

# Relationship between Internal Branding, Employee Brand and Brand Endorsement

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## Abstract

Efficient internal branding practices give service organisations competitive advantage. While the impact of internal branding on employees behaviours has already been examined by academicians and practitioners, its role in developing a favourable employee brand remains unexplored. This article aims to analyse the influence of internal branding activities on employees' brand knowledge, commitment and employee brand in higher education institutions in India and United States of America. Further the relationship between employee brand and brand endorsement is also examined. Using an online survey, data were collected from the teaching faculty members of higher educational institutions in India (274 samples) and the United States of America (274 samples). The partial least squares structural equation modelling (PLS-SEM) results showed that internal branding influence employees' knowledge, commitment and image of the brand. The results also proved that employee brand significantly influences employees' brand endorsement in both countries. The administrators of the institutes in both countries should strengthen the internal branding activities by enhancing brand-centric rewards and promotions to motivate employees to deliver the desired brand image to students and other stakeholders. They must get feedback from employees at regular intervals to know their perception regarding the brand and its image to maintain favorable employee brand.

**Keywords:** employee brand, internal branding, knowledge of the brand, brand commitment, brand endorsement, higher education brand

## 1. Introduction

Brand image and reputation are the keys to success in any business. They are significantly influenced by the nature of interactions of the employees of the service organisations with customers (Bernoff & Schadler, 2010; de Chernatony, 1999). Thus, it becomes necessary for service organisations to elucidate the brand image that employees are required to project to others and inspire them to deliver it to the customer (King & Grace, 2009; Miles & Mangold, 2004). "Employee branding", where the desired brand image is internalised by employees, who then become inspired themselves to project the brand image to others (Miles & Mangold, 2004). Internalisation of brand image by employees is crucial, as it enhances their service role performance (Berry & Lampo, 2004) and provides competitive advantage to service brands. The brand image that the employees internalise and present to customers and other organisational stakeholders is called "employee brand" (Mangold & Miles, 2007).

When the behaviour of the employee is aligned with the brand values, promise and image, the quality of relationship that a customer has with the brand strengthens (Burmam, Zeplin, & Riley, 2008). Internal branding has gained importance among practitioners and academicians because it ensures the alignment of employees' behaviour with the brand promise (Punjaisri & Wilson, 2007). Brand promise delivery and brand image building are very closely related. Achieving customer satisfaction is possible only when employees deliver the brand promise in coherence with the desired brand image (Hur & Adler, 2011). Literature in internal branding has focused on the influence of mechanisms of internal branding on employees' brand attitudes, brand supportive behaviour and brand performance (Burmam & Zeplin, 2005; Burmam et al., 2008; Punjaisri, Evanschitzky, & Wilson, 2009; Punjaisri & Wilson, 2007, 2011). Whereas, previous researches in employees branding has focused on the general human resource practices like recruitment, training and promotion in internalising the brand (Miles & Mangold, 2004; Miles & Mangold, 2005; Miles, Mangold, Asree, & Revell, 2011), no studies to the

best of our knowledge have focused on the influence of internal branding practice on employee brand. While there is considerable research on internal branding that focus on analysing the influence of internal branding activities on employees' attitudes, behaviour and overall performance, very little attention has hitherto been paid on its influence on positioning of brand image in the minds of employees. This necessitates studying the role of internal branding in creating the "employee brand".

Earlier research work have proposed that having favourable employee brand has favourable prognoses like service quality, communication, high turnover, employees and customer satisfaction and retention (Miles & Mangold, 2004; Miles & Mangold, 2005). Other conceptual propositions on consequences of employee brand on employees lack empirical evidence. To address this limitation, the influence of employee brand on employee brand endorsement, i.e. positive word-of-mouth communication is analysed in this study. The opinion of employee on the brand is considered a great resource for the organisation and any negative word-of-mouth communication becomes catastrophic for the brand (Miles & Mangold, 2014).

There are also very few studies on the effect of employee brand in the higher education sector. It was evinced that the internalisation of the brand image of a higher education institution by its administrators significantly influenced their job functions associated with external stakeholders and influenced other staff's perception of the brand (Judson, Aurand, Gorchels, & Gordon, 2008). In today's competitive scenario, it becomes essential for higher educational institutions in the world to differentiate themselves from others. The image of the universities that offer higher education is a worthy asset (Landrum, Turrisi, & Harless, 1999) that provides competitive advantages. Despite the importance of employee brand image in the area of higher education, there is very little attention being paid to teaching faculty's internalisation of educational institution's brand image.

The higher education sector in USA has well established public and private institutes with good rankings in many reports all over the world (Rust & Kim, 2012). In India, higher education market is growing and expanding at significant rate by collaborations and exchange programs by Indian institutes with various universities around the world. This emphasises the importance of brand positioning of the institutes among stakeholders. Institutes in USA and India have high quality of teaching faculty who are best in academic activities like teaching and research and who contribute not only to high scores and position in ranking, but also to overall brand image and reputation of those institutes. Though institutes in both countries have good teaching faculty, there exists a difference in ranking among institutes in these countries in terms of academic reputation, contribution and performance. Those factors highly depend on the academic contribution and performance of teaching faculty in those institutes. This has necessitated the study of employee brand in higher education institutes in both the countries.

