Employee Brand Equity: Mediating Role of Brand Role Clarity and Employee Brand Commitment

Mohsin Altaf 1,2*, Sany Sanuri Mohd Mokhtar 2 and Noor Hasmini Abd Ghani 3

1 UCP Business School, University of Central Punjab, Lahore 54000, Pakistan
2 School of Business Management, Universiti Utara Malaysia, Sintok, Kedah 06010, Malaysia
3 Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Pengkalan Chepa, 16100, Malaysia

ABSTRACT
The objective of the study is to investigate the mediating role of employee brand commitment and brand role clarity in the relationship between openness and employee brand equity in Islamic banking. Survey method was used to collect the data from 278 employees working in Islamic banking. In sampling procedure, the stratified random sampling and simple random sampling were used in collecting the data from the respondents. PROCESS Macros was used to check the relationships specially mediating role of employee brand commitment and brand role clarity in the relationships. Findings of the study demonstrate that employee brand commitment mediates the relationship of openness and employee brand equity while brand role clarity has no mediating role in the relationship of openness and employee brand equity. The relationship between variables has been tested before but the mediating role of employee brand commitment and employee role clarity in the relationship has not been tested before.

Keywords: Brand role clarity, employee brand equity, employee brand commitment, Islamic banks, JEL Classification: M31, O15

INTRODUCTION
Islamic banking depends on Islamic laws, which disallow interest from any type of loan (Altaf et al., 2017a; Ariff, 1988; Mokhtar et al., 2018; Zafar et al., 2012). For the reason, the concept of Islamic finance emerges. The modern form of Islamic finance banking
system first introduced in Egypt in early sixties with the aim to give halal returns on customers’ investments. In Pakistan, Islamic banking system started its operation in 2001 and got remarkable growth in few years, however, the growth was not satisfactory as compared to conventional banks due to lack of professional employees (Ahmed et al., 2013). Hence, to achieve competitive advantage, managing brand equity through employee is the first towards financial performance (Ahmed et al., 2013).

Employee brand equity (EBE) or employee side of brand equity is a contributor towards external brand equity or customer side of brand equity (King & Grace, 2009). Employee brand equity is the differential impact of brand knowledge on employee responses in work environment (King & Grace, 2009). Hence, employee brand equity makes employee consistent towards delivering brand promise. Therefore, the success of brand depends on employee attitude and behavior (Burmann & Zeplin, 2005). The brand related behavior of the employee is employee brand equity, which includes every type of brand related verbal and non-verbal employee behavior that comprised brand consistent behavior, brand allegiance and employee brand loyalty.

Infact, the brand knowledge is an important factor that contributes towards the working behavior of the employees (King & Grace, 2009, 2010). Hence, it is necessary for organization to realize organizational benefits to the employees because it is the necessity for the brand knowledge (Corace, 2007). To stimulate employee brand knowledge, the required approach in the management to stimulate employees in order to receptive towards organizational dialogue is called employee openness (King & Grace, 2009). Therefore, the first objective of the study is to investigate the relationship of employee openness with employee brand knowledge i.e. role clarity and brand commitment which further lead the relationship towards employee brand equity. Secondly, the best of our knowledge, the mediating role of role clarity and brand commitment in the relationship of employee openness and employee brand equity has not been considered before. Here, researches interest is to know the variables that transform the impact of employee openness towards employee brand equity. Therefore, the second objective of the research is to investigate the mediating role of brand commitment and role clarity in the relationship of employee openness and employee brand equity.

The study is presented in following manner. First, we present the review of literature to explain the relationships and generate hypothesis to anticipate the research framework. Second, we empirically test developed hypothesis. Third, we discuss theoretical and empirical implications. Lastly, we encapsulate our research with future research and limitations.

**LITERATURE REVIEW**

Customer based bard equity is in term of external brand management (Altaf et al., 2017a; Altaf et al., 2018). Similarly, employee brand equity is a third perspective
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and internal views of brand equity. The concept covers the perspective of employee side of brand equity (King & Grace, 2009) because employees in services firm are the key in delivering services and important element in service profit chain (Heskett & Schlesinger, 1994). Furthermore, it is a contributor towards consumer based brand equity (King & Grace, 2009). Employee brand equity is the outcome of the process of employee-based brand equity (EBBE) that is defined as “The differential effect that brand knowledge has on an employee’s response to their work environment” (King & Grace, 2009). Therefore, employee brand equity (EBE) is the employee response towards their work environment. In the case of employee brand equity, brand knowledge equips employees to deliver brand promise. Consistently with employee brand equity, the objective of internal branding is to engage employees in a way to deliver brand promise (Burmann & Zeplin, 2005) and deliver brand experience (Ghose, 2009). According to Punjaisri and Wilson (2007), internal branding helps organization in development of strong and powerful brand.

