

# THE ROLE OF INTERNAL BRANDING TO INCREASE THE ENGAGEMENT AND MOTIVATION OF HUMAN RESOURCES

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## **Abstract**

*In many areas of the economy in recent years the main problem is the lack of qualified and sufficiently motivated staff. This article introduces internal branding as a tool that managers can use to motivate and engage their employees. There is a literature review of the concepts of internal branding, internal brand equity, employee brand and the engagement of the staff with the goals of the organization. The aim is to show the connection between internal branding and the engagement of the staff and the benefits that arise from it.*

**Keywords:** *internal branding, employee engagement, human resource, employee behaviour*

**JEL:** *M 12, M 14, M 31*

## **1. INTRODUCTION**

Nowadays the most valuable asset of each enterprise is the staff. Its behavior and motivation depend to a large extent on the overall performance of the organization. The literature of internal branding makes it clear that branding is recommended for the management of every business and is a very important condition for its success. When implemented strategically, it can serve as a viable competitive advantage for the company. The particular importance of this study comprises the detailed discussion of internal branding - presented as the main driver for increasing employee engagement and improving its performance.

## **2. BRANDING & INTERNAL BRANDING**

Viable enterprises are built through continuity and consistency in brand efforts over time and in every activity that is being done. This is equally valid for large and small companies. Any contact with the target customers should reinforce and strengthen the brand position of the organization. This means that staff must also clearly understand the brand strategy to support it with its actions. Everyone involved in implementing it needs to know the target markets and brand positioning of the company (Sexton, 2011). A complete review of the literature on these topics is beyond the scope of this article. Therefore, the following sub-sections focus on the key contributions in each area.

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## **2.1. Branding**

The word "brand" designates a name, a sign or a symbol that identifies a service or product. Brand-building is the creation of a brand. Branding is the process of creating and developing the brand. It is the main way for product differentiation and a tool to promote production and create long-term customer relationships based on the core consumer values that are embedded in the brand. In short, branding is a set of sequential activities and directions to create a complete image of the product or service that corresponds to consumer demand. In short: branding is a brand management (Panova, 2014). The active use of branding began in the Middle Ages when craft shops marked their products with special brands. But the thriving of the brand, which is associated with the second half of the twentieth century, is due to the fact that a large number of similar products appeared on the market. The brand highlighted the important characteristics of the product. It also facilitated the choice of goods. Brands brought not just goods and services. They brought certain values and impressions to consumers. Value added is substituted by the physical properties of metaphysics. The quality determination is made by the emotions generated from the use and possession of a unique brand (Panova, 2014).

### **2.1.1. Purpose of branding**

The aim of branding is to create a different image of the brand and to form a clear direction of communication. Branding also includes market research, product positioning, branding description, slogan, visual and verbal identification system (trademark, corporate identity, packaging, sounds, etc.), the use of identification and communication media to reflect and to convey the idea of the brand (Panova, 2014).

### **2.1.2. Stages of branding**

The main stages of branding are:

- analysis of the market situation, the target audience (current status of the brand, if it is already created);
- planning (formulating the essence of brand positioning, developing of brand management strategies);
- building the brand (creating a system of visual and verbal identification, developing the image of the brand, collecting documents for the creation of a brand);
- brand promotion (using integrated marketing communications to build a stable relationship between the consumer and the brand);
- monitoring and evaluation of brand performance (Panova, 2014).

