Drivers of employee propensity to endorse their employer's brands

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ABSTRACT

Employees are important endorsers and gatekeepers to authentic conversations brands want to have with their consumers. This research focuses on predictors of employee endorsement. The purpose of the study was to investigate how internal marketing, internal engagement and perceived external prestige influence employees' propensity to engage in positive word-of-mouth conversations about their company's brands to their families, friends and close networks. Although the concept of word-of-mouth has received a lot of attention from researchers and practitioners alike, few studies have focused on the perspective of the initiator of word-of-mouth conversations, especially if the sender is employed by the brand being endorsed.

From the literature reviewed an endorsement model was developed testing relationships between the constructs of (independent) internal marketing, internal engagement prestige and (moderating) perceived external prestige with (dependent) employee endorsement. A quantitative study was conducted through an email-based survey for which data from 156 employees from a South African bank was used to test hypotheses. A moderated regression was applied to establish the model fit to the data collected.

The results of the model confirm that internal marketing and internal engagement are important predictors of employee endorsement. Although an organisation's external prestige is theoretically important to employees, data reveals that the variable does not have a significant bearing on the relationships between internal marketing and internal engagement with employee endorsement. These findings are relevant for businesses seeking to leverage their employee potential not only in strengthening their branded services when servicing customers also growing their client base with an engaged customer base emanating from authentic trust relationships.

Keywords

Employee endorsement, positive word-of-mouth, internal marketing, employee engagement, perceived external prestige.

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Signature

Matjie Pride Morokane

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1.1 Introduction

Companies seeking growth are faced with far more competition for consumers' share of mind than ever before. Today's competitive landscape for brands is characterised by continuously increasing advertising budgets, low consumer confidence in companies, increased access to information, as well as consumers who are selective about their sources of advice on products and services. When choosing products, consumers believe the advice of their friends and family over advertising (Tadena, 2014), and within companies employees remain the most trusted source of information (Edelman Berland, 2014). Employees' networks thus provide an opportunity for a rich base of potential consumers facilitated by authentic engagements with employees.

The first chapter of this study introduces the research problem by providing background into the academic and practitioner need to investigate employees as endorsers of their company products and services. The chapter identifies key research aims and objectives by linking the theory of employee endorsement through positive word-of-mouth. The chapter further demonstrates the benefit of the research to marketing practitioners and business.

1.2 Background

The global financial crisis of 2008 which affected most economies in the world, is amongst the main causes for organisations to change the way they compete for consumer attention (Quelch & Jocz, 2009). This shift towards customer centricity in marketing approach is further necessitated by the rising cost of doing business and changing consumer spending habits from pre-recession, through recession and into market recovery (Deloitte, 2013; Flatters & Willmott, 2009).

As markets mature, these consumer-facing organisations are continuously looking for ways to increase their market share through exploiting new segments (Anaza & Rutherford, 2012). Within every organisation employees and their networks represent a potential noteworthy source of additional revenue as well as other consumer driving benefits.

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1.2.1 Market background

Industries are under pressure not only to retain value through existing customers but also to grow their customer base (EY, 2014). The cost of acquiring new customers is high (Lusch & Boyt, 1996) and the cost of additional advertising and promotions to keep up with competition is also rising. Retaining existing customers is equally challenging as those who are dissatisfied with the products and services they are offered are actively seeking and pursuing new options (EY, 2014; Schreuder, 2014) often without the organisation knowing the potential loss of future revenue.

The competitive environment is further complicated by the need for companies to not only stay ahead in their primary categories, but to also keep watch of parallel industries infringing on their market share and revenue (Deloitte, 2013; Interbrand, 2013). The retail category has had to embrace such a reality now competing against e-commerce giants who have reshaped traditional retail consumer shopping from a physical store experience to an online, thus appealing to a consumer seeking convenience, speed of service, cost efficiency and variety (Interbrand, 2013). Similarly, supermarkets and other retailers have along with technology companies increased their presence in the financial services sector (Deloitte, 2013). Diversification of organisations into non-primary categories, not only offers clients more choices, but also offers companies the potential to dominate in multiple segments where they are able to offer better value.

Consumers have also evolved over the last century and their options for brands have increased. They have become digitally savvy and now have access to a wide variety of information. They have growing confidence in their own ability to find information that they need about businesses and brands (Flatters & Willmott, 2009). They are openly critical of brands and pursue opportunities such as social platforms to voice their opinions about the value they have received (Fournier & Avery, 2011). Through social platforms, they hold the power to build or break brands based on their understanding and experiences (Barwise & Meehan, 2010). They have low trust in brands that lack transparency. They actively seeks alternative brand options when they are disappointed with their current brand experience (EY, 2014).

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1.2.2 Authentic word-of-mouth exchanges

Despite the economic challenges, it is estimated that global spend on advertising and entertainment amounted to over one trillion dollars in 2013 which was an increase of increased by 5.8% from 2012 (McKinsey & Company, 2013). This massive investment signals the increase in daily media impressions consumers are faced with. As marketers look at alternative marketing interventions to break through the clutter, word-of-mouth is a viable option that has the ability to deliver quality authentic messages to advertising-wary audiences (Tadena, 2014). People trust their family and friends for advice on brands (Gensler, 2013; Tadena, 2014),

Word-of-mouth communication is the sharing of information about brands, products or services from one person to another without any direct financial reward for either. A distinction has to be made to buzz and viral marketing as the other form of alternative marketing. Buzz marketing is a method of generating excitement around a brand message in unexpected ways (Kotler & Keller, 2012). Viral marketing is also the exchange of information, usually online, from consumer-to-consumer however the exchange is paid for and facilitated by the brand (De Bruyn & Lilien, 2008; Kotler & Keller, 2012). It is widely accepted that word-of-mouth is important to shaping consumers' beliefs and actions (Harrison-Walker, 2001). Whilst marketers are aware that driving word-of-mouth is a powerful method for rich engagement with consumers, their approach has been on viral marketing interventions which are short-lived and lack transparency for the audience (Harrison-Walker, 2001). Attempts by marketers to generate genuine product word-of-mouth through viral marketing and buzz campaigns have failed because consumers perceive these to be inauthenticity (Balter & Butman, 2005). Unlike buzz and viral marketing, "word-of-mouth is the honest, genuine sharing of real opinions and information about products and services" (Balter & Butman, 2005, p. 8). It cannot be controlled and efforts to measure its impact have been challenging as most of the exchanges occur offline (De Bruyn & Lilien, 2008; Kotler & Keller, 2012).

People engage in exchanges about brands, products and services all the time, with or without the influence from brands (Barwise & Meehan, 2010). Positive word-of-mouth is when marketers rely on these exchanges to be positive about their brands. There are various reasons people endorse brands to others. Balter and Butman (2005) talk about the six reasons people talk about brands and products.

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Table 1: Why people talk about brands and products

Helping and educating The need to help others to make good product decisions.	**Proving knowledge** The need to show off what we know.	**Finding common ground** The need to see what we have in common with others.
Validating our own opinion The need to see if our opinion of a product is similar to others.	**Pride** The need to show others that we are proudly associated to a brand or product.	**Sharing** The need to share ideas, opinions and information with no self-serving motive.

Individuals engage in conversations due to one or multiple reasons listed above. For companies, the rules are different. An example is the unwritten 'social playbook' brands participating in social media have to adhere to in order to be part of the conversation. Brands have to be accepted first by members of that group, they have to participate in the unstructured conversations without being defensive about any product or industry commentary in the conversation (Barwise & Meehan, 2010).

Company employees however, have the ability to authentically talk about the company's products from a perspective of helping and educating as well as brand pride. They are able to fulfil the need to help others make good product decisions given their insight. Those who are proud to be associated with the company can share their experience without breaking social rules. They are the most trusted spokesperson for credible and honest information in the organisation (Edelman Berland, 2014). Their message can translate with ease to clients and potential clients. To leverage the benefit of positive word-of-mouth from employees, a company first needs to understand internal factors that drive employees to talk about their employer's products authentically and with pride.

1.3   Problem statement

Whilst the subject dates back several decades, research has predominantly focused on the consequences of word-of-mouth and most of the communication exchanges observed have been from customer-to-customer (Harrison-Walker, 2001; Löhndorf & Diamantopoulos, 2014). With this prospect, there is opportunity to investigate the drivers of word-of-mouth further through the lens of the sender of the message as the employee.

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From an employee research perspective, the focus over time has been their recognition as a source of competitive advantage for the organisation from a customer satisfaction point of view (Sirianni, Bitner, & Brown, 2013). Previous research also focused on the delivery of brand experiences to customers through service employees (King & Grace, 2009, Sirianni, Bitner, Brown & Mandel, 2013). Brand marketers have invested in programs to orientate employees to deliver these branded services to customers. Marketers now need to look at the opportunity for employee endorsement.

Employee endorsement is defined as off the job, positive word-of-mouth attributed to an organisation's overt efforts to encourage their employees to refer their family, friends and close networks to patronise their products (Wentzel, Tomczak, & Henkel, 2014). The motivation to measure predictors of employee endorsement is critical because employees are not remunerated for off the job efforts such as positive word-of-mouth. These must be initiatives the employees are personally proud of which signals a level personal investment. If channelled correctly, their word-of-mouth interactions have the ability for it to multiply and to benefit the company.

From the above arguments, it is clear that there is a need to further understand the factors that influence employee endorsement of their employer's products and services. Empirical data analysis is required to measure the predictability of internal marketing and engagement of employees' decision to endorse company products and services. Analysis should be afforded to measure the impact of external perceptions, especially from known communities to the employees, on the ability of internal marketing and internal engagement to predict employee endorsement.

1.4   Research aim and scope

The aim of this research is to measure the internal influences that drive the decision by employees to endorse their employer's products to their friends, family and close network. There are many influences that drive employees' decisions that are related to the company and some that are not related. The aim of this study is confined to the influences that are related to the company whether internal or external.

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1.5 Research Objectives

Based on the aim, the objectives of this research are therefore

- To investigate, through literature, the internal drivers of employee endorsement.
- To develop and empirically test a theoretical model for endorsement resulting from these relationships using primary data.

1.6 Benefits of Research

Brand and product endorsements from employees have several benefits for organisations. The first is the potential for additional revenue that can be generated from each successful employee word-of-mouth exchange. The cost of acquiring this new consumer would also be lower if measured against the large marketing expenditure of traditional media such as advertising on television (Dabholkar & Abston, 2008; R. Lusch, Boyt, & Schuler, 1996). These engagements could increase employee awareness and knowledge about the company's brands, therefore assisting to deliver more authentic branded encounters to existing customers.

Employee endorsement can also build the much-needed trust with customers, resulting in customer retention. This is especially pertinent for financial services companies, as the industry continues to be the least trusted globally (Edelman Berland, 2014).

1.7 Structure of research report

The report is presented in seven chapters. Chapter one introduces the research problem and outlines the current business context, the need for the study as well as highlights the benefits of the research. Chapter two presents a discussion of the literature reviewed. The chapter outlines the theoretical foundation of the constructs at the centre of this study in order to draw out the hypothetical relationships between them. Chapter three outlines hypotheses to test the direction of the relationships between internal marketing, employee engagement, perceived external prestige with employee endorsement. Chapter four provides details of the process followed in data collection as well as statistical technique used for analysis of that data.

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Chapter five provides the summary of results along with detailed statistical test of the proposed constructs along with explanations resulting from the research methodology applied. Chapter six evaluates the findings and systematically provides detail on the results of the hypotheses testing. Chapter seven summarises the findings, elaborates of the managerial findings and proposes opportunities for future research based on the findings of the current study. The report presentation includes a full reference list after chapter seven. Finally, a list of appendices provides the survey instrument utilised for data collection as well as relevant statistical analyses referred to in chapter five and six.

2   CHAPTER 2: LITERATURE REVIEW

2.1   Introduction

Employees have been identified as advocates of their employer's products (Wentzel et al., 2014). This chapter analyses literature pertinent to understanding referral behaviour by employees to their family, friends, and social networks. To do so, the author reviewed theory on the themes positive word-of-mouth (WOM), internal marketing, internal engagement, as well as perceived external prestige (PEP). The chapter begins with an overview of employee endorsement, which reviews WOM theories and discusses the history of employee research. This is followed by a theory-based discussion on company actions designed to drive attitudes and actions from employees. These are within the constructs of the abovementioned themes. Figure 1 visually outlines the structure of the literature review:

Figure 1: Structure of literature review
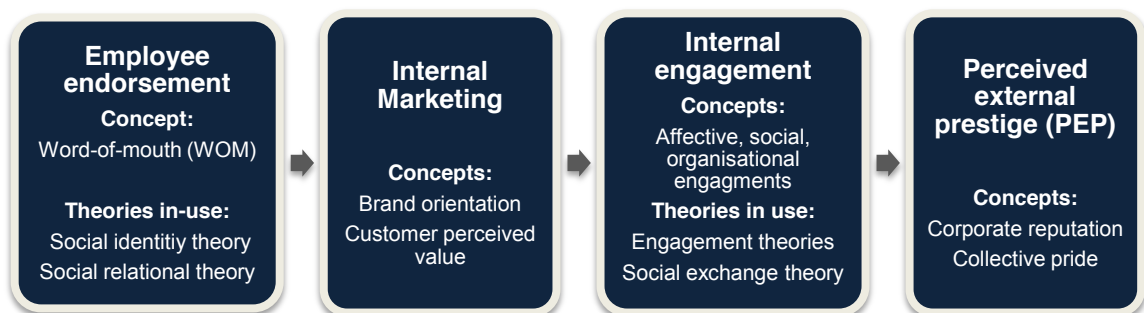
2.2   Overview of endorsement

Employee endorsement is reviewed as WOM interactions from employees to people they have close relationships with (i.e. family, friends and social networks). WOM is described as the authentic sharing, from consumer-to-consumer, of real sentiments and information about brands, products and services (Balter & Butman, 2005; Bansal & Voyer, 2000; Löhndorf & Diamantopoulos, 2014). The concept has received extensive focus from both practitioners and academics since the 1950's, where researchers demonstrated that the exchange of information between acquaintances can shape the choices they make on brand purchases as well as their expectations of products and services before and after purchase (De Bruyn & Lilien, 2008; Harrison-Walker, 2001).

Although the studies on referrals and WOM date back many decades, research has predominantly focused on understanding the application and consequences of WOM. Few studies have been dedicated to understanding the sender of the WOM communication (Harrison-Walker, 2001). Furthermore, studies have focused on consumer-to-consumer referrals and little attention has been given to employee WOM communication (Wentzel et al., 2014).

It is a widely accepted view that consumers are likely to engage in WOM communication and that this exchange plays a significant role in reshaping the recipient's behaviour and attitudes (De Bruyn & Lilien, 2008; Harrison-Walker, 2001; Wentzel et al., 2014). Even with the plethora of brand generated content such as advertising, consumers continue to trust more in brand and product information offered by someone they know (Bansal & Voyer, 2000; R. A. King, Racherla, & Bush, 2014). In recognition of this growing trend, marketers have through alternative channels such as amplified WOM or viral marketing; created company generated promotional WOM campaigns. However the reception from senders and recipients of WOM communication has been negative (Libai et al., 2010; Wentzel et al., 2014). Consumers see these campaigns as gimmicks and perceive the benefiting brand to be manipulative in their approach (Balter & Butman, 2005; R. A. King et al., 2014; Wentzel et al., 2014).

WOM is different from other alternative marketing methods because of the authentic environment within which these conversations occur (Arndt, 1967). In these environments WOM communicators volunteer to share their insights with conscious consideration of how they will be perceived by the sender for endorsing a specific brand or product (Wentzel et al., 2014). Recipients of WOM communication accept the information believing that it is expert opinion and authentic (Bansal & Voyer, 2000). Practitioners then need to understand that whilst WOM can be channelled and accelerated, it cannot be controlled (Balter & Butman, 2005).

2.2.1 Role of employees in WOM communication

Employees have become central to the success of many firms. Studies on employees have been extensive due to growing interest in this internal group as a source of competitive advantage (Abston & Kupritz, 2011).

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Marketers also recognise the influence employees have on client perceptions about the company as well as the products and services they offer (Oakley, 2012; Sirianni et al., 2013).

There are well-established constructs within marketing research covering multiple facets of this internal consumer and how they communicate. These topics cover the practice in internal branding and marketing, methods in delivering authentic branded services to clients, the impact organisational brand orientation has on brand delivery as well as ways to bridge gaps between clients and employees (Gromark & Melin, 2011; Oakley, 2012; Punjaisri & Wilson, 2007; Sirianni et al., 2013; Urde, Baumgarth, & Merrilees, 2013). In collaboration studies between marketing, human resources (HR) and organisation design (OD), research has covered constructs on organisational support, the impact of employer branding, the need for employee engagement, citizenship behaviour as well as the internal influences derived from external perceptions about the organisation and brand pride (Duffy & Lilly, 2013; Eisenberger, Huttington, Hutchinson, & Sowa, 1986; Foster, Punjaisri, & Cheng, 2010; Helm, 2011, 2013; Saks, 2006).

Marketers are starting to take notice of employees' influence. As a result they are investing focus on encouraging employees to engage in referral communication as part of their role in helping customers to make purchase decisions to satisfy their needs (Wentzel et al., 2014). Löhndorf and Diamantopoulos (2014) argue that, to effectively leverage this opportunity, practitioners should rather encourage employee participation in brand development, which is believed to be a more sustainable approach. Brand development participation is described as proactive behaviour by employees to nurture and build the organisation brand on and off the job. Off the job refers to personal advocay mainly to social circles and has the potential to snowball without continuous input from the organisation (Löhndorf & Diamantopoulos, 2014).

Löhndorf and Diamantopoulos (2014) further identify organisational identity as an influential force for increasing employee participation in brand development and converting employees into brand champions. According to social identity theory, people originate a portion of their identity from categories or memberships they belong to (Billig & Tajfel, 1973).

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Organisational identity is then a specific form of membership identity that employees derive meaning and identity from (Löhndorf & Diamantopoulos, 2014; Mael & Ashforth, 1992; Wentzel et al., 2014).

Löhndorf and Diamantopoulos (2014) and Wentzel et al. (2014; 2014) all argue that positive alignment is first required between the organisation and the employee's identity before the employee can engage in brand building behaviour. Organisations beginning to understand the employee as the sender (of WOM) need to understand what evokes organisational identity in their employees in order to activate it for results. Mael and Ashforth (1992) looked at individual antecedents to organisational identity and found that the amount of time a person is active in an organisation can positively increase the association to their identity to that firm. Another reason that may evoke organisational identity may be a person's satisfaction with the firm's contribution to their personal goals and objectives (Ashforth & Mael, 1989; Mael & Ashforth, 1992).

Another relationship of focus is between the employee and the receiver of communiation. Wentzel et al. (2014) offer a view on friendship norms using the social-relational theory by Fiske (1992) that friendships rooted in communal sharing will not accept proposals based on market pricing relational terms. To elaborate further, communal sharing is based on a concept of members in a group who are equals and have a relationship of mutual care for each other (Fiske, 1992). Market pricing relational models on the other hand are based on social exchange where members can be seen as business partners and levels of benefit are not equal (Fiske, 1992; Wentzel et al., 2014). In a typical WOM exchange there is a known or friendship relationship between the sender and recepient (Libai et al., 2010; Ryu & Feick, 2007). In the case of employees, burden and responsibility may be felt as part of representing an organisation looking for financial benefit. Wentzel et al. (2014) argue that it is unlikely that employees who feel a misalignment in identity with the organisation would engage in referral due to fear of upsetting their social relationships. Furthermore, employees are likely to guard their status as a caring friend by avoiding engaging in a commerical exchange with their network (Bansal & Voyer, 2000; Wentzel et al., 2014).

Perceived risk by the sender of a referral is another area Wentzel et al. (2014) along with Ryu and Feick (2007) argue may limit employees keeness to refer their social networks to consume their firm's brands.

Perceived risk occurs when the organisation's brand equity is low or employees believe the value offered is weaker than that offer by competitors (Harrison-Walker, 2001; Löhndorf & Diamantopoulos, 2014; Ryu & Feick, 2007; Wentzel et al., 2014).

Sometimes, employees may believe in the offer however, due to insider operational knowledge, they might not believe in the organisation's ability to deliver on the value (Bansal & Voyer, 2000; Ryu & Feick, 2007; Wentzel et al., 2014) therefore if a transaction occurred, this would leave the recepient with a loss. This compromises the relationship with the sender. Some sectors inevitably carry higher perceived risk, e.g. investment or medical industries, and are therefore likely to suffer the exclusion detailed above (Bansal & Voyer, 2000; Wang, 2011).

