EFFECT OF EMPLOYEE BRANDING ON CUSTOMER SATISFACTION, FAVORABLE REPUTATION AND EMPLOYEE SATISFACTION

Behrouz Lari Semnani[1]--- Mohammad Mahmoudi Maymand[2]---Lotfollah Frozandeh Dehkordi[3]--- Rasoul Sanavi Fard[4]†

[1,2,3]*Assistant Professor, Department of Business Administration, Payame Noor University, Tehran, I. R. of Iran*

[4]*PhD Student in Business Management, Payame Noor University, Tehran, I. R. of Iran*

ABSTRACT

In recent decades, the role of human resources in building brand in organization has increased, because they are internal customer of organization. Despite of this viewpoint, reports show that more managers do not know how they can use them to achieve a competitive advantage for their organization. Therefore, present study aimed to identify employee branding and utilize of it in organization. In the present study, employee branding and outcomes of it was used in Mellat Bank. Research statistical population consisted of employees of Mellat Bank in Qom and Arak cities. Sampling method for employees was cluster method. Data collection instrument was questionnaire. Partial Least Square (PLS) was used to analyze the data. The results of Partial Least Square confirmed model fitness in studied population. Likewise, the results from path analysis showed that employee branding had significant influences on customer satisfaction, favorable reputation and employee satisfaction.

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Keywords: Employee branding, Customer satisfaction, Favorable reputation, Employee satisfaction.

Contribution/ Originality

This study is one of very few studies which have investigated on employee branding process and outcomes of it in banking industry.

1. INTRODUCTION

Branding is about people. People build brands. People buy brands. The relationship at first glance, is a simple one – build a good brand and others will buy it. At the heart of this relationship, however, are the employees (Harris, 2007). Employees are the true endorsers and ambassadors of

the company brand. Great customer service depends when employees embrace the service with smile, utmost care & customer come first mantra. This attitude, consistency and energy bring in delighting moments from customers at all touch points with brand. The secret of breakaway brands is to first create an absolute brand positioning internally and then tell customers, companies and communities through creative marketing strategy (Memon and Kolachi, 2012). The employees of a company have to know about the desired brand identity and be willing to project that identity both internally and externally. If employees do not internalize the brand identity, they can easily undermine customer expectations created by the external marketing efforts (Burmann and Zeplin, 2005). Employee branding as a source of strategic competitive advantage has been a basis for discussion in recent years. While practitioners focused on the importance of employee branding and its positive outcomes, their discourse often lacked focus because they did not agree on the term's definition or its conceptualization (Miles and Mangold, 2005).

However, several research projects have focused on employee branding and the result of it in the past decade. There is limited empirical work which captures the success factors of employee branding. Few studies have been done on employee branding like Miles and Mangold (2005) and Memon and Kolachi (2012) studies. Likewise, no study has been done on employee branding in Iranian Bank, especially in Mellat Bank.

Therefore, as an employee branding process, the firms should be founded understanding of how they achieve a competitive advantage in organizations by employees. In this study, Miles and Mangold (2004) basic scales were used to assess employee branding model. Previous researches' review show that Miles and Mangold (2004) employee branding process have been used in many studies to identifying of employee branding process and outcomes of it. Therefore, this model is appropriate tool for understanding employee branding.

2. LITERATURE REVIEW

Employees are the key players for the organizational success (Yaniv and Farkas, 2005). Loyal and committed employees are as asset for any organization and play a vital role in achieving the organization's targets in the highly competitive world of today (Aijaz and Ali Shah, 2013). The role of human resources in brand building is therefore increasingly important. The management of employees in brand building has been referred to as internal marketing, internal branding and employee branding (Aurand et al., 2005). Branding is not only as opportunity to shape customers` perceptions with respect to the organization; it is also an opportunity to shape employee perceptions as well (King and Grace, 2007). By definition, the employee brand is the image presented to an organization's customers and other stakeholders through its employees. It is tremendously important to the well-being of most organizations, given employees' potential for creating either extremely positive or extremely negative images (Mile and Mangold, 2007).

