

BUILDING THE PUBLIC ORGANIZATION BRAND BASED ON THE INTERNAL BRANDING PERSPECTIVE

PEMBANGUNAN CITRA ORGANISASI SEKTOR PUBLIK BERDASARKAN PERSPEKTIF BRANDING INTERNAL

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ABSTRACT

A brand is the identity of an organization as well as the intangible asset that has significant added value for an organization. Currently, there are many organizations that are aware of the important role of brand for developing their organizations. Based on the internal branding concept, this research is aimed to gain the brand identity. The internal branding consists of three variables, namely brand orientation, brand knowledge, and brand involvement. The case was taken in Universitas Pembangunan Nasional (UPN) "Veteran" Jawa Timur (UPNVJT) that built its brand as "Bela Negara" campus since it changed its status to be a state university in 2014 and it was managed as a public organization. The samples were all employees of UPNVJT used as 267 respondents. SmartPLS software is used to test the hypothesis. The results of this research indicated that all three variables (brand orientation, brand knowledge, and brand involvement) had a positive and significant effect on brand identity. And by comparing the three variables, brand involvement had a more dominant effect on brand identity than the two other variables.

Key words: Internal Branding, Public Organization Brand, Brand Identity, Brand Involvement, Brand Orientation, Brand Knowledge.

ABSTRAK

Brand atau citra adalah identitas organisasi dan juga merupakan aset *intangible* yang memiliki nilai tambah bagi organisasi. Pada saat ini tidak sedikit organisasi memiliki kesadaran atas pentingnya *brand* dalam pengembangan organisasinya. Konsep *internal branding* dalam penelitian ini bertujuan untuk meningkatkan *brand identity* dimana *internal branding* memiliki tiga variabel, yaitu orientasi merek (*brand orientation*), pengetahuan terhadap merek (*brand knowledge*) dan keterlibatan merek (*brand involvement*). Lokus penelitian ini dilakukan pada Universitas Pembangunan Nasional Veteran Jawa Timur (UPNVJT) yang membangun citra sebagai "Kampus Bela Negara" semenjak berubah status menjadi Perguruan Tinggi Negeri pada tahun 2014 yang lalu dan dikelola sebagai organisasi sektor publik. Responden pada penelitian ini adalah pegawai UPNVJT dengan jumlah sampel 267 responden. *Software Smart PLS* digunakan untuk menguji hipotesis. Hasil penelitian ini menunjukkan bahwa tiga variabel *internal branding* (*brand orientation*, *brand knowledge*, dan *brand involvement*) memiliki pengaruh positif dan signifikan pada *brand identity*. Dan dengan membandingkan tiga variabel tersebut diketahui bahwa *brand involvement* mempunyai efek yang lebih besar terhadap *brand identity* daripada dua variabel lainnya.

Kata kunci: Branding Internal, Citra Organisasi Publik, Identitas Merek, Keterlibatan Merek, Orientasi Merek, Pengetahuan Merek.

INTRODUCTION

An organization in the global era is always faced with competition (Piehler R, 2016), whether it is a business organization or a government organization. In fact, not a few organizations that actually belong to the government but must be able to compete with private organizations. In the era of competition from various media, strengthening the brand is a very strategic step (Kaplan AM, 2010). A brand is an invisible asset that functions as a differentiator between an organization and another organization (Aaker, 1996). The role of a brand is not only a differentiator, but also as an identity inherent in the organization, which affects the perception and performance of an organization (Kotler, 2012). On the other hand, it also means that an organization or product must maintain and maintain the meaning of a brand attached to it (Pinar M, 2014). In other words, the brand is a commitment that must always be maintained or even improved.

The strategies to strengthen a brand are not only applied in an organization or business product, but also in non-profit organizations, such as educational institutions (Modi A, 2012), where their aim is not to increase profits, but rather to build a brand identity to be better (Modi A, 2012). The reality of the dynamics of higher educations in Indonesia competes strictly (Wulandari, 2017). It is undeniable that maintaining or improving quality is not easy, here the brand management plays an important role in it (Biedenbach G, 2016). The study of (Powell, 2011) explained that the solution to maintaining or enhancing a brand identity requires an internal brand management strategy that is aligned between superiors and subordinates, or internal actors in an organization, where in the context of higher education here are teachers/lecturers who will later transfer brand knowledge to their students. Besides being strengthened by information (Burmam C, 2009) that brand management on the internal side has a lot of potentials as

a sustainable competitive advantage. Thus the internal branding is important for an organization.

The previous study of (Du Preez R, 2015) stated that the reason an organization must prioritize internal brands is that it can increase organizational loyalty and work continuity, encourage employees to have better service because of their understanding of the meaning of the brand used, and encourage employees to work better (Bravo R, 2016). Some previous studies revealed that internal brand management plays an important role for organizational performance De Chernatony et al. (2003) which stated that consumer experience of a brand is influenced by the performance of its employees in serving. Other studies have found that internal brand management influences employee attitudes and performance (Bastos W, 2012).