The sender of WOM also bears the pressure of the expectation of expertise. Sender's expertise in WOM can be described as having enough accurate information on a topic to convince a receiver actively seeking the information, so much so that the receiver sees no need to verify the information received with other sources (Bansal & Voyer, 2000). This expert status also influences how influential the information is to the receiver's decision to purchase or seek alternatives. Consumers actively seek out experts when looking for informationn, thus, in the case of employees, their formal training or role in the firm would render them expert enough for recivers to seek advice from (Bansal & Voyer, 2000). Balter and Butman (2005) state that on of the reasons people engage in WOM communication is inherent need to assist others to make good product choices. Employees' confidence to engage in WOM exchanges is increased when they have the accurate information from the firm to do so (Bansal & Voyer, 2000)

2.2.2 Employee endorsement summary

The measure of a successful WOM encounter with the employee as the sender of communication relies on the balance of many factors at a cognitive and an affective level. The interdependence of social identity and organisational identity cannot be ignored (Ashforth & Mael, 1989) as employee WOM brings in external influences from friendship norms and perceived risk. The relevance of perceived value also applies in WOM exchanges due to the friendship relationships (Bansal & Voyer, 2000; Wentzel et al., 2014). The employee as the sender of WOM is unlikely to endorse a brand, product or service they do not believe offers consumption value or that is incongruent with their personal values (Ryu & Feick, 2007).

The pressure of expertise is key as the sender would not engage in a WOM exchange without the confidence of accurate information (Bansal & Voyer, 2000; Löhndorf & Diamantopoulos, 2014). The firm ultimately has the power to increase employees' confidence by providing them with adequate information and the right value products to do so.

2.3 Overview of internal marketing

Companies invest a lot of focus on their external customer in terms of offering them the right products, giving them the right information, all with the expectation that they will repeat their patronage and share their experience with more potential customers. A key premise to internal marketing (IM) is that just as external customers require their needs for product, service and information to be met, so too does the internal customer (Ahmed & Rafiq, 2003a; Ferdous, Herington, & Merrilees, 2013).

There have been many proposed definitions for IM however most have been a means to encourage employees to provide quality products and services to external customers (Ahmed & Rafiq, 2003a; Anaza & Rutherford, 2012; Boukis & Gounaris, 2014; Ferdous et al., 2013; Lings & Greenley, 2010; Lings, 2004). Despite extensive research dedicated to the study of IM, the concept remains confusing with no universally agreed construct (Ferdous et al., 2013) . Additionally, reasons for research on IM and the application by practitioners has continued to evolve with the growing interest in employees.

Some of the previous studies on the topic of IM adapted from Gouranis (2006) are summarised in Table 2.

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Table 2: Previous work on internal marketing and key focus points

Author(s), date	Key focus	Type
Berry et al., 1976	- Internal marketing (IM) results to jobs (internal products) that satisfy the needs of employees (internal market) while satisfying the objectives of the organisation - Targeted to front-line personnel - A behavioral–instrumental approach - IM is a strategy. A marketing program based on communication with employees. The development of their potential and motivating— remunerating those who offer excellent service	Conceptual
Sasser and Arbeit, 1976	- IM results into job satisfaction - Targeted to front-line personnel - A behavioral–instrumental approach - IM is implemented through internal market research and job re-engineering aimed at developing jobs that attract and retain excellent service providers	Conceptual
William, 1977	- IM results to greater job satisfaction - Targeted to front-line personnel &A behavioral–instrumental approach - IM is a strategy to deal with status and pay concerns of front-line personnel in order to improve customer service	Conceptual
Berry, 1981, 1987	- IM results in job satisfaction - Targeted to front-line personnel - A behavioral–instrumental approach - IM is a strategy for job re-engineering and internal communication aimed at deriving customer-minded front-line personnel	Conceptual
Gröroos, 1983	- IM results in customer consciousness - Targeted to the entire organisation and all employees - A behavioral–instrumental approach - IM is a strategy for developing the required ''state of mind'' that will allow customer service effectiveness under a broader relationship management paradigm	Conceptual

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Author(s), date	Key focus	Type
Tansuhaj et al., 1987	- IM results to increased levels of job satisfaction and commitment to the organisation - Targeted to front-line employees - A behavioral–instrumental approach - Responsibility of the company's marketing specialists (marketing and sales departments) - IM is implemented through communication with employees	Empirical
Gummeason, 1987	- IM results to increased levels of productivity and efficiency - Targeted to all employees involved in the service value-creation chain &A mechanic approach - IM is implemented through communication with employees and culture change mechanisms	Case Study
Tansuhaj et al., 1988	- IM results to increased levels of job satisfaction and commitment to the company - Targeted to front-line employees - A behavioral – instrumental approach - Responsibility of the company's marketing specialists (marketing and sales departments) - IM is implemented through communication with employees	Conceptual
George, 1990	- IM in effective internal exchanges - Targeted to all employees - An holistic approach - IM is implemented through coordinating human resource and marketing departments to improve the company's service orientation	Conceptual
Ahmed and Rafiq, 1993	- IM results to increased marketing strategy effectiveness by aligning motivating and integrating the employees towards the implementation of company strategies - Targeted to all employees - A holistic approach - IM is implemented through the application of marketing techniques along with human resource management practices to facilitate the implementation of the company's market objectives	Conceptual

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Author(s), date	Key focus	Type
Foreman and Money, 1995	- IM may have various objectives depending on who is targeted (specific groups of employees or the entire organisation) - Can be targeted to specific departments or to the entire organisation - A behavioral – instrumental approach - IM is implemented through communication, development and participative management and motivation and rewards.	Empirical
Varey, 1995	- IM results to satisfaction of employees' needs both as individuals and service providers - Targeted to front-line personnel - A holistic approach - IM is implemented through internal communication aiming to ''sell'' the importance of customer service	Conceptual
Piercy, 1995	- IM results to strategic alignment - Targeted to those who can influence the implementation of the marketing strategy - A behavioral – instrumental approach - IM allows the removal of interdepartmental barriers for developing and implementing the company's market objectives	Conceptual
Gröroos, 1997	- IM results to sales- and service- minded personnel - Targeted to all employees regardless of job description and hierarchy - A behavioral – instrumental approach - IM should be integrated with the marketing function because marketing is the responsibility of every employee who influences customer's value	Conceptual
Wasmer and Brunner, 1999	- IM results to individual employee's objectives alignment with company objectives - Targeted to all employees - A behavioral–instrumental approach - IM is implemented through formal and informal internal market research and communication to ''sell'' the company's objectives internally	Conceptual
Varey and Lewis, 1999	- IM results to individual employee's objectives alignment with company objectives - Targeted to all employees - A behavioral–instrumental approach - IM is implemented through formal and informal internal market research and communication to ''sell'' the company's objectives internally	Conceptual

Author(s), date	Key focus	Type
Rafiq and Ahmed, 2000	- IM results to increased productivity and job improvements - Targeted to all employees &A holistic approach - IM is the planned effort to achieve employee satisfaction, customer satisfaction and inter-functional coordination through employee empowerment	Conceptual
Ahmed and Rafiq, 2003	- IM results to increased productivity and job improvements - Targeted to all employees - A holistic approach - IM is a cultural framework and an instrument to achieve strategic alignment while building customer service competence by managing internal relations through internal communication	Conceptual
Naude, Desai and Murphy, 2003	- IM results to increased job satisfaction and market orientation adoption - Targeted to all employees involved in the service value-creation chain - A mechanic approach - IM perceived implementation is influenced by individual and organisation characteristics	Empirical
Ballantyne, 2003	- IM results to knowledge renewal - Targeted to all employees - A mechanic approach - IM influences service procedures and operations facilitating their re-engineering using input from both the external and internal environment	Conceptual
Lings, 2004	- Internal-market orientation (IMO) represents a company philosophy - IMO results to increased levels of job satisfaction - Targeted to front-line personnel - A cultural approach - Three major facets of IMO, namely internal market research, communications, response	Conceptual
Lings and Greenly, 2005	- Internal marketing interchangeably used with internal-market orientation to describe the effort to improve internal climate - Results to increased levels of job satisfaction - Targeted to front-line personnel - A behavioral – instrumental approach	Empirical

Table 2 shows that studies on IM have been linked to multiple organisational, employee and external customer challenges. For the organisation, IM has been linked to the objectives and strategy of the organisation, employee commitment as well as productivity and efficiency internally. For the internal customer IM has been linked to job satisfaction and improvement as well as the alignment of personal goals to the organisation. For the external customer, IM has been linked to customer consciousness as well as orientation to the external market (Ahmed & Rafiq, 2003b; Berry, 1981; Lings & Greenley, 2010).

Later studies introduce the concept of orientation both internally and externally. Lings (2004) explains the relationship between IM and internal market orientation (IMO). In IM, alignment is created between the employee and the organisation to equip the employee to better satisfy the needs of the external customer (Ahmed & Rafiq, 2003a; Ferdous et al., 2013; Lings, 2004; Matanda & Ndubisi, 2013). IMO is mainly concerned with the facilitation of finding, understanding and satisfying the needs of the employee as a precursor to finding, understanding and satisfying the needs of the external customer (Lings, 2004).

Although Lings (2010; 2004) further argues IM and IMO can be used interchangeably, a distinction needs to made where IM is seen as a marketing technique, program or tool for internal alignment (Ferdous et al., 2013; Lings, 2004; Matanda & Ndubisi, 2013), whilst IMO is a way of doing business or philosophy that continuously drives the IM program (Ferdous et al., 2013; Lings & Greenley, 2010).

Based on the key premise by Berry (1981) and IM concepts from the abovementioned research, for the purposes of this study, the consolidated definition for IM is described as "an alignment of all functions in the firm in order to satisfy the needs of the internal consumer for product, service and information with the intention of ultimately satisfying the needs of the external consumer" (Anaza & Rutherford, 2012; Berry, 1981; Ferdous et al., 2013; Lings, 2004; Matanda & Ndubisi, 2013).

2.3.1 Internal knowledge

Bansal and Voyer (2000) have found that internal knowledge increases the confidence to endorse. Internal knowledge however has been difficult to achieve through IM. As a proposed philosophy and internal alignment vehicle IM is meant to collaborate all the company's activities that result in the quality expected by the end consumer (Ahmed & Rafiq, 2003a). Unfortunately this pursuit for alignment is limited by silo structures within functions of most companies as well as the absence of a single-minded ideology that should permeate all projects, plans and communication through the organisation (Ahmed & Rafiq, 2003a; Boukis & Gounaris, 2014). Companies can increase this confidence with investment in IM and brand building activities (Bansal & Voyer, 2000; Matanda & Ndubisi, 2013).

One of the ways to align internal efforts is through the adoption of brand orientation (BO), which has the ability to drive brand objectives to enhance internal knowledge. There have been various definitions for BO however, the most encompassing for this study is defined by Gromack & Melin (2011) as a carefully thought-out method to building brands where brand equity is created through employees and customers alike. In their definition Urde, Baumgarth & Merrilees (2013) emphasize how brand identity can create the necessary alignment for strategy, culture and organisational performance. In essence brand orientation is an organisation wide brand mind-set where business strategy is aligned to brand strategy (Urde et al., 2013). It requires a deliberate approach and buy in across the employee lines from leadership to frontline (Gromark & Melin, 2011; Urde et al., 2013). "Prioritizing the brand in the organisation gives it integrity in relation to customers' desires and the actions of competitors, but also in internal strategic processes" (Urde et al., 2013, p. 14).

At the heart of the IM challenge is the satisfaction of the internal customer. Drawing back to the social identity theory, satisfaction can come from the congruence of values between employees and their organisation. Organisations have to however engage in active everyday talk with employees to bring the identity to life (Omilion-Hodges & Baker, 2014).

"Employees who identify with their employer are more likely to enact a positive attitude toward the organisation, make choices that align with organisational objectives, remain loyal, and engage in positive everyday talk about the organisation with internal and external stakeholders" (Omilion-Hodges & Baker, 2014, p. 436).

Everyday talk is part of internal communication strategies designed for the different internal segments (Ahmed & Rafiq, 2003a). Similar to external communications, internal communication strategies have to be relevant, accommodate the different internal segments, deliver a single minded message, emotionally tug at the audience's heartstrings, place emphasis on product attributes and benefits, and lastly contain a call to action for the internal consumer to act on (Ahmed & Rafiq, 2003a; Boukis & Gounaris, 2014). Overall the role of IM is vast, spanning from strategies and philosophies to processes and communication.

2.3.2 Perceived value

Suggestions have been made about reasons employees choose to promote their employer's products. However consideration has not been made that it might be attributed to perceived value of the product or service compared to competitors. Perceived value is defined as the customer's sum of expectations between what they are satisfied to receive versus what they are offered in comparison to other options foregone (Chang & Dibb, 2012; Hoon, Kim, & Wachter, 2013; Wu, Chen, Chen, & Cheng, 2014). Customer-perceived value literature makes reference to the distinction between personal values and consumption values where personal values apply when people make preference judgements and consumption values are the actual preference (Chang & Dibb, 2012). Although the two concepts are different, Chang and Dibb (2012) suggest that personal values greatly influence consumption behaviour. In the case of the employees it is therefore important to note potential consumption values links to internal marketing practices initiated by the organisation which may influence the circumstances of purchase and endorsement (Chang & Dibb, 2012). It is as essential to also note potential personal values link to internal engagement practices as well as external prestige employees may believe in and be proud of (Chang & Dibb, 2012; Hoon et al., 2013).

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When looking at the influences of perceived value, personal values hardly ever change or may take time to change whereas consumption value can be immediately driven by a need that requires satisfaction (Chang & Dibb, 2012). Again when relating this parallel to employees, these linkages may influence employer's efforts to drive employee endorsement.

In their study about referrals and rewards, Ryu and Feick (2007) adopt exchange theory to explain WOM exchanges and referrals. Exchange theory supposes that the decision to engage in WOM lies in the perceived value of the exchange. The theory applies for financial and non-financial exchanges. As perceived value is highly personal and contextual, it is central to exchange theory in that the components include quality and price, which vary according to product or service and rank against their significance to the individual (Ryu & Feick, 2007). Referrals are ultimately exchanges of cost, benefit and risk (Ryu & Feick, 2007; Wentzel et al., 2014). A comparison against other options is also assumed. The exchange in nonfinancial marketing parameters does not hold comparative value to other options.

In financial marketing exchanges however, employees can compare a discount value to the option of paying full price or the option of a competitor product, hence the cost of benefit vs. foregone cost. This ties back to consumption value. Having the product or brand knowledge assumes that a comparison is possible between the offer and other options available.

In a sense, IM as orchestrates many exchanges. The exchange model between the company and the employee maintains that

> "When a company acts in a fashion favorable to employees through the ongoing implementation of IM practices, the exchange process stipulates an expectation that begets an obligation of reciprocity on the employee's part" (Anaza & Rutherford, 2012, p. 344).

Even to the point of endorsement or even keen loyalty.

2.4   Overview of internal engagement

Internal employee engagement has become a popular and widely used term in human resource development (HRD) theory and practice (Saks, 2006; Soane, Truss, Alfes, Shantz, & Rees, 2012). Despite its popularity and the explosive amount of attention from business and academia, there appears to be no consensus on the meaning, the measurement or the theory of engagement altogether (Saks & Gruman, 2014; Saks, 2006; Soane et al., 2012).

As a result, researchers have not reached a consensus on the naming convention for the construct (Saks & Gruman, 2014). The problem is further fuelled by engagement constantly being studied alongside other better-established constructs such as job satisfaction and organisational citizenship behaviour (OCB) (Saks, 2006; Soane et al., 2012).

As one of the early writers on engagement, Kahn (1990) focused on what it means to be fully present in one's role in an organisation and covers the beliefs and feelings associated with performing the role. Engagement was then defined as "the harnessing of organisation members' selves to their work roles" (Kahn, 1990, p. 694). In his study, Kahn (1990) argued that people immerse themselves physically in tasks (whether individual or group) and are intellectually alert and consciously aware of others when performing in their roles, this, in a way that expresses their thoughts, feelings, and alignment to their beliefs and values. This therefore means that personally engaging behaviours require the channelling of personal dynamics into intellectual, social and affective efforts (Kahn, 1990).

Soane et al., (2012) argue that engagement is a state of being a opposed to a set of enacted behaviours that might follow from this state. This distinction is important as it provides conceptual clarity between being engaged (state) and acting as a result of being engaged (Soane et al., 2012). Saks (2006) supports this view by dispelling that engagement is also not an attitude but rather the extent to which a person is focused and engrossed in performing their job tasks. Saks (2006) further argues that whilst organisation and job engagement are related, they are also distinctly different constructs. In his study, Saks (2006) demonstrates that job characteristics (e.g. levels of variety or autonomy over tasks in a job) predicted job engagement whilst procedural justice (e.g. the distribution of rewards within the organisation) predicted organisational engagement.

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All these distinctions are essential for employee engagement due to the multiple roles and responsibilities employees have in an organisation over and above their work roles (Saks & Gruman, 2014; Saks, 2006). It must be clear which type of engagement is in discussion between task engagement, organisation engagement and group/team engagement as it is possible for an employee to be engaged or disengagement in multiple areas of an their work life (Christian, 2011; Saks & Gruman, 2014). This therefore means intellectual, social and affective efforts must apply to all forms of engagement.

2.4.1 Engagement Conditions for endorsement

Saks and Gruman (2014) offer three employee engagement theories. The first is by Kahn (1990), which refers to a person's degree of engagement being the experience of psychological meaningfulness, psychological safety and psychological availability. Psychological meaningfulness refers to how much people find meaning in their work. Psychosocial safety refers to how safe people feel to act as themselves. Whilst psychological availability refers to the belief that one can immerse themselves in the role knowing that they have the psychological, emotional and physical resources to perform (Saks & Gruman, 2014). The second engagement theory is from literature on job burnout. The third is the job demands-resources (JDR) model, which is based on the burnout literature. Kahn (1990) makes a distinction between two types of psychological meaningfulness being meaningfulness in work and meaningfulness at work.

Pratt and Ashforth (2003) explain meaningfulness in work as fulfilment in one's job and meaningfulness at work as organisational membership. Meaningfulness at work talks about whom an employee has around them or interacts with and whether they share the goals, believes and values that the company advocates. Meaningfulness at work is more likely to be influenced by company specific tasks and not individual responsibilities (Saks & Gruman, 2014).

Figure 2 which is adapted from Saks and Gruman (2014) depicts and integration of theory on employee engagement and outlines the type of employee engagement required to support a psychological condition of engagement. The model includes safety and personal resources as a psychological condition that requires social or team engagement.

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Safety refers to employees' ability to be fully present when carrying out their job responsibilities without fear of penalty to their career, rank or self-image. Personal resources refer to the ability employees have to find efficacy and optimism within themselves without external motivation (Saks & Gruman, 2014).

Figure 2: An integrative theory or employee engagement
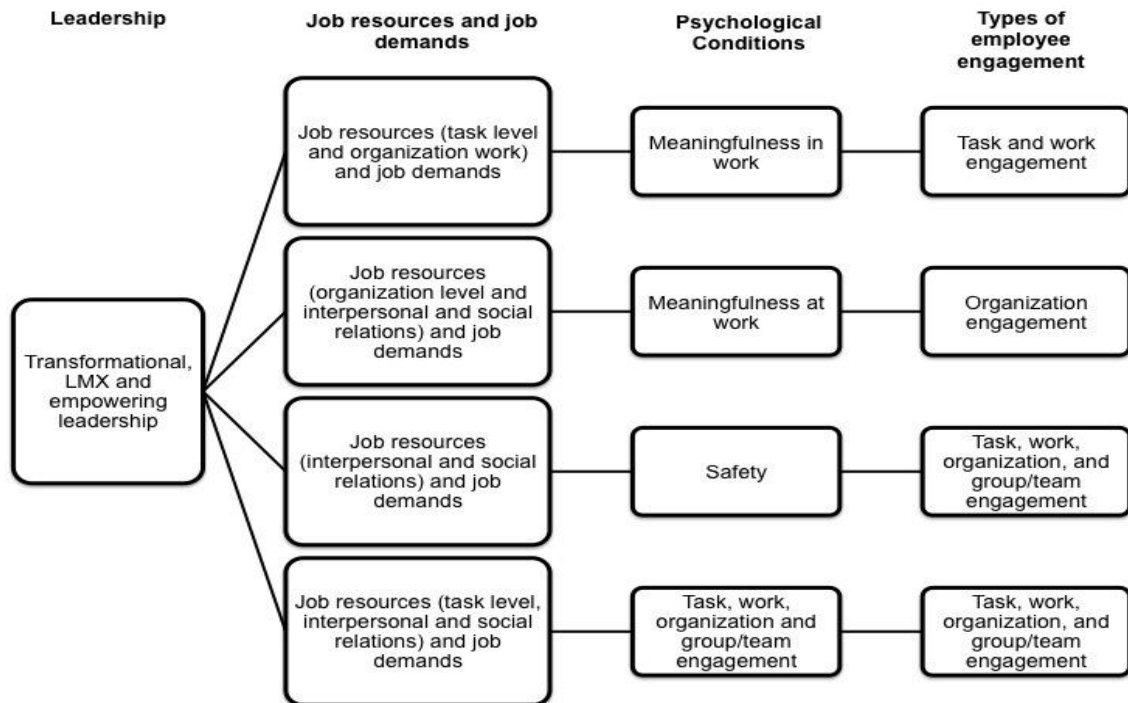
In their study, Soane et al., (2012) integrate multiple engagement dimensions and propose employee engagement as a latent construct with three facets namely intellectual, social and affective. The engagement scale is called the intellectual social and affective (ISA) engagement scale. These facets are based on the psychological conditions for engagement by Kahn (1990). Intellectual engagement refers to extent that the employee is cognitively immersed in their role and delivery of tasks. Social engagement refers to the extent to which an employee is involved and connected with the people that their role provides interaction with. Affective engagement refers to the extent to which employees draw positive energy from their work role (Soane et al., 2012). The ISA engagement scale does not delve into meaningfulness at work at an organisational engagement level. Organisational engagement cannot be overlooked as the life of an employee at work is equally affected by tasks not pertaining to their individual role but are orientated by the goals of the firm (Pratt & Ashforth, 2003).