In the present study, we use the conceptualization and measurement of King et al. (2012) where the employee brand equity is measured through the three dimensions i.e. brand consistent behavior, brand allegiance and brand endorsement. Brand consistent behavior is non-prescribed behavior of the employees or also called brand citizenship behavior (Burmann et al., 2009), whereas brand allegiance is the employee loyalty towards brand. In other words, brand allegiance is the employee future intention towards brand weather the employee should remain with brand in future (King et al., 2012). Brand endorsement is the third dimension of employee brand equity where employee says positive words towards brands and recommend brands to others (Burmann & Zeplin, 2005).

Employee openness is an approach where employee is prepared to receive an information because effectiveness in transmission and interpretation depends on employee responsive towards organization and customer (King & Grace, 2009). Employee openness is treated in an organization as disclosure of information which makes an organization effective (Eisenberg & Witten, 1987) because when the communication is open, organizational crises are avoided (Rogers, 1987), organizational and group goals are achieved (Kaplan, 1985) and task ambiguity is reduced (Wilson & Malik, 1995).

King and Grace (2009), conceptualized employee openness with four components i.e. organizational socialization, employee attitude towards their job, employee participation and management support. Employee socialization is defined as the “the process by which an individual comes to appreciate the values, abilities, expected behaviors, and social knowledge essential for assuming an organizational role and for participating as an organizational member” (Louis, 1980). The objective of employee openness is to make employee responsive. therefore employee socialization is an important in organization (Naudé
et al., 2003). Distortion of information in communication process discards the effectiveness. Therefore, employee attitude towards job having ability to minimize the distortion because satisfied employees are more responsive towards organizational generated information (King & Grace, 2009; Naudé et al., 2003). Moreover, employee involvement in decision making is the third component of employee openness. Employee involvement is an opportunity where employee participate in decision making and providing feedback (Altaf et al., 2013; King & Grace, 2009) and having significant impact on commitment of an employee (Conduit & Mavondo, 2001). Fourth, management support whereby organization creates close proximity and relationship with employees, the component is very important because management support enables employee motivation toward job and make employee committed towards their job (Bell et al., 2004). Hence, the above discussion helps us to postulate the following hypothesis:

Hypothesis 1: Employee openness would have positive impact on role clarity.

Hypothesis 2: Employee openness would have positive impact on employee brand commitment.

As with reference to the brand commitment, employees having clear role about the work, job and brand. Such employees prefer to work with motivation, energy and with full confidence to keep the organization in running position. Such employees are devoted, motivated, and do hard work for the progress of the organization. Therefore, the employees who are satisfied and committed with the organization must be committed with the brand of the organization as well. Hence, such positive relationship indicates that the satisfied, motivated and devoted employees with the employer, job, work environment, brand promise, brand commitment, and organizational committed employees will never leave the organization (Morgan & Hunt, 1994). According to Castro et al. (2005), commitment makes employee loyal and dedicated towards their work efforts. In the same way, committed employees having positive job satisfaction and work having positive word of mouth and having intention to stay (Bloemer & Odekerken-Schröder, 2006) and consistent towards delivering brand promises (Burmann & Zeplin, 2005). More specifically, there is a significant positive relationship existing between brand commitment an Employee brand equity (e.g., Baumgarth & Schmidt, 2010; King & Grace, 2010; King et al., 2012). Hence, we can postulate that:

Hypothesis 3: Employee brand commitment would have positive impact on employee brand equity.

In the process of employee brand equity, the two variables gain very much importance i.e. brand commitment and role clarity (King & Grace, 2009). Role clarity is important because it makes employee role clear in the organization about the job. According to King and Grace (2009), performance of employee having direct relationship with role clarity because it rises employee ability to understand the work. A
significant relationship exists in literature between employee understanding of their role requirement and employee satisfaction (Boselie & Van der Wiele, 2002). In the same vein, employees having satisfied employees are less inclined to leave an organization (Ramlall, 2004) and having positive word of mouth (Miles & Mangold, 2004). According to Burmann and Zeplin (2005), employees having high level of brand understanding deliver higher level of brand experiences. The recent research of Altaf et al. (2017b), Mokhtar et al. (2018), Altaf et al. (2018), Piehler et al. (2016), and Piehler et al. (2017) also identified the relationship of employee brand understanding and employees’ brand behavior and found positive relationship. Similarly, positive relationship of role clarity and employee brand equity found positive in the literature of internal branding (e.g., Altaf et al., 2017b; King & Grace, 2010; King et al., 2012). Hence, we can postulate that:

Hypothesis 4: Role clarity would have positive impact on employee brand equity.

