

Internal Branding in Telecommunication Sector of Pakistan: Employee's Perspective

Hijab Ashraf, Madiha Khalid, Sehar Maqsood, Muhammad Kashif,
Zeeshan Ahmad and Irfan Akber
GIFT University, Pakistan

Abstract: This research reconnoiters the employees' perceptions concerning role and impact of human resource initiatives towards successful internal branding efforts in telecom sector of Pakistan. Primary data was collected from 200 functional-level managers serving various telecom organizations, through an already developed and tested instrument. The respondents were stratified to create subsets among different departments and then random sampling technique was used to choose the number of subjects from each subset to collect data. The data was presented through descriptive statistics, regression, and correlation techniques. The findings of the study suggest that employees appear to have positive insolences considering the importance of their personal involvement while incorporating the brand values to work activities. An effective implementation of internal branding process within the organizations is heavily dependent upon human resource initiatives taken within the telecom organizations. The results of study will help firms to understand the missing link between human resource management and internal branding while creating excellent customer service experiences.

Key words: Brand values, employee involvement, human resource management, internal branding

INTRODUCTION

The intellectual contribution of human resource thought is becoming progressively central in an ever changing corporate environment. Some of the factors forcing these changes are global economy, intense competition, and top management's attitudes towards work and employee development. Human resource management functions need to be integrally involved in strategy formulation as it has a major role to play while implementing strategies by aligning the HR-practices with the corporate goals. However, research advocating the profound impact of HR in the development and implementation of strategic business initiatives - including the brand promise, remains limited (Timothy *et al.*, 2010). The service and corporate branding literature has highlighted the influence of employees on existing and potential customers and other stakeholders' brand perceptions through their role in delivering both functional and emotional brand values (De-Chernatony, 2002). Heskett's (1987) service profit chain promotes internal service quality as the key driver of customer satisfaction, hence organizational performance which leads to profitability. When organizations focus on employee satisfaction, positive effects on customer satisfaction and corporate profitability are observed (Irwin *et al.*, 1996). Service employees are the manifestation of the service brand in the mind of the consumers and they are also perceived as the core product (Wangenheim *et al.*, 2007). An organization should try to align the

attitudes and behaviors of frontline employees with the brand and corporate values which will deliver the brand promise during face-to-face service encounters (Hart, 1998). Internal branding is considered as a mean to create powerful corporate brands because it allows an organization to align its internal processes and corporate culture with those of the brand's promise and values (De-Chernatony and Cottam, 2006). An organization engages its employees with the mission and long-term plans through effective human resource management. This involvement of employees in brand building process communicates positively the brand qualities to all stakeholders which are referred to as internal branding (D'Innocenzo, 2002; Mitchell, 2002). It is particularly important during face-to-face service encounters where customer satisfaction is highly dependent upon staff's commitment to perform and their ability to manage their emotions and the employees are preferred to act as 'brand ambassadors' during service encounters (Jacobs, 2003). Telecom sector of Pakistan, among the largest growth rates in the world in terms of product-diffusion, glimpses a free-market view in a developing country where the prices are highly competitive and national as well as international organizations are battling for customer share. The recent literature on internal branding stresses the need to focus on employee-led initiatives while managing service brands and within the context of Pakistan, it is imperative for success as the customer service centers are much active in providing customer solutions. However, despite the realm of competition, and high rates

of Government taxes, the investigation regarding internal branding from a developing country's perspective is not yet addressed (Punjaisri *et al.*, 2009a, b). This study is an effort to fill-in the gap of managing service brands through employee-centered initiatives from a developing country perspective; Pakistan.

