The Role of Human Resource Management Practices in Enhancing Internal Branding

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Abstract

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Employees are the ones who deliver the brand promise and experiences to the external stakeholders, i.e. customers. Whether or not the customers will have a favorable brand experience or not depends much on the way the employees deliver the brand value and promises. One of the ways the organization can achieve this is by aligning its external branding strategy with the internal one. In this paper, we discuss the role of human resource management (HRM) practices in the development, promotion, and enhancement of internal branding initiatives in the organization. Through hiring practices, training and development, performance appraisal, compensation, and internal communication and feedback, employees will be able to internalize, embrace, and deliver the brand value and promises to the external customers. In this sense, the HRM practices can be seen as an enabler for the employees to live the brand and become the brand. Living the brand is reflected in their personal values and brand-related attitudes and behavior. In essence, when it comes to branding strategy execution, the HR department needs to participate actively in the process.

Keywords: Human resource management; internal branding; branding management; branding success; internal marketing; employee branding.

1. Introduction

A brand is a "name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition" (Keller, 2013, p. 3). In the context of this definition, a brand is, therefore, vital to the success of a business organization because it is related to its survival in the marketplace. As such, much of the discussion in the marketing literature is about how to develop, promote, and enhance a brand so that it

leads to actual and repeated purchases and recommendation of the brand to others by the external constituents, i.e. consumers (Burmann & Zeplin, 2005).

The general understanding of brand marketing is that it is the sole responsibility of the marketing or sales department. Such understanding is, unfortunately, misleading and incorrect. For the brand to sell and to develop loyalty, branding activities and programs should permeate the entire organization (Foster, Punjaisri, & Cheng, 2010). This means that all departments should be deployed toward developing and promoting the brand including the HR department as it is responsible for managing and deploying the people in the organization. The call for the HR department to play a more active role in strategic development and implementation is nothing new (Ulrich, 1998). However, the empirical and anecdotal evidence seems to suggest that the responses to this calls are yet to be widely accepted and implemented (Aurand, Gorchels, & Bishop, 2005); although in some industry, such as the hotel industry, aggressive integration between the HRM and internal branding programs has become a norm (Cheung, Kong, & Song, 2014).

This paper is based on the premise that a brand should not be developed to create a value perception in external stakeholders only, i.e. customers. For a brand to be successful, it also needs to be accepted and valued by the people within the organization, particularly the employees. Note that the employees here mean everyone in the organization's hierarchy and do not refer to those who do sales or marketing-related jobs only. In Gummeson's word (1991), these people are 'part-time marketers' because they, too, have a major influence on customers' brand experience. Because external customers' experience about certain service/product highly is influenced by internal factors, such as internal service quality, employee satisfaction, productivity and retention (Mitchell, 2002), it is vital that the external and internal branding strategies are aligned. By engaging the employees in the company mission through the establishment of an effective system of HR management, the employees will better understand the need to represent the brand qualities to outside constituents, a process called internal branding, employee branding, or internal marketing (Aurand et al., 2005; Buil, de Chernatony, & Martinez, 2013; D'Innocenzo, 2002; Keller, 2013). In this paper, we discuss how the HR department through the implementation of various interdependent HRM practices can be deployed toward enhancing internal branding.

2. Internal Branding

In the literature, internal branding and employee branding are often treated as synonymous (Mitchell, 2002). It also sometimes called internal marketing (Miles & Mangold, 2004). Unlike branding strategies and programs that tend to focus on external stakeholders, internal marketing, employee branding and/or internal branding refers to the efforts and initiatives implemented to establish the systems/processes and the consequent employee behavior that are consistent with the external branding efforts (Aurand et al., 2005). The key role of the internal branding process, in short, is to ensure that the employees transform the brand messages into brand reality for external stakeholders. Or, what some scholars say, to 'live the brand' (Burmann & Zeplin, 2005; Gotsi & Wilson, 2001).

The increasing focus given to internal branding is a response to the need for a shift in the marketing/branding paradigm that is merely consumer-oriented to a stakeholder-oriented (Girod, 2005; Simmon, 2009). One of the important stakeholder groups is the employees of the organization, who are treated as "customers." So, in addition to selling the brand to the external customers, the brand has to be "sold" to the employees as well. When they have accepted the value proposition and have the shared understanding of the importance of the brand, they are likely to show behaviors that reflect the brand (Heskett & Schlesinger, 1994). It was revealed that successful brand building behavior depends on employees' understanding of the brand (King & So, 2015). Other studies also showed the effect of internal branding on employee identification, commitment, loyalty, and performance (Allen, 2000; Heskett & Kotter, 1992; Punjaisri, Evanschitzky, & Wilson, 2009; Rucci, Kirn, & Quinn, 1998).

