



Internal branding process: Exploring the role of mediators in top management's leadership–commitment relationship



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ARTICLE INFO

Article history:

Received 18 June 2015

Received in revised form 9 October 2015

Accepted 21 December 2015

Available online 9 January 2016

Keywords:

Top management's brand-oriented leadership

Employee brand knowledge

Employee-brand fit

Psychological contract

Brand commitment

ABSTRACT

In high customer-contact services, employees are an imperative part of a company's service quality. While the effect of employee commitment on brand-supportive behaviors has already been studied, it remains unclear what drives employees' brand commitment. This study explores the brand-oriented leadership of top management as an important driver of internal branding process and an indirect predictor of employees' commitment. Moreover, three mediators are examined in relation to how brand-oriented leadership affects brand commitment. Using a sample of 226 hospitality employees working in a European hotel chain, our results indicate that employee brand knowledge, employee-brand fit, and psychological contract fulfillment fully mediate the relationship between brand-oriented leadership and brand commitment. The results support the importance of top management's leadership in internal branding and its role in achieving employees' emotional attachment to the brand. We also suggest that, for leadership to enhance commitment, leaders must compel employees to possess brand-relevant knowledge, share similar brand values, and perceive their psychological contract as being fulfilled.

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1. Introduction

In the field of hospitality, the service-dominant industry, employees are regarded as essential building blocks of service quality and a strong hotel brand. As they represent the interface between organization's internal and external environment, the alignment of their cognitions, perceptions, and attitudes with the brand becomes a crucial success factor. Moreover, with fiercer competition among hospitality organizations, there is a need for a more committed workforce to provide high quality services (Clark et al., 2009). Thus, an increasing amount of attention has been paid to exploring the antecedents of employee brand commitment, which is one of the main drivers of employee brand-building behaviors, authentic brand delivery, and consistent brand image of the organization (Burmam and Zeplin, 2005; Kim and Brymer, 2011; Punjaisri et al., 2009; Xiong et al., 2013).

Internal branding, in particular brand-oriented leadership, has been proposed to influence employee brand commitment (Burmam and Zeplin, 2005; Burmam and König, 2011). Brand-oriented leaders facilitate brand commitment by acting as role models and regularly communicating in a manner that supports

the desired brand identity. In drawing the line between this study and other (brand) leadership research, this study identifies the role of top managers and their brand-supporting leadership to achieve employees' emotional attachment to the brand, particularly in the hotel industry. While brand-oriented leadership has been conceptually and empirically linked to employee brand commitment, only a direct relationship was presupposed (e.g., Burmam et al., 2009). And although the behavior of top managers is perceived as one of crucial internal branding tools (Burmam and Zeplin, 2005; Vallaster and de Chernatony, 2006), there has been very little research exploring a distinctive role of top managers and how their brand-oriented leadership affects followers' level of commitment to the organizational brand.

Therefore, the first objective of this study is to integrate top management's brand-oriented leadership and employee commitment to the organizational brand in the context of the hospitality industry. Our research is the first empirical study to explore the role of top managers in the internal brand building process, whereas previous research addressed the impact of general brand-oriented leadership, with no in-depth investigation of how different leadership levels (for example, top management's level) influence employee commitment (e.g., Burmam et al., 2009; Morhart et al., 2009; Wallace et al., 2013). Moreover, our study explains how top managers influence employee brand commitment in the context of hospitality. By addressing the impact of top managers'

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brand-oriented leadership on employee brand commitment, we address very important issues: to what extent and how the behavior of top managers matters in the internal branding process.

In hospitality, where the brand experience is co-created by both customers and employees, frontline employees have a significant impact on how customers perceive the brand. Positive brand experience can be established by hospitality employees that are truly committed to the organizational brand and consequently enact pro-brand behaviors. Thus, there is a necessity of an internal structure that stimulates employees' positive brand attitudes (Xiong et al., 2013). Leaders, in particular top managers, are the primary influential models of the brand for every organizational member (Kim and Brymer, 2011). Management's support, role modeling, and inspiring communication allow employees to establish a bond with a brand (Wallace et al., 2013). If employees perceive that top managers believe in brand values and demonstrate consistent brand behaviors (i.e., "walk the talk"), it is more likely that employees will accept the brand and align their attitudes accordingly (Lee et al., 2013).

Employee buy-in (i.e., when organization's brand values are deeply rooted in the minds of employees) constitutes a sustainable competitive advantage for service organizations (Wallace et al., 2013; Wieseke et al., 2009). Since hospitality industry is particularly service and people oriented, the role of top management is a key success factor when managing human resources. Top managers provide guidance to their employees and act as role models (Kara et al., 2013). They are responsible for creating the brand culture, sharing brand vision, and instilling brand values among employees (Lee et al., 2013). Failure of adequate leadership in hospitality can be very costly. It can lead to employee distrust, low performance, customer dissatisfaction, and profit loss, which can severely endanger organization's success (Kara et al., 2013). Leaders are therefore indispensable in instilling an organization's brand values and vision to frontline employees (Wallace et al., 2013).