Employees are the ones who truly create the image of the company to customers and outside stakeholders (Ind, 2003). Employee branding programs also include opportunities for all employees "reconnect with the market". Cross-functional teams of marketing and non-marketing employees might meet with customers, distributors, and retail sales people (Gephardt et al., 2006).

Miles and Mangold (2004) have presented employee branding process that many previous researchers have used it in their researches. Their process are employee's Psyche include Knowledge of desired brand image and psychological contract. The model proposes the different sources of messages that contribute to establish the mechanism central to the employee branding process.

Furthermore, it also proposes factors that should shape the message communicated to employees. Miles and Mangold (2005) explain how employee branding works and how it can be utilized to position the organization in the minds of customers, employees, and other stakeholders.

They extend their previous conceptualization by presenting a contextual analysis of Southwest Airlines' use of the employee branding process to gain an organizational position in the minds of customers. They believe that employees vividly project an organizational image to customers and other constituents. Whether the image is positive or negative is critical to the effective positioning of most organizations, especially those in the service sector.

Other basis model is 4E's of Employee Branding framework that has been developed in general by Memon and Kolachi (2012). These 4E's of Employee Branding are Employee Engagement, Employee Empowerment, Employee Education and Employee Equity. The purpose of Memon and Kolachi (2012) research was to investigate and describe phenomenon of employee branding and its impact on brand identity, brand commitment, brand loyalty and brand performance. The findings of their research study propound a model that concludes important issues to be addressed by employee branding efforts.

This study identifies employee branding process and result of it in Mellat Bank in Qom and Arak cities. We study employee branding process in banking area, because it is useful instrument for services industry. Mellat bank is one of the largest privacy banks in Iran that tries to create competitive advantage in banking industry toward other Iranian banks. Mellat Bank in Qom and Arak Cities has many branches that the manager of them want determining employee knowledge of the desired brand image and making sure employees want to project this image through an upheld psychological contract. This research therefore covers how Mellat bank in Qom and Arak cities can increase customer satisfaction and improve reputation of Mellat Bank by employees. Therefore this study aimed to:

1. Introduce employee branding theory.

2. Investigates of employee branding process in order to gain an understanding of how the Banks work with and can utilize this as an efficient tool.

3. To identify which factors are outcomes of employee branding process.

a. Customer Satisfaction

Hung and Chen (2003), stated that the biggest challenge for today's service relies on the excellent service quality and high customer satisfaction. Customer satisfaction refers to the customer's overall evaluation of the performance of a service (Gustafsson *et al.*, 2005). Customers in most instances derive their satisfaction from the frontline employees' successful performance of their duties towards them (Darian *et al.*, 2001). Reynolds and Beatty (1999) suggested that the service provider (frontline employee) is the antecedent of influencing customer satisfaction.

Furthermore, studies in this area have indicated that interaction between customers and service personnel (frontline employee) is the key determinant factor in influencing the satisfaction of customers (Zeithaml *et al.*, 1996).

b. Favorable Reputation

In referencing a well known researcher on reputation, Fombrun (1995), Bromley (2002) defines "corporate reputation as a collective assessment of a firm's past behavior and outcomes that depicts the firm's ability to render valued results to multiple stakeholders." Employees and corporate reputation are unique resources that generate positive financial performance and ultimately create sustainable competitive advantage. Corporate reputation is vital to the organization, and employees are the key link to managing it. By recognizing the synergistic role that employees can play in the overall positioning of corporate reputation, management can obtain significant achievements in terms of satisfying corporate strategic objectives. Employees must be educated about the benefits that emanate from a positive and enduring corporate reputation, be made aware of the dangers associated with a negative reputation, and understand both their role in and the importance of acquiring and maintaining a good corporate reputation (Cravens and Oliver, 2006).

