

Original Article (Quantified)

The Role of organizational brand identity in strengthening employee- based brand equity

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Abstract

This study aimed to investigate the role of organizational brand identity in strengthening employee-centered brand equity. The study population is the employees of Asia Insurance in Tehran province branches, of which 287 samples were studied using the multi-stage cluster sampling method. Field and questionnaire methods were used to collect information. Data analysis was performed using structural equation modeling using smart PLS software. The results showed that organizational brand identity has a positive and significant effect on employee-centered brand equity dimensions including brand citizenship behavior, employee satisfaction, word-of-mouth advertising, and willingness to continue cooperation; and organizational brand identity dimensions including brand visual identity, brand personality, employee and customer focus, and sustainable communications also have a positive and significant effect on employee-centered brand equity, but these effects are not strong. Meanwhile, focusing on employees and customers and sustainable communications, which are more related to the organization's human resources policies, have stronger effects on employee-centered brand equity, and the impact of brand visual identity and brand personality, which include more general meanings of brand identity, is less on employee-centered brand equity.

Keywords:

Employee-centered brand equity, Organizational Brand identity, Internal branding, Brand personality, Human resource policies

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Extended Abstract

Introduction

Today, service companies, including insurance companies, need a strong corporate brand identity and also employees who are the messengers of the organization's brand to maintain and differentiate themselves in competitive markets. Competition among service brands is increasing sharply. Highly differentiated markets are the result of customers' knowledge and experiences about the brand, which has intensified the challenge of attracting and retaining customers. Organizational managers have realized that a strong brand is the main axis of their competitive advantage (Liu et al., 2020; King, 2017).

Brand equity is considered one of the most important indicators of a brand's success. Previous research has studied brand equity from the customers' perspective; and organizational managers and academic researchers have generally focused on the concept of customer-centric brand equity (Ahmad et al., 2022) and have ignored the perception of internal stakeholders of the brand (Boukis & Christodoulides, 2020). However, now, in the logic of new markets, a change in this mindset is observed, and managers have turned their attention to internal or employee-based branding (Ahmad et al., 2022).

Most brands try to differentiate their products and create a unique brand identity of their own through tangible signs (Liu et al., 2020, King, 2017). A strong brand identity plays a vital role in the entire brand management process. Accordingly, all organizations try to differentiate their products and services in order to create a distinctive identity for their brand. Organizations usually do this through the external appearance of their brand (Ahmad et al., 2022, King, 2017). However, evidence of its impact on employee-based brand equity is scant (Liu et al., 2020).

For service industries, such as the insurance industry, intangible resources such as knowledge and skills have become increasingly important for gaining competitive advantage in today's hypercompetitive markets. These skills and capabilities are rooted in an organization's human resources (Ahmad et al., 2022). Providing high-quality service from employees is a necessary prerequisite for creating employee-based brand equity. Brand equity is formed through interactions between customers and employees; an important channel for customers to perceive brand value (Liu et al., 2020). Organizations cannot fulfill brand promises to customers without considering the role of employees (Boukis & Christodoulides, 2020). It is the capabilities and skills of employees that can create a good or bad brand experience for customers and thereby shape their perception of the brand (Ahmad et al., 2022).

Most brand equity research focuses on customer-centered brand equity (Keller and Swaminathan, 2020; Lee, 2021); and employee-centered brand equity, especially in service areas, has been less studied (Erkmen, 2018). This is an important research gap because a better understanding of employee-centered brand equity in general and in service industries in particular can motivate managers in these industries to better recognize the role of employees in introducing brand equity to customers through better service delivery (Zhang et al., 2024).

This study focuses on insurance company employees who are influenced by both internal stakeholders (e.g., managers and other employees) and external stakeholders (e.g., customers) through their interactions with them. Therefore, the purpose of this study is to investigate the role of organizational brand identity in strengthening employee-centered brand equity.

Theoretical Framework

Organizational Brand Identity

Brand identity was first introduced by Kapferer (1992) and has been studied in various ways, leading to a variety of definitions and theoretical frameworks for the concept. Dechernatoni

(2006) defined brand identity as a distinctive idea about a brand and how the brand communicates through this idea to its various stakeholders. Despite the different definitions, academic researchers define brand identity as a set of brand attributes, including a specific idea or core meaning of a brand (Buil et al., 2016). Branding literature has also discussed the stability of brand identity over time. Although brand identity definitions primarily emphasize the need to maintain identity, some researchers have reconceptualized brand identity as a dynamic concept (Liu et al., 2020).

Service brand identity is a multidimensional variable that includes visual identity, customer and employee focus, brand personality, sustainable communications, and human resource plans (Daneshgar et al., 2021). In this study, based on the research of Coleman et al. (2011), organizational brand identity has been examined in four dimensions: visual brand identity, brand personality, sustainable communications, and employee and customer focus (including human resource plans) (Coleman et al., 2011).

Employee-centered brand equity

Two important approaches to brand equity are the customer and financial approaches. Customer-centered brand equity is a set of assets related to the brand name and image and increase or decrease the perceived value of products and services to customers (Hasni et al., 2018). Brand equity with a financial approach is the overall value of the brand, which is determined by the sale of separable assets or what is on the balance sheets (Zhang et al., 2024).