While past studies found a direct relationship between leadership and employee commitment, we expect to find an indirect effect of top management's leadership on employee brand commitment because the influence of top leaders is very different from the influence of direct supervisors and middle managers (Hart and Quinn, 1993; Katz and Kahn, 1978). Top management assumingly impacts frontline employees indirectly through different processes and levels, since they have fewer personal contacts with employees on a regular basis.

Second, we clarify the development of employee commitment to the organizational brand and provide additional insight into internal branding process. While past studies have emphasized the direct influence of brand-oriented leadership on employee commitment (Burmman and Zeplin, 2005; Burmann et al., 2009; Vallaster and de Chernatony, 2005; Vallaster and de Chernatony, 2006; Wallace et al., 2011, 2013), we propose fully mediated paths. We identify the potential role of three mediators: employee brand knowledge, employee-brand fit, and psychological contract fulfillment. We find support for the mediation model in the management literature, in which different mediators (for example, psychological empowerment, reduction of role stress, job satisfaction, and quality of working life) between leadership and employee commitment were found (e.g., Avolio et al., 2004; Dale and Fox, 2008; Kim and Brymer, 2011; Kara et al., 2013). Moreover, Miles and Mangold (2005) emphasize the importance of the critical mediators between internal branding and positive employee-related outcomes, such as employee commitment to the organizational brand.

Overall, this study contributes to the literature by conceptually and empirically showing that brand-oriented leadership of top management influences employee brand commitment indirectly via three very important mediators. The results of this research also add to a more comprehensive understanding of brand-oriented

leadership as it relates to employee brand commitment in the context of hospitality.

2. Theoretical background

2.1. Role of leadership in the hospitality industry

Leadership has a significant meaning as a management tool because, if used properly, it can enhance positive relationships with employees, influence their attitudes and behaviors, and increase service performance (Kara et al., 2013; Liao and Chuang, 2007; Vallaster and de Chernatony, 2005). In past research, managers' leadership behaviors have been linked to service quality (Church, 1995), employees' commitment (Avolio et al., 2004; Burmann and Zeplin, 2005; Clark et al., 2009; Kim and Brymer, 2011; Lok and Crawford, 1999; Wallace et al., 2013), organizational learning (e.g., Vera and Crossan, 2004), employee performance (e.g., Lowe et al., 1996; MacKenzie et al., 2001; Vigoda-Gadot, 2007), and brand-building behaviors (Morhart et al., 2009; Punjaisri et al., 2009). Moreover, leadership has been identified as a major element in the managerial roles of hospitality managers and related to many individual outcomes in the hospitality industry (Worsfold, 1989; Tracey and Hinkin, 1996).

A key element of success for a hospitality organization is for managers to motivate their employees to be engaged, to support the organizational goals, and to deliver on the expectations of customers (Kara et al., 2013). In their study, Testa and Sipe (2012) identify communication, role modeling, and inspiration among the essential leadership behaviors in the hospitality industry in order to successfully guide their employees. Hinkin and Tracey (1994) provide evidence that transformational leadership impacts employee satisfaction and clarifies the direction and mission of the organization. Thus, past research has clearly established the importance of leadership (in particular transformational leadership) in the hospitality industry (Asree et al., 2010; Brownell, 2010; Kara et al., 2013; Patiar and Mia, 2009; Tracey and Hinkin, 1996; Wang et al., 2014; Worsfold, 1989).

2.2. The model of the internal branding process

One of the early works on the internal branding process is a conceptual model by Miles and Mangold (2004, 2005). They argue that internal branding enables a company to clearly position its brand in the mind of employees and drives employee internalization of brand values. The foundation of the process is a well-defined brand identity that includes brand vision, values, and promises. Messages transmitted within the organization should clearly convey this brand identity and communicate the expected employee attitudes and behaviors. Messages should be delivered frequently and consistently through all channels. Authors propose several important sources of brand messages, among which are also leaders/managers. However, the purpose of their study was to conceptualize a general model of internal branding process, thus the impact of specific sources (e.g., leadership of top managers) on employees is still unclear.

Effective and consistent communication that reflects brand identity can accomplish the following. First, it enables employees to gain brand knowledge and understand the brand. Second, it upholds the psychological contract between the organization and the individual employee. Third, it drives employee internalization of brand values. While brand knowledge enables employees to understand the brand and desired behaviors, fulfillment of the psychological contract and internalization of brand values motivate employees to project the desired brand to customers. As a result of employee brand knowledge, upheld psychological contract,

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