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From the above literature and for the purposes of this study, internal engagement is described as "employees' intellectual, social and affective presence due to satisfaction at work and in work" (Kahn, 1990; Pratt & Ashforth, 2003; Saks, 2006; Soane et al., 2012).

2.5   Overview of perceived external prestige

Perceived organisational prestige (PEP) can be described as the beliefs that the members of the company have about their firm based on the company's reputation as created by the beliefs that outsiders have about the company. (Herrbach & Mignonac, 2004; Kang, Stewart, & Kim, 2011). PEP is different from the company image which is based on outsiders' views about the company (Herrbach & Mignonac, 2004). It is sometimes possible to have a difference in reputational perceptions between the internal and external stakeholders (Helm, 2013). This can be influenced by the level of exposure to the company as well as information at hand that one group might have over another. Helm's study (2013) found that frontline staff were impacted by perceived reputation because of the frequent exposure to external customer's positive and negative views about the firm. It must be emphasised that PEP is based on outsider's perceptions meaning that its outcome is not controlled within the business.

In previous research, PEP had been assumed to relate to beneficial consequences such as job satisfaction, attracting exceptional talent, affective organisational commitment, turnover intentions as well as employee engagement (Helm, 2011, 2013; Herrbach & Mignonac, 2004). These studies reveal that research on PEP has had focus on individual outcomes and can therefore predict factors that are related to the employee and have consequences solely to the employee (Herrbach & Mignonac, 2004). As mentioned, employees form personal identity associations with the organisation they work for (Ashforth & Mael, 1989; Herrbach & Mignonac, 2004). Perception about the company climate can have a notable impact on employees' behaviours and attitudes because people tend to internalise the climate of their place of work (Kang et al., 2011). Since outsiders identify employees as representatives of that organisation, the outsider's perception becomes equally important to employees. This, in social identity theory, relates to collective pride where the affiliation with a company that is widely know for its achievements improves organisation based esteem (Helm, 2013).

Still little evidence exists from previous research on reciprocation to the company directly on the basis of this collective pride beyond organisational commitment (Kang et al., 2011).

Helm (2011) found that perceived reputation leads to pride. Pride has been established as an antecedent to voluntary extra-role behaviours by employees (Helm, 2011, 2013).

Following this logic, it is reasonable argument to consider PEP as a predictor to constructs such as pride and pride in membership which are stepping stones to constructs of reciprocal voluntary action such as WOM (Helm, 2013; Herrbach & Mignonac, 2004). A counter view may be that as part of social exchange, being part of an organisation that is held in high regard externally, may potentially strengthen employees' relationship with the organisation triggering support for the objectives of the organisation (Ashforth & Mael, 1989; Kang et al., 2011).

2.6   Theory framing

The main aim of the research was to measure the internal influences that drive the decision by employees to endorse their employer's products. Employee endorsement cannot be fully understood unless studied from the vantage point of the employee as the sender of WOM communication. Literature highlights the importance of the employees' individual identity and how it is reframed when interacting with the identity of the firm (Löhndorf & Diamantopoulos, 2014). According to social identity theory, the individual identity determines how the employee accepts internal information (Ashforth & Mael, 1989; Löhndorf & Diamantopoulos, 2014). It affects how the employee is affected by the outside image of the company (Helm, 2013). It affects the employee's confidence to have conversations about the company and what it has to offer (Bansal & Voyer, 2000).

Individual identity is also reframed in interactions with groups. This affects how employees relate to peers and engages and connects with their values, goals and attitudes (Herrbach & Mignonac, 2004; Soane et al., 2012). On the other side of the WOM communication, are other groups, the social network that the employee frames identity with. Fiske's (1992) friendship norms theory explains through social relational theory the strain WOM exchanges on behalf of the company can place on friendships.

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Also highlighted are the personal pressures the employee experiences in not having adequate information to offer and in the perceived risk of the product or service not being optimal (Wentzel et al., 2014). Pressure also comes from the reputation of a company, which needs to be consistently positive in the view of outsiders (Helm, 2011).

Based on the above theory, in order to fulfil the aim of the research, the researcher proposed an employee endorsement model for testing and is presented in Figure 3.

Figure 3: Proposed endorsement model
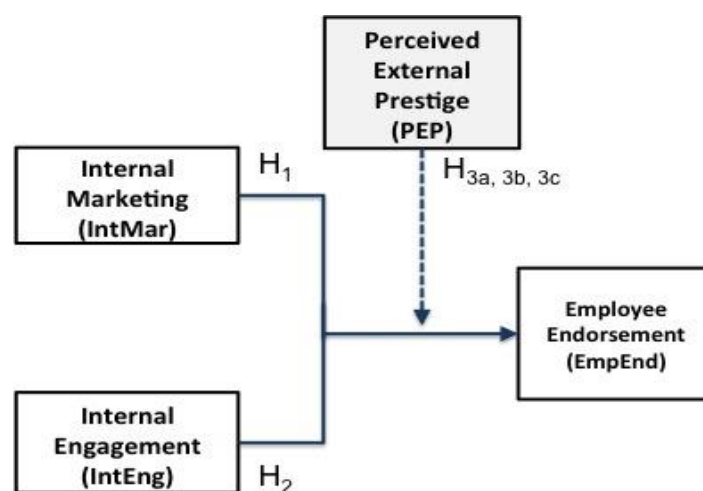
The above figure graphically illustrates the relationships between the constructs that for modelling. Intenal marketing and internal engament were proposed as direct influencers of employee endorsement whilst perceived external prestige as a mediating variable.

2.7   Conclusion

This chapter provided a review of the known literature on employee endorsement, internal marketing, internal engagement and perceived external prestige. Within this literature, the researcher found that employees engage in off-the-job activities, some of which may be recommending their employer's products, when they believe the firm's identity is in line with theirs (Anaza & Rutherford, 2012). Throughout the themes, the individual's identity is important and its alignment to the identity of the organisation is key to endorsement conversations (Löhndorf & Diamantopoulos, 2014).

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Another key aspect is employees' level of engagement in work and at work. Internal Engagement is a vast topic and covers a wide spectrum of employees' lives at work, as individuals, within groups and within the organisation (Pratt & Ashforth, 2003). In each dimension, the individual's engagement levels need to be observed at a cognitive, social, and affective level (Soane et al., 2012). Even in engagement literature, employees' social identity plays a role for defining the type of engagement with peers and with the firm.

When employees engage in conversations beneficial to the firm, their confidence lies in having the right information and a low perception of risk about the product or service they are promoting. Internal marketing was discussed along with the value of continuous information from the firm to the employee. Perceived value dictates the size of the risk for the sender (of word-of-mouth) as employees would not recommend products that they would not perceive to be valuable (Wentzel et al., 2014). Percieved external prestige was discussed and whilst it is not controlled internally as it is based on external perceptions, its influence is visible internally. This relates to perceived risk. The importance of aligned values is again hgihlighted.

Overall the chapter highlights a common thread in that understanding employees and their identity is important for understanding what drives them. The literature raises a gap in understanding about the role of perceived external prestige, as it is a representation of the identity of the firm. It also carries the limiting factor of perceived risk should the company not be perceived positively. Based on the theory, an endorsement model was proposed for hypotheses testing. In the model internal marketing and internal engagement are proposed as independent variables likely to predict employee endorsement. Perceived external prestige is proposed as a moderating variable.

3 CHAPTER 3: RESEARCH HYPOTHESIS AND CONCEPTUAL MODEL

This chapter provides hypotheses developed from literature in emphasis of the aim of this research. The aim is to measure internal influences leading employees to employee endorsement to understand the drivers behind employee's decision to endorse their employer's product and services to their friends, family and close network. A conceptual model has been proposed for testing variables discussed in the literature (Figure 3).

3.1 Hypotheses one

Literature suggests that improving an organisation's internal marketing programs will improve the potential for employee recommendation to customers, family and friends (Anaza & Rutherford, 2012; Fram & McCathy, 2003; Sirianni et al., 2013). Hypotheses one thus proposes:

H1: There is a positive relationship between internal marketing and employee endorsement.

3.2 Hypotheses two

An employee who is fully engaged at an intellectual, social, affective and organisational level is likely to reciprocate in ways and means supportive of the organisation's objectives (Saks & Gruman, 2014; Soane et al., 2012). Hypothesis two thus proposes

H2: There is a positive relationship between internal engagement and employee endorsement.

3.3 Hypotheses three

Perception about the external reputation of the organisation has an influence on employee attitudes. Employees are less likely to take pride in recommending or purchasing brands of an organisation that is seen to have an unfavourable reputation (Helm, 2013). People tend to internalise the climate of the organisation, which can have an important impact on their attitudes and behaviours (Kang et al., 2011) Hypotheses three a, b and c thus propose

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H3a: There is a positive relationship between perceived external prestige and employee endorsement.

H3b: In predicting employee endorsement, there is a positive interaction between internal marketing and perceived external prestige.

H3c: In predicting employee endorsement, there is a positive interaction between internal engagement and perceived external prestige.

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4 CHAPTER 4: RESEARCH METHODOLOGY

4.1 Introduction

This chapter provides detail about the research methodology and design applied to test the hypotheses proposed in the previous chapter. The chapter identifies the relevant population, the sampling methods, and the analysis techniques applied in the study as well as highlighting the research's potential limitations.

4.2 Research design

According to Creswell (2013) a good departure for any research is to identify the philosophical worldviews that guide the choices for the research design. This study holds a post positivism worldview, which acknowledges that the study of humans cannot be completed with unsubstantiated claims, but that there is a need to assess potential causes to situations as well as potential outcomes (Creswell, 2003). This philosophy, which is sometimes referred to as the empirical science, is reductionist in nature meaning discreet sets of ideas are set out for numeric observation and measurement in order to understand human behaviour (Creswell, 2013).

This is a descriptive study, which is concerned with testing relationships between theoretically developed constructs identified in chapter three. A quantitative method of research was applied as the most appropriate for asking questions that require quantitative responses in order to describe accurately persons, events, or situations (Saunders & Lewis, 2012). Due to its descriptive nature, no causal links were explored as all constructs were reviewed simultaneously (Saunders & Lewis, 2012). The study was conducted over a cross-sectional period, which means that a snapshot of the research problem was taken at a point in time (Creswell, 2003; Saunders & Lewis, 2012).

A survey method of gathering data was used to test hypotheses outlined in the previous chapter. Descriptive surveys involve acquiring information about a portion of a population in order to infer numerical value on their opinions, trends and attitudes (Creswell, 2013) with the ultimate goal being to learn about the behaviour of the large population (Leedy & Ormrod, 2010).

Survey methods have their limitations in that they capture fleeting moments in time (Leedy & Ormrod, 2010). It is also important to note that survey research is reliant on self-reporting. Respondents tell of their beliefs, which they hold to be true and in perhaps what they think the researcher wants to hear. In this study however, the survey method was to assist research to achieve the stated aims in the previous chapters.

4.3 Scope

The scope of the survey was limited to evaluating theoretical relationships between specified constructs of the proposed employee endorsement model.

4.4 Unit of analysis

A unit of analysis can be described as the object that the researcher is concerned with (Babbie, 2012). To answer the hypotheses set out previously, the unit of analysis is every employee within the organisation in question.

4.5 Population definition

The population for this study was employees of organisations that offer products and services relevant by majority of staff for usage.

4.6 Sampling method and size

A retail bank was selected for data collection. For the purposes of this study, the bank will be referred to as BankX, as the author was unable to obtain permission from Bankx to use the name of the bank in the research report. Financial services organisation was preferable because the nature of the products offered are relevant in terms of high usage to majority of the proposed study population for purchase as well as for recommendation. This sample is typical of the population described. Another reason for fit is the level of involvement required in purchasing or recommending financial service products is high due to the intangibility of the offers and limited product differentiation between competing brands (Wallace, Buil, & de Chernatony, 2013). For the purposes of this study, the organisation is also a fit as it has voluntary employees practices for patronage ideal for testing relationships against the proposed constructs (Anaza & Rutherford, 2012; R. Lusch et al., 1996).

A purposive sampling technique, which is a form of non-probability sampling method, was utilised. Purposive sampling is a technique where the researcher uses deliberate effort and discretion to select members of the sample group for reasons possibly affecting the study (Saunders & Lewis, 2012). For this research, the first deliberate decision was the selection of the organisation representative of the population stated. The second step was the selection of the sampling frame within the chosen organisation, for which the researcher obtained the list of employees for a department within the organisation in question.

Employees in the retail channels constituted the sampling frame. The retail channel business unit is part of the holistic bank and uses the bank's brand name. The workforce is diverse as it comprises of both client facing and non-client facing staff all tasked with delivering competitive solutions to individual retail clients. Unlike previous employee related studies in the field of employee endorsement, which were predominantly focused on frontline staff (Anaza & Rutherford, 2012), the researcher aimed to achieve representation of sample i) within multiple departments across the organisation ii) from respondents across different levels of occupation and job grades iii) across tenure or number of years the respondents have been in the business. The purpose is to assess if these employment specific attributes affect employee engagement (Anaza & Rutherford, 2012).

Even though the number of years an employee has been with a company is outlined in representation, this does not influence the timing design. The response profile is presented in chapter five.

4.7 Ethical considerations

The data collection process was completed within the requirements of ethics. Respondents of the study were approached on two occasions, first for the original invitation to participate, and a follow up reminder. Responses for the study were obtained voluntarily without and incentive offered. Respondents to the survey were also informed of the option to opt out at any point without penalty. The data collected was anonymous and no personal information was requested. Respondents were informed that reporting for the study would focus on relationships coming from the aggregated data as opposed to reporting on employees as individuals.

4.8   Survey instrument

A structured questionnaire (Appendix A) was developed. In order to prevent similar pattern responses, scale items in the instrument were randomized. Three questionnaire formats were designed with the same questions in varied sequences.

The questionnaire was pretested in two stages before distribution. In the first stage, pretesting was performed using personal interviews with twelve colleagues on the Masters of Business Administration (MBA) program. This was to address challenges such as ambiguous questions. In the second phase, pretesting was executed with five employees of the selected Retail bank using the same method that the final questionnaire would be distributed. A method carefully carried out to assess differences in response styles, ease of completion, and average timing of questionnaire completion, question clarity as well as ambiguous questions.

In formulating the questions, the researcher alleviated possible response bias by avoiding complicated language as well as ambiguous or leading questions.

4.8.1   Questionnaire scale development

The questionnaire design was based on scales established in relevant literature on internal marketing, employee engagement, perceived external prestige, as we as well positive word-of-mouth.

Section A of the survey required biographical information from the respondents covering their job level in the company area they work in, and years of service useful for captured as a description of the study's participants. This section included information concerning to their general product usage based on products and services offered by the employer and in the industry. Section B to F of the survey covered variables that required testing as outlined in the employee endorsement model. Scales that measure internal marketing, internal engagement and perceived external prestige against positive word of mouth were applied in these sections.

Scales are measurement instruments, formulated into collections of items combined into composite scores, which are essential for assessing occurrences that cannot be

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measured directly however are believed to exist based on theory (DeVellis, 2003). For this study, reliance was as far as possible placed on construct measures available in the literature for adaptation (Baumgarth & Schmidt, 2010). Scales were reworded to suit the cultural context of environment they will be tested in. The four constructs were measured against known and new scales as suggested by literature and reflected in table Tables 3 to table 6. Each table lists the construct and provides the theory-based definition of the construct. Tables include the scales, the scale reference code (Ref.) and the source. Internal marketing and internal engagement have the dimensions outlined in chapter two, the measured constructs are discussed below.

4.8.2 Internal Marketing

As mentioned in chapter 2, the concept of internal marketing lacks a universally agreed construct (Ferdous et al., 2013; Lings & Greenley, 2010; Lings, 2004), despite the overwhelming amount of research focus there are still no clear scales. For this study, respondents' internal brand knowledge and perceived value were grouped for measurement under internal marketing.

From an internal brand knowledge perspective, scale statements were adapted from Baumagarth and Schmidt (2010) who developed these to measure internal brand knowledge. After phase one pretesting, two additional scale statements were developed by the researcher to give expression to the tonality of the culture of the chosen firm. Both scales measure brand knowledge and organisational differentiation relevant for the study. For perceived value the author compiled scales for the value cluster in the absence of known scales from previous research. Table 3 details the scale statements used to measure the internal marketing construct.

Table 3: Measurement items for internal marketing

Construct	Dimensions	Scale	Ref.	Source
Internal marketing Defined as: "An alignment of all functions in the firm in order to satisfy the needs of the internal consumer for product, service and information with the intention of ultimately satisfying the needs of the external consumer" (Anaza & Rutherford, 2012; Berry, 1981; Ferdous et al., 2013; Lings & Greenley, 2010; Matanda & Ndubisi, 2013)	**Internal brand knowledge**	I am familiar with our product communication (e.g. television, magazines, Internet, exhibitions, etc.)	IPK1	Baumgarth and Schmidt (2010)
		I understand how our customers can benefit from BankX products and services	IPK2	
		I know how BankX is different from our competitors	IPK3	
		I feel comfortable discussing BankX products and services with anyone	IPK4	
		I know the value BankX adds to the environment	IPK5	Author (new scale)
		I know what makes the BankX brand special	IPK6	
	Perceived value	I believe that BankX products are good value for money	IB1	Author (new scale)
		I believe that BankX products are innovative	IB2	
		I believe that BankX's products are easily accessible	IB3	
		I believe that BankX offers the best deal on the market given what I would pay	IB4	
		I believe that BankX products and services can help improve the client's financial position	IB5	
		I believe that BankX clients receive a good deal for what they pay	IB6	

4.8.3 Internal engagement

As discussed in chapter 2, the researcher reviewed internal engagement as the extent to which an employee is engaged in their role as well as in their organisation (Saks & Gruman, 2014; Saks, 2006; Soane et al., 2012). As such, the scale for internal engagement was partly adapted from the intellectual, social and affective (ISA) engagement scale developed by Soane et al. (2012) which is measured through its three dimensions.

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These scale items were fitting for this study, as a build up to the full internal engagement construct which theory explains requires an understanding of employees' multi-level engagement towards their work role and as participants within their firm. Soane et al., (2012) have their basis in the definition by Kahn (1990) for internal engagement which talks about the three levels within which people express themselves in their work engagement namely physically, cognitively and emotionally (Saks & Gruman, 2014). Table 4 details the scale statements used to measure the internal engagement construct.