## **2.2. Internal Branding**

Nowadays there are numerous challenges in brand management. Internal branding is a major challenge in many companies. Most of the employees (not just those of the marketing departments) understand and appreciate branding. It is important for the company to organize events and surveys within the organization to make it clear that each employee makes the necessary quality support for the brand (Kirilova, 2009). Brand management is most successful when everyone in the

organization has a clear understanding of what the brand is, how its actions help or harm the existence of this brand and, accordingly, assess how to work harmoniously (Antonova, D., S. Kunev, T. Hristov & M. Marinov, 2018). The employees of the brand owner play an increasing role in presenting individual and corporate brands in the interface with the current and potential customers. As a result, domestic branding has recently emerged as an important issue for the success of the market brand (Baumgarth, C., Schmidt, M., 2010). Internal branding is perceived as an approach that offers mechanisms with insufficient potential to motivate staff to synchronize their work values and behavior with those of the brand. Internal branding acts in two directions on the attitude of the brand-related staff. On one hand, it motivates them by providing work satisfaction and by creating an inspiring working environment. On the other hand, through internal communications, employees get to know the brand of the company, as well as their role and responsibilities in implementing brand strategies. (Stoycheva, B. & D. Antonova, 2018)

### **2.2.1. Internal brand equity**

The wider concept of the brand is well established in the marketing literature (de Chernatony, L., & McDonald, M., 1998) (Keller K. L., 2008) (Reizebos, 2003) and is usually defined as the value added to a product or product portfolio that is due to a brand name, brand logo or other attributes of the brand (Aaker, Managing brand equity: Capitalizing on the value of a brand name, 1991) (Farquhar, 1989) (Keller K. , 1993) (Yoo, B. & Donthu, N., 2001). By analogy, the internal brand equity is conceptualized as a growing branding effect on employee behavior. It describes and measures incentives provoked by brand respect among brand owners' own staff in the direction of brand support, in their organizational roles and more generally, at present and in the future. Therefore, the internal brand equity is great when the behavior of the employees is consistent with the brand identity and the individual employees are predisposed to transmit the brand consistently and enthusiastically to internal and external stakeholders (Baumgarth, C., Schmidt, M., 2010).

### **2.2.2. Employee brand**

Employee behavior should be as consistent as possible with regard to brand identity and the expression of brand values. It is not just a question of proper self-presentation and communication, but also a personal identification with the brand, an emotional attachment to it, and a motivation to engage in the brand strategy through direct interaction with clients and influential individuals (Baumgarth, C., Schmidt, M., 2010). By definition, the employee's brand is the image presented to the organization's clients and other stakeholders through its employees. This is extremely important for the welfare of most organizations, taking into consideration the workers' potential to create either a very positive or an extremely negative image. Until now, research in the field focused primarily on the employee branding process and the positive results likely to be realized by organizations that successfully manage the process (Mangold, W. G., Miles, S. J., 2007). The aim was to ensure that employees who have direct contact with customers, partners in the distribution network or other stakeholders share a common understanding of the brand, feel equally enthusiastic about it and design it in a unified way (Baumgarth, C., Schmidt, M., 2010).

## **2. EMPLOYEE ENGAGEMENT**

The engagement of the employees is an indicator of their motivation. It also reflects their behavior when performing their official duties. Over the last 80 years employee satisfaction has been presented in the scientific community as a key factor for the effective implementation of defined strategies, programs and tasks. Today, it is argued that labor force engagement is an even stronger factor that directly impacts market outcomes, while satisfaction does not always imply such an impact. There is a relationship between the two categories: satisfaction is a prerequisite for the formation of engagement. It is important to note that there is an opportunity for the company to engage its employees directly through training and bidirectional communications without being interested in their satisfaction. In this case, the management risks, for example, not to assess adequately the efforts made (i.e. according to the expectations of the employees), thus causing staff dissatisfaction. The latter may dissuade staff from adhering to the prescribed pattern of behavior. (Antonova, D., Stoycheva, B., Kunev, S. & Kostadinova, I., 2018). When defining brand engagement as a concept and a construct, we come from the scientific understanding of the overall commitment to the organization and its goals. Definitions for this category can be divided into two groups. The first group of authors represents engagement as "emotional affiliation to an organization, personal identification, and involvement of the staff in it" (Mowday, R. T, M. Steers and L.W. Porter, 1979). The second group of authors associates commitment with the desire of the staff to make additional efforts to achieve the organizational goals (Heffner, T.S and Reutsch, J.R, 2001) (Iverson, R.D., Mcleod, C.S. And Erwin , P.J, 1996). Hence, employee engagement with the brand can be represented as a degree to which employees identify themselves with it, feel bound and involved in its core values, and are therefore reluctant to make further efforts to implement brand strategies. In the scientific literature, the behavior of the staff in positioning the brand is identified as crucial, as it is the main communicator or brand "ambassador" (Boyd, G. and M.Sutherland, 2006). A strong brand requires time and effort on the part of the staff to domineer and prove itself. The process of forming requires engaged employees who understand the idea of the brand and fulfill its value. The scientifically proven links between employee attitudes and brand perceptions (James, 2000) determine the interest in the so called internal marketing as an approach that can motivate and engage employees with the organization's brand (Mitchell, 2000).

