



# Fit, Identification and Employees' Overall Brand Evaluation: An Empirical Analysis using PLS

Chanda Gulati, Garima Mathur

**Abstract:** *The purpose of the present paper is to empirically test the effect of P-O fit and P-B fit on employees' brand identification and overall brand evaluation. The review of previous studies pointed several assumptions indicating the relationship of fit with identification and brand evaluation as well as identification with overall evaluation of the brand. The analysis of the data was done using SmartPLS. The results revealed that fit effect the identification process which in turn has a significant role in improving the overall brand evaluation by the employees. The person-brand fit in hospitality industry was found more prominent in explaining the concept of brand evaluation indicating the employees' desirability towards the brand.*

**Keywords:** *Brand Identification, Fit, Hospitality, Overall Brand Evaluation.*

## I. INTRODUCTION

Branding empowers organization to convey the symbolic significance to the end users. Traditionally, organization determines the brand establishment through positioning by the use of different advertisement modes (Keller and Lehmann 2006). But in service branding, the brand positioning strategies have limited contribution as it is restricted to explain mostly the functional utilities. The service encounters between the employees and the customers are the points to be leveraged for retaining loyal customers. Thus, the employees' role is instrumental in the success of service brand who shares the brand reality to the ultimate customers and developing a good relationship.

Employees' attachment with the brand is the subject to be keenly attended by the organization. As Barlow & Stewart (2004) emphasised that conveying brand to the customer is about strategically aligning customers' experience and the brand promise. In the same line, branded encounters at service point require aligning employees' behaviour with the

branding ethos. This alignment may be reinforced through shared personal values, traits, appearance and overall behaviour between the employees and the service brand (Sirianni et al., 2013). In total, it indicates the significance of value congruence.

The brand aligned behaviour may be evaluated as the outcomes of congruence. In the current study, we focus on coherence of employees' values with the brand values and on the other hand congruence of employees' values and organizational values. Both congruence have different focus, the second congruence is being studied as fit by several researchers (Chatman, 1989; O'Reilly et al., 1991; Edwards & Cable, 2009; Xiong, 2014). Through this congruence study, we try to uncover the effect of the congruence on enhancing the employees' overall brand evaluation. The overall brand evaluation has been studied majorly in the context of customers, but in the current context, we try to assess the same for internal employees.

## II. LITERATURE REVIEW & HYPOTHESES DEVELOPMENT

Employees' too require brand knowledge to have a good understanding of brand like customers and to transfer the brand knowledge; several organizations have initiated internal branding practices to communicate the employees about brand reality. This positioning of brand internally is done by projecting brand values to convey symbolic identification. It's a cohesive approach to align brand behaviour in accordance with brand values, transforming the employees' strong link with the brand, so that they may be able to convey the brand message to their customers. Overall brand evaluation is the estimate of individuals' desirability and trust towards a brand (Sirianni, 2013). The consumer-brand studies have also proved that the brand fit directly effect the decision making process of consumers indicating intentions towards the brand (Lin, Y. C., 2013); supported by (Kwun, D. J. W., & Oh, H., 2007 ) that brand fit has a significant role in forming consumer's attitude towards brand. The employees' put lots of effort in conveying the brand values in each service interaction to the customers (Burmann & Zeplin, 2005). On the other hand, several studies have indicated the positive outcomes of individual and organizational fit (Chatman, 1989; Burmann & Zeplin, 2005; Edwards & Cable, 2009; Xiong, 2014). P-O fit is defined as the similarity between individual and organizational values (Chatman, 1989).

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The internal branding directed in promoting the brand among employees is certain to develop fit between employees and the organization for ensuring a uniform communication of brand promise to the consumers (Xiong, 2014). The higher, the congruency will result in improved inclination (Lee and Labroo 2004; Reber, Schwarz, and Winkielman 2004). Higher the congruency between the brand values and employees' value, it will be easier to process their preferences, thus they will be favourably evaluating overall brand (Sirianni et al, 2013). H1: Person-Brand fit has a significant effect on Employees' Overall brand evaluation.

H<sub>2</sub>: Person- Organization fit has a significant effect on Employees' Overall brand evaluation.