Table 4: Measurement items for internal engagement

Construct	Dimensions	Scale	Ref.	Source
Internal engagement Defined as: "Employees' intellectual, social and affective presence due to satisfaction at work and in work" (Kahn, 1990; Pratt & Ashforth, 2003; Saks, 2006; Soane et al., 2012).	**Intellectual engagement**	I really "throw" myself into my job	IE1	Soane et al. (2012)
		Sometimes I get so involved in my job that I lose track of time	IE2	
		I pay a lot of attention to my work	IE3	
		My job keeps me highly engaged	IE4	
	Social engagement	I share the same work values as my colleagues	SE1	Soane et al. (2012)
		I share the same work goals as my colleagues	SE2	
		My colleagues and I share the same attitude towards work	SE3	
		My colleagues and I often discuss the product and service offered by BankX	SE4	Author
		My colleagues and I often discuss BankX service delivery issues	SE5	
		My colleagues and I often discuss BankX's advertising and communication	SE6	
	Affective engagement	I feel positive about my work	AE1	Soane et al. (2012)
		My work energizes me	AE2	
		I am enthusiastic about my work	AE3	
	Organisational engagement	I am highly engaged with activities in BankX that are outside of my job	OE1	Saks (2006)
		Being a member of this BankX energises me	OE2	
		I feel like I am a part of BankX	OE3	

In collating scales for a construct, DeVellis (2011) states that scales should not just be grouped because they belong in the same category but that they should be aimed at the same goal to fulfil the construct.

For the internal engagement construct, this research required a measure of both engagement toward the job role as well as engagement towards the organisation. The organisational engagement aspect of the scale was adapted from Saks (2006) to complete the measure. DeVellis (2003) also insists on deep contemplation of the construct to be measured in order to ensure careful wording to ensure scales answer to the construct requirement. Even though both scales have been validated by prior research, careful wording was applied for the internal engagement construct due to the similarity of some of the items.

4.8.4 Perceived External Prestige

Perceived external prestige (PEP) accounts for the perception about the organisation's image based on external information about the organisation (Herrbach & Mignonac, 2004; Mael & Ashforth, 1992), this from the employee's perspective based on their exposure and information available to them. Organisational reputation may then define what outsiders perceive and may begin to create an internal meta-stereotype of how employees think outsiders see them (Helm, 2013). Multiple scales were therefore adapted to capture these perceptions in order to measure the latent construct, perceived external prestige. Scale statements about external perceptions were adapted from Mael and Ashforth (1992) with an additional statement formulated by the researcher to create relevance for the observed population. Statements about identity were adapted from Williams and Anderson (1991). Table 5 details the scale statements used to measure the perceived internal prestige construct.

Table 5: Measurement items for perceived external prestige

Construct	Scale	Ref	Source
Perceived external prestige Defined as: "Employees' perception about the firm based on perceptions from external views about the organisation" (Ashforth & Mael, 1989; Helm, 2011; Herrbach & Mignonac, 2004)	People in my community think highly of BankX	PEP1	Mael and Ashforth (1992)
	BankX is considered one of the best banks	PEP2	
	What I read in the press/media about BankX motivates me	PEP3	Author
	I feel proud to tell outsiders that I work for BankX	PEP4	Williams and Anderson (1991)
	I am proud to tell others I am part of BankX	PEP5	
	The values that are important to BankX are also important to me	PEP6	
	I am proud to tell people in my community that I work for BankX	PEP7	

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4.8.5 Employee endorsement

As discussed in Chapter 2, employee endorsement was measured through the action and previously tested scale of positive word-of-mouth (WOM). Scale statements for employee endorsement were thus adapted from Arnett et al. (2003), Bettencourt (1997), as well as Diamantopoulos and Löhndorf (2014). The researcher observed possible similarities in statements to those from the PEP scale however made a distinction between PEP representing intent whilst WOM represented action taken. Statements were also worded to create relevance for the sample environment. Table 6 details the scale statements used to measure the employee endorsement construct.

Table 6: Measurement items for employee endorsement

Construct	Scale	Ref.	Source
Employee endorsement Defined as: "Authentic sharing, from consumer-to-consumer, of real sentiments and information about brands, products and services" (Balter & Butman, 2005; Bansal & Voyer, 2000; Löhndorf & Diamantopoulos, 2014)	I talk up BankX to my friends as a great place to work	EE1	Arnett, German and Hunt (2003) Bettencourt (1997) Diamantopoulos and Löhndorf (2014)
	I talk up BankX to people I know as a great place to bank	EE2	
	I bring up BankX in a positive way in conversations I have with friends and acquaintances	EE3	
	In social situations, I often speak favourably about BankX	EE4	
	I encourage friends and acquaintances to buy the products and services of BankX	EE5	

4.9 Choice of rating scale

Section B to F of the study quantified views from the respondents using a seven-point Likert-type scale ranging from "1 = strongly disagree" to "7 = strongly agree". Likert scales were developed by Renisis Likert in the 1930's and they are widely used today as a tool to assess human attitudes, beliefs and attitudes (Leedy & Ormrod, 2010).

Section A requested biographical information and required the selection of one option answers. Only one question on product usage had the option of multiple answers.

4.10 Data collection

The invitation for participation was distributed to the sample group using electronic mail (email). The survey invitations included a foreword to the participant, providing context of the research as well as instructions on how to complete the questionnaire.

The questionnaire was embedded within the email for completion. Respondents were given three weeks to complete the survey.

4.11 Analysis

The following steps were taken to code, analyse and report on the data captured:
Data collected through email was captured manually using Microsoft Excel. Data was cleaned and incomplete responses were removed. Data collected was coded for analysis using IBM SPSS 22. Coding for the constructs is captured in Table 3, 4, 5 and 6. The biographical variables were coded as depicted in Table 7:

Table 7: Biographical variables coding

A1: Age	Code	A5: Job Grade	Code
18 – 24 years	1	Senior Management	1
25 – 35 years	2	Junior Management	2
36 – 45 years	3	Staff	3
46 – 60 years	4	Middle Management	4
60 + years	5	Executive Staff	5
		Contractor	6
A2: Gender	Code		
Female	1		
Male	2		
A3: Ethnic Group	Code	A6: Tenure	
Black African	1	Less than 1 year	1
Indian	2	1 – 2 years	2
White	3	3 – 5 years	3
Coloured	4	6 – 10 years	4
Other	5	10 – 15 years	5
		15 +	6
A4: Functional Department		**A7:** Which Banking products do you currently have overall?	
Finance and Administration	1	Transactional account	1
Manufacturing and Operations	2	Credit Card	2
Marketing and Sales	3	Home Finance	3
Research and Development; Science and Technology; Product Support	4	Vehicle Finance	4
General Management and Human Resource Management	5	Personal Loan	5
Other	6	Investment Product	6

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A5: Job Grade		**A8:** Since joining \<BankX\>	
Senior Management	1	'I have not purchased any banking products'	1
Junior Management	2	'I have purchased more \<BankX\> products than products from other banks'	2
Staff	3	'I have purchased less products from \<BankX\> than I have from other banks'	3
Middle Management	4	'I have purchased products from other banks'	4
Executive Staff	5		
Contractor	6		

Descriptive statistics were calculated for individual scale items. Descriptive statistics refers the quantitative description of data at hand and is not inferential in nature (Saunders & Lewis, 2012). The purpose being to confirm that the sample makeup reflects the population makeup stated and to also provide the researcher with a holistic overview of the data profile collected. Chapter 5 provides detailed descriptive statistics results.

Testing the distribution for normality is important for decision-making. Normality was tested using a Shapiro-Wilk test in order to inform choice to continue with further analysis. The Shapiro-Wilk test works with he null hypothesis to determine whether the sample was derived from a normally distributed population (Shapiro & Wilk, 1965). Data is considered normal if the significance value of the Shapiro-Wilk Test is greater than 0.05. Results for normality for this test are presented in Chapter 5.

A measurement instrument, in this case questionnaire, is considered to be reliable when it can provide consistent scores when used repeatedly in various groups of respondents or even used on the same respondents over a period of time (Creswell, 2009; Hair, Black, Babin, & Anderson, 2010). A widely used measure, the Cronbach's coefficient alpha, was used to evaluate the internal consistency for each construct. There are varying reports about the acceptable levels of alpha ranging from 0.70 to 0.95 with 0.7 as the lower limit acceptable at 0.70. The limit may however decrease to 0.60 in exploratory research (Hair et al., 2010). For this research, the minimum adopted was 0.70.

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4.12 Correlation

The Pearson product moment correlation was used to specify the relationships between the dimensions. The 5% level of significance was used. A *p-value* less than 0.05 will lead to the rejection of the null hypothesis and a conclusion that there is a significant relationship. A *p-value* less than 0.01 would signify a highly significant relationship.

4.13 Validity

Construct validity measures the degree to which a set of items measured reflect the theoretical constructs they are intended to measure (Cronbach & Meehl, 1955). It refers to how well the theory and ideas supporting the construct were translated for measurement. Construct validity must always be investigated in the absence of a standard of measurement items that are accepted as completely adequate to represent the construct to be measured (Cronbach & Meehl, 1955). Validity measurement is also important, especially in marketing research, when there is a threat of contamination to the measurement items. One such threat from a response perspective is social desirability bias, which is the tendency of respondents to present themselves in a way they see as most favourable in comparison to the social norm (King & Bruner, 2000).

In this study, exploratory factor analysis was used to measure the validity of the results using principal component analysis with varimax rotation. Varimax is considered to be superior to other orthogonal factor rotation approaches used to simplify factor structures (Hair et al., 2010). There are several methods used to choose the number of factors to be extracted. In this case the latent root criterion was used where the number of factors was determined by taking the eigenvalue with more than 1.0. The rationale behind the latent root criterion is that in order for any factor to be retained; it needs to account for the variance of at least one variable (Hair et. al., 2010). The factors with eigenvalues less than one were considered insignificant.

Factors tested were from the main independent variables, i.e. internal marketing and internal engagement, based on the endorsement model. The rotated component values were used to establish the factor loadings for each item. Hair et. al.,(2010) suggests a level of significance at 0.7 for standardized loading estimates.

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The Kaiser-Meyer-Olkin (KMO) index, which is a measure of sampling adequacy, was used to measure the appropriateness of the factor analysis. The Bartlett test of sphericity, which is a statistical test for the overall significance of all correlations within a correlation matrix, was used as a measure of sampling adequacy. Results required KMO to be Kaiser-Myer-Olkin (KMO) (should be > 0.0.5) and Bartlett's test (p < 0.05) to be significant.

Factor analysis is assessed as a precursor to other statistical measures, such as regression analysis, thus results for KMO and Bartlett's tests that are considered significant would mean that further analysis of the variables could continue (Costello & Osborne, 2005).

4.13.1 Regression analysis

Multiple regression analysis was used to test the relationship between the dependent variable, employee endorsement and the independent variables internal marketing and internal engagement. The moderating effect of the variable perceived external prestige to the data was analysed using hierarchical regression. In this case moderated regression analysis was used to determine how the relationship changes when a moderating variable is used.

The process followed was first to obtain the means of the independent and moderating variables. From these, new variables were created with a mean of zero. This was achieved by subtracting a variable from its mean to obtain new central level. The variables were *CIntMar (centre for internal marketing)*, *CIntEng (centre for internal engagement)* and *CPEPr (centre for perceived external prestige)* respectively.

Two interactions were then obtained. The first interaction was a product of the centered internal marketing and the centered perceived prestige variable, which was labeled as *ICIntMarCPEPr*. The second interaction was a product of the centered internal engagement and the centered perceived prestige variable, which was labeled as *ICIntEngCPEPr*. The main question was whether the interaction terms *ICIntMarCPEPr* and *ICIntEngCPEPr* contribute significantly to the prediction of employee endorsement (*EE*).

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Hierarchical moderated regression analysis (HMRA) using IBM SPSS V.22 was used to test the hypothesis whether perceived external prestige was an intervening variable. Irwin and McClelland (2001) suggested that hierarchical regression analysis requires running two regressions. One of the regression models consisted of the main effects only and the other consisted of the main effects and the interaction terms.

4.14 Conclusion

This chapter looked at the method and process applied to design the research, all aspects of the research tool, data collection method as well as ethical adherence. The quantitative study took a deductive approach and used a questionnaire based online survey to gather data about the measurement constructs outlined in the endorsement model. Data was collected from a sample within the population of employees from a retail bank. Pre testing was done to ensure the research tool was sound.

Subsequent to that 503 questionnaires were distributed with a request for participation to employees.

Data collected was coded in IBM SPSS for statistical analysis. Demographic detail and descriptive statistics were measured to describe respondents. Reliability was tested using Cronbach alpha. Validity was measured through a factor analysis of independent variables. The Pearson correlation was analysed and a moderated regression test was applied to test the relationships between the independent variables and the dependent variables whilst observing the moderating variable. The next chapter presents a discussion of the results from the analysis using the methodology described above.

5 CHAPTER 5: RESEARCH RESULTS

This chapter presents, analyses and interprets the findings of the study. The analysis was performed in line with the objective of the study, which was firstly to investigate through literature the nature of relationship between internal marketing, employee engagements, perceived external prestige with employee endorsement. The second objective was to empirically test the theoretical model for employee endorsement resulting from these relationships using primary data collected through a survey. Hypotheses were tested in line with the proposed employee endorsement model (figure 3) where internal marketing and internal engagement are independent variables whilst perceived external prestige is a moderation variable to predict employee endorsement.

The collection tool was a questionnaire (refer to Appendix A), which contained questions regarding the mentioned constructs measured on a seven point Likert scale. Additionally, biographical questions were asked at the beginning of the questionnaire.

The first section of the results presented provides a summary of the characteristics of the sample as well as the descriptive statistics describing the central tendency, dispersion, shape and asymmetry of the sample distribution. Cronbach alpha and factor analysis were used to measure the reliability and validity of scales used to test the hypotheses which were outlined in Chapter 3. Correlation analysis was used to determine dependence between the constructs and moderated regression was used for hypothesis testing. IBM SPSS 22 was the program used to carry out the data analysis. The results are based on the empirical study done and are presented in the following sections.

5.1 Descriptive statistics

5.1.1 Characteristics of sample

The questionnaire was distributed to 503 respondents. Subsequently 161 responses were received resulting in a 32% response rate. Only 156 respondents fully completed the mandatory questions. Of the respondents, 5 did not complete questions across different sections.

The results presented in this report reflect only the responses completed in full. The demographic details of the respondents are shown in figure 4 to figure 9.

Figure 4: Age group distribution in the sample

Age

Age group	Percentage
60 + years	1%
46 – 60 years	19%
36 – 45 years	35%
25 – 35 years	44%
18 – 24 years	3%
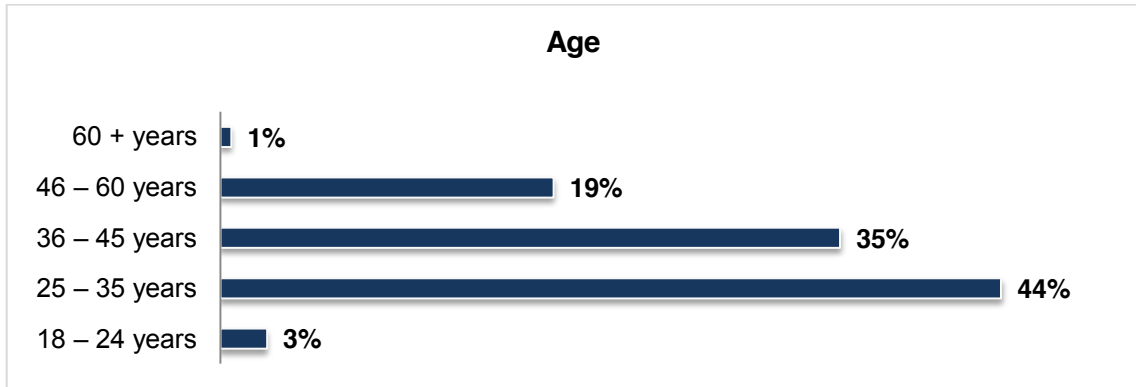
Figure 4 shows the respondents by age group. The majority of the respondents were aged between 25 – 45 years (44%). 35% of respondents were aged between 36 – 45 years and only 19% (30) were above 45 years.

Figure 5: Gender distribution in the sample

Gender

Gender	Percentage
Male	43%
Female	57%
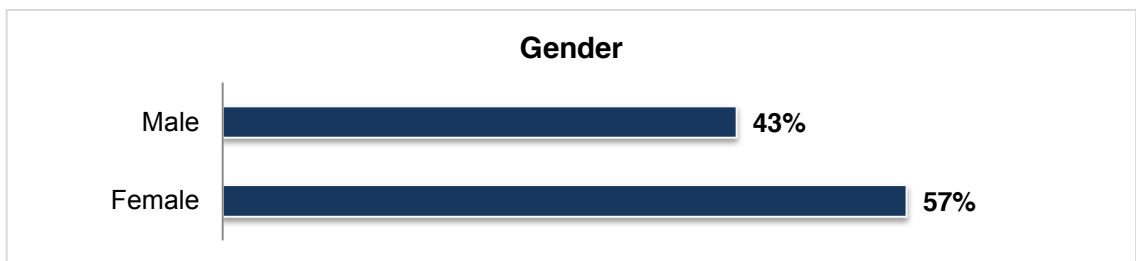
Figure 5 shows respondents by age group. Data shows that there were more female respondents at 57.1% (n=89) than there were males at 42.9% (n=67).

Figure 6: Sample distribution by ethnic group

Ethnic Group

Ethnic group	Percentage
Coloured	6%
White	33%
Indian	15%
Black African	47%

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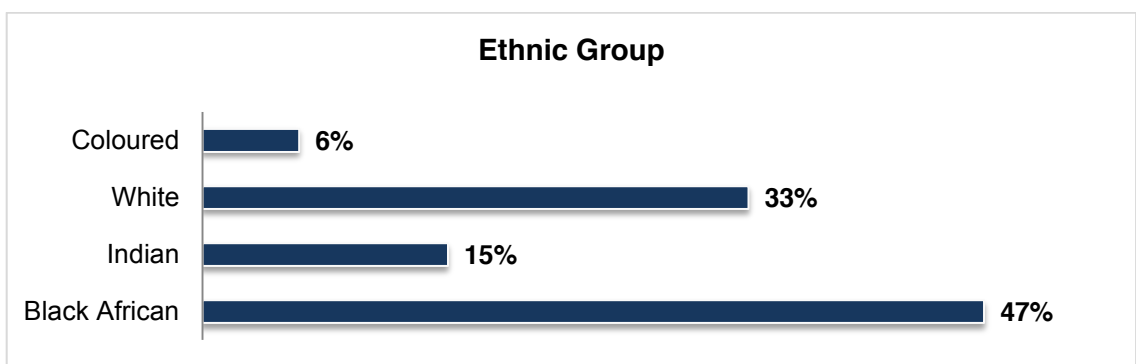
Figure 6 shows the respondents by ethnic group. Majority of the respondents were black African at 47% whilst 32.7% were whites. The ratio of whites to black is almost 1:2. The sample consisted of 15% indian and 6% coloured respondents.

Figure 7: Sample distribution by functional department
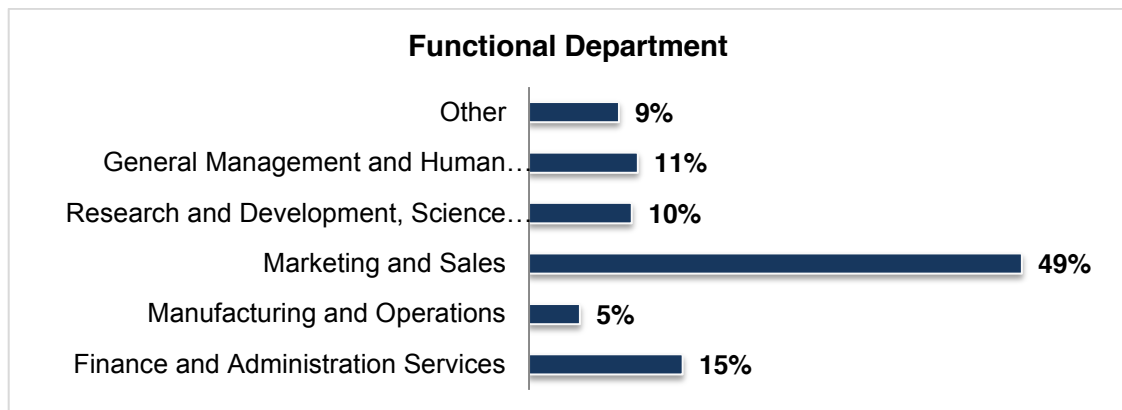
Figure 7 depicts respondents in terms of functional department. Data shows that almost half of the respondents (49%) had jobs in marketing and sales. Only 5% worked in manufacturing and operations.