In order to understand the importance of internalising the brand image in higher educational institutions in USA and India, we have developed a conceptual model to study the relationship between internal branding, employees' knowledge of brand, brand commitment, employee brand and employee brand endorsement. To empirically validate the model, data was collected online from teaching faculty of engineering and management institutes in USA and India. Existing literature is reviewed in detail to build a conceptual model and propose hypothesis. This is followed by an explanation of methodology adopted for conducting this research, data analysis, findings, discussions, managerial implications and recommendation for future research.

## **2. Review of literature**

### *2.1 Internal Branding*

A brand is an agglomeration of intelligibly defined values (De Chernatony & Segal-Horn, 2001) and is the representation of an organisation's promises to its customers. In a service organisation, employees represent the brand as there is personal contact and interaction with the customers (Ahmed & Rafiq, 2003). This necessitates internal promotion and living of brand by employees. Organisations focus on developing and promoting brand image among employees by various brand-oriented activities. Such brand-orientation by organisations improves their brand performance (Huang & Tsai, 2013). To make employees "live" the brand, the organisation must have a healthy association and relationship with employees.

Internal branding has emerged to address the necessity of living the brand (Ahmed & Rafiq, 2003) which warrants congruity between the brand messages conveyed to external and internal audience (Mitchell, 2002). Delivery of brand promise by employees as conveyed in brand messages that indicate customers' desired and expected experience, is ensured by internal branding (Boone, 2000). It concentrates on employees' comprehension of brand objectives, positioning and requirements of brand promise delivery (Wise & Zednickova, 2009). It positions the desired brand in the minds of employees and acts as a vital tool in alignment of organisation and brand values with the employees' values (Punjaisri & Wilson, 2007, 2011; Urde, 1999). Such

close alignment gives organisations a competitive advantage. The primary aim of internal branding is to provide organisations unparalleled competitive advantage through employees, which competitors cannot copy or mimic (Jacobs, 2003). Internal branding becomes a key factor to achieve success in business which engenders cognitive and emotional association and engagement of employees with the brand (Özçelik, 2015; Punjaisri & Wilson, 2011). It is a structured management of communication and behaviour used by an organisation to gain favourable reputation among the intended audience (Einwiller & Will, 2002). Articulation of objectives and goals of an organisation and effective brand promise delivery by employees to customers is possible only because of such systematic management of communication and behaviour. There must be coordination between human resource and marketing to maintain consistency in brand related messages, which would exert an influence on employee related practices (Punjaisri & Wilson, 2007). Coherent brand messages received by employees can fortify their understanding of the brand image and helps in advantageous brand delivery.

### 2.1.1 Internal Branding, Brand Commitment, Employee Brand and Knowledge of the Desired Brand

Service brands strive to accomplish emotional reciprocation from employees, as it is an obligatory part to make them live and deliver the desired brand. Ensuring sustenance using a brand's functional difference is arduous in this competitive era (Lambin, 1996). Such brand difference is significantly based on emotions (Goodyear, 1996) that are reflected in employees' interaction with consumers. It thus becomes important for employees to internalise the desired brand image and brand's emotional values to deliver it to consumers naturally. Internalisation is facilitated by internal branding which engenders employees' commitment to the brand (Papasolomou & Vrontis, 2006a, 2006b; Punjaisri & Wilson, 2007).

As elucidated by social exchange theory (Blau, 1964; Rousseau & McLean Parks, 1993), employees exhibit a positive behaviour towards the organisation in which they are employed, as a reciprocation of the organisation's fulfilment of promises made to them. All promises made by the organisation should be fulfilled in terms of job benefits and other functional components associated with it.

Internal branding is considered as a vital tool for enhancing exchange relations in organisation by taking the brand to the employees, instilling the knowledge of the brand (Aurand, Gorchels, & Bishop, 2005) and transforming their behaviour and perception (Vallaster & de Chernatony, 2006) in favour of brand. Human resource activities, brand communication and brand centered leadership are considered the three vital components of internal brand management that facilitate internalisation of brand, which in turn is considered as an important dimension of brand commitment (Burmam et al., 2008). Employees' brand commitment is regarded as an antecedent to the employees' citizenship behaviour towards the brand, brand performance and to the overall strength of the brand (Burmam & Zeplin, 2005; Burmam et al., 2008; Punjaisri & Wilson, 2007). It is also explained as the psychological bond between the employees and the brand (Burmam & Zeplin, 2005). Such psychological bond is regarded as emotional attachment to the brand. Employees who possess high knowledge of the brand are considered as 'intellectual capital' of the organisation and employees who have high commitment to the brand are considered its 'emotional capital'. If an organisation wants to increase its image, reputation and performance, it has to increase both the intellectual and emotional capital through its employees (Thomson, de Chernatony, Arganbright, & Khan, 1999). Thus, it is hypothesised that,

H1 - Internal branding exerts a significant influence on employees' brand commitment.