3. Human Resource Management (HRM) Practices

Although no unified definition exists of human resource management, generally scholars tend to agree that it is based on the premise that people should be treated as resources and not assets as they are the backbone of any organization. Human resources are valuable assets because they are unique, irreplaceable, inimitable, and rare (Barney, 1991). Hence, the organization should develop appropriate measures of how to acquire, deploy, develop, and retain them. In the context of HRM, these measures are referred to as the HR bundle practices (Dyer & Reeves, 1995). The key HR practices include hiring, training and development, performance appraisal, compensation, and flexible work arrangements (Huselid, 1995). Although these practices are distinct, they are interrelated. To be effective in the accomplishment of the organizational goals and objectives, they have to be managed as a system (Wright & Kehoe, 2008). According to Dyer and Reeves (1995), HR practice bundles tend to yield sustainable performance outcomes than are individual practices. In a similar vein, Delery, Shaw, and Ferris (2001) maintained that even though certain individual HRM practices are viewed as superior to others, a single superior HRM practice without other supporting practices in the system is inadequate to drive sustainable performance outcomes. They further argued that individual "best practices" must be part of a larger, universally superior HRM system to support sustainable success.

Empirical evidence tends to suggest that good HRM practices are associated with work-related outcomes, such as job satisfaction and organizational commitment (Gould-Williams, 2003), and organizational citizenship behavior (Wright, Gardner, & Moynihan, 2003). Scholars explain that a good system of HR practices is able to produce the desired outcome through the creation of conditions that allow employees to become highly involved in the organization and work hard to accomplish the organization's goals (Wood & De Menezes, 1998). In this regard, it is possible to see how the HR department can play a major role in the internal branding initiative through the effective implementation of the HRM practices. We explain briefly how each practice can be implemented in the internal branding efforts in the organization.

4. HRM Practices and Internal Branding

Internalization of brand values requires that a correct, consistent, timely, and specific message about the brand is communicated effectively across the organization (Miles & Mangold, 2004). The HR

department can play an active role in this context by implementing the appropriate strategies, processes, and policies. According to Gotsi and Wilson (2001), HRM practices, such as recruitment policies, performance appraisal, and training need to be aligned with the brand values to avoid sending conflicting messages, which will have a significant impact on the development, the implementation of strategic business initiatives, as well as on employee behavior (e.g., commitment, satisfaction, productivity, engagement and other behaviors) in order to deliver the brand promise.

Sending a consistent message to the internal stakeholders begins with the hiring or staffing practices. The primary objective of hiring is to employ a new member who fits with the culture, values, and belief system of the organization so that he or she can make a significant contribution to the organizational performance. For this to happen, the recruitment efforts should send a clear message about the qualifications needed (Heneman, Judge, & Kammeyer-Mueller, 2012). It is at this stage in the hiring process that a message about the brand values and propositions needs to be sent and communicated clearly. By doing so, the potential applicants will be able to select themselves out if they believe that they do not have what it takes to embrace and internalize the brand values. In order to be effective in sending such message, the HR department needs to be careful about the choice of language, the media used, and the scope of recruitment. Here, the marketing people should also play an active role in giving feedback to the HR department in designing the appropriate recruitment message.

The recruiting efforts are an attempt by the HR department to attract as many applicants as possible to apply for a job. However, it is during the selection stage that the internal branding efforts become more intense. This is when the candidates are screened carefully to identify the best and most qualified ones for the job. While the person-job fit is obviously important for job performance, internal branding stresses the match between the person and the organization. In order to identify the person-organization fit, the selection tools should focus on organizational relevancy as opposed to being solely job relevant, which is important to achieve the person-job fit. Burmann and Zeplin (2005) went further by emphasizing the person-brand fit, that is, a strong congruence between personal values and brand values. Here, the selection tools used should be able to differentiate and discriminate candidates who are likely to embrace and live the brand value and subsequent brand-building behavior (Chiang, Chan, & Han, 2012). Personality tests coupled with situational/behavioral interviews and other selection tools should be used in combination for the said purpose. At this stage, it is necessary that the marketing people are involved in selecting the most qualified candidates.