Figure 8: Sample distribution by job grade
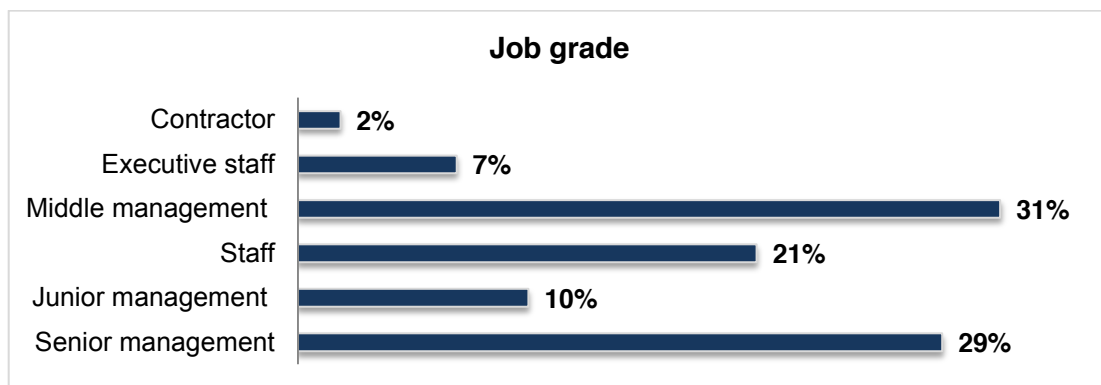
Figure 8 depicts respondents in terms of job grades. In this category, the majority of the respondents were in a senior management positions comprising of 29 %, 31% in middle management and 10% from junior management. A few of the respondents were contractors and 7% were executive staff. The responses on job grade show a good participation and representation across multiple job grades.

Figure 9: Sample distribution by employment duration

Tenure / employment duration

More than 15 years	17%
10 – 15 years	17%
6-10 years	20%
3 – 5 years	29%
1 – 2 years	11%
Less than 1 year	6%
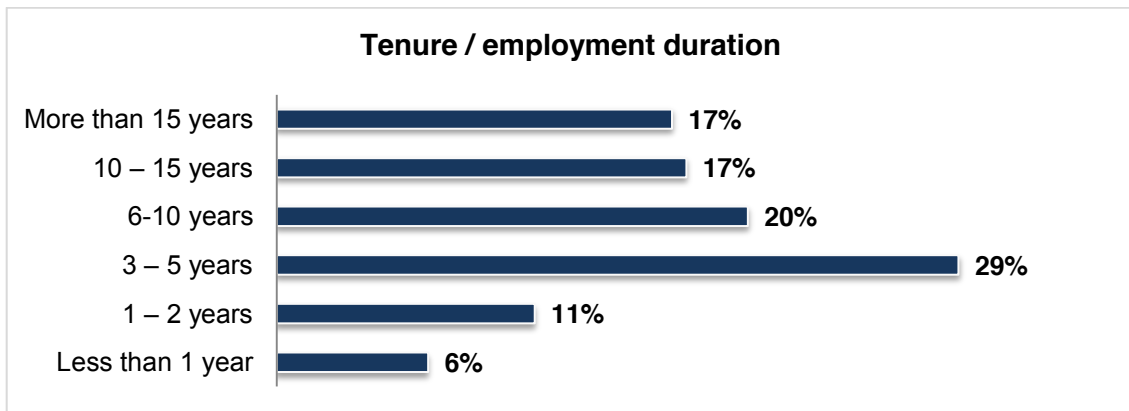
Figure 9 shows respondents by the number of years they have been employed by the company. On employment duration, the respondents tend to stay longer at the company as evidenced by 53.8% (n=84) had more than 5 years' experience. This is the group capable of giving views on the ability of the employee purchasing employer's products and services.

To establish usage of products within the category in question, in this case banking, respondents were asked to indicate the banking products they currently have overall. This was a multiple response question where some respondents indicated more than one product. All the 156 respondents indicated that they had at least one product as shown in Table 8.

Table 8: Banking products respondents currently have

Product	Frequency	Percentage (%)	Rank
Transactional account	147	94.2%	1
Credit card	117	75.0%	2
Investment product	103	66.0%	3
Home loan	99	63.5%	4
Vehicle finance	92	59.0%	5
Personal loan	34	21.8%	6

To establish respondents' purchase of products within the category, respondents were asked to select a statement that best describes themselves, this from statements about purchasing from their employer or from competitors. The respondents tend to describe themselves in terms of purchasing more products from their employer as shown in figure 10.

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Figure 10: Consumption patterns

Product purchase
'Since joining <BankX>, ...'

	80.8%		
4.5%		6.4%	8.3%
...I have not purchased any banking products'.	...I have purchased more Nedbank products than products from other banks'.	...I have purchased less products from Nedbank than I have from other banks'.	...I have purchased products only from other'.
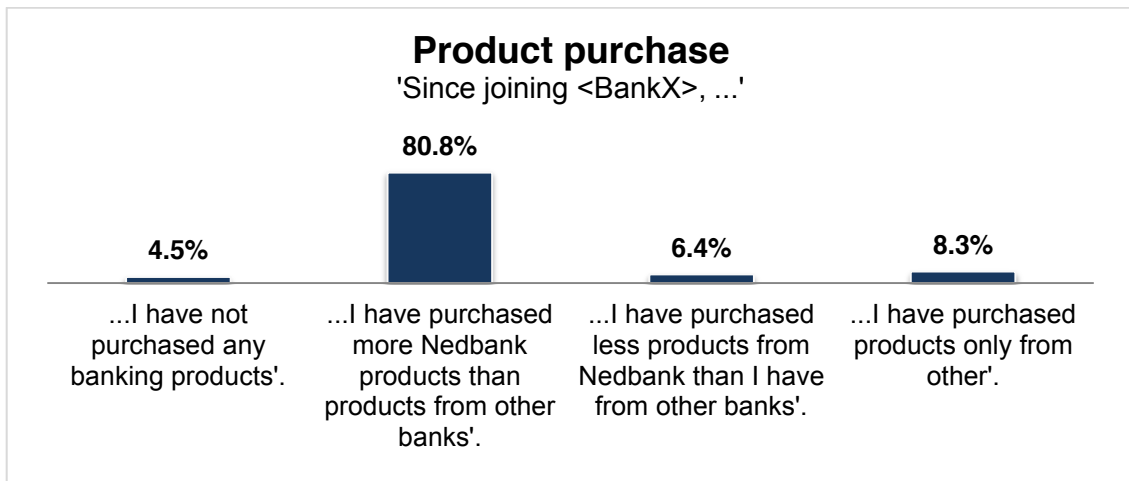
5.1.2 Construct and scale items total scores

This section gives the results for the mean, mode, standard deviation, skewness and kurtosis, which are depicted in tables 9 to 12. The tables shows 40 items, which are categorized into eight variables namely internal brand knowledge, perceived value, intellectual engagement, social engagement, affective engagement, and organisational engagement, perceived external prestige as well as employee endorsement.

The tables also depict the levels of agreement by respondents for each item. The options agreed and strongly agreed were grouped together to give the levels of agreement. The overall the levels of agreement with factors was set at a 70% significance level.

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Table 9: Descriptive statistics for internal marketing

Construct	Dimensions	Code	Scale	Mean	Mode	Median	Std. Dev	Skewness	Kurtosis	Variance	Level of agreement
1. Internal marketing (IntMar)	Internal brand knowledge	IPK1	I am familiar with our product communication (e.g. television, magazines, Internet, exhibitions, etc.)	6.01	6	6.00	1.075	-1.909	4.405	1.155	84.0%
		IPK2	I understand how our customers can benefit from BankX products and services	5.97	6	6.00	.912	-1.282	3.125	.831	75.6%
		IPK3	I know how BankX is different from our competitors	5.65	6	6.00	1.173	-1.482	2.216	1.376	71.1%
		IPK4	I feel comfortable discussing BankX products and services with anyone	5.71	6	6.00	1.203	-1.078	1.153	1.448	56.7%
		IPK5	I know the value BankX adds to the environment	6.01	6	6.00	1.047	-1.494	2.715	1.097	79.5%
		IPK6	I know what makes the BankX brand special	5.81	6	6.00	1.159	-1.279	1.508	1.343	73.7%
	Percieved value	IB1	I believe that BankX products are good value for money	5.56	6	6.00	1.114	-1.294	2.047	1.242	62.8%
		IB2	I believe that BankX products are innovative	4.96	6	5.00	1.677	-.571	-.710	2.811	44.9%
		IB3	I believe that Ned bank's products are easily accessible	5.49	6	6.00	1.210	-1.401	2.763	1.464	58.9%
		IB4	I believe that BankX offers the best deal on the market given what I would pay	5.28	6	6.00	1.324	-.838	.263	1.752	53.2%
		IB5	I believe that BankX products and services can help improve the client's financial position	5.77	6	6.00	1.083	-1.196	1.807	1.172	69.9%
		IB6	I believe that BankX clients receive a good deal for what they pay	5.48	6	6.00	1.327	-.973	.556	1.761	59.6%

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Table 10: Descriptive statistics for internal engagement

Construct	Dimensions	Code	Scale	Mean	Mode	Median	Std. Dev	Skewness	Kurtosis	Variance	Level of ageement
2. Internal engagement (INTEng)	Intellectual engagement	IE1	I really "throw" myself into my job	6.06	6	6.00	1.211	-2.265	6.392	1.467	83.9%
		IE2	Sometimes I get so involved in my job that I lose track of time	5.76	6	6.00	1.251	-1.348	1.663	1.566	69.9%
		IE3	I pay a lot of attention to my work	6.02	6	6.00	1.032	-2.075	6.105	1.064	84.6%
		IE4	My job keeps me highly engaged	5.94	6	6.00	1.043	-1.648	4.522	1.087	75.7%
	Social engagement	SE1	I share the same work values as my colleagues	5.80	6	6.00	1.188	-1.267	1.376	1.412	72.4%
		SE2	I share the same work goals as my colleagues	5.55	6	6.00	1.256	-.958	.379	1.578	64.1%
		SE3	My colleagues and I share the same attitudes towards work	5.68	6	6.00	1.234	-1.141	.993	1.522	59.0%
		SE4	My colleagues and I often discuss the product and service offered by BankX	5.47	6	6.00	1.332	-.824	.046	1.774	66.7%
		SE5	My colleagues and I often discuss BankX service delivery issues	5.95	6	6.00	1.064	-1.263	1.861	1.133	75.0%
		SE6	My colleagues and I often discuss BankX's advertising and communication	5.89	6	6.00	1.205	-1.714	3.612	1.453	76.9%
	Affective engagement	AE1	I feel positive about my work	6.06	6	6.00	1.117	-2.041	5.167	1.247	84.6%
		AE2	My work energising me	5.69	6	6.00	1.333	-1.341	1.385	1.778	71.8%
		AE3	I am enthusiastic about my work	5.94	6	6.00	1.132	-1.834	4.128	1.281	79.5%
	Organisational engagement	OE1	I am highly engaged with activities in BankX that are outside of my job	5.90	6	6.00	1.143	-1.347	1.871	1.306	74.3%
		OE2	Being a member of this BankX energises me	5.67	6	6.00	1.181	-.957	.469	1.306	66.7%
		OE3	I feel like I am a part of BankX	5.93	6	6.00	.937	-1.334	3.414	.879	74.3%

Table 11: Descriptive statistics for perceived external prestige

Main Constructs	Code	Scale	Mean	Mode	Median	Std. Dev	Skewness	Kurtosis	Variance	Level of agreement
3. Perceived External Prestige (PEPr)	PEP1	People in my community think highly of BankX	5.39	6	6.00	1.342	-.794	.338	1.801	53.8%
	PEP2	BankX is considered one of the best banks	5.69	6	6.00	1.217	-1.203	1.350	1.481	66.6%
	PEP3	What I read in the press/media about BankX motivates me	5.58	6	6.00	1.130	-1.116	1.272	1.278	65.4%
	PEP4	I feel proud to tell outsiders that I work for BankX	5.96	6	6.00	.956	-1.178	1.915	.915	77.6%
	PEP5	I am proud to tell others I am part of BankX	6.13	6	6.00	.833	-1.061	1.343	.693	84.6%
	PEP6	The values that are important to BankX are also important to me	6.14	6	6.00	.883	-1.135	1.405	.780	82.7%
	PEP7	I am proud to tell people in my community that I work for BankX	6.21	7	6.00	.962	-1.921	5.901	.925	85.2%

Table 12: Descriptive statistics for employee endorsement

Main Constructs	Code	Scale	Mean	Mode	Median	Std. Dev	Skewness	Kurtosis	Variance	Level of agreement
4. Employee Endorsement (EmpEndo)	EE1	I talk up BankX to my friends as a great place to work	5.93	7	6.00	1.102	-1.002	.623	1.214	71.2%
	EE2	I talk up BankX to people I know as a great place to bank	5.77	6	6.00	1.212	-1.264	1.232	1.469	72.4%
	EE3	I bring up BankX in a positive way in conversations I have with friends and acquaintances	5.82	6	6.00	1.236	-1.499	2.085	1.529	75.6%
	EE4	In social situations, I often speak favourably about BankX	6.01	6	6.00	.984	-1.262	1.864	.968	80.1%
	EE5	I encourage friends and acquaintances to buy the products and services of BankX	5.80	6	6.00	1.215	-1.229	1.102	1.476	73.1%

It is evident from Tables 9, 10, 11 and 12 that the scores for the eight variables namely internal brand knowledge, perceived value, intellectual engagement, social engagement, affective engagement, organisational engagement, perceived external prestige as well as employee endorsement; were negatively skewed. The extent of the skewness shows an overall positive liking towards all variables with intellectual engagement having the most liking followed by affective engagement.

The modes of the variables further support the extent of skewness of the data. Views from the respondents were measured using a seven-point Likert-type scale ranging from "1 = strongly disagree" to "7 = strongly agree" with the middle category "3 = neither agree nor disagree" representing a neutral response. The table above shows that all the variables have modes greater than the neutral response ("3").

Levels of agreement represent respondents' percentage in acknowledgement of each variable. The researcher set the benchmark at 70% of agreement as significant. The dimension, internal brand knowledge, had six aspects. The options agreed and strongly agreed were grouped together to give the levels of agreement. Overall the levels of agreement with factors in internal marketing are meaningful with only one factor falling significantly below 70% (at 56.7%). The aspects on perceived values were not rated highly. The highest rating had agreement level of close to 70%. This was the ability of BankX products and services improving client's financial position. However in terms of innovation, the respondent felt that the bank was not innovative.

Respondents were asked to give their views on four aspects on internal engagement. These were intellectual engagement, social engagement, affective engagement and organisational engagement. The four aspects had varied numbers of factors each. The options agreed and strongly agreed were grouped together to give the levels of agreement. Respondents are shown to be in in agreement with factors relating to intellectual engagement and affective engagement with the lowest at 69.9%. Three factors on social engagement are notably lower than the 70% benchmark. Only one factor relating to organisational engagement is below the benchmark, however not significant. Similarly, the ranking was done for perceived external prestige by grouping strongly agree and agreed to give the levels of agreement. Three factors fell below 70% with one at 53.8%. There were five indicators for employee endorsement and all of had a level of agreement above the benchmark of 70%.

5.1.3 Testing for normality

Testing for normality is important as it a basis for decision making about which model estimation to follow in solving for hypotheses. A Shapiro-Wilk test was used to evaluate normality.

Table 13: Normality testing

Dimensions	Descriptive								Shapiro-Wilk[a] (a.Lilliefors Significance Correction)		
	Mean	Mode	Median	Std. Dev	Skew -ness	Kurtosis	Variance	Coefficient of variation	Stat.	df	Sig.
Internal Marketing (IntMar)	5.642	5.67	5.667	.746	-.500	.120	.557	13.22%	.977	156	.010
Internal Engagement (IntEng)	5.833	6.06	6.000	.703	-1.180	2.372	.494	12.05%	.927	156	.000
Perceived External Prestige (PEP)	5.870	5.86	6.000	.689	-.649	.161	.475	11.74%	.960	156	.000
Employee Endorsement (EE)	5.867	6.00	6.000	.892	-1.006	.863	.796	15.20%	.915	156	.000

The Shapiro-wilk test works with the null hypothesis that the underlying data is distributed normally. For internal marketing, the Shapiro Wilk test of normality gave a p-value = 0.010 leading to the rejection of the null hypothesis of normality. Thus the data was not normally distributed. If the outliers are removed data will be approximately normally distributed. For internal engagement, perceived external prestige, as well as employee endorsement, the Shapiro-Wilk test gave a p-value = 0.00. This lead to the rejection of the null hypothesis and thus concluding the data was not normally distributed.

A visual presentation of this result in the form of histogram and normal q-q plot for all variables can be viewed in Appendix C.

5.2 Reliability

Reliability is the extent to which a variable or set of variables are consistent in what it is intended to measure (Hair et. al, 2010). It is the measure of consistency. In this case the Cronbach alpha (α) was used to measure the reliability of the instrument.

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Cronbach alpha measures the internal consistency, which is, how closely related a set of items are as a group. A "high" value of alpha is often used (along with substantive arguments and possibly other statistical measures) as evidence that the items measure an underlying (or latent) construct. The generally agreed lower limit for Cronbach's alpha is 0.7, although it may decrease to 0.6 in exploratory research (Hair et.al. 2010). In this study 0.7 will be used as the acceptable level as proposed by Hair et.al. 2010.

The reliability of the instrument was calculated for the dimensions and the following reliabilities in Table 14 were obtained.

Table 14: Reliability results

Factor	Factor name	No. of items	Cronbach alpha	Acceptable level
1	Internal marketing	12	0.854	Good
2	Internal engagement	16	0.882	Good
3	Perceived external prestige	7	0.772	Acceptable
4	Employee endorsement	5	0.832	Good
	Overall	**40**	**0.948**	**Excellent**

A Cronbach alpha of 0.7 or more indicates a reliable scale. All values were greater than 0.7 indicating reliability of the instrument. The overall reliability of the measurement instruments consisting of all 40 items had a reliability of 0.948, which was excellent thus overall the instrument was very reliable.

5.3   Pearson correlation analysis

The Pearson product moment correlation was used to specify the relationships between the dimensions. The 5% level of significance was used. Table 15 gives the results of the correlation matrix. The hypotheses to be tested were:

A *p-value* less than 0.05 will lead to the rejection of the null hypothesis and a conclusion that there is a significant relationship. A *p-value* less than 0.01 would signify a highly significant relationship.

Table 15: Pearson correlation coefficients of dimensions

Item	1 Internal marketing	2 Internal engagement	3 Perceived external prestige	4 Employee endorsement
1. Internal marketing	-			
2. Internal engagement	.750 (0.000)	-		
3. Perceived external prestige	.717 (0.000)	.773 (0.000)	-	
4. Employee endorsement	.727 (0.000)	.813 (0.000)	.746 (0.000)	-

Table 15 shows that all correlations were significant at the 5% level of significance. Thus the dimensions are correlated. Internal marketing exhibited a strong correlation with internal engagement ($p\square0.01$; $r=0.750$). The same pattern was also depicted between perceived external prestige and internal engagement ($p\square0.01$; $r=0.773$), perceived external prestige and employee endorsement ($p\square0.01$; $r=0.746$). The correlation between perceived external prestige and employee endorsement ($p\square0.01$; $r=0.813$) signifying a very strong correlation.

5.4 Validity

Factor analysis was used to assess the validity of the results using principal component analysis with varimax rotation. There are several methods used to choose the number of factors to be extracted. In this case the latent root criterion was used where the number of factors was determined by taking the eigenvalue with more than 1.0.

5.4.1 Factor analysis for all independent variables

The analysis was applied to the independent variables. These were all variables on internal marketing and internal engagement. All in all there were 28 variables. Out of the 28 aspects, 7 were loading on two factors were removed from the final factor analysis.

Table 16 lists values for the rotated component matrix. The rotated component values were used to establish the factor loadings for each item.