LITERATURE REVIEW

Internal Branding is the set of strategic processes which empowers employees to deliver the appropriate customer experience in a consistent and reliable fashion. The key driver of customer satisfaction, organizational performance, and profitability is internal service quality which is incorporated through employee-centered initiatives who are satisfied enough to delight the customers during the service encounters (Heskett, 1987). Internal branding leads employees to understand the brand promise by intrinsically motivating them through to owe the brand (Timothy *et al.*, 2010). The individual staff must provide and receive excellent service to ensure the best possible services to customers which reflects the effectiveness of internal branding and proposes that both customer-facing staff and back-office staff are important to ensure the consistent delivery of the brand promise (Carley *et al.*, 2010). The employees' affiliation and ownership with the organization are likely to drive their personal involvement towards their routine work activities. The core aim of internal brand building is to align individual behaviors with the brands espoused identity (Tosti and Stotz, 2001).

The latest research in discovering the internal branding phenomenon is focused upon an understanding of the outcomes of internal branding on employees' brand supporting behaviors (Punjaisri *et al.*, 2008, 2009a, b). It has highlighted the importance of an integrative internal branding framework encompassing functions such as human resource management, operations, and marketing. An integrated and coherent brand can provide a sustainable competitive advantage against tough competitors (De-Chernatony and Cottam, 2006). Punjaisri (2009a, b) highlighted the horizontal coordination between human resource management and marketing in successfully implementing internal branding and engendering positive outcomes such as employees' brand identification, brand commitment, brand loyalty, and brand supporting behaviors. The term employer branding is the application of branding principles to human resource management which advocates that managing brands is not the only responsibility of a marketing manager, rather it is a multi-departmental affair which includes an understanding of the brand building efforts to focus on employees who are the internal customers (Sullivan, 2004). Although, different authors within the internal branding initiatives have acknowledged the

importance of aligning marketing and HR functions, Mosley (2007) observed that HR-roles are still restricted to communication support rather than playing a more strategic role in people management practices to ensure the delivery of the brand promise. Traditionally, however, internal branding was considered the core responsibility of marketing people in terms of internal communications because the marketing people are uniquely positioned to match the internal campaign with the external campaign (Mitchell, 2002). Employees are now seen as playing an important role in managing service brands because they assist the interface between the market and the organization (Ceridwyn *et al.*, 2005).

Bergstrom *et al.* (2002) describes internal branding as a brand which is about communicating a meaning of some kind to the major stakeholders within the service product. Although, internal brand building is considered as a core responsibility of the marketing function but Machtiger (2004) criticized the sole reliance on internal communications as a pitfall to internal branding. The researcher purports that internal branding requires a broader integrative framework across marketing, management, and human resource disciplines. While HR is capable of developing the human asset to enhance the organization's economic performance (Pfeffer, 1998) and the brand's success (Zerbe *et al.*, 1998), it may not foster the brand values.

Integration among functional departments is extremely important when the service performed is a face-to-face encounter (Aurand and Bishop, 2005). When top management understands and orchestrates the marketing and HR philosophies, employees will better accept and internalize brand values and align their attitudes and behaviors accordingly (De-Chernatony and Segal-Horn, 2003). The empirical study of Punjaisri and Wilson (2007) suggests the potential synergy between internal communications and training programs for employees, whether on-the-job or off-the-job. The study proposed that both the internal communication and training programs have a statistically significant impact on employees' brand-supporting behavior although the effect of the former is much stronger. The value of a well-coordinated training program aimed at educating employees the brand message and its application to work, appears to be growing significantly. Through a wide variety of HR plans, processes and actions, it is possible to make a tremendous impact on the branding success of an organization. While none of this constitutes a revelation - the role of HR in influencing brand, both externally and internally, has been recognized in isolated ways. The need for HR to be more comprehensive in its role to support branding efforts has not been recognized a great deal in the literature, nor has it been revealed in the actions of most HR professionals (Timothy *et al.*, 2005). However, means by which employee can be directed, encouraged to

Table 1: Human resources involvement in internal branding

Statement	Mean
The (brand) values are reinforced through internal communications	1.90
Training is provided to help employees use these values	1.78
The skill set necessary to deliver these values is considered in staffing decisions	1.86
Annual performance reviews include metrics on delivering the values	2.11
Departmental plans include employees' roles in living the brand values	1.86
Overall mean	1.90

1 = strongly agree; 5 = Strongly Disagree; Alpha: 0.9102

live the brand is an area which has received relatively limited coverage (Gotsi and Wilson, 2001). The previous studies which have been conducted on internal branding, focused primarily on the role of leadership, corporate internal, and employer branding. The research that has been conducted on internal branding and HR is in US context and there is a huge gap in the work which highlights a developing country's perspective.

