

# Bachelor Thesis

“Human Resource Management and the brand related behavior of customer-facing personnel”



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“A brand that captures your mind gains  
behavior, a brand that captures your  
heart gains commitment”

Aaker, 1996



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## Preface

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Present report contains a study in the relationship between Human Resource Management and the behavior of employees, which I have written in order to finish my bachelor graduation project of the Business Administration program, at the University of Twente.

Last year I became acquainted with the airline industry, which I experienced as a very interesting. For six months I have worked at the Dutch airline company transavia.com, where I have conducted this research. Within transavia.com I was working at the Business to Passenger department that is responsible for the range of products sold on board, the entertainment provided within the airplanes, the marketing research activities, and the management of the ancillary services offered by transavia.com. Besides the very interesting industry, I also have had a great time at transavia.com thanks to all the people working at this department that time.

First of all I would like to thank Martijn Tillema for his effort, time and support in my research project, but also for the nice time I have had a transavia.com. As well I would like to thank my supervisors at the university, including Martin Stienstra for his very useful feedback that have contributed to the development of this research. And in particular Huub Ruël who has been my supervisor from day one, with his advices, comments and cooperation I was able to write this report and finish my bachelor project.

Karsten Beekman

Enschede, February 2011



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## Management Summary

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*Just do it!*

Is this in need of further explanation, or is this short tagline enough for you to associate it with the well known brand of the trendy, comfortable and high qualitative sportswear, Nike. In our daily life it is insurmountable we are confronted with such brands. The strength of a brand can be described as the degree of awareness among people around the world, who have created positive associations with the brand. There are many ways to influence the strength of a brand, however, especially for service brands the employees are a vital component in establishing a strong brand. Because it is the employee who is delivering the service, its behavior and attitude will influence the brand perceptions of customers. Many researchers have stressed out the growing importance of corporate and service brands, though, relatively little research is conducted within this field of management yet. And these employee behaviors are main focus of present thesis. Human Resource Management, that is seen as an useful tool in ensuring the effective and efficient use of human resources, is assumed to be an important factor in eliciting the appropriate brand related behavior of the company's personnel. Several researchers in the field of HRM argue that there is too much emphasis placed within the literature on the achievement of business-oriented performance outcomes, instead of the impact on the employee well-being, and thier behaviors and attitudes. This is drawing the importance of the relationship between HRM and the brand behavior of employees that is central theme within present thesis, and is examined with the following research question:

***What is the influence of Human Resource Management instruments on the brand congruent behavior of customer-facing employees, through the employees' perceptions of the corporate image?***

According to Aaker (1996) the corporate brand, if managed properly, is a valuable resource in creating competitive advantage. The definition of a corporate brand that is used in present report is based upon the combined work of Knox and Bickerton (2003) and de Chernatony and Segal-Horn (2003). Collaborating on the work of several researchers, such as Gronroos (2004), Zeithaml and Bitner (2000), the importance of employees within the process of conveying the company's brand values on customer is outlined. Furthermore, based on the work of Tajfel (1982), Dutton, Dukerich, and Harquail (1994), and Underwood (2001), the employees' perceptions of the corporate image is assumed to be an important factor within the relationship between HRM and the brand behavior of employees. Finally, collaborating on the work of Delery and Doty (1996) in the field of strategic-HRM, and the work of several researchers in the area of the concept high-investment or high-commitment HRM systems, including Way, Lepak, Fay and Thacker (2010), Guthrie (2001), Takeuchi, Chen and Lepak (2009), we identified six different Human Resource Instrument that are assumed to influence the brand behavior of employees. These six HRM instruments are leadership, performance appraisal, compensation, career opportunities, work atmosphere, and information and communication.

The research question is examined using two hypotheses that are derived from the literature. Present thesis contains a cross-sectional quantitative research design, using a survey method within a particular case study, where the Dutch airline company transavia.com is used as case company.



A questionnaire is distributed among 1040 frontline employees, divided into four different frontline groups, including Cabin Operations, Flight Duty, Customer Relations, and the Service- and Group Desk. In total 216 surveys, a response rate of approximately 21 percent, were useable for testing the hypotheses, that is done by using a regression analysis.

The findings of present research show that there is a significant positive correlation between the employees' perceptions of the corporate image and the employees' brand related behavior. Hence, we found support for the first hypothesis. In addition we found little support for the second hypothesis, including the relationship between HRM and the employees' perceptions of the corporate image. We concluded that it is mainly the leadership style of managers that is important in eliciting the appropriate brand behavior of customer facing employees. Though, the findings of the investigated relationships do not show a direct relationship and therefore the relationship between HRM and brand related behavior of employees is much more complex than previously assumed, meaning that there will be other variables influencing or moderating the relationship.



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## 1. Introduction

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This chapter starts with an introduction to the topic of the present thesis, the problem statement that will be investigated, and the motivation behind the research problem. Then, the research question and objectives are discussed, followed by a brief description of the methodology. Furthermore, the company central in present research is introduced, and the chapter concludes with the outline of the thesis.