The promised service delivery and orientation are considered as some of the social skills of employees which are developed by the training and communication activities of an organisation to enhance the brand (Hurrell & Scholarios, 2014). These activities are the vital components of internal branding. Internal branding primarily focuses on positioning of service brand image, values and promise in employees' minds (Wise & Zednickova, 2009) which results in employees' brand promise delivery (Punjaisri & Wilson, 2007, 2011). It also emphasises the delivery of brand promise consistent with brand image. Any discrepancy between the intended and delivered brand image will have a negative impact on the reputation of the service brand. Thus internal branding focuses on positioning the desired brand image in employees' minds to deliver the same.

H2 - Internal branding has significant influence on employee brand.

Existing literature on internal branding emphasise the importance of alignment of the employees' behaviour with the brand objectives and promise during interaction with customers to generate, build and maintain a desired and stable brand image (Baumgarth, 2010; Henkel, Tomczak, Heitmann, & Herrmann, 2007; Morhart, Herzog, & Tomczak, 2009). To deliver the desired brand, employees must possess adequate knowledge about it and understand the importance of their role in delivering the brand promise in tune with the brand image. Internal branding focuses on employees' understanding of intended brand positioning and requirements for delivering the brand promise consistent with the brand image (Wise & Zednickova, 2009). It involves training and education

programs that are intended to instil knowledge of the brand and its values in employees (Aurand et al., 2005). When employees are informed and reminded of the brand values, they recognise that they act as a binding component between the brand and the customers (Christopher, Payne, & Ballantyne, 1991). Internal branding not only generates and builds knowledge about brand positioning and objectives, but also, reinforces the same by communicating consistent brand messages to employees (Punjaisri & Wilson, 2007). Reinforcing the brand will enhance long-term awareness and image of the brand (Keller, 1999). Reinforcement of employees' brand understanding is facilitated by internal branding by generating and sending cogent and well-planned brand messages to them (Punjaisri & Wilson, 2007) that helps them in delivering the intended brand image to customers. When employees possess the knowledge of the brand, they align their behaviour with the brand identity and deliver the desired brand image, which enhances customer satisfaction (Miles & Mangold, 2004; Miles & Mangold, 2005; Miles et al., 2011).

H3 - Internal branding exerts a significant influence on the employees' knowledge of the desired brand.

## 2.2 Employee Branding

To make employees deliver the service, persistent with both customers' anticipation and desired brand image of the organisation is very important. Delivery of service experience is vital for employees who exemplify the organisation. Employees being responsible for effectuating the brand promise (Harris & De Chernatony, 2001) are required to deliver the service with consistency to accomplish and retain the coveted identity, a cogent corporate image (Vallaster & De Chernatony, 2005) and reputation of the organisation (Fitzgerald, 1988). Any failure in service delivery creates dissatisfaction in customers and has a negative impact on their perception of service quality (Sharma, Tam, & Kim, 2015). So it becomes a challenge for organisations to contemplate its desired brand image and deliver its promises through employees.

The customers of this decade possess considerable information on the brands around them. It helps them discriminate between brands (Pillai et al., 2015). Therefore, service brands must be cautious in delivering their promised service through employees to maintain their brand image. Recently, employee branding has elicited considerable managerial and research interest to address the challenge. Employee branding is defined (Miles & Mangold, 2004) as "the process by which employees internalise the desired brand image and are motivated to project the image to customers and other organisational constituents". Internalising the desired brand image in the minds of employees is indispensable before they project it to others (Joseph, 1996; Reardon & Enis, 1990). Such internalisation encourages employees to favourably present the desired brand to customers (Berry & Parasuraman, 2004; Miles & Mangold, 2004). The internalisation process ensues when employees receive messages through various systems and sources inside the organisation. These messages must reflect the organisation's values, mission, and vision and communicate what is expected from employees to accomplish it. The credibility and consistency of messages received through the organisational systems enable employees to deliver the unequivocal promises associated with the name of the brand and image of the organisation (Greene, Walls, & Schrest, 1994). When employees are aware of differences in messages conveyed to them and customers, they perceive that the organisation is pretentious to some extent. This adversely affects the emotional attachment between the brand and the employee and delivery of promises (Robinson, 1996). Therefore the consistency and credibility in an organisation's internal and external communication are vital in employee branding mechanism.

### 2.2.1 Employee Brand, Brand Commitment and Knowledge of the Desired Brand

Garnering the competitive advantage which employee brand proffers depends on two salient elements (Miles & Mangold, 2005), viz., the employees' knowledge of the desired brand image and their motivation to deliver the same to others (Miles & Mangold, 2004). A crucial element contributing to desired brand image delivery is employee motivation. Though the behaviour and values to deliver the desired brand image are made explicit, the choice of behaviour depends on employees. Such dependency is largely influenced by the commitment of employees to the brand. Extent of employees' psychological attachment to the brand is known as brand commitment (Burmam & Zeplin, 2005). Committed employees are motivated (Mathieu & Zajac, 1990) and exhibit brand citizenship behaviour which strengthens the quality of relationship that the customer has with the brand (Burmam et al., 2008). Employee's commitment influences the customers' perception about the quality of interaction they have with employees (Gazzoli, Hancer, & Kim, 2013). When the commitment of employees is high, they become "champions", who exhibit extra-role behaviour and are customer-oriented (Wallace, de Chernatony, & Buil, 2013). In corporate branding literature, there is synonymy between brand commitment and organisational commitment constructs (Burmam & Zeplin, 2005). Psychological nexus between employees and organisation is known as organisational commitment (Allen & Meyer, 1990). An important dimension of this organisational commitment is internalisation (Becker, Billings, Eveleth, & Gilbert, 1996; Gregersen, 1993;