c. Employee Satisfaction

Employee satisfaction is "An attitude that results from an evaluative process, where some comparison standard about the work environment is performed with the actually perceived work environments". (Homburg and Stock, 2004). Employee satisfaction is an important success factor for all organizations. Employee satisfactions have been recognized to have a major impact on many economic and social phenomena, e.g. economic growth and higher standard of living. The satisfaction of employee is analyzed actually by the output that the individual produces and it is related to office environment. Chahal *et al.* (2013) Furthermore, customer satisfaction is influenced by the interpersonal encounters between customers and employees in a service setting (Wansoo, 2009). Employees who have higher job satisfaction are usually less absent, less likely to leave, more productive, more likely to display organizational commitment, and more likely to be satisfied with their lives (Lease, 1998).

d. Employee Branding

As employees identify with the organization, their interests become aligned with the organization's interests because employees internalize the organization's attributes, values and expectations as their own (Harquail, 2007). Employees are seen as a crucial element in the brand management, since they represent the brand in the interaction with the customer (Ahmed and Rafiq, 2003). Employee branding is a new twist on identity regulation. Employee branding shapes employees' behavior so that they project the brand identity of their organization's products through their everyday work behavior (Harquail, 2007). Employee branding as the process by which employees internalize the desired brand image (Miles and Mangold, 2004). The employee branding process enables the organization to consistently deliver its desired brand image to customers,

thereby solidifying a clear position in the minds of customers and employees alike. When done well, it provides a competitive advantage that is achieved through employees, who have internalized the desired brand image and are motivated to project that image to customers and other organizational constituents (Miles and Mangold, 2005). A psychological contract represents an employee's perceptual agreement about the exchange relationship he/she has with the organization. It is important to note that psychological contracts exist only in employees' minds and that management is often unaware of the terms of the contracts, or even of their existence (Mile and Mangold, 2007). The psychological contract is also central to the employee branding process, in that the degree to which organizations uphold the psychological contract influences employees' trust in their employers and their motivation to serve customers and co-workers. It also impacts their interactions with others, as well as their day-to-day productivity. Even though the formation of the psychological contract is an individualized perceptual process, it is important to note that organizations can shape employee perceptions and, hence, the foundation on which the psychological contract is built (Miles and Mangold, 2005).

Randolph (1995) suggested that empowerment is the transfer of power from the administrators to the employees. Highly skillful employees when not empowered become reenergized that hampers personal and organizational productivity. In order to attain a successful corporate brand established human resource dimensions must be enhanced by employee engagement, empowerment, education and equity (Memon and Kolachi, 2012). Employee performance is not only linked with the employee engagement in the organizational work but it is also linked with the alignment of employees attitude with organizational culture, so that he can understand the hidden message behind the brand because ultimately it is the employee who acts as a brand ambassador. It also develops a sense of employee branding and empowerment in workers and it can be done through various marketing and human resource tools (Horrigan and Juskiw, 2010; Shaari *et al.*, 2012). Creating and alignment of human resource with marketing develops the concepts of employee branding and empowerment (Aijaz and Ali Shah, 2013).

Internal branding is about aligning employees' behavior with brand values by promoting and educating them about the brand values (Aurand *et al.*, 2005). Internalizing the brand enhances the organization to achieve a strong reputation, and Simões and Dibb (2001) define this process as; "Internalizing the brand involves explaining and selling the brand to employees. It involves sharing with employees the research and strategy behind the presented brand. It involves creative communication of the brand to employees (Roast and Silva-Rojas, 2007). When employees internalize the brand identity, they use the brand's attributes to define their own identities, establishing employee-brand identification. Employee-brand identification is defined as the perception of a connection with the brand; where the employees define themselves with the attributes that they believe define the brand. Employee branding is a self-brand connection made by employees to their organization's brand (Harquail, 2007).

3. CONCEPTUAL FRAMEWORK AND HYPOTHESIS

Miles and Mangold (2004) have shown different sources of messages that contribute to establish the mechanism central to the employee branding process in their employee branding

model. The messages communicated, establish the psychological contract, which is central to the process. The psychological contract is the agreement between the organization and the employees, and this contract can be strengthened, by the use of a well thought through employee branding process. The desired outcome is increased employee satisfaction which itself has a direct affect on turnover, customer satisfaction and the company reputation (Miles and Mangold, 2004). The model also describes a feedback loop through which managers can monitor the process. Therefore, in this study, psychological contract was used.