### 1.1 Introduction

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Today brands have become part of our lives, McDonalds, IKEA, Apple, Nokia, Starbucks, Burger King, Volvo, Subway, Nike, Singapore Airlines, Dell, General Electric, IBM, and Google are all examples of well-known brands in our society. In our daily activities, such as watching television, using the Internet, listening to the radio, walking in a shopping center, going on vacation, or reading the newspapers, it is unavoidable we frequently are confronted with brands. When people see a brand logo, hear a commercial or see the company's tagline they automatically develop an association with the brand. The developed association is a determining factor in the company-customer relationship and the consuming behavior of people, because it creates certain expectations, for example, when we hear the tagline of Volvo "For life", we associate this with the reliability of the cars, or if people see the brand of Starbucks they expect a high quality cup of coffee. Due to the fact brands are useful tools for companies to influence the expectations and behavior of customers, over the years branding has become important competitive instruments for companies. There are several different factors that determine the brand awareness among customers, including commercials, advertising, company building, packaging of products, and last but not least the employees of a company. If employees applying the appropriate behavior related to the brand of the company, also called brand congruent behavior, this should strengthen the brand awareness among existing and potential customers.

Hence, the better the company succeed in eliciting the appropriate behavior from its employees, the stronger the willingness of customers to purchase the company's products or services. Obviously it is important for a company to manage its personnel properly. Several researchers have argued that Human Resource Management is a useful tool in controlling the labor force of a company, and it is therefore, present thesis is focused on the relationship between Human Resource Management instruments and the brand related behavior of employees.

### 1.2 Background

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Over the years organizations became increasingly aware of the importance of a good corporate brand. Keller and Lehman (2003) stated that brands are often referred as the most valuable asset for a firm, and in addition, Aaker (1996) argues that if the corporate brand is managed properly it is a valuable strategic resource that can create a sustainable competitive advantage. According to Knox and Bickerton (2003) and de Chernatony and Segal-Horn (2003) a corporate brand is the visual, verbal and behavioural expression of an organization's unique business model, which promise a particular experience. Because the service sector has become the most dominant sector within the Western economy, there is an increased interest in service brands (de Chernatony and Segal-Horn, 2001). A service organization distinguishes itself from other organizations by the many touch points,



which is the service encounter between employee and customers. These employees who are delivering the service through an interaction with the customer are also called for example frontline employee or customer facing staff. The fact that services are delivered by staff, implies that the understanding, commitment, behavior, and performance of these employees are vital to the success of a brand (De Chernatony and Segal-Horn, 2001). A clear set of values, that are properly conveyed by staff to the customers, will result in improved relationships that will enhance the strength of the company's brand (Malcolm, de Chernatony and Harris, 2001). Due to the fact that the customers' brand perceptions depend mainly on the interaction with the staff, the personality of a brand cannot just be designed by a marketing department, but depends on the whole company (de Chernatony, 1999).

Due to the fact service brands depend on culture, training and the attitudes of employees, it is more difficult to build and sustain a successful brand. On the other hand it is also more difficult to copy which makes it an important factor in creating competitive advantage (Albrecht and Zemke, 1985; Doyle 1989). Thus, the emerging interest in corporate and service brand management is increasing the relevance of behavior (Brexendorf & Kernstock, 2007). According to the social identity theory that posits that people derive their self-concept from their membership in certain social groups (Tajfel, 1982), employees identify themselves with the organization. The reputation of a group, with which we identify contributes to our self-concept (Underwood et al., 2001), for this reason employees should identify themselves with the reputation of the organization among customers which is called the corporate image.

Despite the increased interest comparatively little research has been conducted yet in the areas of corporate brands (Knox and Brickerton, 2003; Balmer and Gray, 2003) and service brands (de Chernatony and Segal-Horn, 2001; Krishnan and Hartline, 2001). Due to the fact that the Human Resource Management systems ensure the effective and efficient use of human resources (Mathis & Jackson, 2000), it is seen as a good instrument for influencing employee behavior and attitude. According to Peccei (2004) there is too much emphasis placed within the Human Resource literature on the achievement of business-oriented performance outcomes, which has obscured the importance of the employee well-being in its own right. Though for the managers of the company it is necessary to possess both Marketing skills as well as Human Resource Management skills. In addition, a limited number of studies have explicitly incorporated workers' attitudes and behavior into analyses of the relationship between Human Resource Management and performance (Paauwe, 2005). Though, the relationship between Human Resource Management instruments and the brand behavior of frontline employees, will be main focus of present research.



### 1.3 Research question and objectives

Based upon abovementioned literature background this research will focus on the effect of several Human Resource Management instruments on the way employees of an organization act and behave in relation to what the brand of a company from them desires. This leads to the following research question:

***What is the influence of Human Resource Management instruments on the brand congruent behavior of customer-facing employees, through the employees' perceptions of the corporate image?***

With this research question we attempt to discover whether Human Resource Management instruments are influencing the brand behavior of employees, and if so, what instruments are influencing the brand behavior of employees. Aim of this research is to improve our understanding of eliciting the desired behavior and attitude of employees by the use of different Human Resource Management instruments. And secondly, to contribute in the field of study in the relationship between Human Resource Management and performance outcomes. Getting insight in which Human Resource instruments do reinforce the appropriate brand behavior, in turn, may result in improved brand awareness and service quality perceptions among customers, that eventually will enhance the relationship between the company and its customers, and finally would increase customer loyalty.