METHODOLOGY

To evaluate the role and impact of human resource management on internal branding in telecom sector of Pakistan, a field study was conducted in the city of Gujranwala, located in the province of Punjab. The data was collected using a pre-developed structured questionnaire and the responses were collected on a five point Likert scale. For the purpose of achieving the desired results, the respondents were stratified to create subsets and then random sampling was used to choose number of subjects from each subset to collect data. The units of analysis were the functional managers working in the telecom sector of Pakistan and they were contacted during the months from October to December, 2010. This technique was preferred over other techniques due to its accuracy in providing the results as well as it proved more efficient than other techniques. A sample of 200 respondents was selected and with a response rate of 70 percent, 140 questionnaires were collected back. The study proved to be cross-sectional and the employees were contacted personally, during office hours. The questionnaire used in this survey had three parts; the first part of the questionnaire addressed the employee's perceptions about the role of human resource management in internal branding. A Likert scale of 1 to 5 was used to collect the responses where 5 = strongly disagree, 4 = strongly agree, 3 = neutral, 2 = agree, and 1 = strongly agree. The second part of the questionnaire highlighted the employee's perspectives in incorporating the brand message into work activities. The part three of the questionnaire consisted of collecting the responses of the degree to which employees are personally involved in internal brand ingprocess within their respective organizations. The data wa s analyzed to draw results by using the SPSS 15.0 and the statistical techniques used to

achieve the research objectives were mean calculations and regression.

RESULTS

Table 1 highlights the mean results of five-point Likert scale were calculated to evaluate the degree of human resource involvement in internal branding. The calculated mean of 1.90 explains that employees perceive human resource practices are strongly involved in internal branding in the telecom sector of Pakistan. About 70 percent of the respondents agreed that training is provided to them so that they can use those values efficiently for their advantage. A large number of respondents agreed that annual performance reviews include metrics on delivering the values and departmental plans include employees' roles in living the brand values. Training is provided to help employees use brand values and the acquired knowledge is used in making the staffing decisions. An overall mean value of 1.90 can be deduced as the employees perceive that human resource efforts are in line with internal branding initiatives and processes in the telecom sector of Pakistan.

Incorporation of the brand message into work activities: Table 2 discusses the employee's perceptions regarding an incorporation of brand messages into routine work activities and the results strongly support this relationship. The overall resulting mean value of 1.93 can be interpreted that the professionals in telecom sector of Pakistan emphasize on the integration of their firm's brand message into their general work activities. Employees agree that they use their knowledge about company's brand to organize their time in a better way and brand values influence their decisions on external customer requests. They are confident that they can clearly explain the brand values to their direct reports and how can this information be used while designing and delivering employee training programmes. Employees understand the skills and knowledge required to encapsulate branding efforts to work activities.

Personal involvement in the brand: Table 3 explains the extent of employee involvement in internal brand building initiatives taken in the telecom sector organizations and an overall mean of 1.27 interprets the relatively strong

Table 2: Incorporation of the brand message into work activities

Statement	Mean
I use my knowledge of my company's brand values to better organize my time	1.94
The brand values influence my decisions on external customer requests	2.07
I am confident in my ability to clearly explain the brand values to my direct reports	2.02
I include information on brand values in the training I provide to my direct reports	1.88
I know what skills are necessary to deliver on the brand value, and use that information in my staffing decisions	1.76
I coach my direct reports on ways to build the brand values into their daily activities	1.92
Overall mean	1.93

