

UNRAVELLING THE EMPLOYEE-BASED BRAND EQUITY FORMATION PROCESS

INTRODUCTION

The literature concerning brand equity is dense, especially from the firm's and consumers' perspectives. Although recent studies demonstrate the vital contribution of employees to brand success, much is still unknown regarding their role in the brand equity development process. Therefore, this study aims to shed new light by proposing and empirically documenting an integrated model of the Employee-Based Brand Equity (EBBE) formation process. The study uses complexity theory and fuzzy set qualitative comparative analysis (fsQCA) in conceptualizing EBBE as a complex and dynamic causal process. The findings confirm the operationalization of the process providing significant theoretical and managerial implications as well as directions for future research.

BACKGROUND

The extensive literature review on EBBE reveals that although significant work has been done in the area there is still a lack of consensus on EBBE meaning. The proposed definitions tend to be abstract in nature, and thus, not fashioning a proper understanding of the EBBE complex and dynamic phenomenon. For instance, King et al. (2012) refer to EBEE as capturing the 'differential effect that the brand has on an employee's responses to internal branding [efforts]' (King et al., 2012). Boukis and Christodoulides (2020) approach EBEE from a rather operant vantage, which reflects "the perceived added value employees receive as a result of employee-based brand-building efforts". Concerning the EBBE formation process, the vast majority of the studies focus on a limited number of facets (King and Grace, 2010; King et al., 2012) which are predominantly behavioral such as employees' brand consistent and citizenship behavior, thus failing to provide the cognitive and affective stages that could further explain employees' brand-related behavior. Finally, existing studies adopt mainly regression-based methods and therefore, provide linear models treating the phenomenon in a rather simplistic way. EBBE is idiosyncratic in nature as during its development employees with different personality traits/ characteristics (e.g., occupational status), recognize and act upon brand values differently depending also on the localized dynamics (e.g., line manager's leadership). Based on the above, many questions remain unanswered as to how employees actually contribute to the brand equity development process or become brand ambassadors and how this process would be more sustainable.

Thus, the present study aims, firstly, to provide a holistic and dynamic EBBE model, which can fully explain all the different stages towards corporate brand equity development. Secondly, it aims to empirically test the model, demonstrating the structural power of each of the stages on the overall EBBE. Following current knowledge in the area, we offer a more informative and inclusive working definition: "*EBBE represents the set of employees' perceptions, knowledge, attitudes, and behaviors toward the corporate brand, which enable employees to effectively (i) contribute to the company's mission/vision, (ii) carry out their job role, and (iii) support other employees, leading to individual and organizational efficiencies and effectiveness*". Deviating from the typical regression-based methods used in previous research, this study adopts complexity theory to decode EBBE as a multistage phenomenon. Following building-block modeling (Chatzipanagiotou et al., 2016; 2019), the study aims to identify the sufficient combinations of conditions that allow the employees: (a) to build their brand understanding (brand building block); (b) their assimilation with the brand values as they are embedded in their role, responsibilities and perceived benefits (brand assimilation block); (c) their relationship and emotions towards the organization (brand affirmation block); and finally (d) their brand behaviors (brand enactment block). The above stages explain the EBBE developing process assuming that a combination of the conditions involved in each of these blocks predicts each of

the conditions involved in the next step of the process (see figure 1). Most importantly all the above blocks directly and positively affect the overall EBBE.

Brand Building Block (BBB): The stepping-stone for enhancing EBBE is the “brand-building” block, which is the outcome of the brand’s present “status quo” and how well this status is perceived by the individual employee (Baker et al., 2014; Liu et al., 2020). The *brand vision* is associated with a strong company inspiration for the brand, given the values for which the company stands (Choi, 2007). A strong vision for the brand, especially when employees align with this vision and the values underpinning this vision, has a variety of implications in terms of managing the company’s human resources, such as employee affective commitment, job satisfaction and higher citizenship behavior ((Ryu, 2015, Choi, 2007). *Brand heritage* transcends the legacy of the brand in its future (Urde et al., 2007; Pecot et al., 2019). Brand heritage is the perceived anchoring of the brand to its tradition (Fritz et al., 2017). Establishing a strong status quo for the brand relates to the ability of the line manager to uphold this status quo in the eyes of the individual employees. Coaching and mentoring individual employees on brand-related policies and practices is also another manifestation of demonstrating brand leadership as part of the effort to develop awareness among the company’s employees of the values and promises the brand carries for its customers. The *company’s HR* in supporting the brand internally represents the amount of effort the management puts into ensuring that individual employees align their actions and perception of their job role with the company’s vision and heritage (Morhart et al., 2009). *Top management support* reflects the extent to which employees perceive that the management cares for their well-being (King and Grace, 2010). This facilitates becoming more responsive to the company’s internal marketing efforts (Baker et al., 2014).