### 1.4 Method

In this part of the first chapter the process for answering the abovementioned research question will be briefly described. For examining the relationship between the brand behavior of employees and Human Resource Management we will apply a quantitative research approach, using a survey strategy as part of a single case study. The case company is operating in the service sector, has several frontline departments, and has recently introduced a new brand. In order to obtain the necessary information the data will be gathered through the distributing a questionnaire among all customer-facing or frontline employees of the case company. The questionnaire contains a matrix of questions with a same set of answer categories. First the employees will be asked to assess the behaviors and attitudes in relation to the company's brand of himself and his colleagues within the same department. Subsequently, the employees will be asked to assess how they perceive the corporate image. And third, the employees will be asked to rank their satisfaction with the different Human Resource Management instruments. Finally, the outcome of these three parts of the questionnaire will be combined and tested with two hypotheses. In the end, the results from these hypotheses will lead to an answer on the research question.

### 1.5 Introduction to transavia.com

The case company this research is focused on is the airline company transavia.com, established in Amsterdam, The Netherlands, and was founded in 1965 by a Belgium and Scottish private person as Transavia Limburg NV. Since 1990, transavia.com is being part of the Air France – KLM Group, but operates independently. In 2000 the 'low cost, low fare' formula was introduced by the airline Basiq Air as part of Transavia and four years later, in 2004, Transavia Airlines and Basiq Air were combined from which the new low cost airline brand transavia.com evolved. As well as in The Netherlands the organization is also operating in France and Denmark, is currently flying at approximately 80 different



destinations mainly within Europe, is carrying approximately 5 million passenger a year, and is operating in the Business to Business market with charter flights as well as in the Business to Consumer with scheduled flights. At transavia.com are working average 1871 full time employees, including the largest number of flight crew (1150), 351 employees are working at the office, and the technical and operational staff consists of 370 people (transavia.com 2010).

More than 90 percent of the bookings are made on the Internet, which is why transavia.com had become one of the largest web based airlines. For the passengers it is also possible to check-in and print the boarding pass, make a hotel reservation, rent a car or holiday home, or book the transfer. Due to the fact the Internet became so important to the company, they decided that it should be expressed by the corporate name. The strategy of transavia.com aims to grow internationally by operating in foreign markets, as they do in France and Denmark. In addition the strategy aims to improve the positioning of the company as a web based 'low cost low fare, but with attention' airline. This means transavia.com will offer travel related products and services at a low price matching the customer's desires, and the customers will be treated friendly and professionally.

### **The brand introduction within transavia.com**

Since transavia.com has introduced its new brand guide in 2006, which is leading to the airline company, the company is subject to a lot of changes. A new look includes new designed interior as well as exterior of the airplanes, new uniforms for the crew, a new website lay-out, and led to changes in corporate communications and working procedures. Thus, until now the new brand guide is translated into several aspects of the circle of contact (see appendix F for circle of contact of transavia.com), that is the process customers go through from buying a ticket to flying back home. It is translated into the physical elements, though, not translated into the staff yet, who is actually responsible for delivering the service. They are the ones who determine the customers quality perception of the delivered service and influence the company-customer relationship.

The brand guide is embodied by a set of brand values that is aligned with the company's strategy, and have to be translated into the intangible elements of the brand, including the attitudes and behaviors of the company's employees. With an internal branding project transavia.com attempts to ensure that its employees become aware of the brand values, and they will subsequently translated this into the appropriate actions and behavior. Applying the appropriate behavior, in present thesis indicated as the brand congruent behavior, should strengthen the relationship of transavia.com with its passengers, improve customer satisfaction, and finally enhance customer loyalty which in turn will result in higher ticket sales and profit maximization. In short, it is all about improving its ability to distinguish its offerings from its competitors in order to attract and maintain passengers.

Due to the fact the brand is not translated into the employees yet, customers might experience the brand inconsistently, but the improved behavior should overcome this problem. By investigating how the Human Resource Management instruments influence the behavior this research tends to discover how the Human Resource Management system should be aligned in order to achieve a consistent brand experience of customers. Consistent means the customer experience the service delivery conform the brand description, each time the customer is in contact with an employee of transavia.com, and regardless of which of the employees the customer encounters.



## 1.6 Thesis outline

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*The first chapter*, introduced the topic and related aspects of present thesis, showed the research question and methodology for answering this question, and included a brief description of the airline company transavia.com.

*Chapter two*, serves as the theoretical foundation of the research. Literature about brand management, branding in the service sector, employee behavior and attitude, and literature about Human Resource Management will be discussed. The chapter deals with defining the hypotheses for examining the research question resulting from the theory, and concludes with a proposed research model that will be applied.

*Chapter three*, contains the methodology of the research. First the chapter will provide a clear description of the research process, subsequently will position the brand of the case company and will show the process of data collection, sampling and measuring the variables.

