The Impact of the Corporate Brand Identity on Employee Behavior and Attitude: A Descriptive Analysis (Case Study: Khuzestan Province Tejarat Bank Employees)

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Abstract

In today’s competitive world, to service organizations as banks, identity and image plays an essential role. Therefore, building and managing a brand as a means of entry into international markets has become a key factor giving the enterprise a competitive edge and helping it expand its operation. Organizational identity is among the most challenging organizational topics which is directly associated with actions and behavior of organizations and the motive behind many social efforts and teamwork. Present research explores the links between variables corporate brand identity and employee behavior and attitude in the Tejarat Bank branches of Khuzestan province. The required actual data, based on the research model, was collected from the distributed questionnaire among the bank employees. Data analysis for test of the hypotheses regarding the relationship of the variables was performed using multivariate regression and structural equation modeling (path analysis). Content validity of the questionnaire was verified after consulting the university professors and the experts of the field, and using factor analysis, construct validity thereof was confirmed. In addition, the questionnaire reliability was confirmed using Cronbach’s alpha testing procedure. The results indicated that at 95 percent confidence there was a significantly positive relationship between brand identity management and organizational commitment. Further, a positive and statistically significant association was found between organizational commitment and brand performance, and between organizational commitment and job satisfaction. Finally, the research findings supported significant mediation of brand identity management in the relationship among brand performance, organizational commitment and job satisfaction.

Key words: brand identity management, brand performance, organizational commitment, and job satisfaction.
Introduction:

Modern organizations operate in a highly complex and dynamic environment where rapid and unpredictable changes occur (Gardner, 2000). In today’s competitive world, identity and reputation (or image) plays a key role in services organizations like banks without which the term bank is not conceivable as a real entity. Hence, a bank’s greatest capital is the customer trust in it (Cohen and Nelson, 2003). On the other hand, the business environment is increasingly becoming competitive and uncertain. To deal with this challenge, a change regarding the innovation, or a renovation in innovation, is suggested to be crucial (Mohammad et al, 2015). The concept brand identity is a set of unique communication in the form of mottos and promises it conveys to customers and thereby creates a new identity for itself or improves its existing identity. Identity is one the most important factors that makes the brand perpetuate and leads it to new products and markets (Keller, 2003). The concept organizational identity has gained much attention over the last decade, since it serves as an important tool for analysis of various organizational aspects (Foreman and Whetten, 2002).

In recent years, identity has become the footstone of one of the major research fields. This term is the root concept for such concepts as brand identity and organizational identity. The former, brand identity, represents specific values and its features, association with corporate brand, and indicator of an organization’s offered products to the market (Buil et al, 2015). Organizational identity is a strategic tool for accomplishment of goals and outlooks and an effective strategic tool and an important sustainable resource and competitive advantage with numerous advantages for the organization (Melewar, 2003). Identity helps organizations find competent employees, attract new customers, and enhance loyalty of the existing. It can be applied as a critical factor and a factor of competitive performance, which can be important for fund raising from outside sources (Ljubojević and Ljubojević, 2008). In this process, employees have a major role in enhancing the organizational identity, and their job satisfaction and organizational commitment can be an important factor in improving the organization’s image and identity. Organizational identity is related to many aspects of employee behavior and attitude, as well as contextual and work-related variables, and plays a pivotal role in regulating behavioral norms of organization’s members. The concept organizational identity is partly formed by the employee attitudes which after 1980s have been moved to the front line of the organizational studies and enhanced managers’ understanding of employee and organizational behaviors (Colton and Oliveira, 2009).