Based on the several previous researches above, there are still few studies found in strengthening brands in government organizations, especially higher education. Therefore, this study aims to explore further the implementation of strengthening the brand in higher education. (Wulandari, 2017) stated that the growth of Indonesian higher education is getting higher. Private companies that have touched the education sector include Ciputra University, Bakrie University, etc, while state-owned enterprises that have higher education foundations among cement Indonesia groups, Telkom groups and so on.

Universitas Pembangunan Nasional (UPN) "Veteran" Jawa Timur (UPNVJT) is one of the state universities in Indonesia. UPNVJT is a state university based on the "Bela Negara" capable of maintaining the integrity of the NKRI and commemorating the veteran who scarified of Indonesia freedom. The Inauguration of UPN as "Bela Negara" campus is relatively new, it was necessary to strengthen the internal brand and then be able to strengthen the brand externally. Although every employee on the UPN is required to attend "Bela Negara"

education before being appointed as a permanent employee (Saifuddin, 2016). However, the problem is whether through education in defending the country, we can be sure that every employee understands the intent and purpose of the "Bela Negara" brand (Siahaan, 2016).

Bela Negara considered as a solution to the problems that are currently occurring in developing countries, especially Indonesia. The emergence of many new understandings that threaten the younger generation is considered to endanger Indonesia's security and unity, as a single diverse nation (Lesmana, 2016). The education of "Bela Negara" expected to be able to recall the services of heroes in achieving independence and foster an attitude of love for the country. The importance of state defense education, the UPN is claimed to be a campus of "Bela Negara" has an important role going forward to contribute in maintaining the integrity of the NKRI (Saifuddin, 2016).

Referring to this background, this research is intended to see the extent to which UPN employees understand, know and commit to the brand of "Bela Negara" which is the identity of the UPN. In addition, it also analyzes the brand's internal influence (brand orientation, brand knowledge, and brand involvement) towards brand identity. Based on this background, this study aims to find out how to forming the "Bela Negara" brand values and academic perceptions of "Bela Negara" as a brand identity in the UPN "Veteran" East Java. Then analyze how the relationship between the internal brand and the brand identity which take the sample in the UPN "Veteran" East Java.

RELATED WORK AND METHOD

Internal Brand Management

Internal brand management is adopted from the internal marketing concept (Du Preez R, 2015) which emphasizes the application of the understanding of internal

actors. (Burmam et al., 2009) stated that a crucial part is in building a competitive advantage through strengthening the brand by its internal actors. Internal marketing is the main element of management not just promotions in the short term (Varey, 1995). With the understanding and knowledge of internal employees, the product or brand of an organization will be more alive (Kotler, 1999). Internal brand management focuses on internal development, strengthening and maintaining brand organization (Burmam C, 2011). Biedenbach & Manzhynski, (2016) stated that internal branding is driven by three factors, which consist of brand orientation, brand knowledge, and brand involvement.

Brand orientation is the level of relevance related to brand creation by managers and regulates emotional approaches and perceptions related to brands by all employees in the organization (Baumgarth, 2010). Brand knowledge and brand involvement are the factors that influence internal branding at the individual level (Baumgarth, 2010). Brand knowledge shows how far employees know details about the brand. Brand knowledge is developed through employee communication both internally and externally regarding values, identities, and other relevant factors related to organizational brands (Hume Winzar, 2018). Brand involvement is the involvement of employees in the brand, where it starts from employee trust and the level of perceived relevance (Biedenbach G, 2016).

Brand Identity

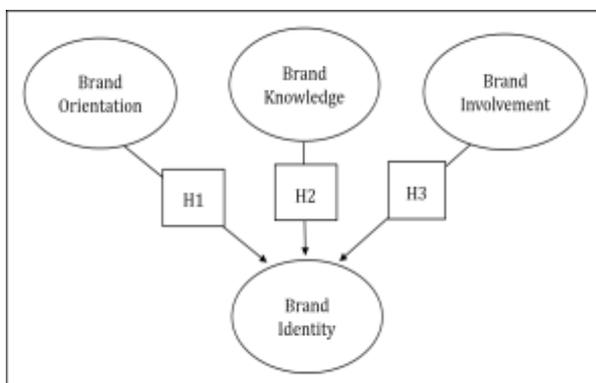
Brand identity is an abstract concept arranged in accordance with the context in an organization (Völckner F, 2006). While brand identity is built with distinctive features from the other and in the long run (Aaker, 1996). Even though the identity brand concept is related to managers, in its application it is closely related to other roles and participation, because stakeholder perceptions will arise from parties directly

related to the organization, in other words, brand identity cannot be controlled only by the manager (Muhonen T, 2017).