Table 16: Rotated component matrix

	Factor					
	1	2	3	4	5	6
AE3. I am enthusiastic about my work.	**.765**	.104	.105	.135	.160	.176
AE2. My work energizes me.	**.668**	.149	.302	.181	.256	.053
IE4. My job keeps me highly engaged.	**.594**	.137	.254	.353	.101	.197
OE3. I feel like I am a part of BankX.	**.583**	.411	.092	.009	.179	.305
IE3. I pay a lot of attention to my work.	**.580**	.288	.276	-.048	-.019	.324
IE2. Sometimes I get so involved in my job that I lose track of time.	**.510**	.075	-.065	.418	.114	-.002
IPK2. I understand how our customers can benefit from BankX products and services.	-.092	**.745**	.200	.185	.122	.302
AE1. I feel positive about my work.	.373	**.661**	-.229	.188	.158	.205
IPK6. I know what makes the BankX brand special.	.165	**.637**	.229	.187	.267	.135
IPK5. I know the value BankX adds to the environment.	.366	**.591**	.247	.080	.044	-.154
IB5. I believe that BankX products and services can help improve the client's financial position.	.319	**.572**	.318	.174	-.158	-.181
IB6. I believe that BankX clients receive a good deal for what they pay.	.112	.133	**.818**	.008	.149	.132
OE2. Being a member of this BankX energises me.	.314	.170	**.662**	.256	.169	.061
IB4. I believe that BankX offers the best deal on the market given what I would pay.	.148	.373	**.512**	.335	.101	.039
OE1. I am highly engaged with activities in BankX that are outside of my job.	.138	.078	.100	**.764**	-.107	.169
SE1. I share the same work values as my colleagues.	.112	.286	.077	**.566**	.241	.023
SE3. My colleagues and I often discuss the product and service offered by BankX.	.146	.205	.240	**.553**	.314	.055
SE6. My colleagues and I often discuss BankX's advertising and communication.	.182	.134	.091	-.002	**.845**	.092
SE5. My colleagues and I often discuss BankX service delivery issues.	.218	.103	.258	.339	**.705**	-.047
IPK1. I am familiar with our product communication (e.g. television, magazines, Internet, exhibitions, etc.).	.197	.050	.261	.050	-.109	**.779**
IE1. I really "throw" myself into my job.	.230	.123	-.093	.200	.209	**.645**

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.[a]

a. Rotation converged in 9 iterations.

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Table 15 shows that all communalities were all above 0.5 except for two, which were 0.458 and 0.479. These were retained as they were not below 0.3 and also were close to 0.5. Six factors were retained. The first factor accounted for 35.03%, the second factor for 6.85%, the third factor for 6.25%, the fourth factor for 5.75%, fifth factor for 5.00% and the sixth factor for 4.82%. All in all the factors accounted for 63.69% of the variance. In practice a robust solution should account for at least 50% of the variance. A summary of the factor loadings from the rotated component mix is presented in Table 17.

Table 17: Factor loadings

Item	Items	Loading	Item	Items	Loadings
1.	**Engagement**		**3.**	**Perceived value**	
AE3.	I am enthusiastic about my work	(0.765)	**IB6.**	I believe that BankX clients receive a good deal for what they pay	(0.818)
AE2.	My work energizes me	(0.668)	**OE2.**	Being a member of this BankX energises me	(0.662)
IE4.	My job keeps me highly engaged	(0.594)	**IB4.**	I believe that BankX offers the best deal on the market given what I would pay	(0.512)
OE3.	I feel like I am a part of BankX	(0.583)	**4.**	**Organisational engagement**	
IE3.	I pay a lot of attention to my work	(0.580)			
IE2.	Sometimes I get so involved in my job that I lose track of time	(0.510)	**OE1.**	I am highly engaged with activities in BankX that are outside of my job	(0.764)
			SE1.	I share the same work values as my colleagues	(0.566)
			SE3.	My colleagues and I often discuss the product and service offered by BankX	(0.553)
2.	**Internal Marketing**		**5.**	**Social engagement**	
IPK2.	I understand how our customers can benefit from BankX products and services	(0.745)	**SE6.** **SE5.**	My colleagues and I often discuss BankX's advertising and communication	(0.845)
AE1.	I feel positive about my work	(0.661)		My colleagues and I often discuss BankX service delivery issues	(0.705)
IPK6.	I know what makes the BankX brand special	(0.637)			
IPK5.	I know the value BankX adds to the environment	(0.591)	**6.**	**Undefined**	
IB5.	I believe that BankX products and services can help improve the client's financial position	(0.572)	**IPK1.**	I am familiar with our product communication (e.g. television, magazines, Internet, exhibitions, etc.)	(0.779)
			IE1.	I really "throw" myself into my job	(0.645)

It was noted that the first factor, which accounted for 35.03% of the variance, groups well under the engagement theme. The sixth factor, which only accounts for 4.82% of the variance, was labelled as undefined as the two items grouped together are completely unrelated and come from different literature.

As mentioned seven out of twenty eight items were removed form the factor loadings. These were:

- IPK3. I know how BankX is different from our competitors
- IPK4. I feel comfortable discussing BankX products and services with anyone
- IB1. I believe that BankX products are good value for money
- IB2. I believe that BankX products are innovative
- IB3. I believe that BankX's products are easily accessible
- SE2. I share the same work goals as my colleagues
- SE4. My colleagues and I share the same attitude towards work

Table 18 shows results for the Kaiser-Meyer-Olkin Measure (KMO) and Barlett's test. The final factor solution had a KMO measure of sampling adequacy was 0.856 indicating that the correlations are adequate for factor analysis. Secondly, the Bartlett's test enables us to reject the null hypothesis of lack of sufficient correlation between variables since the p-value = 0.000 (<0.05) which leads to the rejection of the null hypothesis.

Table 18: Kaiser-Meyer-Olkin Measure and Bartlett's Test

Test		Measure
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.858
Bartlett's Test of Sphericity	Approx. Chi-Square	1885.808
	df	378
	Sig.	.000

Factor analysis is assessed in order to determine the appropriateness of continuing with other statistical measures, such as regression analysis (Costello & Osborne, 2005). From this result, both tests have met the criteria, thus further analysis may proceed.

5.5   Moderated regression analysis

Multiple regression analysis was used to test the relationship between the dependent variable, employee endorsement and the independent variables internal marketing and internal engagement. The impact of perceived external prestige as a moderation variable was analysed using hierarchical regression. In this case moderated regression analysis was used to determine how the relationship changes when a moderating variable is used. The model for hypotheses testing is reflected in Figure 11.

Figure 11: Employee endorsement model
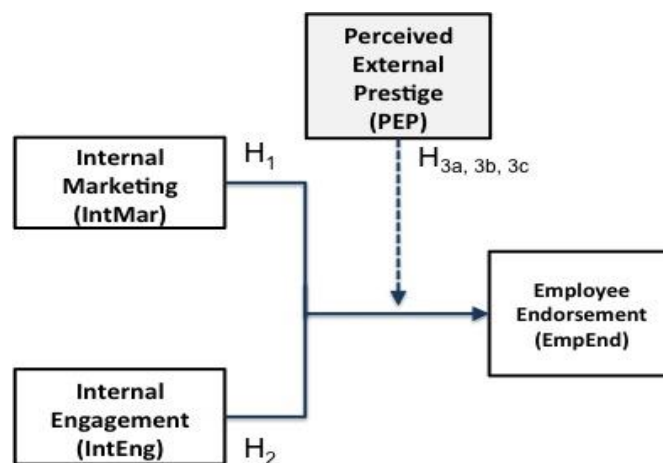
The regression analysis did not apply results from the factor loadings but rather applied the original factors according to the endorsement model. Irwin and McClelland (2001) suggest that variables can be added or removed from the regression model if they are specific to the hypotheses model or fit the contribution of the study. In this case, all the original items are key to the hypotheses tests within the model and have theoretical origins.

For analysis, new variables were created with a mean zero mean. From this two interactions, each with a centered independent variable and centered moderating variable. Each interaction was tested for significance to the prediction of the dependent variable. Hierarchical moderated regression analysis (HMRA) using IBM SPSS V.22 was used to test the hypothesis whether perceived external prestige was an intervening variable. Irwin and McClelland (2001) suggested that hierarchical regression analysis requires running two regressions. One of the regression models consisted of the main effects only and the other consisted of the main effects and the interaction terms.

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5.5.1 Collinearity diagnostics test

The results showed that the model fitted very well. The residual were normally distributed as shown in Figure 12, 13 and 14.

Figure 12: Histogram of regression standardized residuals
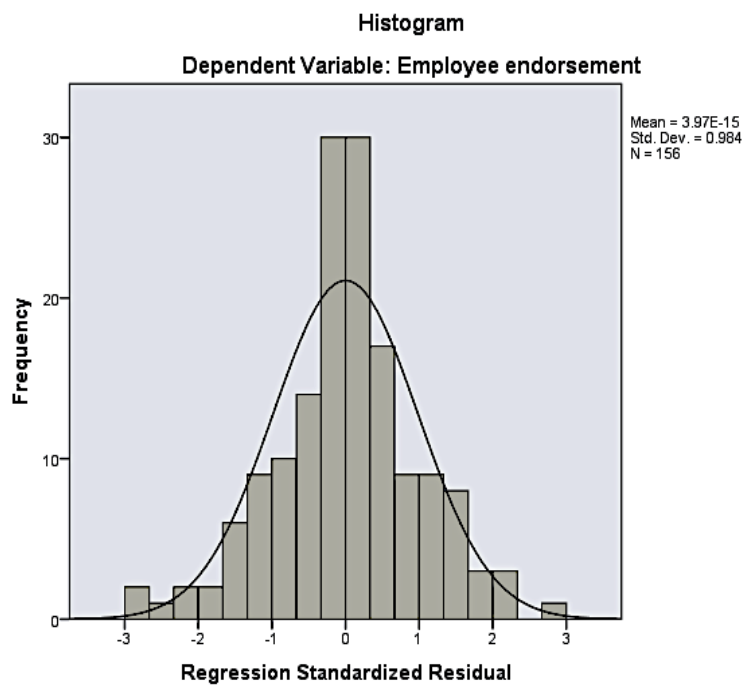
The normal curve seems to fit the curve well. The assumption of normality of error terms is met. The normal P-P plot almost follows a straight line indicating normality of the error terms. If the normality and homogeneity of variances assumptions are met then the residuals will be a random sample from a standard normal distribution and the plot of residuals against predicted values will show a shapeless cloud of points (null plot).

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Figure 13: Normal P-P of regression standardized residuals

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Employee endorsement
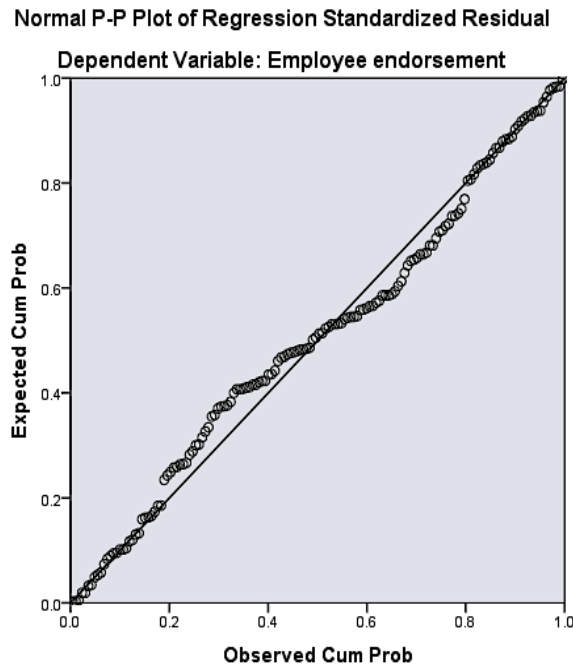
The scatterplot of the standardised residual against the predicted values shows that the scatter is almost a null plot (scattered around zero). There is no evident trend, and the variance seems to be constant, indicating that the model appears to be a good fit. The model fits the data adequately and explains approximately 70% of the variability.

Figure 14: Scatterplot of regression standardized residuals

Scatterplot

Dependent Variable: EE

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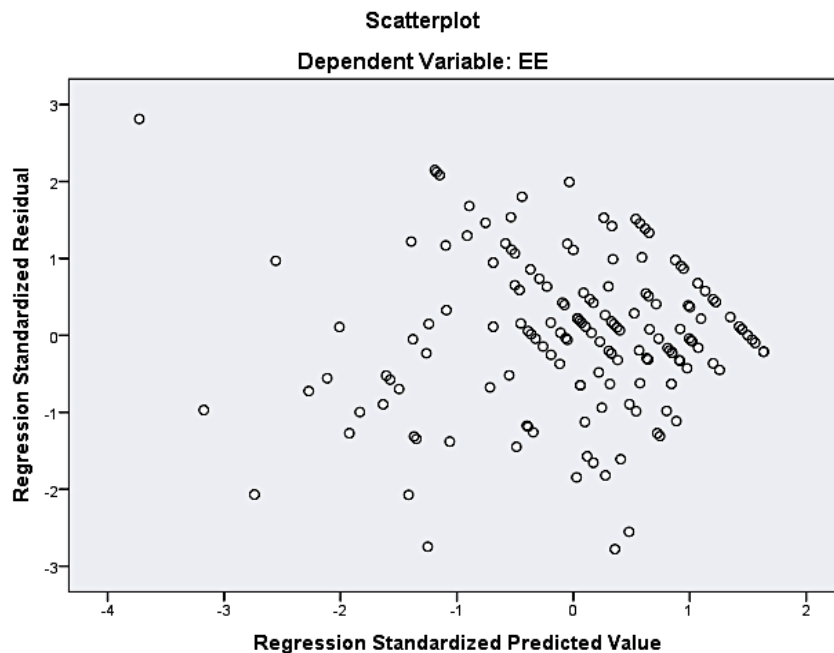
In terms of multicollinearity, all the tolerance values are greater than 0.10 and the Variance Inflation Factor (VIF) are all less than 1. The VIF is 1/tolerance value. Tolerance is a measure of collinearity. As the tolerance value grows smaller, the variable is more highly predicted by the other independent variables. A common cut-off point is 0.10 (Hair et. al., 2010 p. 204). No variable has a tolerance value less than 0.10 indicating that there is no multicollinearity between the predictors. The condition indices are measures of the variance associated with an eigenvalue. A large condition index (greater than 30) implies a high degree of collinearity between independent variables. In this case all condition indices are less than 30. Thus the model satisfies the assumptions of performing a regression analysis.

5.5.2 Hypotheses testing

The hypotheses to be tested were:

Hypothesis 1: Testing for the significance for internal marketing	:	H_0: $\beta_{CIntMar} = 0$ H_1: $\beta_{CIntMar} \neq 0$
Hypothesis 2: Testing for the significance for internal engagement	:	H_0: $\beta_{CIntEng} = 0$ H_1: $\beta_{CIntEng} \neq 0$
Hypothesis 3: Testing for the significance for perceived external prestige	:	H_0: $\beta_{CPepr} = 0$ H_1: $\beta_{CPepr} \neq 0$
Hypothesis 4: The interaction between internal marketing and perceived external prestige is significant	:	H_0: $\boldsymbol{\beta}_{CIntMarCPEPr} = 0$ H_1: $\boldsymbol{\beta}_{CIntMarCPEPr} \neq 0$
Hypothesis 4: The interaction between internal marketing and perceived external prestige is significant	:	H_0: $\boldsymbol{\beta}_{CIntEngCPEPr} = 0$ H_1: $\boldsymbol{\beta}_{CIntEngCPEPr} \neq 0$

In this case the test gave an ***F-value = 127.032*** with a ***p-value = 0.000***. Since 0.000 is less than 0.05, the null hypothesis of not a significant model was rejected at the 5% level of significant and we conclude that the regression line is significant. It is highly significant (***p<0.01***). The test showed that all variables were significant as shown in Table 19.

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Table 19: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients			95% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error	Beta	t.	Sig.	Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	5.867	.039		152.358	.000	5.791	5.943					
	CIntMar	.266	.083	.223	3.216	.002	.103	.429	.727	.252	.139	.392	2.554
	CIntEng	.234	.097	.184	2.420	.017	.043	.425	.746	.193	.105	.324	3.090
	CPEPr	.662	.094	.511	7.075	.000	.477	.847	.813	.498	.306	.359	2.782
2	(Constant)	5.901	.046		129.249	.000	5.811	5.991					
	CIntMar	.271	.086	.226	3.131	.002	.100	.441	.727	.248	.136	.359	2.786
	CIntEng	.203	.108	.160	1.876	.063	-.011	.416	.746	.151	.081	.259	3.863
	CPEPr	.655	.094	.506	6.986	.000	.470	.840	.813	.495	.303	.358	2.795
	ICIntMarCPEPr	-.087	.112	-.061	-.775	.439	-.308	.134	-.344	-.063	-.034	.298	3.355
	ICIntEngCPEPr	-.007	.102	-.006	-.071	.943	-.208	.194	-.407	-.006	-.003	.244	4.098

a. Dependent Variable: EE

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Table 19 shows that all variables are significant, i.e., *CIntMar* has a **t-value = 3.216** with *p-value = 0.002*, *CIntEng* has a **t-value = 2.420** with *p-value = 0.017* and *CIntMar* has a **t-value = 7.075** with *p-value = 0.000.* All the variables are significantly contributing to the prediction of employee endorsement. In terms of the standardised beta coefficients, the largest beta value was 0.511 for the variable perceived external prestige followed by internal marketing. Thus perceived external prestige had the strongest relationship towards employee endorsement followed by internal marketing.

Table 20: Model Summary^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.846^a	.715	.709	.48094	.715	127.032	3	152	.000
2	.848^b	.719	.709	.48092	.004	1.007	2	150	.368

a. Predictors: (Constant), CPEPr, CIntMar, CIntEng

b. Predictors: (Constant), CPEPr, CIntMar, CIntEng, ICIntMarCPEPr, ICIntEngCPEPr

c. Dependent Variable: EE

In terms of perceived external prestige as a moderating variable, it was indicated earlier the moderating effect was obtained by multiplying it with each of the independent variables. The results of the interaction are shown in Table 19. The change in R^2 was 0.004 as shown in Table 20 when the interaction terms were included in the model, which is not notable. The regression line was significant as evidenced by an **F-value = 76.629** with a **p-value = 0.000**. Since 0.000 is less than 0.05, the null hypothesis of not a significant model was rejected at the 5% level of significant and we conclude that the regression line is significant. It is highly significant (**p<0.01**). However, there was a need to test whether the interactions contributed significantly to the model.

The interaction between internal engagement and perceived external prestige was added in the model and the change in R^2 was = 0.004. The interaction was not significant (**β=-0.007, t=-0.071, p=0.943**). The results showed that the interaction of internal engagement with perceived external prestige was negatively associated but it was not significant.

It can be concluded that perceived external engagement had no moderating effect to the model rather it should be considered as one of the independent variables.

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5.6 Summary of Results

Table 21 presents the summary of results based on the regression analysis.

Table 21: Summary of hypotheses results

Hypothesis		Outcome	Conclusion
Hypothesis 1: Testing for the significance for internal marketing	H_0: $\beta_{CIntMar} = 0$ H_1: $\beta_{CIntMar} \neq 0$	Beta = 0.223 p-value = 0.002	Null hypothesis supported
Hypothesis 2: Testing for the significance for internal engagement	H_0: $\beta_{CIntEng} = 0$ H_1: $\beta_{CIntEng} \neq 0$	Beta = 0.184 p-value = 0.017	Null hypothesis supported
Hypothesis 3: Testing for the significance for perceived external prestige	H_0: $\beta_{CPepr} = 0$ H_1: $\beta_{CPepr} \neq 0$	Beta = 0.511 p-value = 0.000	Null hypothesis supported
Hypothesis 4: The interaction between internal marketing and perceived external prestige is significant	H_0: $\boldsymbol{\beta}_{CIntMarCPEPr} = 0$ H_1: $\boldsymbol{\beta}_{CIntMarCPEPr} \neq 0$	Beta = -0.061 p-value = 0.439	Null hypothesis not supported for the alternative
Hypothesis 4: The interaction between internal marketing and perceived external prestige is significant	H_0: $\boldsymbol{\beta}_{CIntEngCPEPr} = 0$ H_1: $\boldsymbol{\beta}_{CIntEngCPEPr} \neq 0$	Beta = -0.06 p-value = 0.943	Null hypothesis not supported for the alternative

5.7 Conclusion

This chapter presented the results based on the methodology described in chapter 4. The analysis was carried out in a four-step approach as outlined. First, a summary of the characteristics of the sample as well as the descriptive statistics and tests for normality of the sample distribution were presented. Thereafter analysis for validity and reliability were calculated. Finally, measurements for correlation analysis and regression were measured against the model for hypothesis testing. The summary of analysis results was shown in table 21. The next chapter provides a discussion of the results.

6 CHAPTER 6: DISCUSSION OF RESULTS

The overall aim of this research was to measure the organisational influences on employee's propensity to endorse products and services produced by their employer. The results from this study were presented in Chapter 5.

This chapter provides an analysis and discussion on the implication of the results of the hypothesis test. The chapter follows the three step reporting starting with a discussion over descriptive statistics, followed by scale adaptation. Lastly each hypothesis was reviewed according to the results. All of the sections were supported by relevant literature.

The following hypotheses were tested in chapter five:

H1: There is a positive relationship between internal marketing and employee endorsement.

H2: There is a positive relationship between internal engagement and employee endorsement.