Past studies indicated the positive relationship in between employee openness and role clarity (King & Grace, 2009, 2010), employee openness and brand commitment (Bell et al., 2004). Previously, role clarity having positive relationship with employee brand equity (King & Grace, 2009, 2010; King et al., 2012). Moreover, brand commitment has also positive relationship with employee brand equity (e.g., Ahn et al., 2015; Baumgarth & Schmidt, 2010; Burmann et al., 2008; King et al., 2012; Kwon, 2013; Piehler et al., 2015; Sepahvand & Sepahvand, 2013; Yang et al., 2015). Based on assumption, the study proposes role clarity and brand commitment as the mediator in the relationship of employee openness and employee brand equity. On the basis, we can hypothesize that:

Hypothesis 5: Role clarity mediates the relationship of employee openness and employee brand equity.

Hypothesis 6: Employee brand commitment mediates the relationship of employee openness and employee brand equity.

THEORETICAL FRAMEWORK

Figure 1. Framework of the study

RESEARCH METHODOLOGY

The method used to find out the results for study was based on survey questionnaire. These questionnaires were distributed to potential respondents and were received after one day to make easy and relax time for employees to choose better one option for response. This survey questionnaire helps in making accurate and clear results by the employee’s perceptions. All the scales were adopted from previous researchers. This questionnaire was based on Likart type Scale having five possible options ranging
Multistage sampling method was used to collect data from the respondents. In the first phase, Islamic bank branches were selected based on proportionate stratified random sampling. In the second stage, inside organization, systematic sampling was employed to collect the data from frontline as well as from backstage employees. Every second employee within bank branches was considered for data collection. Total number of 453 Questionnaires were distributed to the employees of Islamic banks. Out of 453 questionnaires, 280 questionnaires were returned. Total numbers of two Questionnaires were discarded due to incompleteness and response biasness. A total of 278 questionnaires were considered for analysis. Hence, the effective response rate was 61.4%. After collecting the responded questionnaires, researchers analyzed data through statistical package for social sciences (SPSS) version 20.

**Research Constructs**

Employee openness is the employee receptiveness towards organizational dialogues (King & Grace, 2010). To measure the construct, multi-dimensional scale was adopted from the study of King and Grace (2010). Dimensions include management Support, organizational socialization, employee attitude towards job and employee Involvement. A total numbers of 26 items were used to measure the construct with four dimensions. Role clarity is the mediator of the study. To measure the construct, 7 items scale was adopted from the study of King et al. (2012). Similarly, the second mediator of the study was employee brand commitment that was measured through 5 items scale adopted form the study of King et al. (2012). Lastly, employee brand equity that is the employees’ brand behavior was adopted from the study of Baumgarth and Schmidt (2010). Employee brand equity was measured through three dimensions including employee loyalty, in-role brand behavior and extra-role brand behavior. A total number of 8 items were adopted to measure the three dimensions. All the items were gauged through five points Likert-type scale. A total numbers of 46 items were used for the study excluding employee demographic information.

**RESULTS OF THE STUDY**

Data was analyzed by using SPSS 20. Multiple tests were applied to verify the proposed hypothesis. Reliability was found acceptable for all the variables. All the correlation values in Table 1, shows significant positive relationship between variables. Correlation Analysis suggests that there is significant positive relationship existing between employee openness with role clarity and brand commitment having value $r = 0.524$ ($p < 0.01$) and $r = 0.148$ ($p < 0.01$), respectively. The results of correlation analysis supported our hypothesis H1 and H2. Furthermore, the values of correlation between the relationship of Role Clarity and Brand Commitment with Employee brand...
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equity were \( r = 0.306 \) (\( p < 0.01 \)) and \( r = 0.632 \), (\( p < 0.05 \)) supporting our hypothesis H3 and H4.

Table 1

<table>
<thead>
<tr>
<th>Correlation among variables</th>
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<tbody>
<tr>
<td>Employee openness</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>Employee openness</td>
</tr>
<tr>
<td>Role Clarity</td>
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<tr>
<td></td>
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<tr>
<td>Brand Commitment</td>
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<td>IBE</td>
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</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Furthermore, to check the impact of independent variables on dependent variables (See Table 2), researchers regressed our dependent variables over independent variables. First, researchers regressed role clarity over employee openness, found significant result having beta value, \( \beta = 0.524 \), (\( p < 0.01 \)) supports our hypothesis 1. Secondly, researchers regressed brand commitment over employee openness and found the significant impact of employee openness on brand commitment having value \( \beta = 0.148 \), (\( p < 0.05 \)) supports our hypothesis 2. Role clarity and brand commitment also having significant positive impact on employee brand equity having values \( \beta = 0.306 \), (\( p < 0.05 \)) and \( \beta = 0.632 \), (\( p < 0.01 \)). Results of the study support our hypothesis 3 and 4 respectively.