O'Reilly & Chatman, 1986) which is crucial for employee brand image delivery (Miles & Mangold, 2004). Such internalisation acts as the core for brand commitment (Burmamann & Zeplin, 2005). Commitment, also known as emotional buy-in not only contributes to employee brand performance but also to overall business performance (Thomson et al., 1999).

H4 - Employees' brand commitment has a significant effect on Employee brand.

Well recognised brand equity model (Keller, 1993) shows brand knowledge as a significant determinant of behaviour of customers. It is relevant to employees too. When employees have brand awareness they can successfully accomplish their tasks and fulfil their responsibilities. Potentiality of employees' brand promise delivery is significantly swayed by their level of brand awareness (Balmer & Wilkinson, 1991; Harris & De Chernatony, 2001; McDonald, de Chernatony, & Harris, 2001; Schneider & Bowen, 1985). Employees' brand knowledge is the cognitive portrayal of the brand in employees' minds and can be construed as schemata (Fiske & Linville, 1980). Brand knowledge is formed on the impressions of experiences and has a strong impact on behaviour (Markus & Zajonc, 1985). It has been proven the employees' knowledge of the desired brand significantly influence the employee brand (Miles et al., 2011). Such understanding of the brand image that the company seeks to project through its employees helps them in delivering the desired experience. Thus, employee understanding and perception of the brand can be considered a critical requisite for a good employee brand that can contribute to the company's overall image, reputation and brand equity.

H5 - Employees' knowledge of the desired brand has a significant effect on Employee brand.

### 2.2.2 Employee Brand and Brand Endorsement

The image which the employees internalise and project to the organisational constituents and customers is employee brand (Miles & Mangold, 2004). The positive influence of employee brand delivery on customers and the brand image of the organisation is analysed and proved (Miles et al., 2011). The internalising component in employee brand has received very scarce attention and its consequence from the perspective of employees is highlighted in this study. When employees have a favourable opinion about the organisation they are employed, they feel motivated and engage in external positive word-of-mouth communication (Löhndorf & Diamantopoulos, 2014; Shinnar, Young, & Meana, 2004). It is applicable for the brand image too. When employees internalise the favourable brand image they convey positive messages about the brand. Brand endorsement is employees' positive word-of-mouth communication about the brand and their ready recommendation of those to others (King, Grace, & Funk, 2012). Personal advocacy of employees is associated with many favourable outcomes like enhanced employee performance (Kirnan, Farley, & Geisinger, 1989), increasing cost efficiency of recruitments (Morehart, 2001) and sharing the knowledge of employment to prospective employees (Williams, Labig, & Stone, 1993). Employees get motivated to say positive things about the brand, only when they internalise a favourable and desired brand image and become committed to project the same to others.

Employees' endorsement of the brand not only influences prospective employees but also customers. Employees' positive word-of-mouth communication about the brand acts as a great resource to the organisation and any negative opinion is considered a time bomb that could destroy the image of the brand and the organisation (Miles & Mangold, 2014). To avoid those, organisations must convey clear and consistent brand messages to employees and enable them to internalise the desired image of the brand and endorse it (Miles & Mangold, 2014).

H6 - Employee brand has a positive influence on brand endorsement.

### 2.3 Conceptual Model

A conceptual model and proposed hypothesis that we have developed after exhaustive literature study is shown in figure 1.

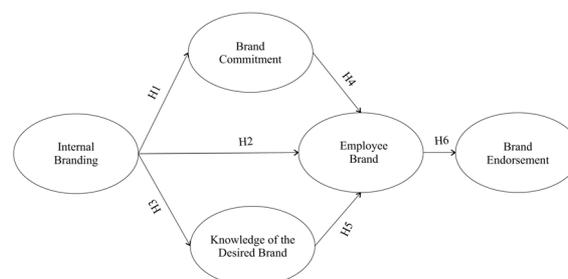


Figure 1 Conceptual model

### 3. Research Method

Teaching faculty of engineering and management institutes from India and United States of America (USA) were surveyed for this research. Engineering and management institutes were chosen based on nation-wide ranking in these countries. The Times Higher Education ranking of best engineering and management institutes 2015 (Education, 2015), India today's ranking of best engineering institutes in India 2015 (Today, 2015) and Business today's ranking of best management institutes in India 2015 (Today, 2015) was considered for this study. Top twenty five institutes in the ranking list of both academic streams of two countries were selected for the study. E-mail address of teaching faculty working on those institutes were collected from institutes' websites, conference proceedings and online professional networks which resulted in a total of 1027 mail ids in two countries. An online questionnaire was framed and mailed to those e-mail ids. 274 usable responses to questionnaires were received from USA. When 274 usable responses were received in India, the option of filling the responses online was stopped to have equal number of samples in each country. Thus, a total of 548 usable responses were received with equal responses in each country.