The two fits discussed above ensure better identification. The genesis of identification concept originated from the social identity theory, which addresses that the self concept encompasses personal identity, their attitudes a, abilities and interests, while the social identity comprises of group characteristics and classification (Ashforth and Mael, 1989; Tajfel and Turner, 1985). Individuals sometimes go beyond their individual identity to get associated to several social categories; thus identification occurs when individual fits them psychologically with other group characteristics (Mael and Ashforth, 1992). The fit literatures have deduced strong evidence in proving brand identification (Burmam & Zeplin, 2005; Burmann, 2009; Edwards & Cable, 2009). Chatman (1991) asserted that the fit concept focuses on employees' values and how the interaction of an employee with the value system of organization effects the employees' behaviour. Ashforth et al. (2008) also suggested that the strong identification between the employees and organization have a strong sense in predicting the employees' behaviours. Individuals' identifying better with the brand is likely to involve in favourable action towards brand (Donavan et al., 2006) and they better evaluate the brand (He et al., 2012). The brand identification engenders positive brand evaluation among consumers (So et al., 2013). The study tends to replicate the same concept to assess the concept of employees' brand evaluation and its relationship with identification and fit concept. As several researches have deduced that there is a significant effect of congruence on identification, so in this study we are exploring the two links, one directly explaining the effect of fits on brand evaluation; and the other through brand identification. Thus, the hypotheses may be proposed on the basis of above discussion;

H<sub>3</sub>: Brand Identification has a significant effect on Employees' brand evaluation.

H<sub>4</sub>: P-O fit and Brand Identification has significant effect on Employees' brand evaluation.

H<sub>5</sub>: P-B fit and Brand Identification has significant effect on Employees' brand evaluation.

## III. METHODS

### A. PARTICIPANTS

The survey was done among employees of hotel industry in Madhya Pradesh (India). A total of 409 respondents have given responses out of 500 questionnaires circulated. The responses were individually collected from the hotel employees to avoid and minimize the partial filled questionnaires or, any other errors.

### B. MEASURES

The standardized questionnaire was adopted for the study. The fit was measured using the OCP instrument of O'Reilly et al. (1991). The construct brand identification was measured by using eight-item scale of O'Reilly and Chatman, 1986 and Punjaisri et al., 2009 adopted from Shamir et al.1998. The construct, Overall Brand Evaluation was measured by five-item scale of Dawar & Pillutla (2000). All the responses were collected on five-point likert scale from (1) very strongly disagree to (5) very strongly agree. The data collected from the respondents were analysed through PLS. The data analysis was done to check the effect of P-B fit and P-O fit on brand evaluation and in other step, the analysis was checked by inserting brand identification along with fit score to assess the total effect on overall brand evaluation.

## IV. RESULTS AND DISCUSSIONS

The collected data was initially checked for its reliability scores by observing the Cronbach's alpha value. The constructs, brand identification, overall brand evaluation and P-B & P-O fit reported a good cronbach's alpha value, above 0.7 that predicted the data collected have good consistency for all the scale items (Nunnally, 1978).

**Table- I: Reliability Coefficient**

| <i>Variable Name</i>            | <i>Cronbach's Alpha</i> |
|---------------------------------|-------------------------|
| <b>Brand Identification</b>     | <b>0.951</b>            |
| <b>Overall Brand Evaluation</b> | <b>0.924</b>            |
| <b>P-B fit</b>                  | <b>1.000</b>            |
| <b>P-O fit</b>                  | <b>1.000</b>            |

The reliability scores' acceptability shows the way ahead to examine the developed hypotheses. But, for confirming the data robustness, the validity check was done. Both the convergent and the discriminant validity were assessed. Fornell & Larcker (1981) had suggested examining AVE with squared correlation of remaining inter-constructs and by assessing the cross loadings of items. These scores indicate the constructs uniqueness proving the discriminant validity.

Table-II: Fornell-Larcker Criterion

| Variables            | Brand Identification | Overall Brand Evaluation | P-B fit      | P-O fit      |
|----------------------|----------------------|--------------------------|--------------|--------------|
| Brand Identification | <b>0.863</b>         |                          |              |              |
| OBE                  | 0.764                | <b>0.877</b>             |              |              |
| P-B fit              | -0.242               | -0.375                   | <b>1.000</b> |              |
| P-O fit              | -0.430               | -0.497                   | 0.760        | <b>1.000</b> |

Table-III: Cross Loadings

| Variables | Brand Identification | Overall Brand Evaluation | P-B fit      | P-O fit      |
|-----------|----------------------|--------------------------|--------------|--------------|
| BI1       | <b>0.850</b>         | 0.653                    | -0.030       | -0.224       |
| BI2       | <b>0.829</b>         | 0.583                    | -0.137       | -0.328       |
| BI3       | <b>0.857</b>         | 0.660                    | -0.047       | -0.121       |
| BI4       | <b>0.896</b>         | 0.694                    | -0.217       | -0.360       |
| BI5       | <b>0.901</b>         | 0.676                    | -0.247       | -0.369       |
| BI6       | <b>0.902</b>         | 0.680                    | -0.231       | -0.408       |
| BI7       | <b>0.832</b>         | 0.650                    | -0.346       | -0.554       |
| BI8       | <b>0.835</b>         | 0.668                    | -0.338       | -0.513       |
| OBE1      | 0.708                | <b>0.930</b>             | -0.351       | -0.458       |
| OBE2      | 0.646                | <b>0.879</b>             | -0.259       | -0.340       |
| OBE3      | 0.627                | <b>0.873</b>             | -0.339       | -0.460       |
| OBE4      | 0.744                | <b>0.884</b>             | -0.216       | -0.377       |
| OBE5      | 0.615                | <b>0.815</b>             | -0.482       | -0.542       |
| D2'       | -0.242               | -0.375                   | <b>1.000</b> | 0.760        |
| D1'       | -0.430               | -0.497                   | 0.760        | <b>1.000</b> |

