

# A STUDY ON RELATIOSHIP BETWEEN INTERNAL BRANDING AND EMPLOYEE AFFECTIVE COMMITMENT IN BANKING SECTOR

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## ABSTRACT

The necessity to have an efficient staff is essential to the organizational objectives. Employee commitment has constantly been a prominent aspect of inquiry due to its predictive potential in light of the growing realization that employees' emotional bonds to their organizations seem to be an important predictor to dedication and loyalty. The goal of this study is to determine how internal branding can increase employee affective commitment. The survey research design technique was employed. The method of survey research design was used. The study examined the 4 private banks with a combined workforce of 134 employees were chosen as the sample items out of the total using the simple random sampling technique. A structured 30-item questionnaire that had been validated served as the research tool.

## INTRODUCTION

According to Jordan, for a company to succeed, the brand needs to relate to the people working there who are in charge of forging a connection with its clients (2010). Employee branding, or internal branding, is the idea that all employees should be aware of, comprehend, and believe in the values of the company. It is a novel idea in marketing and a developing branch of branding that has gained wide acceptance in actual usage (European Institute for Brand management, 2013). By guaranteeing that employees of organisations link their goals with company goals, it has significantly enlarged the field of marketing and broadened its application. "A series of strategic processes known as internal branding are thought to align and empower people".

### Theoretical Consideration

#### Concept of Internal Branding

Internal branding refers to the collection of strategic processes that unify and enable staff to consistently provide the right customer experience. Internal communications, training support, leadership strategies, reward and recognition programmes, hiring procedures, and sustainability aspects are just a few of these processes (Macclerverty, McQuillan, and Oddie, 2007). According to Christine (2003), internal branding is the process by which a business instructs, indoctrinates, and trains its staff in order to also motivate and empower them to demonstrate it on the job and be devoted to their organisations.

This definition demonstrates that there is a structured process in place that gives employees the authority they need to coordinate and provide customers with an adequate experience.

According to Baldoni (2004), brands are a vehicle for us to express our priorities. While consumer brands make our lives easier and our decision-making process more efficient, internal branding empowers staff to prioritise their most valuable resource—their time. Baldoni (2004) compared the idea of internal branding to the definition of a brand, which is the sum of identity, image, and aspiration. He continued by saying that the brand's identity, image, and aspiration are what the brand stands for, represents, and evokes in us.

### Employee Affective Commitment

Affectively committed employees, according to Meyer and Allen (1991) and Mowday, Porter, and Steers (1982), have a sense of identity and belonging that improves their participation in organisational activities, drive to seek organisational goals, and desire to stick with the organisation. Allen and Meyer (1997) and Mowday et al. (1982) noted that there is a correlation between emotional commitment and absenteeism, employee performance, and ultimately turnover for the organisation in favour of the factor of employee's commitment as a tool of sustainable employee performance. The goal of every organisation is to create a productive workforce by hiring people who will treat their work as a personal obligation to advance the organization's objectives at all times.

This is so because the workforce's attitude toward accomplishing organisational goals is crucial. Then, it demands that

organisations' top personnel, who must work to recognise and internalise organisational procedures for consistently effective performance, become emotionally invested in the company's concepts and beliefs. This is related to the idea put forth by Rhoades, Eisenberger, and Armeli (2001) that a person's emotional connection to their employer is a key factor in determining commitment and loyalty. This is the idea of commitment (Affective), which Meyer, Vandenberghe, and Becker (2004) claim is challenging to define.

#### **Internal Communication and Employee Affective Commitment**

In order to project the brand's value to customers through on-brand behaviour, it has been emphasised and reiterated by a number of authors that the brand and its values must be communicated. An illustration of this may be the usage of stories, according to De-Chermatony et al. (2006), who said that doing so makes the brand values and their meaning more clear to the workforce.