#### 3.1 Sample and Questionnaire

Internal branding scale was adopted from Santos-Vijande, del Río-Lanza, Suárez-Álvarez, and Díaz-Martín (2013). A sample item of internal branding scale is, "The firm's employees periodically receive information about the brand and the actions involved in its management". Brand commitment and brand endorsement scale was adopted from King *et al.* (2012). The sample items for the two scales are, "I am proud to be a part of the organisation I work for" and "I say positive things about the organisation (brand) I work for to others". The measure for knowledge of desired brand and employee brand was adopted from Miles *et al.* (2011). Sample items of the scales are, "I understand the image that the organisation wants to portray to its clients" and "I am personally committed to project the image that the organisation wants its customers to receive". All the scales were measured in five-point Likert scale ranging from strongly agree to strongly disagree. The demographic profiles of samples in both the countries are shown in table 1.

Table 1. Demographic profile of the samples of both the countries

Characteristics	India	USA
Gender		
Male	58.8%	64.5%
Female	41.2%	35.5%
Average age (Years)	35.32	52.13
Average total work experience (Years)	10.90	22.29
Average work experience in the present organisation (Years)	6.07	13
Education		
Master degree	63.9%	NIL
Phd	35%	90.3%
Post doc	1.1%	9.7%
Designation		
Assistant professor	70.8%	38.7%
Associate professor	17.2%	35.5%
Professor	12%	25.8%
Marital status		
Married	78.8%	80.6%
Single	21.2%	19.4%
Institute		
Engineering	64.2%	58.1%
Management	35.8%	41.9%

### 4. Data Analysis and Results

The reliability of the scales was evaluated using Cronbach's alpha. As mentioned in table 3, the Cronbach's alpha value was greater than .70 for all scales which is in general acceptable for any empirical research work that is published (Nunnally & Bernstein, 1994). The survey's statistical validity was assessed using tests of normality,

skewness and kurtosis on indicators for each construct. Some skewness and kurtosis of some items were noticeable on samples from both the countries. To deal with this limitation, PLS approach was used for analysis as it is not restrained and does not depend on the strict assumptions of distribution. Development of partial least squares by Wold (1982) and execution by Lohmöller (1989) has significantly contributed to the procedure of non-parametric estimation. Maximisation of variance explained in observed variables in hypothesised structural equation model is sought by partial least squares approach. SmartPLS software, which is a PLS modelling tool, is used to assess the measurement and structural model of hypothesised SEM (Ringle, Wende, & Will, 2005). Ordinary least squares regression is used by PLS to evaluate the model and its hypothesis (Ringle et al., 2005). Fornell and Bookstein (1982) denoted that although different statistical approaches are used by PLS than the covariance-based approaches, there are similarities in the results of measurement and structural model produced by them in many instances. Since PLS approach has no constraints on assumptions of data distribution, the results of factor loadings and path coefficients produced by it is highly reliable than covariance-based approaches when there is violation on certain assumptions like large samples, multivariate normality, independence of observations and multicollinearity (Chin & Todd, 1995). As mentioned earlier, PLS approach is used for analysing the data as it does not rely upon the strict assumptions on distributions, which are violated as there are some skewness and kurtosis in data. The measurement model was assessed to ensure that it had discriminant and convergent validity. The next step was the evaluation of the structural model. Such evaluation ensures the predictive ability and quality of the model. The measurement and structural model were evaluated with each country's data separately.

#### 4.1 Common Method Bias

Harman's on-factor test was conducted to assess the common method bias (Podsakoff & Organ, 1986). In this test an exploratory factor analysis was conducted in which the items of all the constructs were subject to principal components factor analysis. This test was conducted for both the countries' samples separately. In both countries' samples, the first factor produced variance less than 50%. Also, some of the remedial measures were taken by ordering the scales from dependent variables to independent variables and by ensuring confidentiality and anonymity. These remedies in procedure and the statistical test ensures that the common method bias is not present in this study (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003; Podsakoff, MacKenzie, & Podsakoff, 2012).

#### 4.2 Measurement Model

Convergent and discriminant validity of the measures were established by conducting several tests to evaluate the outer model (Bollen, 1998). Initial step involved the assessment of factor loadings, which ensured convergent validity. It examined whether the items loaded only on the constructs to which they were meant to be loaded. Presence of convergent validity is evident if (a) the factor loadings for each item with its intended construct is at least .5; (b) the Cronbach's alpha which indicates scale reliability is in excess of .70 for each factor; and (c) the AVE is more than .50 for each construct (Gefen & Straub, 2005). As given in table 3, the above mentioned conditions were fulfilled. Average variance extracted extended between .57 to .87 in Indian data and .59 to .84 in USA's data. Range of reliability for the constructs were .77 to .89 in Indian data and .81 to .85 in USA's data. Convergent validity of the constructs was proven from the obtained results. Discriminant validity is proved if the square root value of AVE of each constructs is greater than its inter-construct correlation (Chin, 1998). As shown in table 2, the values of square root of AVE of each construct were greater than its inter-construct correlation which showed discriminant validity.