Training and education play a big role in the internal branding program. Punjaisri and Wilson (2007) found that training was the most important HRM practice to develop and reinforce brand supporting behaviors. Through such programs, employees can constantly be re-educated about the value of the brand and why it is important to accept it, and, hence, deliver it by demonstrating the appropriate brand behavior. In this context, the orientation of newcomers is important as it is the first formal education by the HR department about the brand. In order to ensure that the brand is alive in the organization, the career development program and training should also be tied to the brand. So, those wishing to develop their career in the organization, they should demonstrate the attitudes, behaviors, and values that reflect the brand. Providing a brand mentorship program is another reinforcement measure the organization can undertake to promote brand supporting behaviors and attitudes of

employees. Through such program, the employees will be coached and guided about behaviors and attitudes that are consistent with the brand. In this case, the marketing department needs to interact actively with the HR department about what kinds of training programs that are mostly needed for the employees to develop brand supporting behaviors. The input from the marketing department is, therefore, essential in facilitating the HR department toward implementing an integrated branding strategy. Studies have shown that when the employees perceive that the organization is supportive of their career development initiative, they are likely to be more committed to the organization and to their job (Schneider & Bowen, 1985), and, hence, be willing to become a brand advocate to the outside constituents.

While training and development allows employees to enhance their brand-related skills and knowledge in living the brand, brand supporting behaviors and attitudes will be further reinforced when they are built in as part of the performance appraisal system in which employees who demonstrate brand-related performance, such as brand citizenship behavior and brand commitment (Burmann & Zeplin, 2005), will be rewarded. Linking brand-related performance with reward and compensation will motivate the employees to live the brand.

Internal communication and feedback system are also essential in the internal branding initiative. While communicating the brand value can be reinforced through the internal communication system of emails, company's newsletter, internal broadcasts, brand books, storytelling, or (external) advertising messages, etc. (Burmann & Zeplin, 2005) or informally, such as special events or face-to-face meeting (Herstein, Mitki, & Jaffe, 2008), the feedback system can be effective as a tool for quality improvement in the internal branding programs. As employees have to live by and with the brand, their opinion in the brand matters. Therefore, a system where they can give their constructive feedback about the brand or they can air their grievances about the brand should be instituted. When employees are allowed to give their input about the internal branding initiatives, they are likely to feel that they psychologically own the brand and, hence, will protect the brand by demonstrating the appropriate brand behaviors (Chiang et al., 2012).

Figure 1 illustrates the link between HRM practices and internalization of brand values and its possible effects.
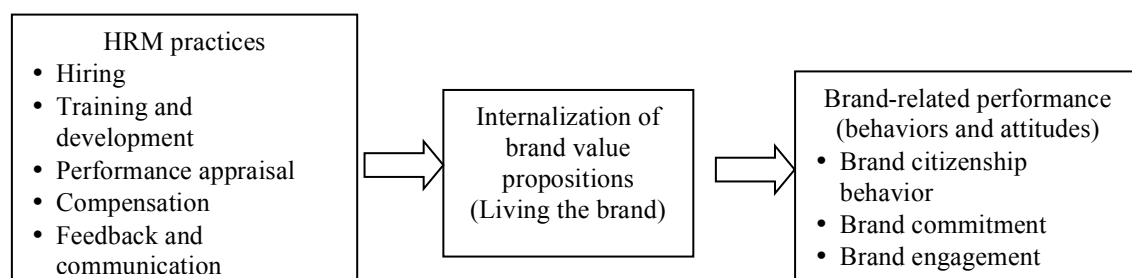

Fig. 1. HRM practices, internalization of brand, and potential brand-related outcomes.

5. Conclusion

Internal branding is argued to be instrumental in influencing employees' attitudes and shaping their behaviors to be aligned with a brand, by creating employees' understanding of brand values and

engaging them in living brand reality (Kotter & Heskett, 1992). Living the brand or product is manifest in brand supporting attitudes and behavior. When one internalizes the brand value, he or she will be able to deliver the brand promise and experience to the external stakeholders effectively (Cushen, 2009). In this context, internal branding is a very powerful tool for attitudinal and behavioral modification in the organization necessary for the brand survival and brand sustainability in the long run (Burmann & Zeplin, 2005).

As employees are the ultimate brand ambassadors and brand advocates, the HRM practices should be aligned and coordinated well with the marketing activities to promote brand supporting attitudes and behaviors that are key to brand value delivery to external constituents (Burmann & Zeplin, 2005). In this paper, we suggested some practices we believe are crucial in internalizing the brand value propositions among employees. While the practices are not exhaustive, we believe that a good HRM system provides a work environment and a work condition that is conducive to the promotion, reinforcement, and building of brand behaviors through various practices, beginning with the hiring efforts. When the proper system is in place, it is, therefore, possible for the internal stakeholders, i.e. the employees to live the brand and become the brand.

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