King and Grace (2009) first introduced the concept of employee-centered brand equity to show how employees can convey their understanding of a brand to customers. This conceptualization suggests that for service industries, brand construction primarily originates from the internal environment rather than the external environment. The characteristics of service products include intangibility, ephemerality, and heterogeneity (Rodriguez-Lopez et al., 2020), so the process of developing a service brand is different from a non-service brand (Zhang et al., 2024). Positive interactions between employees and customers can lead to increased customer loyalty and satisfaction, and ultimately the brand equity of the organization. According to this view, brand management in an organization should not be based only on customers; the role of employees, who are the real advocates of the organization's brand, should also be considered in this context. Therefore, successful brand management is based on a balance between customer-centered brand equity and employee-centered brand equity (Ahmad et al., 2022).

Employee-centered brand equity is a multidimensional variable that includes citizenship behavior, employee satisfaction, willingness to continue cooperation, and word-of-mouth advertising (King & Grace, 2008; Yazdan shenas & Asnaashari, 2022; Sangari & Alizadeh, 2018).

Research Methodology

This research is applicable in terms of purpose, and descriptive-correlational in terms of method. The statistical population of the research includes all employees of Asia Insurance in the branches of Tehran province, of which 287 samples were studied using the multi-stage cluster sampling method. Field methods and questionnaires were used to collect information. Composite reliability criteria and Cronbach's alpha coefficient were used to test the reliability of the questionnaires, and confirmatory factor analysis was used to test the validity. Data analysis was performed through structural equation modeling with the partial least squares technique and using smart PLS software.

Research findings

The research results showed that organizational brand identity has a positive and significant effect on employee-centered brand equity dimensions including brand citizenship behavior, employee satisfaction, word-of-mouth advertising, and willingness to continue cooperation; and organizational brand identity dimensions including brand visual identity, brand personality, employee and customer focus, and sustainable communications also have a positive and significant effect on employee-centered brand equity, but these effects are not strong.

Conclusion

Organizations have now realized that competitive advantage based solely on tangible assets cannot be sustained in the long term. In service organizations that involve personal contacts and abundant communication experiences, internal brand equity is one of the most important factors for brand success. In these organizations, employees are a reflection of the organization and interact directly with customers as a frontline force. Previous studies have shown the strong role of employees in shaping brand equity. Internal branding among employees strengthens their understanding of the brand and, based on that, promotes employee-centered brand equity. Therefore, the purpose of the present study was to investigate the role of organizational brand identity in strengthening employee-centered brand equity.

The research result on the strong impact of organizational brand identity on employee-centered brand equity is consistent with the results of Baca & Reshidi (2025), Liu et al. (2020), Boukis & Christodoulides (2020), and Yazdanshenas & Asnaashari (2022).

The results of the study showed that organizational brand identity; including brand visual identity, brand personality, employee and customer focus, and sustainable communications, have a positive and significant effect on employee-centered brand equity, but these effects are not strong. The effect of brand visual identity and brand personality, which include more general meanings of brand identity, is less on employee-centered brand equity; and employee and customer focus, and sustainable communications, which are more related to the organization's human resources policies, have stronger effects on employee-centered brand equity. The effect of human resources policies, internal branding, and intra-organizational communications was seen in the research of Ahmad et al. (2022), Bigdeli et al. (2021), Daneshgar et al. (2021), Moshabaki & Taghizadeh (2019), Ashouri et al. (2024), and Hosseini et al (2013), and therefore the results of the present study are consistent with the results of these studies.

The findings of the study indicate that organizational brand identity has a strong and significant positive effect on employee-centered brand equity dimensions, including citizenship behavior, employee satisfaction, word-of-mouth advertising, and willingness to continue cooperation. These results are consistent with the results of Yazdanshenas & Asnaashari (2022), and Sangari & Alizadeh Bloukani (2018), which indicated a positive effect of brand identification on all four dimensions. These findings are also consistent with the results of Zhang et al. (2024) and Bari & Shahzadi (2022), who identified positive experiences, behaviors, and attitudes of employees and their role as the most important brand ambassadors as important factors in the emergence of citizenship behavior in them, brand recommendation advertising, and their loyalty and affiliation to the brand.

The findings of the study contain practical suggestions for managers and policymakers in the fields of human resource management and brand management. Since high levels of service are a key element of positive brand equity for service companies and it is the transfer of brand

equity through employee-customer relationships that will achieve success, insurance managers are advised to implement human resource strategies such as increasing employee authority and reducing control over them and specifying the contribution of each employee to the success of the organization and use the benefits to enhance the organization's brand reputation and provide customer satisfaction and loyalty to the organization.

Measures such as holding training courses on brand-appropriate skills, using effective communication channels, designing attractive promotion programs for employees and holding regular meetings to fulfill the brand's mission and promises should be considered for brand internalization, and employees should be carefully selected and trained to enhance customer experience of the brand.