*Chapter four*, presents all the generated findings of the research. The results of the different hypotheses will be discussed, and the chapter concludes with a summary of the results displayed in a table.

*Chapter five*, concerns the conclusion of present thesis, including the answer to the research question. In addition a few limitations of this research and possibilities for further research will be discussed.



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## 2. Theoretical Framework

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This second chapter serves as the theoretical foundation for the relationships between the three variables, HR instruments, employees' perceptions of the corporate image and the brand behavior of employees, that will be investigated in present thesis. In addition, it presents the different hypotheses derived from the theory that will be tested for answering the research question, and the chapter ends with the proposed model illustrating the different relationships and hypotheses.

### 2.1 Brand management

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Over the years organizations became increasingly aware of the importance of a good brand. For every organization in each industry a good and comprehensive brand is indispensable. Until the 1970s, brands were only used for packaged consumer goods and owned by manufacturers (Perry, 2005; Melin, 1999). Then manufacturers were challenged by retail brands that offered lower prices and closer contact with customers (Melin, 1999). In the 1980s and 1990s, brands became competitive tools for services companies. Keller and Lehman (2003) stated that brands are often referred as the most valuable asset for a firm. Managers had become aware of the essence of building and sustaining a good corporate reputation in order to improve competitive advantage. In the early 1990s several branding and communication consultants started to assess the concept company brand. A new, more encompassing and strategic-sounding label appeared: the corporate brand (Balmer & Gray, 2003). However, before elaborating on this corporate brand, it is important to define a brand and to determine what the focus of present thesis will be.

#### Brand definition

Within the field of brand management extensive research is yet conducted, that resulted into various definitions of a brand. Product brand, service brand, corporate brand, brand image, brand personality, brand identity, brand associations, brand behavior, brand equity, are all examples of terms that are commonly used by researchers in the field of brand management. According to Stern (2006) the brand concept has become over defined, which resulted in a number of different meanings. Various types of brands exist and the concept of the brand has numerous perspectives. Therefore it is important to make a clear distinction between the different brand definitions and types in order to determine what the research will be focused on. Stern (2006) argues that the word 'brand' can be classified as both an entity and a process, depending on whether it is used as a noun or as a verb. When expressed as a noun, it is connected to a person, place, or thing. The brand used as a verb, also called branding, refers to the process of making a product meaningful, such as the positioning of a product.

According to the American Marketing Association, a brand is a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors (Schneider, 2003). David Aaker (1996), one of the most cited researchers in the field of brand management, defines a brand as:

*"An asset of differentiating promises that links a product to its customers. The identity of a brand is a unique set of brand associations that establishes a relationship with the target. These associations generate value via functional, emotional or self-expressive benefits. The brand is more than the tangible product itself, because it is also a collection of the important relational variables."*



In addition, Aaker (1996) argues that a brand identifies the goods and/or services of one seller or group to differentiate them from those of competition. This indicates the most important goal of an organization's brand, to give the offerings identity in order to distinguish from the competitors. According to Aaker (1996) a brand helps customers navigate in a crowded market, reduce risk when purchasing, and enable them to express themselves. In addition, he states that a brand is important for creating value and building relationships, and the identity of the brand is the unique set of brand associations that establish these relationships with customers. Finally, Aaker (1996) distinguishes four different perspectives of brands, including the brand as a product, person, symbol or as organization. This research will focus on the second perspective, brand as a person, referring to the personality of the brand that creates a bond between the customer and the brand. It is useful to note that employees are playing a vital role in the development of a brand's personality, but this will be discussed within the second paragraph of this second chapter.

The identity of a brand builds the basis for differentiation and competitive advantage by influencing the stakeholder image of the corporation (Brexendorf and Kernstock, 2007). A brand represents the promise of value that customers will receive (Pearson, 1996), and a brand has the potential to transform a product that is similar to others into something that is unique (Salzer-Mörling & Strannegard, 2004). Hence, brands are both the mark on the product and the overall value of both functional and emotional nature (Kapferer, 2001). Berry (2000), in addition, states that functional and emotional values of a brand can be described as a promise of future satisfaction. Customers will be more confident trying a brand that uses the name of a well-established firm (McDonald et al., 2001). Murphy and Hart (2000) stated that consumers perceive the brand as a set of values they appreciate and consequently tend to reject any similar products that do not express these values. Thus, a brand is successful when it continuously respond to consumers' desires. The brand is the most powerful weapon that the firm has at its disposal (Davis, 2000).

In summary, several authors agree in that main goal of a company's brand is to differentiate from competitors in order to create value, attract customers and increase customer loyalty. Companies with well established brands are better able to survive in harder conditions. In other words, in a market with fierce competition, such as the aviation market, a good brand might be of great importance.

### **Shift towards the corporate brand**

Several authors outlined that there is a shift in emphasis in the area of brand management from product brands towards corporate brands (Knox and Bickerton, 2003; De Chernatony, 2001; Harris and de Chernatony, 2001; Leitch and Richardson, 2003). As mentioned in the previous paragraph of this chapter, a brand first was used solely for packaging the product or good, nowadays brands are more often used as a competitive management tool, which has increased the interest in the corporate brand.