Memon and Kolachi (2012) study propounds a model that concludes important issues to be addressed by employee branding efforts. They have presented 4E's of Employee Branding model. These 4E's are Employee Empowerment, Employee Engagement, Employee Education and Employee Equity. 4E's framework has been developed in general which can be applied to organizational setup with human resource development context particularly in service industries. Therefore, in this study, Employee empowerment was used.

Through employee branding, employees are expected to internalize the desired brand identity and to be motivated to project the brand's identity to customers and other organizational constituents (Miles and Mangold, 2004). The internalization of external branding strategies by organizations is a process that attempts to offer a guideline to all employees on how to live their organization's brand promise (Chong, 2007). Therefore, in this study, Brand Internalization was used.

The study of employee branding in Mellat bank is not found prominent in previous theories and is therefore a contribution to theory on employee branding in Iranian Bank. The employee branding process is found to be a useful tool and gives a more comprehensible picture when studying or engaging in employee branding. In the study, we however also found the importance of factors of employee branding and outcomes of it in Mellat Bank Based on theoretical background, following research model and hypotheses are proposed.
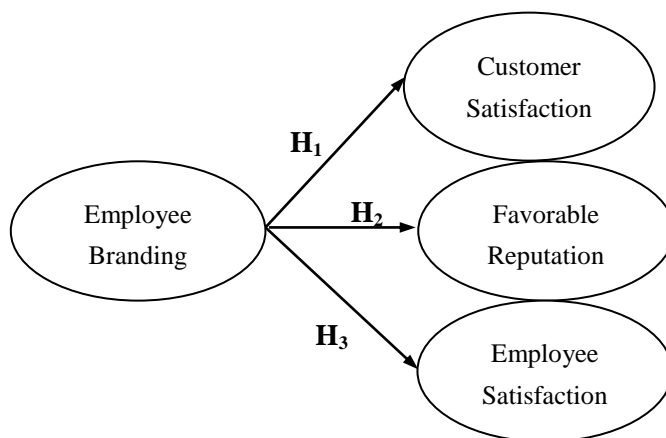

Figure-1. the role of employee branding on the customer satisfaction, favorable reputation and employee satisfaction

According to the model, four latent variables are used to conduct this study: Employee branding, customer satisfaction, Favorable reputation and employee satisfaction. Then, hypotheses of this research are following:

H_1: Employee branding positively influences Customer satisfaction.

H_2: Employee branding positively influences Favorable Reputation.

H_3: Employee branding positively influences Employee Satisfaction.

4. RESEARCH METHOD

4.1. Research Statistical Population and Sample

Based on consulted opinions, Mellat Banks in Qom and Arak cities - Iran was chosen as the target population for this study. Mellat Bank is one of the most important and largest privacy banks in Iran. This bank has been established in 1980. At present, Mellat Bank has, respectively, 27 branches in Qom city and 17 branches in Arak city. Since, this study aimed to investigates of employee branding process in Mellat bank; therefore, participants were required work in this bank. Thus, research statistical population consisted of employees of Mellat Bank in Qom and Arak cities who had more than 5 years of experience in the bank. The sampling methods of Mellat Bank was, respectively, cluster and simple random method. The employees were selected using simple random sampling. The number of sample respondents (n=335) was considered suitable to apply Partial Least Square (PLS) method for the current study.

4.2. Measurement

A two-part questionnaire was designed to conduct this study: (1) basic information about respondents' characteristics including education, experience and their designation; (2) questions to assess employee' perceived about employee branding and outcomes of it (6 dimensions and 23 items adapted from basic scales defined Miles and Mangold (2005); Memon and Kolachi (2012));the psychological contract, employee empowerment and brand internalization were adapted from the measurements defined by Sims (1994), Spreitzer (1995), Aaker (1997) and Punjaisri *et al.* (2009), containing 11 items. For employee satisfaction: authority, achievement, working conditions and security were adapted from the measurements defined by Minnesota Satisfaction Questionnaire (MSQ) that stated by Weiss *et al.* (1967).