In a knowledge-based economy where having a competitive advantage differentiates an organization from other organizations, human resources, given their crucial role, are the key to success. Reputation and splendor of excellent organizations is not due to the mere possession of more physical or financial assets, they rather owe this to their high quality workforce that possesses over the required knowledge and skills. Therefore, employee job satisfaction and organizational commitment is crucial for organization success and enhancement of organizational performance. Managers and administrators of the service industry as banks, on their part, need to increase their knowledge and understanding of
the factors involved in shaping the brand identity, as well as the impact that existence of strong organization brand identity can have on employee commitment to organization and organization brand performance, so as the necessary ground is provided for giving shape to a consistent organizational identity and achieving the competitive advantage derived from it. Despite the evident relevancy of organizational identity management in recent years, there are few studies that addressed this strategic resource and considered the role of organizational identity important (Wallace et al, 2013: 166). So long as the organization’s employees have a stronger sense of identity with organization, they will maintain a more positive attitude to organization and with full knowledge will make effort for accomplishment of organization goals and will be more committed to organization (De Coninck, 2011). Many a research conducted earlier on organizational identity indicated it as one of the productivity determinants. They also indicated that the employees with the same sense of identity with their organization exhibit positive thoughts and beneficial behavior toward their work environment (Bergami and Bagozzi, 2000). Expanding on the earlier studies by Grant et al (2001), Sohi (1996), Ghabisheh (2010), Lavasani et al (2008), and Buil et al (2015) that gave evidence on the effect of brand management on commitment, satisfaction, and performance, this paper, proposing interrelation among brand identity with employee behavior and attitude, examines partial relationships between brand identity management, employee commitment, employee job satisfaction, and brand performance, as well as the mediating effect of brand identity management in the relationships of brand performance, employee commitment and job satisfaction.

**Brand identity**

Brand identity is a unique set of brand links which communicates commitment or promise to customers and includes a core identity. The core identity is the central and timeless feeling of a brand that remains unchanged when the brand moves to new markets and products (Ghodeswar, 2008: 5). For definition of the term “organizational identity,” three fundamental aspects are necessarily considered.

First, organizational identity is a set of outward forms and manifestations of an organization. That is to say, in addition to visual forms that a company makes for itself, visual identity is also expressed through verbal, behavioral, and structural means used by the company both in inter-organizational interactions and public relation with community.

Second, organizational identity should sufficiently comprise all the above forms of expressions, but this inclusion is not necessarily absolute. Polarity, in fact, is not necessarily always against an attractive and distinguished organizational identity.

Third, a successful or competitive organizational identity, in whatever form of expression it is, should return to one single core and renew the bonds with its roots. Put it differently, organizational identity should revolve round a coherent nucleus of values. Once its
nucleus of values has been formed, three major steps for creation and support of a successful organizational identity could be as follows:

(i) Visual identity of all the texts and visual materials and interactions should consist of a creative and strategic nucleus of values.
(ii) Placing organizational identity deeper in the customer consciousness through a professional and sustained management.

Employees that are identified with their organization maintain an image of themselves which is in accordance with organizational image and values. During interaction with non-members, they like to see themselves as representatives of the organization. In strategic decisions that they make, they consider interests of the organization as basic principles and distinguish themselves from other people whose values and goals are in conflict with those of the organization (Amirkhani and Aghaz, 2011: 248).

Commitment:

According to the definition of Allen and Mayer (1997), organizational commitment is of three types: (1) Affective commitment refers to the employee’s belief in organizational goals and values; (2) Continuance commitment signifies employee’s inclination to keep on working with organization; and (3) Normative commitment: employee stays with organization out of a moral obligation.

Hackat (1998) has defined commitment as intention of one side of relation to continue or maintain activity. (Rashid, 2003, 744) Most of the time, commitment is expressed as the desire to maintain mutually valuable relationships (Morgan and Hunt, 1992) In other words is tendency to repurchase of consumers (Evans et al., 2009) Costumers are committed to service providers because they attract customer confidence and provide services in considered way. (Kassim & Abdulla, 2006). Laryver et al (2014) based on 12 important research of marketing identified commitment to customers in three dimensions of affective commitment, calculative (also known as continuance commitment) and normative between 1997 and 2007 that these three dimensions have ability to influence customers' loyalty.