According to Balmer (2005) the corporate brand is the umbrella of the product and service brands at the organizational level. The corporate brand must be viewed as both an organising proposition that helps to shape an organisation's values and culture (Mitchell, 1999) and as a strategic tool of management which can guide the organisational processes that generate and support value





creation (Urde, 1999). The corporate identity, according to Balmer (1998), is a company's ethos, aims, and values and presents a sense of individuality that can help to differentiate the organization within its competitive environment. This indicates that the commonly used terms corporate identity and corporate brand are closely related to each other. The definition of a corporate brand that will be used within present research is the combination of the definitions from Knox and Bickerton (2003) and de Chernatony and Segal-Horn (2003).

*"The corporate brand is the visual, verbal and behavioural expression of an organization's unique business model, which promise a particular experience, and is expressed in a set of values."*

A key difference between the corporate brand and the product brand is that responsibility for the former lies at a higher level in the organization (Balmer, 2001). The corporate brand is communicated to stakeholders through various facets, while a product brand is primarily communicated to customers through advertising (Hatch & Schultz, 2003). Another difference is that product brands tend to become similar over time (Aaker, 2004). Aaker (1996) argues that if the corporate brand is managed properly it is a valuable strategic resource that can create a sustainable competitive advantage. The corporate brand of a company represent a set of values to their customers with which the organization may wish to identify himself (Ind, 1997).

### **The corporate service brand**

For a long time the service brands were seen less interesting than product brands (Banducci and Keneally, 2001). According to the CIA World Factbook (2010) the service sector takes for account almost two-third of the world's GDP. The growth of the service sector has boosted the world's economic growth and provided companies with new challenges and opportunities. The growth pattern shows a shift from the agricultural, to the manufacturing, and finally to the service sector, which implies the strength of the scientific relevance of present research. However, due to the fact that the service sector has become the most dominant sector within the Western economy, there is also an increased interest in service brands (de Chernatony and Segal-Horn, 2001).

In general a service can be distinguished from products by the intangibility, inseparability, heterogeneity, and perishability (Lovelock and Gummesson, 2004). Though, the brand concept is the same for goods and services, since all brands are intangible (de Chernatony & Segal-Horn, 2001). But major difference is reflected by the execution or implementation of product and service brands. The perishability refers to the fact that services cannot be stored for later use (Lovelock & Gummesson, 2004), however this is not a key factor in building a brand. Service brands represent something intangible, while the implementation of the physical products represent something tangible. A service involves some interaction with customers, and does not result in a transfer of ownership. Successful service brands derive from carefully nurtured relationships, which develop staff's and consumers' respect for certain functional and emotional values of the brand (de Chernatony & Dall' Olmo Riley, 1999). In contrast to the product brands, the service brands have to put more emphasis on the internal marketing process, in which the employees are confronted and trained to deliver the brand values properly. This internal marketing approach requires managing at a more senior level than for product brands, and for managing service brands are both Marketing as well as Human Resource Management skills needed (Malcolm, de Charnatony and Harris, 2001). The inseparability





characteristic of service brands refers to the higher degree of dependency on motivation, attitude, behavior and commitment of employees, because production and consumption of the service cannot be separated. Another difference is related to the heterogeneity of service brands. As opposed to product brands, service brands involve multiple interfaces: consumers interact with many different staff across various parts of a service organization, which may result in disparate experiences with the brand (Bitner et al. 1994). For this reason a service brand is far more difficult to copy. By several authors the service brands are characterized by the service encounter, the moment of interaction between customer and staff of the company (Lovelock, 1988), this is also called the moment of truth (Normann, 1984). And this might be the most challenging and important part of building successful service brands, because it is difficult to deliver a uniform service across all service encounters, and from the research conducted by de Chernatony and Segal-Horn in 2003 resulted that consistency showed to be one of the most important criteria for successful service brands.

Service companies must decide whether to build the brand on a specific product or on the corporate identity (Olins, 1995). For services, the company name is often used as the primary brand (Melin, 1999; Berry, 2000). When the company is the brand, there are more points of contact between customers and employees, whereas product brands often have relatively few points of contact (King, 1991; Balmer and Gray, 2003; De Chernatony, 2002, Lovelock, 2000). Present research focuses on building the brand on the company, rather than on a specific product, and the touch-points are illustrated by circle of contact of the case company, that can be found in appendix F.

Each corporate brand comprises specific values, that are translated from the business model, and need to be conveyed. A clear set of values, that are properly conveyed by staff to the customers, will result in improved relationships that will enhance the strength of the company's brand, (Malcolm, de Chernatony and Harris, 2001). Consumers and other stakeholders tend to prefer corporate brands with a clear and consistent presentation (Ind, 1997). According to Aaker (1996) the strength of a brand can be indicated by the term brand equity, which reflects how a brand creates value for the organization and its customers (de Chernatony, 2001). In addition, Aaker (1996) states that the strength of the brand depends on the extent to which these perceptions are consistent, positive and shared by consumers. He found that brand awareness, which is the brand's presence in the customers mind, and the quality of the service perceived by the customers are two important determinants for improving the company's brand. Third, he found that the development of customers' associations with the brand is important for its success. These associations are made with the functional features of what is offered, but they also represent the emotional bonds that tie the brand to the customers, and the self-expressive bonds that make the brand an integral part of the customer's self-image (Aaker, 1996).