For favorable reputation: products & services, emotional appeal, financial performance and workplace & environment were adapted from the measurements defined by Fombrun *et al.* (2000). For customer satisfaction:reliability, assurance, responsiveness and empathywere adapted from SERVQUAL instrument was developed by Parasuraman *et al.* (1985) to measure quality in the service sector like banking industry, containing 12 items. Finally, with considered Panel of Judges modified the questionnaire to employee branding in bank.

The first part included nominal scales, and the remainder parts were measured using the five-point Likert scale, ranging from strongly disagree (1) to strongly agree (5). Before conducting the main survey, a pilot test was performed for the reliability of the instrument. The pilot test involved 30 respondents. Cronbach's alpha scores shown in Table 1 , which is much higher than 0.7, indicating good consistency among the items variables and for a measure to be acceptable, coefficient Alpha should be above 0.7 (Nunnally, 1978).

Table-1. Cronbach's Alpha Reliability Statistics for pilot test

Construct/indicator	Cronbach's alpha
Employee Branding	0.791
Customer Satisfaction	0.801
Favorable Reputation	0.811
Employee Satisfaction	0.809

46 expert opinions were sought for the content validity of the questionnaire. To investigate the appropriateness of factor analysis, Kaiser-Meyer-Olkin (KMO) and Bartlett's test statistic were used which are shown in Table 2 respectively. If the KMO value is greater than 0.6, it is considered as adequate (Kaiser and Rice, 1974). A value of greater than 0.5 is desirable. Bartlett's test measures the correlation of variables.

Table-2. Kaiser-Meyer-Olkin and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.809
Bartlett's Test of Sphericity Approx. Chi-Square	329.05
Df	91
Sig.	0.000

From our analysis, we found that the value of Kaiser-Meyer-Olkin Measure of Sampling Adequacy is .809 that is greater than 0.06 which indicates the value of Kaiser-Meyer is acceptable and the value of Bartlett's Test of Sphericity is also statistically significant. Therefore, the instrument has confirmed reliability and validity.

5. RESULT

This paper followed the two-step procedure suggested by Anderson and Gerbing (1988): (1) the measurement model was examined; (2) the structural model was analyzed. Therefore, in order to analyze the collected data, SPSS16 and PLS software were used. Employee branding has three sub-dimensions: 1. Psychological contract; 2. Employee empowerment; and 3. Brand internalization and outcomes sub dimensions are: Customer satisfaction (4 items), Favorable Reputation (4 items) and Employee Satisfaction (4 items). In the model, all of the factor loadings are more than 0.5 and fit indices are acceptable. (See Table 3).

Table-3. Construct reliability and Convergent validity of the constructs of the model

Construct/ Indicator	Item	Factor loading	Composite reliability	AVE	Cronbach's alpha
Employee Branding	Psychological contract	0.832	0.874	0.698	0.784
	Employee Empowerment	0.841			
	Brand Internalization	0.844			
Customer Satisfaction	Reliability	0.832	0.915	0.730	0.876
	Assurance	0.855			
	Responsiveness	0.885			
	Empathy	0.829			
					Continue

Favorable Reputation	Products & Services	0.791	0.828	0.547	0.723
	Emotional Appeal	0.748			
	Financial Performance	0.721			
	Workplace& Environment	0.734			
Employee Satisfaction	Authority	0.891	0.893	0.676	0.838
	Achievement	0.733			
	Working Conditions	0.821			
	Security	0.844			

5.1. Analysis of the Measurement Model

In this step, we determine whether the theoretical concepts are measured correctly by the variables observed; for this, their validity and reliability are studied. In a PLS model the individual reliability of the item, the internal consistency and the convergent and discriminant validity are analyzed (Chin, 1998).