H3a: There is a positive relationship between perceived external prestige and employee endorsement.

H3b: In predicting employee endorsement, there is a positive interaction between internal marketing and perceived external prestige.

H3c: In predicting employee endorsement, there is a positive interaction between internal engagement and perceived external prestige.

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6.1   Descriptive Statistics

The analysis demographical description as shown in figure 4 to figure 9 indicates a good spread of respondents across the categories. Job grade distribution supports this with middle management representing 31% of the distribution followed by senior management (29%) and staff (21%) respectively. Results for tenure show that there is a tendency to stay longer at BankX as evidenced by the 53.8% (n=84) respondents who have had more than 5 years of service. It was noted however that distribution by functional department has a high percentage in marketing and sales (49%) however the remaining descriptors are spread evenly.

Literature has recommended the need for employee research to extend beyond focus only on frontline staff (Anaza & Rutherford, 2012; Sirianni et al., 2013; Wallace et al., 2013). Researchers have also called for employee research that spans across multiple departments and levels in organisations (Anaza & Rutherford, 2012). It was noted that almost half of respondents were in the age group 25 – 35 years (44%). Whilst this number is high, it is not surprising as this group (along with the secondary group, 36-45 years) form majority of the workforce population in South Africa.

6.2   Scale adaptation

The hypotheses were developed off two independent variables, one dependent variable and a moderating variable. Scales were a combination of items from existing literature and others crafted by the author (refer to Appendix B). Results for scale testing for the main independent variables are discussed below.

6.2.1   Internal marketing

Internal marketing has been described in light of the premise by Berry (1981) which says that employees, similarly to external clients, desire to have their needs satisfied. The construct in the study is characterised by two theory based employee needs namely, the need for knowledge and the need for value. Four of the items in the knowledge cluster were adapted from Baumgarth and Schmidt (2010), and two derived by the author based on literature as well as relevance to the culture of the surveyed company.

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Two items were removed form the scale adaptation factor analysis as they exhibited low factor loadings. Only one item (I feel comfortable discussing 'the bank's' products and services with anyone) showed low levels of agreement (56.7%) with respondents. This shows that employees at BankX have adequate internal knowledge about the products and services offered. This gives confidence to the employee's barrier, the sender's expertise dilemma, to having recommendation conversation. Sender's expertise in WOM was described as having enough accurate information on a topic to convince a receiver actively seeking the information, so much so that the receiver sees no need to verify the information received with other sources (Bansal & Voyer, 2000).

The author compiled scales for the perceived value in the absence of known scales from previous research. All six items show low levels of agreement. Three of the six items were removed form he scale adaptation factor analysis as they exhibited low factor loadings (refer to Table 16). All six items showed significantly low levels of agreement from respondents signalling low confidence in the value of the products and services offered by 'the bank'. One item (I believe that 'the banks' products are innovative) has the lowest agreement level (44.9%) of the survey by a significant margin. This can be explained by the accelerated rise in innovation in the banking sector in efforts to improve the customer experience (EY, 2014). BankX was not ranked positively against competitors at the time of the survey.

Overall the results show that the scale showed good reliability (α = 0.854).

6.2.2 Internal engagement

The scales for internal engagement were adapted from the intellectual, social and affective (ISA) model developed by Soane (2012). The model builds on Kahn's (1990) personal engagement and disengagement theory which talks about the benefits to the company when employees are intellectually, socially and affectively engaged in their roles. This research however also required understanding at an organisational engagement level therefore three items we adopted from the organisation engagement scale by Saks (2006). DeVellis (2003) suggests that scales should be should be grouped according to their goal that they need to fulfil as opposed to merely belonging to the same group. The results of this scale show adequate reliability (α = 0,822).

There were two items that had the lowest levels of agreement in this category. The first, (I share the same work goals as my colleagues), had an agreement result of 64.1% and the second, (My colleagues and I share the same attitude towards work) had an agreement level of 59%. These were also the same items that were removed from the scale analysis due to low loadings. This result can be explained by the distinction between social or organisational identity and internalization where Mael and Ashforth (1992) argue that social or organisational identity is attributed to self whilst internalization incorporates goals, attitudes and values. Unlike social or organisational identity, internalization is not company specific therefore employees can accept being identified with a group or company without accepting the attitudes and values of that group (Ashforth & Mael, 1989; Mael & Ashforth, 1992).

6.3   Hypothesis one

Results show that hypothesis one, which states "There is a positive relationship between internal marketing and employee endorsement" is supported. Internal marketing was found to have a stronger relationship towards employee endorsement, significantly stronger than employee engagement. This supports the argument by Omilion-Hodges and Baker (2014) that organisation who engage in daily talks with their employees reveal the organisation identity in the eyes of their internal customer. This in turn is reciprocated as employees who identify with their organisation are more likely to engage in positive everyday talk about the organisation with internal and external stakeholders' (Boukis & Gounaris, 2014; Omilion-Hodges & Baker, 2014). In their study, Löhndorf and Diamatopoulos (2014) also reported on a strong relationship found between organisational identification (OI) and positive word-of-mouth. They suggest that through OI activities, employees can gain more knowledge about the brand benefits, which can enhance the WOM conversations.

Internal marketing is not only about employees having the right information to talk about; it is also about the right value product or service to promote. People are unlikely to recommend brands that are not of good value (Balter & Butman, 2005). Over and above that, employees have the added pressure of representing the organisations financial objectives when it might not be favourable to do so in a friendship relationship (Harrison-Walker, 2001; Wentzel et al., 2014).

6.4   Hypothesis two

Results show that hypothesis two, which states "There is a positive relationship between internal marketing and employee endorsement" is supported. It was found that employee engagement had the lowest β at 0.184, therefore the least influence on employee endorsement. Whilst this hypothesis was informed by literature, theories on employee engagement are very lean on the ability of engagement to drive employees to action, such as that of off the job endorsement of their employer's products.

One of the reasons to consider may be Saks' (2014) report of the shortcomings of employee engagement research where most studies have been correlational as opposed to experimental with few evidence based studies to prove employee engagement's ability to demonstrate actual change. Another consideration is how in other research employee engagement as a variable successfully mediated the relationship between job resources and work outcomes (Saks & Gruman, 2014; Saks, 2006). For this research however, the author considered employee engagement as an independent variable based on the application of the tested Intellectual social and affective (ISA) model which builds on Kahn's (1990) personal engagement and disengagement theory (Soane et al., 2012).

6.5   Hypothesis three

Perceived external prestige (PEP) was measured as a mediating variable between internal marketing with employee endorsement (hypothesis 3b) and internal engagement (hypothesis 3c) with employee endorsement a holistic model for endorsement (refer to figure 11). As stated in chapter four, PEP was tested first independently (hypothesis 3a).

6.5.1   Hypothesis three (a)

Results show that hypothesis three (a), which states "There is a positive relationship between perceived external prestige and employee endorsement" is supported. Reference to Table 19 shows that of all the predictions, this variable had the highest β (0.511). From this result, the positive relationship outcome is expected; however it is the strength of the relationship that is unanticipated.

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Whilst most people desire membership to an organisation that is believed hold socially valued characteristics by others it is unclear from literature how much they would engage in off the job activities to enhance the objectives of the organisation (Mael & Ashforth, 1992). The correlation Table 15 between perceived external prestige and employee endorsement ($p\Box0.01$; $r=0.813$) also signified a very strong correlation.

Of the measures, this is also the only variable that is not controlled by the employer but rather shaped by external views as well as the employee's identity (Helm, 2011, 2013). From the perspective of the employee as the sender of word-of-mouth, their identity and reputation is part of the identity of the brand they are recommending (Löhndorf & Diamantopoulos, 2014). This supports the results that the external perceptions about the organisation would have a significant impact on the employee as it would be a reflection of their identity, whether positive or negative (Helm, 2011, 2013; Löhndorf & Diamantopoulos, 2014). The scales for PEP were adapted from a combination of sources (Duffy & Lilly, 2013; Mael & Ashforth, 1992) including the author. This shows the strength of PEP as a construct group.

6.5.2 Hypothesis three (b) and (c)

Results show that hypothesis three (b), which states; "In predicting employee endorsement, there is a positive interaction between internal marketing and perceived external prestige" was not supported. Results show that hypothesis three (c), which states; "In predicting employee endorsement, there is a positive interaction between internal engagement and perceived external prestige" was also not supported. PEP was measured as a mediating variable based on how removed it is from direct control as opposed to the other variables. Previous research on PEP has been focused on individual outcomes for the employee (Herrbach & Mignonac, 2004). There has been little evidence in those studies of PEP directly influencing variables that are reciprocal in nature (Kang et al., 2011).

Helm (2011) found that perceived reputation does lead to pride, however with pride having been established as an antecedent to voluntary extra-role behaviours by employees, it was a reasonable argument propose PEP as a mediating variable to constructs of reciprocal voluntary action such as WOM (Helm, 2013; Herrbach & Mignonac, 2004).

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6.6   Observations

Whilst the results answer the hypotheses, the findings also have additional insights that may further explain outcome of the results.

It is hypothesised that the longer a person is actively associated with an organisation, the more they will experience positive identification with the organisation (Ashforth & Mael, 1989). Demographical results on employment duration (refer to figure 9) show that employees at BankX have stayed at the bank for a notably longer period, with more than half of the respondents having more than 5 years in service. This result may help explain some of the strong positive affect on perceived external prestige where over time they feel that their identity is congruent with that of the firm and ultimately the firm's reputation has a bearing on their image (Helm, 2013).

6.7   Concluding remarks

The above discussion about the hypotheses tested and observations of patterns in the data, strongly suggests a shift for perceived external prestige from a moderating variable to an independent variable. Results show that hypothesis three (a) was supported however hypotheses three (b) and three (c) were not supported. As such, the researcher proposes a restated model for employee endorsement separating perceived external prestige as an independent variable predictor for employee endorsement. Figure 15 depicts the restated model.

Figure 15: Restated employee endorsement model

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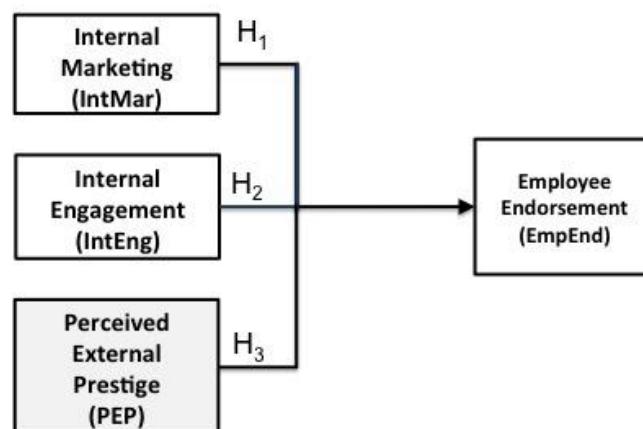
6.8 Conclusion

In this chapter the results of the analysis were discussed and linked to theoretical background. The hypotheses were presented and mapped to chapter two and three. It was found that perceived external prestige, internal marketing and internal engagement were convincing predictors of employee endorsement. Results also showed the perceived external prestige was not a suitable mediating variable for the relationship between the independent variables with the dependent variable (employee endorsement). As such, the endorsement model that was tested was re-stated applying the new insight of perceived external prestige as an independent variable.

Observations about the data were also discussed where it was found that the duration of time a person is employed by the organisation has an influence on their identity with the organisation (Mael & Ashforth, 1992). This observation can be used to explain the strong correlation result for perceived external prestige. Identity to the organisation resonates as theme throughout literature and findings for internal marketing as well as for internal engagement. It was discussed that continuous efforts from the organisation to align with the employee enhances alignment to their identities. The implications of the findings as well as the recommendations for the future research are discussed in the next and final chapter of this study.

7 CHAPTER 7: RESEARCH CONCLUSION AND RECOMMENDATIONS

The focus of this study was on employees and their inclination to endorse their company's brands, products or services to their close networks. The aim of the research was to measure the variables that predict employee endorsement. The study was motivated by the evolving role of the employee as a source of competitive advantage to the organisation.

The literature reviewed assisted in crafting five hypotheses, which included the variables internal marketing, internal engagement, perceived external prestige as well as employee endorsement. These formed hypotheses for testing of two independent variables, one depended variable, and a variable tested both as independent as well as a mediator. Scales used were adapted and developed from existing literature themes about the four variables. Scales were tested for validity and reliability. Hypotheses were statistically tested using a multi regression analysis applied to raw data collected from 156 employees of a retail bank.

This chapter summarises the main findings and concludes with managerial implications, limitation of the study as well as recommendations for future research.

7.1 Summary of findings

According to the analysis of the demographics the sample showed that there was a good spread of respondents across the categories for age, gender, job grade, and employment duration. The tenure age for BankX is relatively high, with more than half of the respondents having had more than 5 years of service. Scales for the independent variables performed well in the factor analysis. All scales performed well on reliability.

The overall objectives of the study were met with the findings that key variables, internal marketing and internal engagement, predict employee endorsement. Results of the hypothesis testing study showed that perceived external prestige is stronger as an independent variable as opposed to a moderating variable. Results from the regression analysis also revealed that perceived external prestige is likely to predict employee endorsement far more than internal marketing and internal engagement. These findings are important for marketers seeking to leverage employee endorsement to promote the company's brands.

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7.2 Research contribution

The study has contributed towards the understanding of employee behaviour through the endorsement model. A combination of existing literature on word-of-mouth marketing and other employee themed studies were applied to develop the employee endorsement model. Previous studies on word-of-mouth and related concepts did not focus on the employee being neither the sender nor the recipient of word-of-mouth communication. Employee studies across the themes of internal marketing, employee engagement and perceived external prestige did not adequately mould the attitudes and behaviours in an exchange scenario for measurement. The model developed and applied in this study took into consideration employees' intellectual, social and affective state of being at both an individual and an organisational level.

The research contributes across a number of academic themes including positive word-of-mouth, internal marketing, perceived customer value, employee engagement, perceived external prestige and employee endorsement. For word-of-mouth, the study offers insight into employees behaviour and attitude when engaging in voluntary off the job exchanges beneficial to the company (Bansal & Voyer, 2000). For studies in internal marketing, this research narrows down the needs for employee satisfaction being the need for knowledge and the need for value.

For perceived value, this research raises the concern about the gap in adequate research about how to identify perceived value by customers and how to measure the construct (Chang & Dibb, 2012). As one of the early writers on engagement, Kahn (1990) introduced the concept that in engagement that people express themselves physically, cognitively and emotionally when performing their task. This research expands on that concept by applying scales from the ISA model adapted from Kahn's theory (Kahn, 1990; Soane et al., 2012). Also by adding scales for organisational engagement to the ISA model, this study provided an engagement scale with good reliability ($\alpha = 0.854$).

This study highlighted the strength of perceived external prestige as a construct and influence on employee attitudes and behaviour.

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For this study, construct is suitable to predict employee endorsement (with a high β (0.511) and strong correlation ($p \square 0.01$; $r=0.813$) to employee endorsement), and not to mediate relationships of other constructs.

For employee engagement, this research simply highlights an opportunity for marketers seeking to grow their market share. The research has provided guidelines for practitioners wishing to leverage the benefits of active endorsement from employees. For employee studies, the research has answered the call to expand samples beyond the frontline employee to across department levels as well as across different years of service in the business (Anaza & Rutherford, 2012).

7.3 Managerial implications

In the search for competitive advantage companies have continued to stretch their employees into various roles without understanding the task from the vantage point of the employee. The findings of this this study has several consequences for marketing practitioners.

The most significant managerial implication for this study is the need for companies and their marketing communities to recognise the importance of investing in their employees. This investment has far reaching benefits beyond the employee's commitment and the customer satisfaction. Employees are hubs for their networks who may seek expert advise on products and services offered within the company's category. Through employee endorsements, these hubs have the ability to multiply. The calibre of new potential customers influenced by these engagements is another benefit as they adopt brand loyal behaviour based on recommendation from a trusted source that they are personally loyal to in some way or another. This in itself is the basis of a good customer base.

Marketers looking to roll-out effective customer referral programs, which encourage employees to recommend the company's services to their social network, can look to the tested model provided by the study for guidelines. The model insists that practitioners need to understand employees as senders of the referral message. The model gives guidance on marketing internally and creating lasting internal engagements.

The model suggests that on internal marketing, employees require a compelling product to talk about and the right information as knowledge to talk about it. Marketers need to craft compelling product value propositions for referrals to be sound. Perceived value is key to successful referral conversations as employees will not endorse products they do not perceive to have value (Wentzel et al., 2014).

Marketers can through internal marketing efforts affect and strengthen employee engagement over time. Internal marketing as a method of aligning all strategy and implementation across the firm is not isolated from daily employee engagement experiences. Internal marketing activities have the ability to shape the conversations between the employee, their peers and the company.

Marketers have the opportunity to build a referral culture with new employees. With this opportunity to express the identity of the firm and its values, employees are able to find alignment to their personal identity from the beginning of their tenure.

Marketers should observe the cost benefit of the suggested initiatives: the cost of acquiring this new consumer would also be lower if measured against the large marketing expenditure of traditional media such as advertising on television (Dabholkar & Abston, 2008; R. Lusch et al., 1996). These endorsement engagements could increase employee awareness and knowledge about the company's brands, therefore assisting to deliver more authentic branded encounters to existing customers.

7.4   Limitations and recommendations for future research

A number of limitations were identified:

The research findings are limited to responses within a banking environment. Data was only collected from BrandX. The result is that the learnings may only be partially applied. Findings may also not completely be transferable to other industries or companies due to little variation in the data due to sample data being collected only from one organisation. Since respondents were all form the same banking environment, there is a potential limitation when generalising the results for application in other environments.

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Survey methods have their limitations in that they capture fleeting moments in time (Leedy & Ormrod, 2010). The survey research was reliant on self-reporting, which has its own challenges. Respondents tell of their beliefs, which they hold to be true and in perhaps what they think the researcher wants to hear. This study was also conducted at a point in time as a cross-sectional study. It is unclear if the findings will have relevance in the long term.

On scale analysis, extensive language adaptations were made to existing scales of internal marketing, internal engagement and PEP for relevance within the context of the study. Although the results of the study show adequate reliability, these scales do however require further refinement. Scale analysis has techniques to apply when ew factors emerge from factor loadings tests. For this study, original scale items were tested for the regression analysis due as original items were key to the hypotheses tests within the model and have theoretical origins.

The final limitation came from the size of the sample. This was a small sample study which limited the ability to benefit from a larger variety of statistical tests, which require larger sample sizes, over and above the presented tests.

7.5   Guidelines for future research

The author recommends that further benefit would be gained from understanding if these results would be applicable beyond one industry. Future research can investigate data collection from multiple organisations. Data should also be collected in both product and services industries.

This study highlighted how employees who find alignment with their company engage in off-the-job activities that can benefit the objectives of the firm. Future research can investigate employee patronage to determine employee's propensity to affect the financial objectives, in the form of additional revenue, for the firm.

The findings revealed perceived external prestige as a strong independent influencer of employee endorsement. Future research can consider the re-stated employee endorsement model when further investigating perceived external prestige as an independent variable within marketing studies.

Lastly, this study provided a view from the lens of the sender of word-of-mouth communication at a point in time. Future studies would benefit from seeing this result over time and understand how far this communication from one employee expands and multiplies. The author suggests a longitudinal study tracking the word-of-mouth conversations employees engage in and observing the benefit. An example is if one employee successfully promotes the firm's products and services to ten family members and they in turn influence ten people each, what would the true value of endorsement benefit that each employee brings to the firm.

7.6   Conclusion

This study was conducted with the objective to measure the internal influences that drive the decision by employees to endorse their employer's products. To achieve this, the study reviewed known theory on internal marketing, internal engagement, and perceived external prestige in relation to employee endorsement. The existing literature was used to develop a model for employee endorsement. No prior models had been found to adequately account for predictors of employee endorsement.

The findings of the study were aligned to literature on internal marketing and internal engagement, which emphasises the reciprocal relationship employees have with their firm when there is identity and values alignment. The findings revealed perceived external prestige as a strong independent influencer of employee endorsement. Further findings were the importance of perceived value and what it adds to the confidence of the endorser of products.

The research offered several managerial implications from the findings as well as recommendations for future research on employee endorsement. Based on the process outlined above can be stated that the research objectives have been achieved as the internal marketing, internal engagement and perceived external prestige have been measured as predictors of word-of-mouth through the endorsement model. The application of the findings will only be successful when marketers not only realise the significance of each relationship studied, but also recognise the most important variable central to all the constructs, is the employee.