To create reference points for a customer the service brands needs to be made tangible, which can be done by using physical elements that can be associated with the brand, such as staff uniforms, design, office building etcetera. Hence, a corporate service brand projects its values through both intangible elements as well as tangible elements. Present research will focus on the intangible elements, the employee behaviors and attitudes, that influence the emotional bonds that tie the customers to the brand and may improve customers' perceptions of quality and brand awareness. Therefore, the brand building needs to be done from the bottom up and requires a good analysis of



every aspect of the interaction between customer and the company (Knox and Macklan, 1998). Concluding, the emerging interest in corporate and service brand management is increasing the relevance of behavior (Brexendorf & Kernstock, 2007). This leads to the next part of the chapter, the role of employees in creating a strong brand.

## 2.2 The role of employees

The first researcher who recognized that employees were proven to have a significant influence on the ways external stakeholders perceive an organization is Kennedy (1977). In the consumer's eyes the staff embody the service brand (Gronroos, 1994). In another perspective employees are also seen as the internal customers, and achieving employee satisfaction has been viewed as a key to obtain satisfied external customers (Berry, 1981; George; 1977). Employees imply the emotional characteristic of a brand, also called the brand's personality, and evolves from the core values of the brand. Due to the fact that the customers' brand perceptions depend mainly on the interaction with the staff, the personality of a brand cannot just be designed by a marketing department, but depends on the whole company (de Chernatony, 1999). Hence, this service delivery by staff, those understanding, commitment, behavior, and performance are vital to the success of a brand (De Chernatony and Segal-Horn, 2001). In turn, Gronroos (2000) argues that in service organizations the organizational pyramid must be turned upside down. According to Zeithaml and Bitner (2000) the employees represent the company and directly influence the service quality perceptions of the customer. The brand image perceptions of customers is determined by the demeanor, appearance and manner of interaction of the employees (Miles and Mangold, 2004). According to Gofton (2000), organizations are increasingly regarding their employees as vital corporate assets in forming and sustaining a favorable corporate reputation, because it is the task of every employee to protect and enhance the company's reputation (Saxton, 1998).

Major reason for failure of service brands is that the employees of a company do not convey a consistent message about the firm's brand during the interaction with customers. According to Kotter and Heskett (1992), there is a greater likelihood of better performance where the focus is on service processes which will include staff awareness of the organization's brand values. Understanding these values, recognizing their roles, reduces the stress and increases commitment of employees to delivering the service (Heskett, 1987). According to Chernatony (1999) and Thomson (1998) there have to be more emphasis on internal branding to enable staff to understand and be committed to delivering the brand values of the company. Corporate branding facilitates staff's understanding of the service organization, helping to unify their behavior in presenting the brand to the customers (Smythe et al., 1992). Therefore, good training and internal communication programmes are vital to the success of a company's brand (Cleaver, 1999; Farnfield, 1999). Companies need to communicate the corporate goals, values and performance to its staff to encourage their participation in its success (Hogg et al., 1998). By communicating information downwards throughout the organization about the service vision, brand promise and consumer expectations, the staff will be better able to understand their role of being a *brand builder* (de Chernatony & Segal-Horn, 2003).



Many studies argue there exists a relationship between the values of the brand and the behavior of employees (Reynolds and Gutman, 1988; Buchanan and Huczynski, 1997). They argue that the values drive behavior in two separate ways, including, first, stimulating a unique style of staff behavior, and second, a source of motivation for staff. For a successful service brand it is essential to have commitment to the brand throughout the whole organization, and not only among the employees of responsible for the service encounter. Yet, frontline employees are often not trained to understand their role in brand delivery, which probably is an explanation why there are relatively less successful service brands (Chernatony and Segal-Horn, 2003). Due to the fact that service brands depends on the culture and training and attitudes of a company's employees, it is more difficult to build and sustain a successful brand, but is also more difficult to copy and therefore a important factor in creating competitive advantage (Albrecht and Zemke, 1985; Doyle 1989). In summary, success is more likely when all employees in the organization believe in the company's brand values. Though, when these values are shared among all employees, they better understand their role of brand builder, there is a higher probability of commitment and internal loyalty of the staff to the brand, and eventually result in a better and consistent delivery of the brand. Hence, a adequate and good internal branding process is vital to the success of a the company's brand.

