculated) > F (critical) Thus Null Hypothesis, H2 is rejected
	Within Groups	215.99	439	.492				
	Total	241.08	442					

Organization al Integrity	Between Groups	22.711	3	7.570	15.950	.000	2.60	F (calculated) > F (critical) Thus Null Hypothesis, H_3 is rejected
	Within Groups	207.89	438	.475			
	Total	230.61	441				
Management Communicat ion and Information Sharing	Between Groups	29.551	3	9.850	24.574	.000	2.60	F (calculated) > F (critical) Thus Null Hypothesis, H_4 is rejected
	Within Groups	175.97	439	.401			
	Total	205.52	442				
Management Attitude	Between Groups	29.363	3	9.788	29.105	.000	2.60	F (calculated) > F (critical) Thus Null Hypothesis, H_5 is rejected
	Within Groups	147.63	439	.336			
	Total	176.99	442				
	Total	196.64	442				
Employee Brand Equity	Between Groups	13.801	3	4.600	13.954	.000	2.60	F (calculated) > F (critical) Thus Null Hypothesis, H6 is rejected
	Within Groups	144.73	439	.330			
	Total	158.53	442				
Employee Engagement	Between Groups	14.555	3	4.852	11.524	.000	2.60	F (calculated) > F (critical) Thus Null Hypothesis, H_7 is rejected
	Within Groups	184.82	439	.421			
	Total	199.37	442				

The above table 2.3 of ANOVA shows whether there is a statistically significant difference between the group means. It was observed that the calculated values of the F-statistic was found to be greater than the critical values of the F statistic as observed from the F-distribution table. Thus the Null hypotheses H1 to H7 (that there is no significant difference between the means of above variables across the four industry sectors) so formulated were rejected. Also, the significance level for all variables is 0.000 ($p = .000$), which is below 0.05. Therefore, there was a statistically significant difference between groups as determined by one-way ANOVA. Hence, internal branding is implemented in different ways and organizations differ from each other in terms of their HR processes, culture and communication. This further impacts the employee brand equity and employee commitment and engagement, which in-turn makes a brand image stronger or weaker.

Summary: Different organizations have different internal branding initiatives. Now organizations have realized the importance of internal branding and its outcomes and thus concentrating on creating the "Best Employer Image" by focussing on its employees. The methods adopted by different organizations differ from one another in terms of processes, implementation, measurement and effectiveness and influence on employee perceptions and behaviour. The present study supports the literature that employee's understanding of organization's internal branding processes helps in creating a strong organizational brand image. Companies with good culture, integrity, management attitude and better management communication help support the positive employee behaviour. Employees thus perceive these attributes as important pillars of employer branding.

The results of this study have empirically shown that there exists a significant difference between the internal branding processes and various factors influencing internal branding in different services sectors. Strong internal branding helps in creating a strong employee brand equity and high employee engagement levels which create a strong internal brand image of organizations. Thus it is necessary to focus on internal brand building activities to create an engaged workforce who represent their organization as the best place to work for.

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