#### **Brand Oriented Training, Development, and Affective Commitment**

According to Punjaosri et al. (2009), training programmes should improve both generic skills needed for day-to-day work and brand-specific talents that will help employees fulfil brand promises. Additionally, they claimed that training greatly raises brand recognition and, thus, commitment. Employees must be trained in order to exhibit behaviours that can portray the brand, according to Henkel et al. (2007).

#### **Leadership Styles and Employee Affective Commitment**

Porter (2006) depicts executives as strategists (Bartol, 2010). Leadership style can be used to describe a leader's approach to achieving objectives and goals. A crucial factor in determining whether an organisation succeeds or fails is the leadership style. The leadership style chosen by the leader has a big impact on how well interactions between the leader and employees work out as well as how well employees perform. (2012) (Jeremy et al). One of the important aspects in determining whether or not an organization's leadership style will increase or decrease its

members' interest and commitment is that style. (2011) Obiwuru et al.

#### **Methodology**

The method of survey research design was used. The study examined the 4 private banks with a combined workforce of 134 employees were chosen as the sample items out of the total using the simple random sampling technique. A structured 30-item questionnaire that had been validated served as the research tool. On a balanced five-point likert scale, each item was properly evaluated. Using the Cronbach alpha index, the internal consistency of the items representing each construct was evaluated in order to determine the reliability. Since all co-efficient values were over 0.6, favourable dependable scores were achieved for every item. as a result, the minimum criterion for cronbach's alpha value (0.6) suggested by Malhotra was exceeded (2004).

**H1:** There is significant relationship between internal communication and employee effective commitment

**H2:** There is a significant relationship between brand oriented training and employee effective commitment.

**H3:** There is a significant relationship between leadership style and employee affective commitment.

#### **Measurement Assessment**

The Straub (1989) method of validating research instruments in MIS research was used to validate the research instrument in terms of convergent and discriminating validity. In order to evaluate the differences between internal communication, brand-oriented training, leadership style, and employee affective commitment of the measuring scales, a Principal Component Factor analysis (CFA) with varimax rotation was carried out. All factor loadings had values over 0.70 for each construct, as shown in table, demonstrating a strong goodness of fit. As a result, the instrument proved to have convergent validity. Constructs have an one factor burden. With factor loadings above 0.07 for each construct, the instrument demonstrated convergent validity.

	Internal communication (IC)	Brand orientation training (BT)	Leadership style (LS)	Employee Affective Commitment (EC)
IC1	0.798			
IC2	0.811			
IC3	0.871			
IC4	0.789			
BT1		0.789		
BT2		0.822		
BT3		0.767		
BT4		0.819		
LS1			0.855	
LS2			0.768	
LS3			0.833	
LS4			0.828	
EC1				0.801
EC2				0.773

The test-retest approach was utilised to gauge internal consistency for the reliability check. This entailed repetition of the same kind of questionnaire administration. The identical questionnaire was given in this regard. twice, four-week intervals apart, to the same respondents. By evaluating the internal consistency, the reliability was determined. Using the Cronbach alpha index, determine the consistency of the items representing

each construct. Positive reliable results were retrieved from every item because the co-efficient values were all greater than 0.6. so going beyond the minimal standard according to Malhotra's recommended cronbach alpha value (0.6) (2004)

#### **Correlation Matrix among the Dimensions of Internal Branding and Employee Affective Commitment**

	1	2	3	4
Internal communication	1			
Brand orientation training	.365**	1		
Leadership style	.449**	.466**	1	
Employee Affective commitment	.297**	.356**	.338**	1

\*\* Correlation is significant at the 0.01 level (2-tailed)

According to the correlation analysis presented in this table, affective commitment and internal communication showed a positive and significant association ( $r=0.297$  \*\*  $P<.01$ ). The link between brand-oriented training and affective commitment was

likewise favourable ( $r=.356$  \*\*  $P<.01$ ). Finally, there was a positive and significant association between leadership style and employee emotional commitment ( $r=.338$  \*\*  $P<.01$ ).