Employees can strengthen the brand awareness among customers by applying the appropriate brand behavior, also called the brand congruent behavior. The employee brand building behaviors can accommodate the five dimensions service quality that contribute to the consumers' perceptions of the delivered service, that will result in higher level of customer retention and loyalty (Parasuraman, Zeithaml, & Berry, 1985; Parasuraman, Zeithaml, & Berry, 1988). These five dimensions of service quality include assurance, tangibles, reliability, empathy, and responsiveness. Assurance includes the knowledge and courtesy of employees and their ability to convey trust and confidence, tangibles refers to the appearance of physical facilities as equipment, personnel, and communication materials, reliability concerns the ability to perform the promised service dependably and accurately, empathy includes caring and giving individualized attention, and responsiveness is the willingness to help customers provide prompt service (Zeithaml, Parasuraman, and Berry, 1990).

It is important for an organization to get insight in how organizations can succeed in their quest to ensure the employees deliver a service experience that is consistent with both customer expectations and the brand image as promised by the organization (Miles and Mangold, 2004). Before employees can project the brand to others they have to effectively internalize the desired image (Joseph, 1996; Reardon & Enis, 1990). Employee branding has been conceptualized in various ways (Estell, 2002; Farrell, 2002; Froom, 2001; Mitchell, 2002), but according to Miles and Mangold (2004) employee branding is the process by which employees internalize the desired brand image and are motivated to project the image to customers and other organizational constituents. Hence, employees have to become aware of the brand values, become committed to the brand and need to be stimulated to apply the appropriate behavior. The commitment to a brand means that the worker feels attached to and internalize the brand values. In addition, the social identity theory posits that people derive their self-concept from their membership in certain social groups (Tajfel, 1982). The reputation of a group, with which we identify contributes to our self-concept (Underwood et al., 2001). The identification with the organization, can also be defined as perceived oneness with an organization and the experience of the organization's successes or failures as one's own (Mael and



Ashforth, 1992). It is expected that the perceived oneness will be higher among employees who identify with the organization and share its values and goals (Morrison, 1996). Organizations need to ensure that their employees have a positive image of their company for them to strongly identify with it (Dutton et al., 1994). This positive image can be obtained when the image of the company is well shared among its customers, that is in turn perceived by the employees. As mentioned earlier in this chapter, the way customers perceive the company's brand is determined by several different elements either tangible or intangible. The company has to ensure all elements, also the elements other than employee behavior, project the brand consistently. An airline company for instance, needs to enhance its on-time-performance of flights as high as possible in order to improve its reliability perception by the customers. Positive brand perceptions by customers increases the brand awareness among customers that will improve the company-customer relationship (Backhaus and Tikoo, 2004). These customer perceptions of the company's brand is also called the corporate image of a company. As mentioned above employees are called the internal customers, and therefore they have to identify themselves with the corporate image of the firm. The more positive the employees perceive the corporate image, the better they will identify themselves with it, and the more they will be committed to the brand. To return to the example of the airline company, when the airline fails ensuring a high on-time-performance of flights, the corporate image is perceived low by its customers, and in turn employees are not willing to identify themselves with the corporate image. Abovementioned literature leads to the first hypothesis that will be examined within present thesis:

*Hypothesis 1: The employees' perceptions of the corporate image, will be positively related to the brand congruent behaviors and attitudes of the frontline employees.*

Parasuraman, Zeithaml and Berry (1985), one of the cited researchers in the area of service quality, have profoundly studied the concept of service quality and defines quality as the comparison between expectation and performance. Collaborating on this they developed a model of service quality, indicating the discrepancies or gaps within the process of delivering the service. The most common service quality gap is the one which occurs when expectations created by corporate communications are not met by staff behavior (Zeithaml & Bitner, 1996). This gap is indicated as gap four in the service quality model of Parasuraman et al. (1985), which can be found in appendix K, and is related to the consistency of the brand projection of a company, because consistency means what the consumer is offered during the service encounter is conform the guidelines of what a brand stands for. If employees are able to deliver what the brand promises to deliver, this should contribute to the success of a services brand (de Chernatony & Segal-Horn, 2003). In the article of Malhotra and Mukherjee (2004) is stated that many firms pay insufficient attention to understanding the nature of the organizational commitment and job satisfaction of customer-facing staff, whereas commitment derives from good internal programs for internalizing the brand in the employees minds, job satisfaction and other motivational factors that influence the behavior of employees and their willingness to behave in a certain way. Due to the fact that Human Resource Management is seen as an useful tool to manage human capital, this is assumed to be an important factor in influencing the desired brand related behavior of employees, and will therefore be discussed within the following paragraph of this second chapter.



## 2.3 The influence of Human Resource Management instruments

This part of the chapter stresses the importance of managing the human resources properly. In the view of that people are the organization's most important assets and that their effective development and deployment offers a distinctive and non-imitable competitive advantage, has spurred the interest in the effective management of human resources (Guest, 2002). The importance of human capital as a critical component that adds value to firms has intensified in recent years (Sullivan, 2000), and how it is managed as a potential contributing factor to a firm's competitive advantage receives increasingly attention (Wright et al, 2001). The Human Resource Management systems, ensure the effective and efficient use of human resources (Mathis & Jackson, 2000). Hence, Human Resource Management is seen as being a very useful tool in influencing the desired behaviors and attitudes of employees.