According to (Camiciottoli BC, 2014) brand identity as an activity that is implemented intensively from an organization to improve the image of the organization both internally and externally. Another resolution of brand identity is an important part that contributes to the competitive advantage that is supported in an organization and as a differentiating basis for other organizations (Bohrer, 2007) & (Baalbaki, 2012). With the existence of a strong brand identity, benefits can be obtained from avoiding positive perceptions from stakeholders, behaviour and habits of existing parties within an organization (Bravo R, 2016).

Conceptual Framework and Hypothesis

The conceptual framework of this research is shown in Figure 1.



Source: Data Processed (2019)

Figure 1. The Conceptual Framework of the Research

The hypothesis of this research consists of three statement, namely:

- H1: Brand orientation has significant effect on the brand identity.
- H2: Brand knowledge has significant effect on the brand identity.
- H3: Brand involvement has significant effect on the brand identity.

This research consists of two main variables, namely: (1) Internal branding, a concept of strengthening branding in internal employees which consists of three elements, namely brand orientation, brand knowledge and brand involvement. (2) Brand identity, a concept adopted from management brands that emphasize the uniqueness or value that exists in an organization. Brand identity consists of five dimensions, namely focus on employees-clients, visual identity, personal brand, consistency in communication and initiative from existing human resources. Thus the measurement scale covering all dimensions is 15 items adapted from research of Bravo (2017).

Method

The population of this research is all UPNVJT employees, totally 755 that consist of 434 lecturers and 321 educators. Random sampling is assumed to represent all work units in UPNVJT, while the number of samples is based on the Yamane table with a level of $\pm 5\%$ confidence level of 95%. The acquisition of viable samples amounts to 285 respondents. Data are collected by questionnaires, where the measurement scale for each variable is based on previous research and adjusted to the current research context. The analysis technique is an analysis based on sources and descriptive interpretation of the results of processing SmartPLS software (Sarstedt M, 2017).

RESULT AND DISCUSSION

Sample Characteristics Description

Based on the results of the distribution of questionnaires in the UPNVJT environment, 285 respondents were obtained with 138 males and 147 females (see details on Table 1). Each category with relative age is equal to a percentage of around 20%, with the majority being teaching staff and master education level. This is in accordance with the expectation that the parties who face

many students are lecturers. By the 285 respondents the average served for 3-10 years.

Table 1. The Sample Characteristics

	Amount	Percentage
Gender		
Male	138	48.30%
Female	147	51.70%
Age		
21-30 years old	61	21.30%
31-40 years old	81	28.30%
41-50 years old	72	25.20%
>51 years old	71	25.20%
Education		
Senior high school	19	6.60%
Bachelor	65	22.70%
Master	164	57.30%
Doctor	37	13.30%
Status		
lecture	179	62.60%
Staff	87	30.80%
Laboratory staff	19	6.60%
Tenur		
0-2 years	59	20.60%
3-10 years	116	40.60%
> 10 years	110	38.80%

Source: Data Processed (2019)

Validity and Reliability Testing

The conceptual framework has proposed several variables with three independent variables and one dependent variable. Each item indicators of variables have been assessment to measure the validity and reliability using smartPLS software. The result show that all indicators of independent variables has been pass of the cut off number for outer loading >0.5 (Henseler J, 2015). But for the Brand Identity (B.ID) variable need to do removal several item i.e. B.ID 3, B.ID 8, B.ID 15.

The other measurements that had been used are Cronbach's alpha, composite reliability (CR), and Average Variance Extracted (AVE). The result show that all of variable both independent and dependent obtained the value above the 0.5 mean all of the variable is acceptable (Sarstedt M, 2017). The full result describes on Table 2.

Table 2. The Assessment Result of Validity and Reliability of Variables

Variable	Outer Loading	Cronbach alpha	CR	AVE
BO		0.737	0.818	0.564
BO1	0.646			
BO2	0.667			
BO3	0.551			
BO4	0.603			
BO5	0.580			
BO6	0.532			
BO7	0.578			
BO8	0.585			
BK		0.648	0.780	0.578
BK1	0.611			
BK2	0.720			
BK3	0.594			
BK4	0.747			
BK5	0.540			
B.INV		0.721	0.817	0.519
B.INV1	0.654			
B.INV2	0.656			
B.INV3	0.735			
B.INV4	0.738			
B.INV5	0.651			
B.ID		0.737	0.855	0.513
B.ID 1	0.520			
B.ID2	0.557			
B.ID4	0.568			
B.ID5	0.500			
B.ID6	0.639			
B.ID7	0.598			
B.ID9	0.538			
B.ID10	0.637			
B.ID11	0.524			
B.ID12	0.606			
B.ID13	0.595			
B.ID14	0.547			