#### **Multiple Regression Analysis of Dimensions of Internal branding and Affective Employee**

Model	Unstandardized coefficients		Standardized coefficient	T	Sig.
Internal Communication Brand Oriented Training Leadership Style	B	Std error	Beta		
	8.255	1.497		5.515	.000
	.125	.081	.138	1.546	.124
	.203	.018	.226	2.510	.013
	.147	.081	.170	1.809	.073

Model	R	R Square	Adjusted R square	Std. Error of estimate
1	.423 <sup>a</sup>	.179	.161	1.6415

a. Dependent variable: employee affective commitment

b. Predictors: (constant), internal communication, brand oriented training and leadership style

## DISCUSSION

The goal of the study is to increase internal branding's impact on employee emotional commitment. Positive correlation coefficient values were found among the variables as a consequence of the correlation analysis that included all internal branding indicators. This demonstrated that they are appropriate internal branding dimensions. The effects of internal branding on employee affective commitment were documented by the findings of the multiple regression analysis. Internal communication ( $P < 0.01$ ), brand-oriented training ( $P < 0.01$ ), and leadership style ( $P < 0.01$ ), the three internal branding factors, had a statistically significant positive impact on employee affective commitment. The outcome confirmed the findings of the H1 test, which showed a statistically significant positive association between internal communication and employee emotional commitment. According to De-Chernatony et al. (2006), it is clear that when employees understand a brand's values, they can commit to projecting those values to customers through on-brand behaviour. The results also showed a substantial positive link between brand-oriented training and employee affective commitment ( $P < 0.01$ ). The results confirmed the H2 finding that there is a statistically significant link between brand-focused training and employee affective commitment. Almgren et al (2012) 's findings, which confirmed that brand-oriented training has a positive effect on employee affective commitment and had a regression score of ( $P < 0.01$ ) for the predictor, are consistent with this. In the investigation on the influence of human resources management on internal branding in the Pakistan telecom industry, Ashraf et al. (2011) discovered that training is offered to assist staff members in using brand values and newly learned information to make staffing decisions. An overall mean score indicates that employees regarded human resource activities to be consistent with internal branding goals. This supports the claims made by Lings, Gudergan, and Beatson (2007), Mills and Mangold (2004), and Lovelock, Vandermerwe, and Lewis (1999) that training has a significant influence on how brand values are delivered. Keller (2003), Wallace, and De-Chernatony (2005) all agreed that training is important in helping employees deliver a company's brand image because, as De-chernatony (2001) said, it encourages staff members to adopt behaviours that promote the company's image. In a similar line, leadership style influences employee affective commitment favourably ( $P < 0.01$ ). This research lends credence to the H3 test result, which showed a statistically significant association between leadership style and employee affective commitment.

## CONCLUSION

The aforementioned generalisation led to the following conclusions. Internal communication makes sure that brand messages are modified by employees to convey consistent ideals. It makes it simpler to understand and apply the organisational brand values to daily activity. Additionally, it promotes and supports on-brand behaviour since internal communication allows for the alignment of employee objectives with business objectives. Additionally, brand-focused training has been shown to consistently result in favourable performance outcomes for employees. As it makes space for employees to comprehend and become familiar with the brand values and communicate them to

customers. Leadership style is crucial in increasing employees' interest in and dedication to the organization's aims. It is crucial in guiding and moulding people to be dedicated to upholding the brand promise. We can therefore draw the conclusion that leadership style practises influence how employees affectively commit to delivering on the brand promise.

### Recommendation

Every organisation should have an internal communication unit whose responsibility it is to lay out an effective communication programme that is consistent with the organisation brand image in order to effectively match its brand values with those of the employees. Additionally, every organization's human resources department should regularly host refresher training sessions for deserving staff members in order to keep them up to date with industry trends and prevent falling. Additionally, every organization's human resources department should regularly host refresher training sessions for qualified staff members in order to keep them current on industry trends and prevent them from becoming obsolete in a dynamic, technologically driven competitive climate. Additionally, a focus on developing a climate of employee dedication to the achievement of organisational goals should be made.

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