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LIST OF APPENDICES

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A: Employee endorsement survey

B: Scales justification

C: Scale item distribution histogram and plots

APPENDIX A Employee endorsement survey

Cover information:

Dear BankX Employee,

My name is Pride Morokane. I am conducting a study for the purpose of completing a Master's degree in Business Administration with the Gordon Institute of Business Science. I would like to request your participation in the study by completing the following survey.

The study is driven by the need to understand employee consumption habits as well as how they share with others the products they consume. Your participation in this research will lead to an academic output that will provide better insight into employee's decision, action and needs driving them. This in turn stands to enhance connection between employer, employees and the products offered to enrich employee's lives.

The survey takes approximately 20 minutes to complete. Your participation is entirely voluntary, as such you are under no obligation whatsoever and you may withdraw from the process at any time. All information will be treated as confidential. All other data will be aggregated through a statistical system. No individual data will be reported on.

The collated results of the study may be published in an academic journal. Should you wish, the results of the overall study will be shared with you once it has been completed. Please do not hesitate to address any queries about the survey or the research study to me at Pridem@BankX.co.za

I kindly request that you complete the questionnaire by **Thursday, 11 September 2014**.

Yours Sincerely,

Pride Morokane

Supervisor: Nicola Kleyn

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There are five sections in this questionnaire

SECTION A: Please choose one option

1. Age

18 - 24	25 - 35	36 - 45	46 - 60	60+

2. Gender

Female	Male

3. Ethnic Information

Black African	Indian	White	Coloured	Other

4. Functional Department

Finance & Administration Services	Manufacturing & Operations	Marketing & Sales	Research & Development, Science & Technology, Product Support	General Management & Human Resources	Other

5. Job Grade / Level

Senior Manager	Junior Manger	Staff	Middle Manager	Executive Staff	Contractor

6. Tenure / years with the BankX

Less than 1 year	1 – 2 years	3 – 5 years	6 – 10 years	10 – 15 years	15 years +

7. Which Banking products do you currently have overall?

Please choose all applicable options

Transactional account	Credit Card	Home Finance	Vehicle Finance	Personal Loan	Investment Product

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Please choose a statement that best describes you:

Since joining BankX…

I have not purchased any banking products	I have purchased more BankX products than products from other banks	I have purchased less products from BankX than I have from other banks	I have purchased products only from other banks

SECTION B

Please indicate on the given scale the extent to which you agree or disagree with the following statements:

Statement	Strongly Disagree	Disagree	Slightly Disagree	Neither Agree Nor Disagree	Slightly Agree	Agree	Strongly Agree
I am familiar with our product communication (e.g. television, magazines, Internet, exhibitions, etc.)							
I believe that BankX products are good value for money							
I really "throw" myself into my job							
I share the same work values as my colleagues							
I feel positive about my work							
I am highly engaged with activities in BankX that are outside of my job							
People in my community think highly of BankX							
I talk up BankX to my friends as a great place to work							
I understand how our customers can benefit from BankX products and services							
I believe that BankX products are innovative							

SECTION C

Please indicate on the given scale the extent to which you agree or disagree with the following statements:

Statement	Strongly Disagree	Disagree	Slightly Disagree	Neither Agree Nor Disagree	Slightly Agree	Agree	Strongly Agree
Sometimes I get so involved in my job that I lose track of time							
I share the same work goals as my colleagues							
My work energizing me							
Being a member of this BankX energizes me							
BankX is considered one of the best banks							
I talk up BankX to people I know as a great place to bank							
I know how BankX is different from our competitors							
I believe that Ned bank's products are easily accessible							
I pay a lot of attention to my work							
My colleagues and I share the same attitudes towards work							

SECTION D

Please indicate on the given scale the extent to which you agree or disagree with the following statements:

Statement	Strongly Disagree	Disagree	Slightly Disagree	Neither Agree Nor Disagree	Slightly Agree	Agree	Strongly Agree
I am enthusiastic about my work							
I feel like I am a part of BankX							
What I read in the press/media about BankX motivates me							
I bring up BankX in a positive way in conversations I have with friends and acquaintances							
I feel comfortable discussing BankX products and services with anyone							
I believe that BankX offers the best deal on the market given what I would pay							
My job keeps me highly engaged							
My colleagues and I often discuss the product and service offered by BankX							
I feel proud to tell outsiders that I work for BankX							
In social situations, I often speak favourably about BankX							

SECTION E

Please indicate on the given scale the extent to which you agree or disagree with the following statements:

Statement	Strongly Disagree	Disagree	Slightly Disagree	Neither Agree Nor Disagree	Slightly Agree	Agree	Strongly Agree
I know the value BankX adds to the environment							
I believe that BankX products and services can help improve the client's financial position							
My colleagues and I often discuss BankX service delivery issues							
I am proud to tell others I am part of BankX							
I encourage friends and acquaintances to buy the products and services of BankX							
I know what makes the BankX brand special							
I believe that BankX clients receive a good deal for what they pay							
My colleagues and I often discuss BankX's advertising and communication							
The values that are important to BankX are also important to me							
I am proud to tell people in my community that I work for BankX							

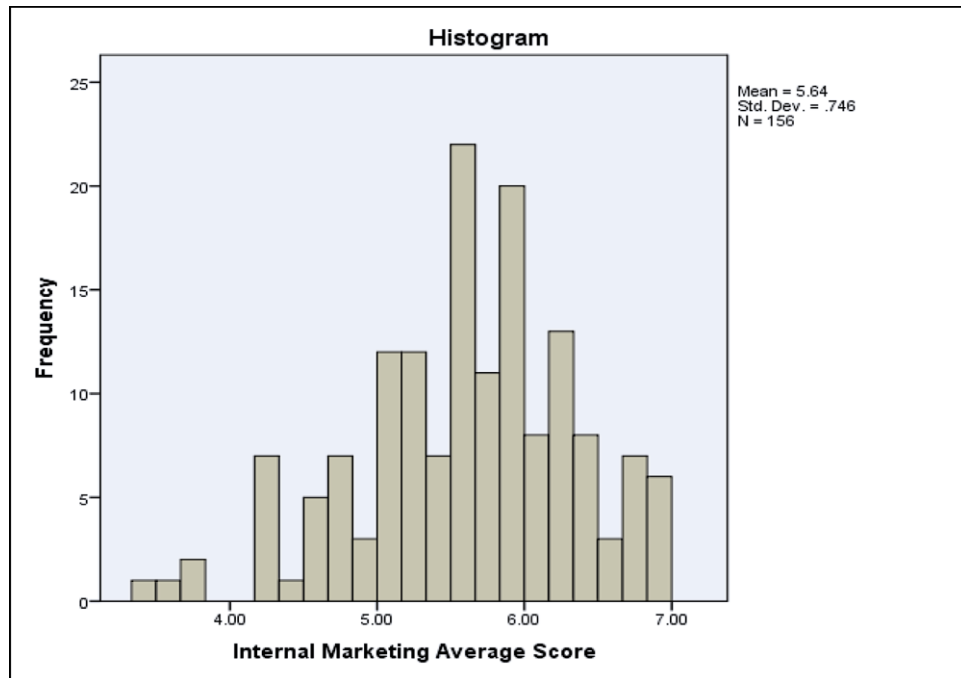**Thank you for your time and valuable input.**

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APPENDIX B Scales justification

Main Constructs	Dimensions	Scale	Code	Source
1. Internal Marketing	Internal Brand Knowledge	I am familiar with our product communication (e.g. television, magazines, Internet, exhibitions, etc.)	IPK1	Baumgarth and Schmidt (2010)
		I understand how our customers can benefit from BankX products and services	IPK2	
		I know how BankX is different from our competitors	IPK3	
		I feel comfortable discussing BankX products and services with anyone	IPK4	
		I know the value BankX adds to the environment	IPK5	Author
		I know what makes the BankX brand special	IPK6	
	Perceived Value	I believe that BankX products are good value for money	IB1	
		I believe that BankX products are innovative	IB2	
		I believe that Ned bank's products are easily accessible	IB3	
		I believe that BankX offers the best deal on the market given what I would pay	IB4	
		I believe that BankX products and services can help improve the client's financial position	IB5	
		I believe that BankX clients receive a good deal for what they pay	IB6	
2. Internal Engagement	Intellectual Engagement	I really "throw" myself into my job	IE1	Soane, Truss, Alfes, Shantz, Rees & Gatenby, 2012
		Sometimes I get so involved in my job that I lose track of time	IE2	
		I pay a lot of attention to my work	IE3	
		My job keeps me highly engaged	IE4	
	Social Engagement	I share the same work values as my colleagues	SE1	
		I share the same work goals as my colleagues	SE2	
		My colleagues and I share the same attitudes towards work	SE3	
		My colleagues and I often discuss the product and service offered by BankX	SE4	
		My colleagues and I often discuss BankX service delivery issues	SE5	Author
		My colleagues and I often discuss BankX's advertising and communication	SE6	

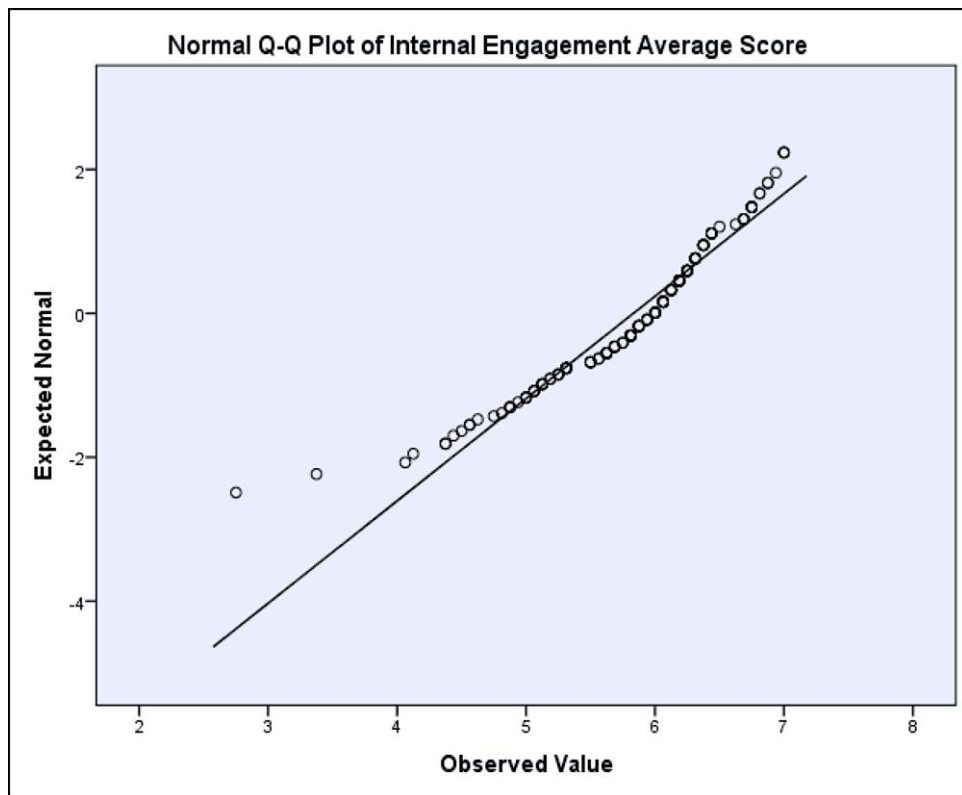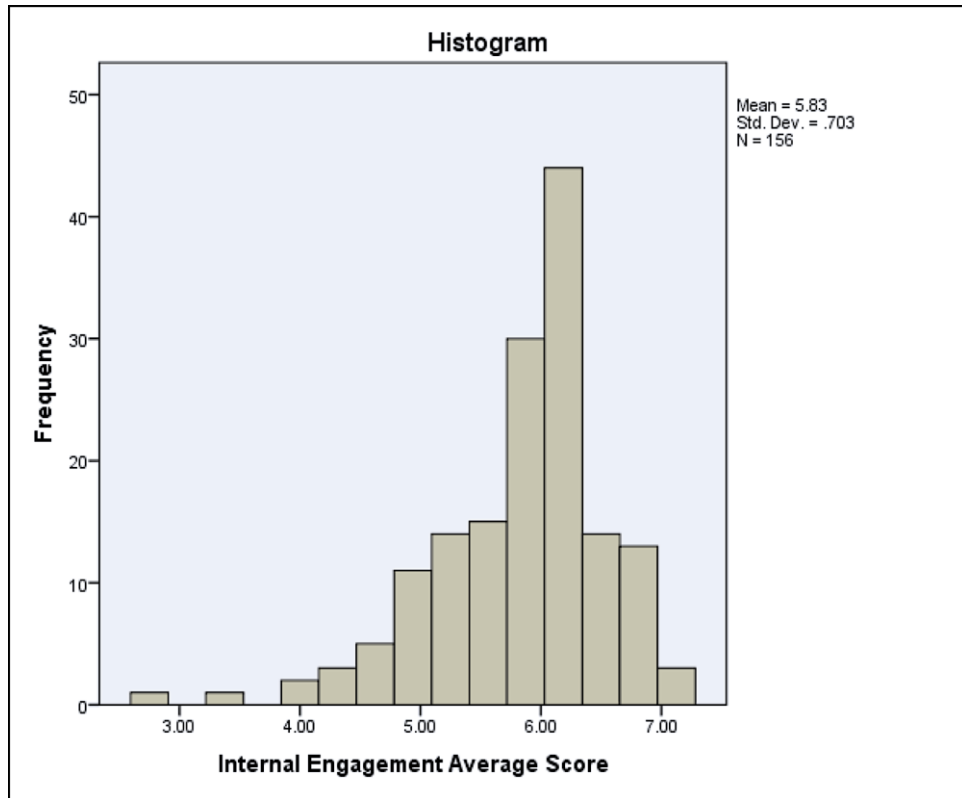|	Dimensions	Scale	Code	Source
	Affective Engagement	I feel positive about my work	AE1	Soane, Truss, Alfes, Shantz, Rees & Gatenby, 2012
		My work energising me	AE2	
		I am enthusiastic about my work	AE3	
	Organisational Engagement	I am highly engaged with activities in BankX that are outside of my job	OE1	Saks (2006)
		Being a member of this BankX energises me	OE2	
		I feel like I am a part of BankX	OE3	
3. Perceived External Prestige	Perceived External Prestige	People in my community think highly of BankX	PEP1	Mael and Ashforth, 1992
		BankX is considered one of the best banks	PEP2	
		What I read in the press/media about BankX motivates me	PEP3	Author
		I feel proud to tell outsiders that I work for BankX	PEP4	
		I am proud to tell others I am part of BankX	PEP5	Williams and Anderson, 1991
		The values that are important to BankX are also important to me	PEP6	
		I am proud to tell people in my community that I work for BankX	PEP7	
4. Employee Endorsement	Positive Word of Mouth	I talk up BankX to my friends as a great place to work	EE1	Arnett, German, and Hunt, 2003
		I talk up BankX to people I know as a great place to bank	EE2	
		I bring up BankX in a positive way in conversations I have with friends and acquaintances	EE3	Bettencourt, 1997
		In social situations, I often speak favourably about BankX	EE4	
		I encourage friends and acquaintances to buy the products and services of BankX	EE5	Diamantopoulos & Lohndorf,2014

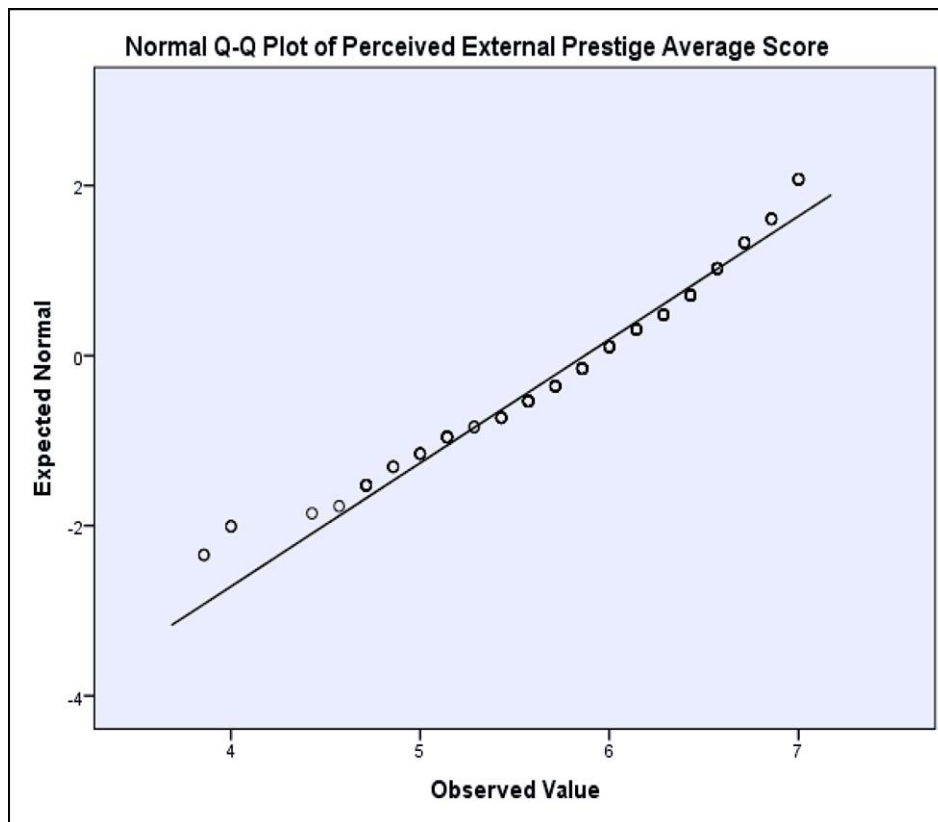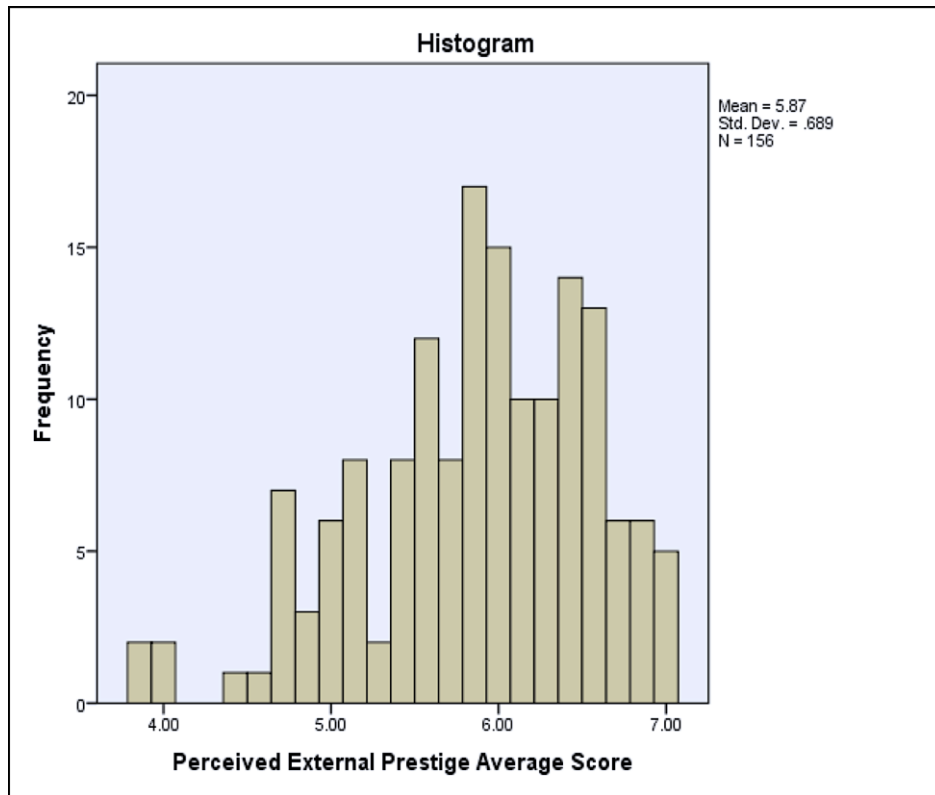**APPENDIX C Scale item distribution histogram and plots**

Distribution of internal marketing

Distribution of internal engagement

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Histogram

Mean = 5.83
Std. Dev. = .703
N = 156

Normal Q-Q Plot of Internal Engagement Average Score

Distribution of perceived external prestige

Histogram

Mean = 5.87
Std. Dev. = .689
N = 156

Distribution of employee endorsement

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Histogram

Mean = 5.87
Std. Dev. = .892
N = 156

Normal Q-Q Plot of Employee Endorsement Average Score