The correlatedness among constructs items that informs the unexplained variance i.e. error in the measurements of the constructs less than 50% is being assessed in Convergent validity. So, Fornell & Larcker (1981) had emphasised that AVE value should be more than 0.5 to fulfil the convergent criteria. As the table shows AVE with more than 0.5 value, hence convergent validity is proved.

Table-IV: Average Variance Extraced

| Variable's Name          | AVE          |
|--------------------------|--------------|
| Brand Identification     | <b>0.745</b> |
| Overall Brand Evaluation | <b>0.769</b> |
| P-B fit                  | <b>1.000</b> |
| P-O fit                  | <b>1.000</b> |

Further, to test the hypotheses, PLS graph was analysed (Chin, 1998). The path coefficients, beta, t-value and its significance along with R2 & Adjusted R2 confirming the variance explained by independent variables on dependent variables. Table V below predicted the hypothesis and the model confirms the relationship. The values indicated that P-B fit has significant effect (beta -0.132, p .030) on employees' overall brand evaluation, hence, H1 is supported. While, the effect of P-O fit on overall brand evaluation was not found significant (beta -0.100, p .060). The two linkages proved that for developing the external intimacies with the customers, the person-brand fit has a significant contribution suggesting employees' attachment with the brand and its desirability to remain with the brand, will improve the overall evaluation of brand by the employees. Thus, the employees' brand evaluation is more inclined towards the external delivery and its authentication, so the person-brand fit is

contributing more significantly in both direct and indirect relationship towards overall brand evaluation.

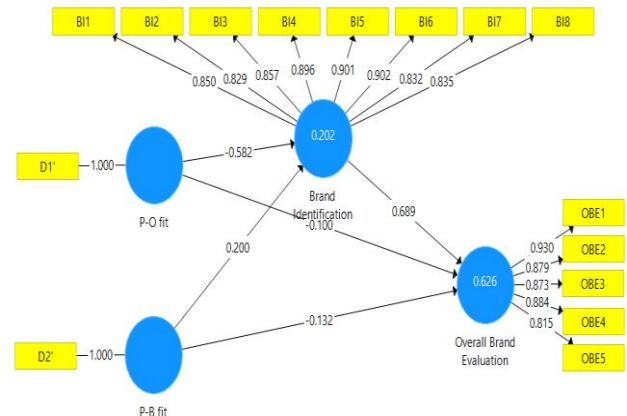


Fig. 1. Model showing Regression weights

Table-V: Critical Ratios

| Hyp . | Relationship         | Beta   | T Value | P Value     | Result        |
|-------|----------------------|--------|---------|-------------|---------------|
| H1    | P-B fit -> OBE       | -0.132 | 2.174   | <b>0.03</b> | Supported     |
| H2    | P-O fit -> OBE       | -0.1   | 1.889   | <b>0.06</b> | Not Supported |
| H3    | BI -> OBE            | 0.689  | 14.311  | <b>0</b>    | Supported     |
| H4    | P-B fit -> BI-> OBE  | 0.138  | 3.63    | <b>0</b>    | Supported     |
| H5    | P-O fit -> BI -> OBE | -0.401 | 9.977   | <b>0</b>    | Supported     |

The findings were found consistent with the outcomes of previous research work of Burmann & Zeplin (2005); Burmann et al. (2009) and Edwards & Cable (2009). Both the fits were found to have significant effect on brand evaluation if the employees identify with the brand, thus, fit construct strengthens the identifying process and improve the overall brand evaluation. The result was found consistent with the findings of Xiong (2014); Burmann et al. (2009); Donovan et al. (2006); He et al. (2012); and So et al. (2013); thus, the brand fit is required to be established even in internal employees, then only the brand values could be transferred to the external stakeholders in authentic sense.

V. CONCLUSION

The present study has demonstrated a better understanding of fit construct and its influence on employees' overall brand evaluation. The study has proved different linkages assumed showing fit among brand and person as well as organization and person if contributes in the identification with the brand, that confirms better brand evaluations by the employees. The result revealed that person-brand fit is paramount in deciding the overall evaluation of the brand among the employees.



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