A number of scientific publications have shown that successful internal branding involves employees (Meyer, J . P, Stanley, D . J ., Herscovitch , L . and Topolnytsky , L , 2002), causes brand identification (Papasolomou. I . and Vrontis, D . , 2006) and establishes loyalty to the brand (Machtiger, 2004). After reviewing the literature, we can summarize that internal branding influences the levels of brand engagement through the following factors:

- Employer brand image: As a result of internal marketing activities, the so-called employer brand can be formed and managed to attract and retain quality professionals. Amler and Barrow present the concept of an employer brand for the first time and define it as a package of functional, economic and psychological benefits that were obtained when recruiting and identified with the employer organization (Ambler, T. and Barow, S., 1996). Employee perceptions of the employer's brand predict their positive attitude, including engagement with the consumer brand (Kimpakorn.N. and Tocquer, 2009).

Employer brand is a separate category of the consumer brand of organizations. In order to build and maintain its authority abroad, the organization must first achieve authority among its internal clients - the employees.

- Employee awareness of the brand: Commitment to the organization as a whole, as well as to the brand, in particular, implies awareness and understanding by employees. As a basic tool for building the so-called brand knowledge, internal communications are used. The latter, according to Kimpakorn N and Tocquer (Kimpakorn.N. and Tocquer, 2009), form the following three levels of staff awareness: Knowing the meaning of the brand, i.e. each employee knows the message and its basic idea; Awareness of consumer needs and perceptions, i.e. what the expectations of the customers selected by the company are and how they perceive its brand; Employee awareness of their role and responsibility in implementing brand strategies.
- Job satisfaction: In the literature on internal branding, job satisfaction is a factor that directly influences staff motivation to engage in communicating the brand message and in applying its core service values in servicing customers. Internal branding is based on the thesis that satisfied employees are more motivated and committed to marketing goals and strategies towards external stakeholder (Pervaiz, K. A. & Mohammed, R., 2003). Engaged employees build the brand in two basic ways (King & Grace, 2008):
- Directly influence consumer experiences associated with the organization's brand through its behavior during customer meetings;
- Indirectly by maintaining appropriate relationships with their colleagues. Good relationships between colleagues within a department and between departments are helping to build a work environment to stimulate brand-friendly behavior.

### 3. CONCLUSIONS

Recently, the brand has begun to symbolize increasingly the value added to the user as a result of the skills and perceptions of the staff. According to Spark (Spark, 2004), the brand predetermines the relationship of the organization with all its stakeholders (internal and external), including employees. In general, the well-known and established brand can attract highly qualified employees, as it is associated with the reliability and stability of the employer and with higher pay levels. At the same time, the work for such a company has a positive impact on the professional reputation of the cadres and their future career development. The brand can attract qualified staff, but it is generally not a guarantee that it can motivate employees to participate actively in building the brand's market position. From the management point of view, it is important to know the levels of engagement of the staff and, accordingly, the motivation factors that influence them. Employee engagement with the brand can be achieved within the concept of internal marketing as it encourages management to respect employees' needs and to assess their work efforts.

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