Table 2. Correlation matrix with square root of AVE

Constructs	Internal branding	Brand commitment	Knowledge of desired brand	Employee brand	Brand endorsement
Internal branding	0.77 (0.75)				
Brand commitment	0.52 (0.63)	0.79 (0.81)			
Knowledge of desired brand	0.54 (0.52)	0.76 (0.53)	0.92 (0.93)		
Employee brand	0.49 (0.67)	0.62 (0.74)	0.66 (0.53)	0.86 (0.83)	
Brand endorsement	0.48 (0.49)	0.64 (0.66)	0.70 (0.51)	0.78 (0.62)	0.83 (0.87)

Note. Values across the diagonal show the square root of average variance extracted and the values below the diagonal show the correlation values. Values within parentheses show the results of Indian sample and values outside show the results of USA sample.

### 4.3 Structural Model

In PLS approach, the structural model is evaluated by the variance explained ( $R^2$ ) in the dependent constructs and its predictive relevance using Stone–Geisser test (Geisser, 1975; Stone, 1974). The model explains 27%, 30%, 49%, 61% of the variance in brand commitment, knowledge of the desired brand, employee brand, and brand endorsement constructs in USA data and 40%, 27%, 62%, 38% of the variance in the above mentioned constructs in Indian data. It indicates that the variance explained ( $R^2$ ) for the model was quite good.  $R^2$  values of .67, .33, and .19 indicate substantial, moderate, and weak effects of structural model (Henseler, Ringle, & Sinkovics, 2009). The blindfolding method was used to evaluate the predictive relevance of the model. Cross-validated redundancy ( $Q^2$ ) values, which are the resultant values of blindfolding procedure, are the indicators of a highly predictive model. The  $Q^2$  values for brand commitment, knowledge of the desired brand, employee brand, and brand endorsement constructs of USA samples were .15, .24, .35, .40 and .24, .23, .41 and .28 for Indian samples. Exogenous constructs show predictive relevance for the endogenous constructs if the cross-validated redundancy values ( $Q^2$ ) are larger than zero (Hair, Ringle, & Sarstedt, 2011). These results proved that the model is predictive with both the countries' samples.

Table 3. The outer model

Measurement model paths	Factor loading	t - value
Internal branding (CR = 0.88(0.87), AVE = 0.59 (0.57), Cronbach's $\alpha$ = 0.83(0.81))		
IB1	0.78 (0.73)	23.71(19.25)
IB2	0.80 (0.77)	21.73(20.08)
IB3	0.80 (0.81)	29.43(40.62)
IB4	0.75 (0.74)	17.01(17.14)
IB5	0.72 (0.70)	18.44(16.77)
Brand commitment (CR = 0.89(0.90), AVE = 0.62 (0.65), Cronbach's $\alpha$ = 0.85(0.87))		
BC1	0.81 (0.84)	29.49(35.15)
BC2	0.75 (0.76)	18.17(11.82)
BC3	0.79 (0.82)	26.01(26.88)
BC4	0.77 (0.80)	22.37(19.38)
BC5	0.82 (0.84)	32.21(38.08)
Knowledge of desired brand (CR = 0.91(0.93), AVE = 0.84 (0.87), Cronbach's $\alpha$ = 0.81(0.85))		
KODB1	0.91 (0.92)	55.27(53.05)
KODB2	0.92 (0.94)	66.44(107.38)
Employee brand (CR = 0.90(0.87), AVE = 0.74 (0.68), Cronbach's $\alpha$ = 0.82(0.77))		
EB1	0.85 (0.77)	39.13(18.63)
EB2	0.87 (0.86)	38.61(37.46)
EB3	0.86 (0.83)	37.20(41.24)
Brand endorsement (CR = 0.90(0.93), AVE = 0.68 (0.76), Cronbach's $\alpha$ = 0.85(0.90))		
BE1	0.76 (0.86)	19.53(36.88)
BE2	0.87 (0.90)	40.34(46.59)
BE3	0.81 (0.87)	15.42(36.01)
BE4	0.86 (0.87)	40.20(31.59)

*Note.* Values within parentheses are composite reliability, AVE, Cronbach's  $\alpha$ , factor loading and t-value of Indian sample and outside the parentheses is results of USA sample.

The significance of relationships between the constructs as proposed in the model was assessed using bootstrapping procedure by evaluating 5000 random samples of 274 original samples (Henseler et al., 2009) from two countries each. Path coefficients and results of bootstrapping procedure for H1-H6 are given in table 4.