1 = strongly agree; 5 = Strongly disagree; Alpha: 0.9294

Table 3: Personal involvement in the brand

Statement	Mean	Standard Deviation
(1) Relevant-(5) Irrelevant	1.22	0.434
(1) Valuable-(5) Worthless	1.21	0.407
(1) Fundamental-(5) Trivial	1.25	0.443
(1) Significant-(5) Insignificant	1.28	0.450
(1) Appealing-(5) Unappealing	1.32	0.476
(1) Essential-(5) Non-essential	1.33	0.470
Overall mean and Std. deviation	1.27	0.446

Alpha = 0.9549

Table 4: Human resources involvement in internal branding and the incorporation of the brand message into specific work activities

Dependent variable	Adjusted R2	β	F-prob	Significance
I use my knowledge of my company's brand values to better organize my time	0.030	1.169	4.129	0.000
The brand values influence my decisions on external customer requests	0.043	1.128	5.451	0.000
I am confident in my ability to clearly explain the brand values to my direct reports	0.012	1.346	2.243	0.000
I include information on brand values in the training I provide to my direct reports	0.038	1.508	4.859	0.000
I know what skills are necessary to deliver on the brand value, and use that information in my staffing decisions	0.034	0.768	4.466	0.000
I coach my direct reports on ways to build the brand values into their daily activities	0.077	0.436	9.245	0.000

p<0.05

relationship of personal involvement with the brand. The respondents agreed that their personal involvement is very essential in communicating brand values across and outside the firm. They strongly agreed the fact that brand values are relevant to their work activities and these are very helpful in performing the different activities on the job. Employees have a strong believe that brand values are primary and significant for their jobs and they think that these values are very essential to integrate their work activities.

The Table 4 exhibits that there is a relatively strong relationship between HR involvement and each of the specific work activities involved in the process of branding. A significant positive relationship is observed between the brand building process and its inclusion in work activities. It can be inferred that the employees strongly perceive the role and significance of branding initiatives embedded with the routine work activities which will ultimately enhance the organizational efficiency through internal branding.

CONCLUSION

The objective of the study was to identify the role and impact of human resource practices involved in internal branding in the telecom sector of Pakistan, from the employee's perspective. For the purpose of collecting the information about HR involvement in internal

branding, incorporation of brand message into work activities, and personal involvement in brand; the data was collected from 200 functional managers with a response rate of 70%. The results of the study present significance of HR involvement in internal branding. This is due to intense competition in the telecom sector that there is increased employee involvement in branding. The organizations can achieve breakthrough of products through integration of marketing and HR department because they will connect and create synergy. Machtiger (2004) has criticized the sole reliance on internal communications as a pitfall in internal branding. He purports that internal branding requires a broader integrative framework across marketing, management and Human Resource (HR) disciplines. The results regarding incorporation of brand message in work activities is exactly in line with the work performed by Machtiger (2004). The personal involvement of employees in brand building is also significant with the previous work available to promote this construct. The high personal involvement in brand results in employee happiness, employees consider themselves as valued entities in human resource, they become spokesperson for the organization and they become more productive through organizational commitment by showing consistency in their performance. The relationships if further tested in different organization, industry and sector context may produce different results.

ACKNOWLEDGMENT

The authors are thankful to Dr. John Walsh, Shinawatra University, Thailand for providing methodological guidance in improving the manuscript technically.