Job satisfaction

Over the past decades, scholars have shown relatively more interest in job satisfaction. As a result, this topic has been subject to the greatest number of studies in the organizational literature (Liu et al, 2008: 687) and therefore, it is a somewhat over explored and well-developed concept. Job satisfaction is often viewed as an outcome of the employee’s perception or evaluation of their job. If employees experience a high degree of satisfaction with their job, this may create a desirable or emotionally positive situation in the organization (Esmaeel et al, 2010). In general, job satisfaction
Determinants are specified into four categories: (1) Organizational factors; (2) Environmental factors; (3) Nature of work; and (4) Individual factors (Broker, 2003).

The knowledge-based industry today depends on its employees. Employees are considered as their asset. Therefore, the efforts made by departments of human resources for analysis and understanding of those aspects that contribute to employee performance were necessary to ensure the effectiveness and efficiency. Research literature indicates that positively perceived organizational support is associated with a number of the research findings on organization and individual, i.e. honesty and conscience in performing contractual job responsibilities, organizational commitment, and job satisfaction. In addition, there is some evidence indicating that organization effort for convincing the employees that organization appreciates their cooperation and cares for their wellbeing and welfare, expresses an effective counteraction against the demotivational impacts of the employee’s doubt and pessimism (Krishnan et al, 2012: 3).

Brand performance

In the today’s advanced business environment, performance is an indispensable guide for every company that analyzes its success degree both on domestic scale and internationally. Performance evaluation is a complex task, since it can be variously conceptualized and operationalized (Lages and Montgomery, 2004). Improvement in organizational performance can be achieved in a variety of ways (Ahmad and Schroeder, 2003). Corporate performance is a multidimensional concept that considers the firm performance in view of and relative to competitors. A comprehensive approach to organizational learning takes not only financial aspects into account but also all the facets potentially capable of value creation in organization. In such comprehensive view of corporate performance, both dimensions – i.e. financial (profit and growth) and non-financial (efficiency, creativity, and customer satisfaction) – are involved. This method, taking all aspects, both financial and non-financial, into account, is focused on competitive advantage of the organization (Lopez and Merono-Cerdan, 2011). In this study, this variable is measured by such aspects as performing the responsibilities specified in job description, working quality according to standards of famous brands, providing the services in compliance with requirements of famous brands, and offering special services to customers.

Research model:

Research model is derived from prior research and the research theoretical background, as is represented in figure 1.
The hypotheses:

This study, based on the research model and questions, seeks to investigate the following hypotheses:

(a) Corporate brand identity management has effect on employee commitment in organization.
(b) The employee organizational commitment has effect on brand performance.
(c) The employee organizational commitment has effect on their job satisfaction.

Research methodology:

This study is applied research objectively, in terms of the method of research is survey, in terms of collecting data is descriptive and non-vitro and in terms of the relationship between the variables of research is regression. The target statistical population included the employees of Tejarat Bank branches throughout Khuzestan province (968 in total). Given the finite size of the population, the Cochran’s formula was used for deciding on the sample size. The required data for test of the relationships assumed by the model was obtained through standard questionnaires on a 5-point Likert scale ranging from absolutely disagree with to absolutely agree with. Due to its limit, to determine the sample size, Cochran formula is used in limited society. Then, questionnaire was distributed around the time of the winter 2015 which ultimately questionnaires collected, 215 ones were valid and in subsequent analysis was used. it is also noteworthy that, according to the professors and marketing experts view, validity of questionnaire was confirmed and based on Cronbach's alpha test, the reliability of the questionnaire has been investigated that the value of this coefficient for the questionnaires (Brand identity management, employee organization commitment, brand performance and job satisfaction)is estimated 80.7, 72.7 , 76.1 and 74.8.
respectively, which shows the appropriate reliability of questionnaires. To examine the assumed relationships between the involved variables, structural equation modeling and in particular, path analysis, was used, whereby causal relationship between the variables is expressed in terms of standard coefficient and significance value (t-value) based on which it is decided whether to accept or reject a hypothesis. It is noteworthy that the model estimation was performed using LISREL software.