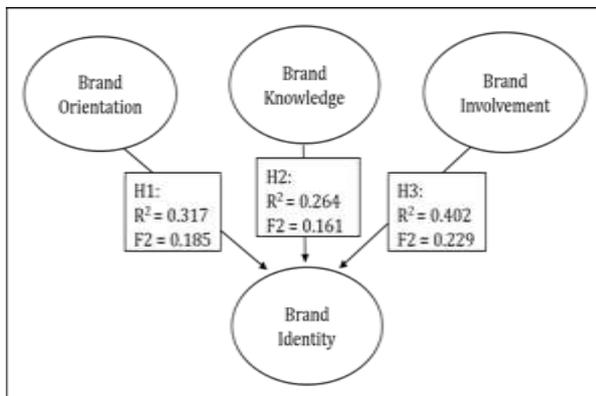
Source: Data Processed (2019)

Hypothesis Testing Result

The hypothesis prepared to testing after the measurement of each indicators had been done. The relationship testing used the bootstrapping to assessing the level of impact of independent variable toward dependent variable (Hair, 2014: 168-169). Then, it was obtained that all of hypothesis are accepted as shown in Table 3. It has represented that brand involvement, knowledge and orientation has significant effect toward brand identity with P-value of them is 0.000. The calculation of T-test show the highest number is brand involvement as 7.696, brand orientation as

6.027, and brand knowledge as 5.309, which means if shorted by the highest effect toward brand identity are brand involvement first, brand orientation, and the latest is brand knowledge. The standar deviation is assessment to knowing the failure level of on average in a 0.05 range, which means all of the variable is support to the three hypothesis.

The hypothesis testing has been done to assess the proposed conceptual framework through the R2 which the standard value as 0.26 reflect the substantial, 0.13 reflect the moderate effect and 0.02 reflect the small levels (Cohen, 1988). The result of this research shows that brand orientation has substantial impact to the brand identity as 0.317, brand knowledge has substantial impact to the brand identity as 0.264, and brand involvement has substantial impact to the brand identity as 0.402.



Source: Data Processed (2019)

Figure 2. The Result of Hypothesis Testing of Conceptual Framework

Firstly, Brand Orientation Toward Brand Identity. The findings of testing demonstrate that the brand orientation has significant impact toward the brand identity. The level of impacted as 0.322, means has substantial one. The result show that the identity will be influenced by the orientation first then will enhance the identity. This finding is suitable with previous research of (Nguyen B, 2016) which state that the identity of brand will has correlation with the orientation.

Secondly, Brand Knowledge Toward Brand Identity. The hypothesis testing results of confirmed the brand knowledge has significant impact to the brand identity as 0.263, which is the less than the other variable. The results are support for the hypothesis 2. It is in line with previous study which state that knowledge will has impact toward the identity of an organizations (Biedenbach G, 2016).

Table 3. The Result of Hypothesis Testing

Hypothesis	Original sample	Sample mean	Std. dev	T statistics	P value
BO → B.ID	0.317	0.322	0.053	6.027	0.000
BK → B.ID	0.264	0.263	0.050	5.309	0.000
B.INV → B.ID	0.402	0.403	0.052	7.696	0.000

Source: Data Processed (2019)

Thirdly, Brand Involvement Toward Brand Identity. Based on the result able to convey that brand involvement influence the brand identity. The current hypothesis in line with previous study of (Park HS, 2007) and (Zaichkowsky, 2013) which state that identity is influenced by the involvement of the actor. The current study proves it the impact factor as 0.403 in sample mean. The number reflect brand involvement has the strongest impact to the brand identity than the other.

Further discussion as reflected in Figure 2. The level f effect of each variable are above 0.15 and less than 0.35 means the three variables have medium effect to the brand identity. The findings of current study denoted the correlation between brand involvement, brand knowledge and brand orientation toward the brand identity. Brand identity is able to enhance the employee's awareness about sustainability improving performance of an organization. The results indicate that the internal company's efforts to enhance the brand identity involve the employee directly in the process, then inform massively about the orientation and knowledge about the company's brand. Managerial implication for the current study is able to encourage

managers to optimize the internal branding strategy through applying the brand orientation, brand knowledge and brand involvement to enhance the brand identity. Thus the organization is able to perform stronger outside.

CONCLUSION AND RECOMMENDATION

The aim of this research is to explore the endogenous variable based on the internal branding concept. The internal branding consists of three variables, namely brand orientation, brand knowledge and brand involvement. The exogenous variable is brand identity to enhance the identity of an organization in general. Based on the hypothesis testing obtained by the three variables of internal branding, brand involvement is the most dominant influence on brand identity than others. However, all of the variables influence the brand identity.

The future research can further study the internal branding by the customer perspective. This research was conducted in the higher education context, where the majority of employees was academicians. Then the future research will be able to take in another place such as company or another public sector organization.

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