The results of the reliability (Table 3) showed all 4 indicators of Cronbach's have satisfactory values, ranging from 0.723 to 0.876, indicating acceptable levels of internal consistency. Similarly, the coefficients of composite reliability have satisfactory values. The lowest score of composite reliability in the current study was 0.828. According to Fornell and Larcker (1981), these scores indicated evidence of reliability. Therefore, construct reliability was met.

The convergent validity is analyzed by the average variance extracted (AVE), which gives the amount of variance that a construct obtains from its indicators in relation to the amount of variance due to the measurement error. For this, Fornell and Larcker (1981) recommend values higher than 0.5 since this level guarantees that at least 50% of the variance of the construct is due to its indicators. The table 3 presents all of Average Variance Extracted (AVE) values are greater than 0.5, as can be observed, all the constructs of the research model proposed meet the condition recommended by Fornell and Larcker (1981); therefore it is accepted that the constructs possess convergent validity.

Discriminant validity was tested by comparing the square root of the Average Variance Extracted (AVE) for each latent variable with the correlations involving that latent variable (Kline, 2005). As suggested by Fornell and Larcker (1981), the square root of AVE must be greater than any of the correlations involving the latent variable.The values in the maindiagonalrepresent thesquare root ofAVEandother valuesinthe Table 4 alsoshow thecorrelation betweenthestructures.

Table-4. Discriminant Validity of Structures.

Construct	Employee Branding	Customer satisfaction	Favorable Reputation	Employee Satisfaction
Employee Branding	0.843			
Customer satisfaction	0.373	0.861		
Favorable Reputation	0.633	0.473	0.744	
Employee Satisfaction	0.707	0.353	0.579	0.831

As can be observed, the values on the main diagonal values are higher than the other values, satisfying criteria for discriminant validity. Thus, construct validity was met.

5.2. Analysis of the Structural Model

Table 5 reflects the path coefficients between the different constructs, which tell us in each case the strength of the relationship established between two constructs: As can be observed in this table, all the path coefficients meet the condition proposed by Chin (1998), being above 0.2 .

Table-5. Path coefficients, P-Values and Variance explained

Path	Hypothesis	The path coefficient	P- values
Employee Branding→Customer satisfaction	1	0.381	<0.001
Employee Branding→ Favorable Reputation	2	0.710	<0.001
Employee Branding→ Employee Satisfaction	3	0.733	<0.001

The predictive power of the model that we have put forward can be analyzed utilizing the value of the variance explained (R^2) for the dependent latent variables (Falk and Miller, 1992; Chin, 1998). Falk and Miller (1992) stipulate values that are equal to or larger than 0.1 as adequate for the variance explained. In our case, as is reflected in the table 6, we can conclude that the model presents an adequate predictive power.

Table-6. Variance explained of the variables

Constructs	R^2
Employee Branding	0.688
Customer satisfaction	0.146
Favorable Reputation	0.504
Employee Satisfaction	0.544

With respect to the stability of the estimations offered and according to the propositions argued by Barclay *et al.* (1995), Tenenhaus *et al.* (2005) and Henseler *et al.* (2009), we consider it appropriate to complement the analysis of the structural model estimated with the PLS technique, by means of the cross-validated redundancy index (Q^2) or the Stone-Geisser test (Stone, 1974; Geisser, 1975). In our case the values of Q^2 are slightly higher than zero, as shown in Table 7; we can conclude that the model presents an adequate predictive power.

Table-7. Stone-Geisser test for the variables

Constructs	Q^2
Employee Branding	0.689
Customer satisfaction	0.149
Favorable Reputation	0.495
Employee Satisfaction	0.542

In any case, the values presented by Q^2 in our work are not negative, which would have indicated that the model lacked any predictive power (Henseler *et al.*, 2009). We agree, however, with what (Barclay *et al.*, 1995) state. They argue that the objective of the PLS analysis is to explain the variance in a sense of regression and thus R^2 and the level of the path coefficients are

measures sufficient and indicative of how well the model performs. In our case acceptable levels in both measures are obtained, therefore we can conclude that the model does have predictive capacity.