Brand assimilation block (BAssB): BBB activates brand assimilation, the second step in the process of EBBE development. This block reflects the extent to which employees not only have become aware of the company’s brand (and what the brand stands for) but crucially they have internalized this brand knowledge. This block is grounded on the job characteristics theory (Hackman and Oldham, 1975; Judge et al. 2017) since employees have first to internalize brand-specific information before externalizing any brand-related behaviors (Xiong and King, 2019). *Brand clarity* represents the degree to which individual employees have all developed a strong understanding of what the company’s brand stands for (King, 2010; Freling et al., 2011). Regarding *role clarity*, there is evidence to support a connection between employees’ perceived role clarity and the company’s internal branding efforts, which can help employees to better understand their role and what, specifically, the management expects from them (Garas, Mahran & Mohamed 2018). Furthermore, *employee-brand value congruence* is related to the perceived fit between one’s personal and work ethics and values and the organizational brand (King et al., 2017). Employees’ assimilation of brand values also depends on how employees perceive the benefits they get from their job. *Perceived brand benefits* include various financial, developmental, social, diversity, and reputational benefits that employees experience as part of their role and drive their satisfaction and identification with their employer (Schlager et al., 2011).

Brand affinity block (BAfB): BAssB influences the brand affinity block, which encompasses employees’ affective reactions that follow their internalization of brand values as well as the relational bonds they formulate with the organizational brand as part of their role. *Brand identification* reflects employees’ relational connection with the organizational brand and the extent to which their perceptions of membership become embedded in their self-concept (Hughes and Ahearne, 2010). As employees identify more strongly with the organization, they become more intrinsically motivated to support in a way aligned with its strategic interests and goals. *Brand commitment* assesses the extent of psychological attachment that employees eventually feel towards the organizational brand (Hughes and Ahearne, 2010; Helm et al., 2016). While

brand identification involves a sense of shared fate and perceived similarity with the organizational values and promise, brand commitment is essentially an attitude toward the organization that develops from exchange-based factors (Van Dick 2004). *Brand pride* captures employees' pleasure that relies upon the brand's perceived success (Helm et al., 2016; Tracy et al., 2009; Jung, 2013) and is thought to motivate pro-social behaviors (Helm, 2011, 2012). Similarly, *brand trust* is viewed as employees' confidence in the reliability of a specific brand (Moorman et al., 1993; Rampl and Kenning, 2014).

Brand enactment block: BAfB affects the brand enactment block, which captures the extent to which employees perform their in- and extra-role requirements in a fashion reflecting the values of the organizational brand (Morhart et al., 2009). Both *brand-consistent* and *brand citizenship behavior* indicate employees' alignment of their in-role behavior with the organizational brand directions (King and Grace, 2010). On the other hand, *brand endorsement* and *brand development* indicate employees' unsolicited and unprompted intentions to support the brand beyond their line of duty (Morhart et al., 2009). Whereas brand-consistent behavior captures employees' behavior in their role capacity (King et al., 2012), brand citizenship behavior addresses employees' discretionary brand-related behaviors that represent, the way they live the brand (Burmam et al., 2009; Chiang et al., 2012). Brand endorsement encompasses conscious espousal and advocacy of the brand whereas brand development relates to employees' efforts to actively improve the brand's well-being (Helm et al., 2016; Piehler et al., 2016).