**Structural modeling:**

At this stage, data normality test and exploratory factor analysis were performed. In the output of the first order exploratory factor analysis (KMO-Bartlett’s test), KMO = 0.825 Indicates adequacy of the understudy sample. In diagram 1 and 2, the model is analyzed in term of standard estimation (standard coefficients) and significance coefficients (significance number).

Diagram 1 – Structural equation modeling (standard estimation)
The obtained values from the software output for the model goodness of fit test indicate that the research conceptual model is fairly fit and the relationships between the variables have been logically established by the research conceptual framework.

Table 1 – The model goodness of fit indices

<table>
<thead>
<tr>
<th>Fit index</th>
<th>Macro</th>
<th>Standard values</th>
<th>Estimated values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Root mean square error of approximation</td>
<td>RMSEA</td>
<td>0.05</td>
<td>0.080</td>
</tr>
<tr>
<td>Normed fit index</td>
<td>NFI</td>
<td>0.90</td>
<td>0.85</td>
</tr>
<tr>
<td>Non-normed fit index</td>
<td>NNFI</td>
<td>0.90</td>
<td>0.89</td>
</tr>
<tr>
<td>Comparative fit index</td>
<td>CFI</td>
<td>0.90</td>
<td>0.91</td>
</tr>
<tr>
<td>Root mean square residual</td>
<td>RMR</td>
<td>0.05</td>
<td>0.045</td>
</tr>
<tr>
<td>Goodness of fit (index)</td>
<td>GFI</td>
<td>0.90</td>
<td>0.88</td>
</tr>
<tr>
<td>Adjusted goodness of fit index</td>
<td>AGFI</td>
<td>0.90</td>
<td>0.84</td>
</tr>
</tbody>
</table>
As is seen in table 1, with the goodness of fit index (GFI) of 0.88, adjusted goodness of fit index (AGFI) of 0.84, root mean square error of approximation (RMSEA) of 0.080, and comparative fit index (CFI) of 0.91, they all are at a reasonably good level.

Test of hypotheses:

Table 2 summarizes the results on test of the relationships between the variables in terms of the correlation coefficients (estimated path coefficients) at 5 percent significance expressed in t-statistics based on which the hypotheses are confirmed or rejected. The obtained results from estimate of the structural model and test of hypotheses are summarized in table 2.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path</th>
<th>St. Coeff</th>
<th>Sig-value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Brand identity management-employee organization commitment</td>
<td>0.93</td>
<td>6.58</td>
<td>Accept</td>
</tr>
<tr>
<td>2</td>
<td>Employee organization commitment-brand performance</td>
<td>0.94</td>
<td>5.33</td>
<td>Accept</td>
</tr>
<tr>
<td>3</td>
<td>Employee organization commitment- job satisfaction</td>
<td>0.74</td>
<td>4.50</td>
<td>Accept</td>
</tr>
</tbody>
</table>

Given the results of the structural equations, the path coefficient between Brand identity management and employee organization commitment indicates that at 0.05 significance the relationship between the two variables is significant. It follows that since the Sig-value of this path (6.58) is greater than the standard value 1.96, this path is significant at 95 percent confidence. Thus, hypothesis 1 suggesting an association between Brand identity management and employee organization commitment is accepted.

Considering the results, the path coefficient between Employee organization commitment and brand performance, indicates that at 0.05 significance the relationship between the above variables is significant. Thus, with 95 percent confidence, it is concluded that Employee organization commitment have a positive effect on brand performance in other word The path organizational Employee organization commitment and brand performance refers to test of hypothesis 2, and since the Sig-value of this path (5.33) is greater than the standard value 1.96, this path is significant at 95 percent confidence. Thus, hypothesis 2 suggesting an association between Employee organization commitment and brand performance is accepted.

Finally, the path Employ organization commitment and job satisfaction refers to test of hypothesis 3, and since the Sig-value of this path (4.72) is greater than the standard value
1.96, this path is significant at 95 percent confidence. Thus, hypothesis 3 suggesting an association between Employee organization commitment and job satisfaction is accepted.