5.3. Path Analysis and Hypotheses Testing

Figure 2 shows the β coefficients of all the relationships between the constructs of our model. If we take as reference the levels of acceptance commonly argued in the scientific literature for this type of PLS technique, we can state that the hypotheses H_1, H_2 and H_3 would be accepted and their testing would be positive. Employee branding is as *independent variable* and customer satisfaction, favorable reputation and employee satisfaction are as *dependent* variables. Fig. 2 presents the results of the structural. Employee branding had significant effect on customer satisfaction (Path Coefficients= 0.383, p<0.001), the P-values is less than 0.05. As a result, a hypothesis 1 was supported. Employee branding had significant effect on Favorable reputation (Path Coefficients= 0.710, p<0.001), the P-values is less than 0.05. As a result, Hypothesis 2 was supported. Employee branding had significant effect on Employee satisfaction (Path Coefficients= 0.738, p < 0.001), the P-values is less than 0.05. As a result, Hypotheses 3 was supported. To further assess the significance of effects of *independent* variable on dependent variables, a decomposition of the effects analysis was conducted (see Table 5).
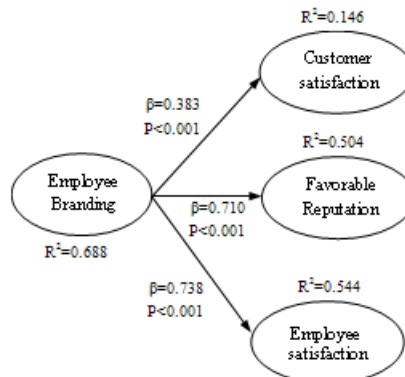
Figure-2. Model with the results of testing the hypotheses

6. DISCUSSION AND COMCLUSIONS

In this paper, the effect of employee branding on the customer satisfaction, favorable reputation and employee satisfaction were investigated and it was determined that the employee branding positively influences Customer satisfaction, favorable reputation and employee satisfaction. In this section, some arguments from other researchers are brought for verifying our findings. Most important findings of this paper were outcomes of employee branding, include: customer satisfaction, favorable reputation and employee branding. This result is consistent with similar finding reported by Miles and Mangold (2005). They found out that Employees who receive frequent and consistent messages will understand, experience, and be motivated to project the desired brand image to others. The position the organization and its offerings have in the minds of customers becomes a source of sustainable competitive advantage when the desired brand image

is consistent with the image customers perceive. Successful employee branding efforts also result in reduced employee turnover, enhanced employee satisfaction, higher levels of customer satisfaction and loyalty, and a favorable reputation among stakeholders.

The results of PLS confirm the fitness of the research model presented in Figure 1. Therefore, employee branding theory is capable of explaining factors influencing customer satisfaction, favorable reputation and employee satisfaction. Several results could be drawn from this research that presented below:The effect of employee branding on customer satisfaction is (β=.383), and employee branding explained 14.6% of the variance of customer satisfaction. Employee branding helps bank customers to feel confident that high quality service will be offered to them. Employees who are coordinate with their organization's brand they can provide a better quality of customer service, thereby customer satisfaction will increase. By good manner with customers and prompt action toward their request by employees, their satisfaction will be increased in bank.