REFERENCES

- Aurand, Gorchels and R. Bishop, 2005. Human resource management's roles in internal branding. *Hum. Res. Manag.*, 14(3): 163-169.
- Bergstrom, A., D. Blumenthal and S. Crothers, 2002. Why internal branding matters: The case of Saab, *Corporate Reputat. Rev.*, 5 Nos 2/3: 133-42.
- Ceridwyn, K. and D. Grace, 2005. Exploring the role of employees in the delivery of the brand: A case study approach. *Qual. Market Res. Int. J.*, 8(3): 277-295.
- Carley, F., K. Punjaisri and R. Cheng, 2010. Exploring the relationship between corporate, internal and employer branding. *J. Prod. Brand Manage.*, 19(6): 401-409.
- D-Innocenzo, L., 2002. Marketing Messages Gearing Internally. *Brunico Communications Inc.*, May 6.
- Duboff, R., 2001. True brand strategies do much more than name. *Market. News*, 35(11): 16.
- De-Chernatony, L., 2002. Would a brand smell any sweeter by a corporate name? *Corp. Reputat. Rev.*, 5(2/3): 114-135.
- De-Chernatony, L. and S. Segal-Horn, 2003. The criteria for successful services brands., *Eur. J. Market.*, 37(7/8): 1095-1118.
- De-Chernatony, L. and S. Cottam, 2006. Internal brand factors driving successful financial services brand, *Euro. J. Market.*, 40(5/6): 611-33.
- Gotsi, M. and A. Wilson, 2001. Corporate reputation management: Living the brand. *Manage. Decis.*, 39(2): 99-104.
- Hart, C.W.L., 1998. The Future for Brands, In: Hart, S. and J. Murphy, (Eds.), *Brands, The New Wealth Creators*, Macmillan Press, Basingstoke, pp: 206-214.
- Heskett, J.L., 1987. Lessons in the service sector, *Harvard Business Review*, No. 65, pp: 118-26
- Irwin P. L., J.D. Jasper and G.J. Gaeth, 1996. Measuring the Effects Framing Country-of-Origin In: Kim, P.C., G. John, J.R. Lynch and U.T. Provo, (Eds.), *A process Tracing Approach*, *Advances in Consumer Research: Association for Consumer Research*, 23: 385-389.
- Jacobs, R., 2003. Turn employees into brand ambassadors, *Bank Marketing*, 35(3): 22-6.
- Machtiger, B., 2004. Beware pitfalls that kill branding efforts, *Marketing News*, 38(4): 21.
- Mitchell, C., 2002. Selling the brand inside out, *Harvard Business Review*, 80(1): 99-105.
- Mosley, R.W., 2007. Customer experience, organizational culture and the employer brand, *Brand Management*, 15(2): 123-34.
- Pfeffer, J., 1998. Six dangerous myths about pay, *Harvard Busin. Revi.*, May/June, pp: 108-9.
- Punjaisri, K. and A. Wilson, 2007. The Role of internal branding in the delivery of employee brand promise. *J. Brand Manage.*, 15(1): 57-70.
- Punjaisri, K., A. Wilson and H. Evanschitzky, 2008. Exploring the influences of internal branding on employees' brand promise delivery: Implications for strengthening customer-brand relationship. *J. Relationship Market.*, 7(4): 407-24.
- Punjaisri, A.W., A. Wilson and H. Evanschitzky, 2009a. Internal branding to influence employees' brand promise delivery: A case study in Thailand. *J. Serv. Manage.*, 20(2): 209-226.
- Punjaisri, K., H. Evanschitzky and A. Wilson, 2009b. Internal branding: an enabler of employees' brand supporting behaviours, *J. Serv. Manage.*, 20(2): 209-26.
- Sullivan, J., 2004. Eight Elements of a Successful Employment Brand, *ER Daily*, 23 February, Available at, Retrieved from: www.erechange.com/articles/db/52CB45FDADFAA4CD2BBC366659E26892A.asp, (Accessed on: April 14, 2004).
- Timothy, W., K. Aurand and M. Judson, 2010, Building brand community membership within organizations: A viable internal branding alternative? *J. Prod. Brand Manage.*, 19(3): 210-217.
- Tosti, D.T. and R.D. Stotz, 2001. Building your brand from the inside out, *Market. Manage.*, 10(2): 27-33.
- Wangenheim, F.V., H. Evanschitzky and M. Wunderlich, 2007. Does the employee-customer satisfaction link hold for all employee groups? *Wegge J, Neuhaus L (2002). J.Bus. Res.*, 60: 690-697.
- Zerbe, W.J., D. Dobni and G.H. Harel, 1998. Promoting employee service behaviour: The role of perceptions of human resource management. *Can. J. Admin. Sci.*, 15(2): 165-79.