Table 2

<table>
<thead>
<tr>
<th>Regression analysis</th>
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<tbody>
<tr>
<td>Predictors</td>
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<tr>
<td></td>
</tr>
<tr>
<td>Employee openness</td>
</tr>
<tr>
<td>Role Clarity</td>
</tr>
<tr>
<td>Brand Commitment</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 . Correlation is significant at the 0.05
To check the mediating role of role clarity and brand commitment in the relationship of employee openness and employee brand equity (See Table 3), researchers used the PROCESS macro tool by using SPSS version 20 (Hayes, 2013). PROCESS macro allows us to check the indirect effect of role clarity and brand commitment in the relationship of employee openness and role clarity. Researchers checked the indirect effect by generating 95% bootstrap bias confidence interval on the basis of 1000 bootstrap samples. Employee openness was entered with both potential mediators simultaneously. Results of the study show that the direct effect of employee openness and Employee brand equity was insignificant having value of confidence interval (LLCI = -0.1740, ULCI = 0.0922). While indirect effect of brand commitment in the relationship of employee openness and employee brand equity was significant having values of confidence interval (LLCI = -0.0253, ULCI = 0.2390). Both lower level confidence interval LLCI and upper level confidence interval ULCI do not includes zero. Hence, we conclude that the brand commitment having mediating role in the relationship of employee openness and employee brand equity. Brand commitment completely mediates the relationship because the direct effect was insignificant and direct effect was significant. On the other hand, indirect effect of role clarity in the relationship of employee openness and employee brand equity was insignificant having values of confidence interval (LLCI = -0.0180, ULCI = 0.1856). Both lower level of confidence interval and higher level of confidence interval contain zero. Therefore, the indirect effect is considered insignificant. Hence, role clarity has no mediating role in the relationship of employee openness and employee brand equity.

Table 3
Mediation analysis by using PROCESS macro

<table>
<thead>
<tr>
<th>Direct effect of Employee openness on Employee Brand Equity</th>
<th>Effect</th>
<th>SE</th>
<th>t</th>
<th>p</th>
<th>LLCI</th>
<th>ULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-.0409</td>
<td>0.0677</td>
<td>-0.6047</td>
<td>0.5458</td>
<td>-0.1740</td>
<td>0.0922</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indirect effect of Employee openness on Employee Brand Equity</th>
<th>Effect</th>
<th>Boot SE</th>
<th>Boot LLCI</th>
<th>Boot ULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>0.2073</td>
<td>0.0735</td>
<td>0.0823</td>
<td>0.3566</td>
</tr>
<tr>
<td>Brand Commitment</td>
<td>0.1243</td>
<td>0.0538</td>
<td>0.0253</td>
<td>0.2390</td>
</tr>
<tr>
<td>Role Clarity</td>
<td>0.0830</td>
<td>0.0499</td>
<td>-0.0180</td>
<td>0.1856</td>
</tr>
</tbody>
</table>

Number of Bootstrap were = 1000
Confidence Interval = 95%
CONCLUSION AND DISCUSSION

The results of the study revealed that openness having positive relationship with role clarity and brand commitment. Furthermore, brand commitment and role clarity having positive relationship with employee brand equity. According to the results, openness having greater impact on role clarity as compares to brand commitment but on the other hand, brand commitment having more impact on the Employee brand equity as compare to role clarity. Furthermore, results of the mediation analysis indicate that brand commitment having mediating role in the relationship of openness and employee brand equity. The mediation is full mediation but role clarity does not mediate the relationship of openness and employee brand equity.

Based on results, openness is the stronger driver for role clarity but having lesser impact on brand commitment. Therefore, we can say that if we want to clear the employee about the roles to perform brand related activities but on contrary, if organization needs to enhance the level of brand related behavior of the employee (Employee Brand Equity) that is non-prescribed in nature, therefore, service sector needs to enhance the level of brand commitment. The findings of the research is in line with the past researchers (e.g., Ahn et al., 2015; Baumgarth & Schmidt, 2010; Burmann et al., 2008; King & Grace, 2010; King et al., 2012; Kwon, 2013; Piehler et al., 2015; Sepahvand & Sepahvand, 2013; Yang et al., 2015). Moreover, brand commitment also mediates the relationship of openness and Employee brand equity, which suggests that brand commitment is the variables that transform the effect of openness on employee brand equity. Therefore, Islamic banks need to concentrate on the brand commitment in order to get the competitive advantage.

LIMITATION OF THE STUDY

This study only limited to the pure Islamic banks and not included the stand-alone branches of conventional banks. Hence, the results may change in case of conventional banks or stand-alone windows of conventional banks. Moreover, employee brand equity is measured through employee perspective and it is recommended to measure employee brand equity from consumer perspectives.

REFERENCES


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