The effect of employee branding on favorable reputation is (β=.710), and employee branding explained 50.4% of the variance of favorable reputation. Reputation is created by a large group of constituents including consumers, employees, investors, stakeholders, and the general public (Jackson, 2004). By recognizing the synergistic role that employees can play in the overall positioning of corporate reputation, management can obtain significant achievements in terms of satisfying corporate strategic objectives and generating sustainable competitive advantage. Employees are at the core of the message the company develops and communicates in terms of reputation (Cravens and Oliver, 2006). Companies engaging in successful employee branding efforts are also likely to benefit from higher levels of customer satisfaction and loyalty, and a favorable overall reputation because the desired brand image is being consistently reflected by employees (Miles and Mangold, 2005). Employees are as brand ambassador; they deliver brand promises to the customers in their contact point with them. They can improve perception of customers about brand of bank. They will develop bank reputation through of their relationship with them.Employee branding effect on employee satisfaction is (β=.738), and employee branding explained 54.4% of the variance of employee satisfaction. Employee branding improve attitude of employees about their work place, managers and organization. It helps them to increase their skill and empowers them in their jobs. When they feel that their expectations are important for employers, their satisfaction will be increased. Miles and Mangold (2005) indicated that effective employee branding programs also result in increased employee satisfaction and reduced staff turnover. Companies engaging in successful employee branding efforts are also likely to benefit from higher levels of customer satisfaction and loyalty, and a favorable overall reputation because the desired brand image is being consistently reflected by employees. In summary, our research reviewed literature related to employee branding and outcomes of it. Of the three hypotheses, all of hypotheses have been accepted. In various results, our findings were in direction with observations of other researchers. Finally, the results of structural equations modeling confirm model good fitness in predicting outcome of it. The data from this study indicated positive effect of employee branding on customers satisfaction, favorable reputation and employee satisfaction in Mellat bank in Qom and Arak cities.

7. MANAGERIAL IMPLICATIONS

The results of the present study reveal some issues related to employee branding in Mellat bank that have not been addressed by studies yet. Specially, these finding are notable for banks' managers as they decide how they are able to increase their customer's satisfaction, favorable reputation and employee's satisfaction by utilize of employee branding in their organization. Since the role of human resources in brand building is important, managers need to promote and current it in bank. This study suggests that they should consider employee branding theory in bank through employees. As we discussed earlier, employee branding is a way of helping your brand by employees. Therefore, the bank should form psychological contract as perceptual process, they can do it through of senior management, human resource department and the direct supervisor. They must work together with the employee to fulfill both parties' contractual obligations.

Mellat Bank should align the behavior of employees with the brand values through internalization of brand. With this method, they will understand the values of brand and they will try a positive attitude towards the values. Third, with enough empowerment, employees can show a better image of the bank to customers. Especially those who have direct contacts with the customer usually serve as agents of their bank to the customers at contact points. Therefore, the bank should empower employees. Empowered employees can improve their performance like responsibility, accountability, Job control, etc. On the other hand, the present study attempts to apply a model with new variables. It is important to note that the employee branding variables – psychological contract, employee empowerment and brand internalization – are compatible with the Miles and Mangold (2004) and Memon and Kolachi (2012) models, and the overall proposed model confirms. Hence, the results of this study indentify a significant implication for developing theories to brand building through of employees in Mellat bank. The present study has many implications for future employee branding research. First, although employee branding process has been found an appropriate and robust model by some prior research, it only includes few variables to predict employee branding. However, employee branding will also be affected by various factors. Thus, according to Miles and Mangold (2004) and Memon and Kolachi (2012) integrated model of employee branding are complementary approaches. Moreover, this study followed Miles and Mangold (2004) suggested a basis for the variables of other models. Second, as mentioned earlier, although some factors making the employee branding have been studied by some researchers, limited studies have been conducted regarding some variables of employee branding process. This study was conducted regarding other variables of employee branding process. Therefore, this is basis for employing integrated models in the whole employee branding in the Mellat Bank. Finally, although employee branding process have been studied by some researchers, yet, employee branding process in Iranian Bank has not been studied by any researchers especially in Mellat Bank.

8. LIMITATION AND FUTURE RESEARCH

This study, as with any research, has some limitation. Thus, it should be considered that generalization of the findings is limited to similar conditions. First, the main limitation of this study is surface analysis (homogeneity of statistical population). Hence, customer satisfaction questions

were answered by employees and we measure customer satisfaction from view of employees (Since bank employees are front line staff and theyhave good experience and direct contact with customers, they know about customers' idea). Second, the respondents in this study were limited to employees of Iranian banks. The branches of banks were from branches of one Bank in Qom and Arak cities. However, similar studies could be conducted with considered all banks (and branches). Finally it is recommended that the current model be examined in another statisticalsample such as services companies including insurance companies in order to clarify the generalizability power.

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