**Conclusion and suggestions:**

Change and as a consequence of it, uncertainty has become inherent to the information and communication era, to the extent that the only constant thing is the change itself. Today, the change is at its fullest pace ever. Modern organizations have to operate in such a highly dynamic environment and subject to ongoing internal and external changes, and in order to maneuver in this environment and for success and progress, they not only need to adapt themselves with the ever changing environment, but also to welcome the changes as opportunities which could be the source of competitive advantage for the enterprise, if properly handled.

The chief purpose of each organization is realizing the highest possible production amount or the optimum productivity. The relevant factors to capital productivity are tools, practices and human resources. An organization that possesses the greatest amount of capital, the best technology and facilities, but lacks high-performance and motivated workforce, will not achieve its goals (Shafaee et al, 2012). In the last decade, the topics organizational commitment, organizational identity, and job satisfaction have found an important place in the organizational behavior research and have become of special interest to many scholars and management scientists. Present research, based on the research empirical and theoretical background, examined the relationship between brand identity management, organizational commitment, brand performance, and job satisfaction among employees of Tejarat Bank branches in Khuzestan province. Next, based on the obtained data from the questionnaire, regression analysis and path analysis from structural equation modeling were performed. The results of the data analysis supported the research hypotheses at 95 percent confidence. Given the diagrams of the structural equations, the path coefficient for the relationship of brand identity management and employee commitment is 0.93 and since 1.96 < 6.58 (at 0.05 Sig), the relationship between the two variables is significant. The positive path coefficient implies that this relationship is a direct one which means an increase (i.e. improvement) in brand identity management would increase employee commitment. This result is consistent with the research findings suggesting that brand identity has many consequences for such aspects as the employee loyalty and commitment. A broader interpretation hereof is that the organization’s achieving of a harmony and order next to creating a sense of unity and worthiness would partly satisfy the employee’s natural (and social) needs for working in the organization setting and would increase willingness for commitment amongst the employees. Every man likes to work in an organization with a reputable brand and good reputation in order to raise their status and prestige in the society. This means that brand and employee commitment mutually affect each other: brand creates employee loyalty and commitment and the employee loyalty and commitment, in turn, enhances brand performance. As to the second hypothesis, the path coefficient of employee commitment and brand performance (0.94), given t-test criterion 1.96 < 5.33, is significant at 0.05 Sig. It implies that employee commitment has a positive, direct, and statistically significant
effect on brand performance. Earlier research findings indicate that the employee commitment and loyalty to the brand not only enhances the brand performance, but also results in implementation of high commitment human resources management. Therefore, intra-organizational brand-making can be considered a facilitator of solution for human resources problems meanwhile a successful human resources plan creates value for brand identity. Finally, the path coefficient for employee commitment-job satisfaction (0.74), given t-test criterion 1.96 < 4.5, the relationship of the two variables is significant (at 0.05 Sig). This implies that with 95 percent confidence employee commitment has a positive and direct effect on employee job satisfaction. Since job satisfaction in employees can enhance their sense of commitment to the organization which in turn makes them engage more in their role-play and carry out their responsibilities more carefully. Employees are motivated to perform better their tasks which eventually will improve their (overall) performance. In the meantime, managers by increasing the employee satisfaction with superintendents and the organization can create commitment and enthusiasm in employees. Job commitment, too, has a considerably positive effect on the employee job satisfaction. The findings of this research are consistent with those of Grant et al. (2001), Sohi (1996), Ghabisheh (2010), Lavasani et al. (2008), and Buil et al. (2015).

Suggestions:

- The bank should adapt and adjust advertising and promotional messages that it chooses with the audience or addressee.
- Changing the managers’ attitude to employees and appointing people to appropriate organizational positions according to their competences and capabilities which also reduces discrimination and enhances employee satisfaction and commitment.
- Communication of the work outcome and giving feedback to people for boosting employee commitment and their job satisfaction. Managers by such actions as job rotation, job enrichment, employee empowerment, and enjoyable making of the work and stressing on the fun aspects of the job would improve the employee’s perception of sense making at work, enhance their loyalty, and prevent their leaving the organization.
References