Table 4. Results of hypothesis

H	Paths	Original Sample (O)	Standard (STERR)	Error	T (O/STERR)	Statistics $\beta$
1	Internal branding → Brand commitment	0.52(0.63)	0.06(0.05)		8.22(13.40)	0.52(0.63)
2	Internal branding → Employee brand	0.14(0.32)	0.06(0.05)		2.59(6.35)	0.15(0.32)
3	Internal branding → Knowledge of desired brand	0.54(0.52)	0.06(0.05)		8.41(9.66)	0.54(0.52)
4	Brand commitment → Employee brand	0.24(0.47)	0.10(0.05)		2.41(9.46)	0.24(0.47)
5	Knowledge of desired brand → Employee brand	0.40(0.12)	0.09(0.05)		4.36(2.46)	0.40(0.12)
6	Employee brand → Brand endorsement	0.78(0.61)	0.04(0.06)		21.83(10.91)	0.78(0.61)

Note.  $t > 1.65$  is significant at the 90% significance level.  $t > 1.96$  is significant at the 95% significance level.  $t > 2.58$  is significant at the 99% significance level. All  $t$  values are significant at 99% level of significance. Values within parentheses show the results of Indian data and outside parentheses USA sample's results.

Presence of positive and significant relationships for all the hypothesised paths supported all hypotheses for both the countries' samples. Hypothesis 1 was supported ( $t = 8.22$  (USA),  $t = 13.40$  (India)), demonstrating that internal branding exerts a significant influence on employee brand commitment. Hypothesis 2 was supported ( $t = 2.59$  (USA),  $t = 6.35$  (India)), indicating that internal branding exerts a significant influence on employee brand. Hypothesis 3 was supported ( $t = 8.41$  (USA),  $t = 9.66$  (India)), indicating that internal branding exerts a significant influence on employees' knowledge of the desired brand. Hypothesis 4 was supported ( $t = 2.41$  (USA),  $t = 9.46$  (India)), demonstrating that employees' brand commitment has a significant effect on employee brand. Hypothesis 5 was supported ( $t = 4.36$  (USA),  $t = 2.46$  (India)), indicating that employees' knowledge of the desired brand has a significant effect on employee brand. Hypothesis 6 was supported ( $t = 21.83$  (USA),  $t = 10.91$  (India)), demonstrating that employee brand has a positive influence on brand endorsement.

## 5. Discussion

The aim of this study was to analyse the antecedents and consequence of internalising the brand image of organisation in higher education sector. The study showed that the internal branding activities had a direct and positive influence on employees' brand commitment, knowledge of the desired brand and employee brand, which in turn, exerted an influence on employees' brand endorsement. Empirical substantiation was provided by the study's findings for all the hypotheses which corroborated previous researches on the significant influence of internal branding on employees' brand commitment (Papasolomou & Vrontis, 2006a, 2006b; Punjaisri & Wilson, 2007). It was proved that internal branding mechanisms, which focused on transferring the brand promise, values and image to employees, induced the sense of commitment towards the brand. Those mechanisms kindled the sense of pride in employees for working with the brand, aligned brand values with those of employees' values and induced them to put extra effort to deliver the desired brand, which on the whole, contributed to the emotional bond of employees with the brand.

The finding that internal branding influenced employees' understanding of the brand was also consistent with the previous research (Punjaisri et al., 2009). The internal branding mechanisms educated the employees on brand to be delivered and the image to be transferred to customers through such delivery. Thus, it provided the knowledge of the desired brand image to employees, which helped them in delivering the same in the desirable manner.

Findings of this study emphasised that obtained knowledge of the brand and the generated commitment to transfer the desired brand image to organisational constituents influenced employee brand image. Those findings also supported prior research on influence of employees' knowledge of the desired brand on employee brand (Miles et al., 2011). It also supported that brand commitment of employees motivated (Mathieu & Zajac, 1990) and influenced them to deliver the brand image. When employees understood the image which the service brand wanted customers to conceive and felt emotionally associated with the brand, they would successfully communicate the desired brand image to the customer.

This study proved that the internalisation of desired brand image in the minds of employees influenced employees' brand endorsement. Having better employee brand had various favourable consequences which included employees' positive word-of-mouth communication (Miles & Mangold, 2004). Though conceptual proposition was made, it lacked empirical substantiation. The empirical support provided by this study shows that organisations must instil the desired the brand image in the minds of employees through practices and systems that induces employees to communicate positively about the brand. Only when employees perceive and internalise desirable brand image about the brand they work for, they would endorse the brand both in on and off-the-job situations.

There were interesting observations in results of both countries of this study. Observations in results pertaining to  $R^2$  (variance explained) values, provide good insight on relationship and influence of constructs. In Indian data, 62% of the variance in employee brand was explained by internal branding, employees' brand commitment and knowledge of desired brand which is higher than that of USA data, in which, 49% of the variance in employee brand was explained by the above mentioned factors. In India, the vision, mission and brand values are primarily communicated through internal branding activities. Employees' perception and attitude towards the brand is highly determined by these practices in India (Sharma & Kamalanabhan, 2012) which in turn induces employee commitment and instils knowledge. Hence, these factors contribute to higher percentage of variance in employee brand in Indian samples. Variance caused by these factors in employee brand of USA samples is not less. Any difference may be a result of external factors, like external branding activities, which might also act as a source of instilling desired brand image in the minds of employees.