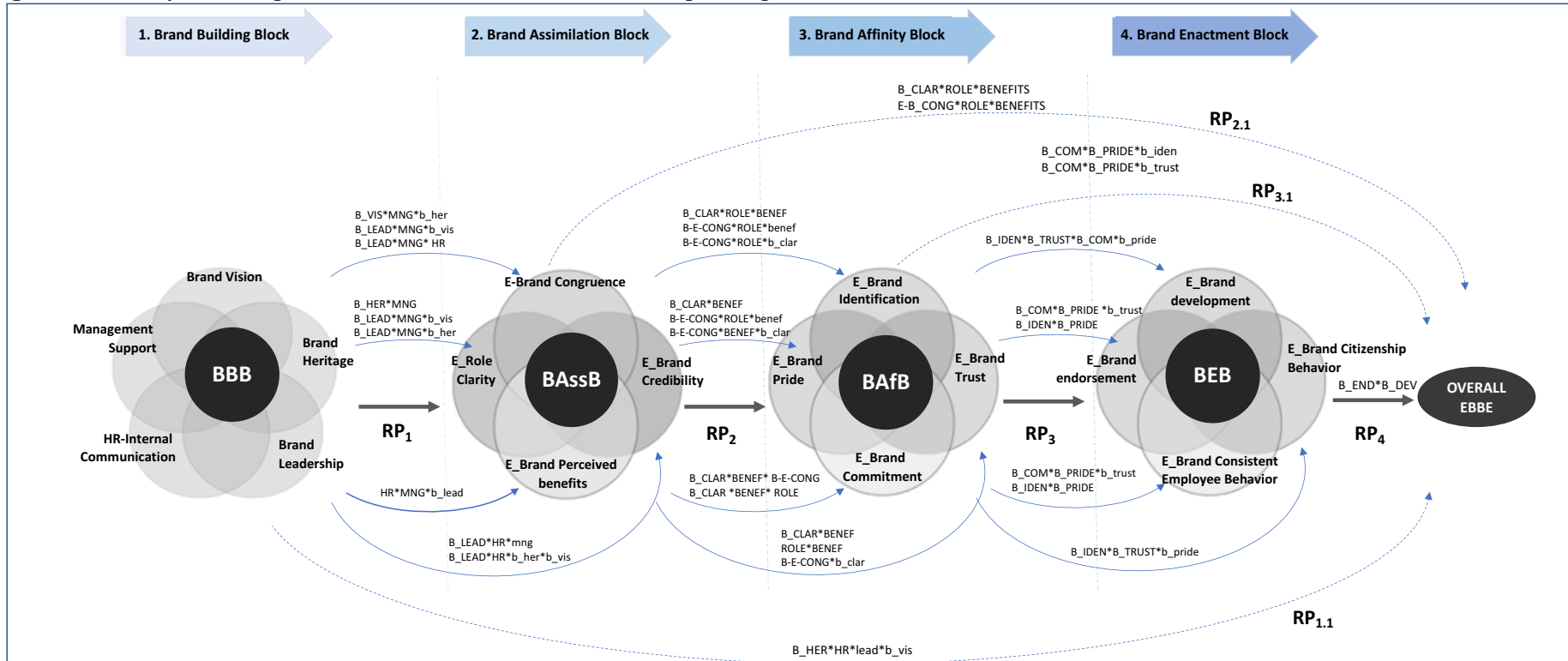
METHODOLOGY AND RESULTS

FsQCA is adopted to model and measure the activation process which takes place through the above building blocks and towards the overall EBBE. To test the model an online survey was conducted on employees in the UK producing 465 usable questionnaires. The sample was recruited by means of an opt-in panel service. The model's variables were measured based on previous, well-established scales (we used 5-point Likert). Additional tests were made to ensure the psychometric properties and internal consistency of the measures and that CMV was not a concern. FsQCA calibration was run on the basis of the direct method by Ragin (2008) to prepare the variables for the analysis. We set .80 as the minimum threshold for consistency consideration (Ragin 2008), and three cases as the minimum number of cases to be included in the truth table for further analysis. Figure 1 summarizes the results of the fsQCA confirming the research propositions and the structural power of the model. Most importantly, the results demonstrate that all blocks influence positively the development of the overall EBBE, with the brand affinity block playing the most critical role. The brand enactment block follows with the second most important role in explaining the overall EBBE.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

The study contributes significantly to branding theory and practice by proposing and empirically examining an advanced and actionable model of EBBE. By leveraging the advantages of complexity theory and fs/QCA the study offers a fine-grained understanding of the dynamic activation process taking place from the *brand building*, *brand assimilation*, *brand affinity* and *brand enactment* blocks toward overall EBBE. Thus, the model benefits brand managers by offering a realistic "mapping" of the chain reactions and anticipated results of any internal branding effort or strategy. It allows them to determine how they can improve their employees' brand knowledge, emotional attachment and behavior to improve in this way their performance and image as an employer. Future research focusing on the examination of the model in different contexts or among groups of employees with different characteristics (e.g., psychographics) would significantly extend our knowledge. Finally, as employees often develop workplace brand tribes with differences in terms of brand language, training, thinking, and behavior future research in this area would be valuable.

Figure 1. The Dynamic Operationalization of the EBEB development process



Research Propositions:

- RP1. Sufficient combinations of the elements constituting BBB lead to high scores in the individual components of BAssB.
- RP2. Sufficient combinations of the elements constituting BAssB lead to high scores in the individual components of BAfB.
- RP3. Sufficient combinations of the elements constituting BAfB lead to high scores in the individual components of BEB.
- RP4. Sufficient combinations of the elements constituting BEB lead to high scores in overall EBEB.

- RP1.1. Sufficient combinations of the elements constituting BBB directly contribute to produce high scores in overall EBEB.
- RP2.1. Sufficient combinations of the elements constituting BAssB directly contribute to produce high scores in overall EBEB.
- RP3.1. Sufficient combinations of the elements constituting BAfB directly contribute to produce high scores in overall EBEB.

Note: The analysis results appear as rows with uppercase letters indicating the high scores of a condition (core condition/most important) and lowercase letters indicating its lower scores (its peripheral role/less important condition). All results are above the .80 consistency threshold with coverage ranging from .45 to .80