While considering brand endorsement, 37% of the variance in brand endorsement was explained by the above mentioned factors including employee brand in Indian data and 61% in USA data. The  $R^2$  of brand endorsement in USA data was high, which proved that when employees internalise the desired brand image and feel motivated to project the same to other constituents, the communication of the brand image by employees will be good. It was evident that brand endorsement was largely dependent on the brand image which the employees conceive. The results also proved that, having a favourable employee brand results in better brand endorsement. The  $R^2$  value of brand endorsement was less in India compared to USA. This may be because of other organisational factors that could influence employees' positive word-of-mouth communication.

### *5.1 Theoretical Implications*

The importance and influence of internal branding in instilling and delivering the image of the brand by employees is highlighted in this study. Previous studies in internal branding proved its impact on brand performance, attitude and behaviour of employees. This study provides the empirical evidence to the link between internal branding, knowledge of desired brand, brand commitment and employee brand. Internal branding focuses on positioning the brand image in employees' minds. But, that conceptual proposition doesn't have empirical support. This paper addresses the issue by providing empirical support to that relationship between internal branding and employee brand. The conceptual proposition on influence of employee brand on brand endorsement i.e. positive word-of-mouth (Miles & Mangold, 2004; Miles & Mangold, 2005) is proved through empirical substantiation. This study addresses the consequence of internalising the brand image from the employees' perspective. This study also contributes to the reciprocal interdependence concept highlighted by social exchange theory (Molm, 1994), which emphasize that a person who received benefits should reciprocate in favour of the person who provided the benefits. Employees' reciprocation through delivery of desired brand image, as a return for the internal branding activities provided by the organisation is empirically examined. Though various types of reciprocation like employees' commitment, job performance and favourable behaviour are previously studied, their reciprocation through brand image delivery is highlighted in this study. This reciprocal exchange is repetitive in nature (Cropanzano & Mitchell, 2005) that emphasises organisation to continue rendering positive actions and benefits to employees, to ensure favourable reciprocation from them in long run.

### *5.2 Managerial Implications*

Interesting insights on internal branding, employees' brand commitment, employees' knowledge of desired brand, employee brand and brand endorsement provided by this study significantly contribute to the fields of HRM and branding. Branding mixed with HRM practices contribute to employee branding. The results agree with prior studies that proposed that internal branding influenced employees' brand commitment (Papasolomou & Vrontis, 2006a, 2006b; Punjaisri & Wilson, 2007) and knowledge of the desired brand (Punjaisri et al., 2009), which, in turn influenced the employee brand (Miles et al., 2011). Thus, management should focus on internal branding mechanisms that should be tailored in such a way that it not only educates employees but also builds employees' emotional bond with the brand. In Indian samples, the influence of brand commitment which indicates the

emotional bond with the brand is more and significant. Brand-centric rewards and promotions should be focused, which will encourage employees to deliver the desired brand image. Such recognition of employees' part in building the brand image will strengthen the emotional bond with the brand. In USA, employee brand and its antecedents have high and positive influence on brand endorsement. Exclusive internal branding activities which focus on communicating the brand image and regular internal communication on brand-centric news and activities should be implemented. Regular assessment of employees' performance on brand image delivery through other stakeholders should be done to ensure consistency in such delivery and build favourable employee brand image.

The results also supported previous research that proposed that employee brand influenced employee's positive word-of-mouth communication (Miles & Mangold, 2004). Management of institutes in both the countries must continuously evaluate brand image held by the employee. Regular feedback from employees should be collected to assess their attitudes and perceptions. It has been proven that the employees at stores would give proper customer evaluations to management, only when their perception and evaluation of the stores and their satisfaction and loyalty towards it are favourable (Teller & Alexander, 2014). This is applicable to service employees too. When management senses the presence of unfavourable employee brand, it must address the issues that cause such negative perception at once and resurrect the desired image again to enjoy the favourable consequences.

## 6. Limitations and Recommendations for Future Research

Consideration of limitations of this study is essential while discussing the results. This study used a sample of teaching faculty in selected engineering and management institutes in India and USA. The results may not be generalised to other non-teaching employees in those institutes and may not be applicable to other industries and countries. Other academic institutions offering courses other than engineering and management studies may be considered for future study. This study focused only on the impact of internal branding activities on employee brand in both the countries. Influence of other organisational and external factors on employee brand should be analysed. The impact of having a favourable employee brand image from students and other stakeholders' perspective can be studied. The influence of employee brand image on organisation performance, students' enrolments, public awareness and ranking in media can also be studied. Future research may focus on highlighting other consequences of employee brand like employee brand performance and employee brand equity.

The cross-sectional data used in this study could only elucidate the current scenario and longitudinal study may be used for future research. The role of employee brand in Japanese automobile companies should be explored in future studies. Though employees of those automobile companies don't have a direct contact with customers, they plan and manufacture products of promised quality to customers. By such process, they deliver the desired employee brand through the products. It contributes to good brand image and reputation in terms of quality and service. The employee branding practices of those companies should be explored in futures studies.

Researchers in marketing can perceive the relationship and influence among internal branding, employees' brand commitment, knowledge of the desired brand, employee brand image and brand endorsement. Practically, the management can implement and enhance the internal branding activities to educate employees on the desired brand image, generate their commitment towards it and motivate them to deliver the same to customers to achieve better competitive advantage which strengthens the service brand.

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