The performance outcomes of Human Resource Management can be divided into three categories (Paauwe, 2005), including financial outcomes such as profits or sales, organizational outcomes such as quality or productivity, or HR-related outcomes which is the attitudinal and behavioral impacts on employee, for example satisfaction or commitment. The increasing interest of in the field of Human Resource Management resulted into many studies in the relationship between Human Resource practices and corporate performance. But, Kanfer (1994) and Guest (1997) noted that the distance between some of the performance indicators, such as profit, and Human Resource interventions is simply too large and potentially subject to other business interventions. In addition, according to Peccei (2004) there is too much emphasis placed within the Human Resource literature on the achievement of business-oriented performance outcomes, which has obscured the importance of the employee well-being in its own right. Hence, there is a need of performance indicators that are far more proximal in terms of what Human Resource practices can actually affect, the employee attitudes and behaviors (Paauwe, 2005). The distinction between business-oriented and people-centered employment practices is also indicated by 'hard' and 'soft' Human Resource Management (Storey, 1987), which implies the importance of present research in soft Human Resource Management.

The Human Resource practices can be classified as 'control' or 'commitment' practices (Arthur, 1994; Walton, 1985; Wood and de Menezes, 1998). The former is focused on controlling the labor as a resource, aiming to increase efficiency and reduce labor costs and rely on strict work rules and procedures and base rewards on outputs (Arthur, 1994). Rules, sanctions, rewards, and monitoring regulate employee behavior (Wood and de Menezes, 1998). As the latter is focused on gaining greater commitment and motivation from employees (Lashley, 1998). Human Resource practices in use will likely vary as firms strive to encourage different skill sets and motivate different behavior between employee groups (Jackson and Schuler, 1989). For the past decade, research in Human Resource Management has focused on the take up and impact of commitment seeking 'high performance' Human Resource practices that are argued to lead to improved employee and organizational performance (Huselid et al, 1997; Wood, 1999). Excellence in Human Resource management may constitute a core competency that leads to competitive advantage (Gratton, 1998; Hamel and Prahalad, 1994).



The corporate service brand needs to be managed and coordinated at the top of the organization to ensure a consistent projection of the brand values by all employees of the company. The images employees will project are derived from a numerous sources both within and outside the organization, where the internal sources include the aspects of Human Resource Management (Miles and Mangold, 2004). Therefore, managers need to possess both Marketing skills to translate the brand values into a internal branding program and to ensure everything is conform the brand promise, as well as Human Resource Management skills to control the labor force and improve the employees' commitment to the brand.

Bowen and Lawler (1995) suggested that empowerment of frontline staff is a more profitable approach than a production line focus, because it emphasizes the equal importance of both operational procedures and employees' state of mind. In recent years many studies have examined the advantages of using high-involvement or high-commitment Human Resource Practices, which are Human Resource practices thought to enhance employees' levels of skill, motivation, information, and empowerment (Kochan and Ostermand, 1994; Lawler, 1992; Levine, 1995; Pfeffer, 1998). Whether or not firms use high-investment Human Resource systems has been shown to be an important predictor of valuable individual and organizational outcomes across different industries, countries, and business sectors (Combs, Liu, Hall and Ketchen, 2006; Guthrie, 2001; Huselid, 1995; Takeuchi, Chen and Lepak, 2009; Way, 2002). According to Way et al. (2010) the high-investment practices consist of six different parameters, including selective staffing, above-market compensation, continuous training, experience enhancing opportunities, participation in decision making, and performance based pay, that should enhance the attendance and retention of employees. It is argued that a firm will make greater use high involvement practices when the employees are seen as largely vital to a firm's success (MacDuffie, 1995). Human capital management systems that focus on skill development, fostering motivation and empowering employees are more beneficial to organizations (Wright and Boswell, 2002). Relating this to our case, employees are essential in delivering the service and core component in the brand perceptions of customers. Though, the more employees have the feeling of being important for the organization, when the investment in human capital is high, they will more positively perceive the corporate image of the company.

In the article of Delery and Doty (1996) the strategic perspective of Human Resources are discussed, whereas the term 'strategic' represents those Human Resource practices that are related to the overall performance of an organization. The seven practices Delery and Doty (1996) identified are internal career opportunities, formal training systems, appraisal measures, profit sharing, employment security, voice mechanisms, and job definition. In addition, Hiltrop (1999) found evidence for eleven factors, describing the extent to which a company was able to offer some types of benefits, including career development, opportunities for training and skill improvement, extra rewards and recognition for high performance, and openness to information about corporate goals and intentions.

Building on the work of abovementioned researchers we identified six different Human Resource instruments, important for investigating the relationship between Human Resource Management and the brand congruent behavior of frontline employees, including *leadership*, *performance*





*appraisal, compensation, career opportunities, work atmosphere, and information and communication.* The first instrument, leadership, is the influence a person exerts over other people to inspire, motivate, and direct their activities to achieve organizational goals (Yukl, 1989). Leaders could be a role model for the employees in applying the appropriate brand behavior, and are important for sending a clear message about the brand values to the employees. Managers can exert a high degree of control over the employee branding process (Miles and Mangold, 2004).

Second, the performance appraisal, can be based either on behavior or results. Where the former is focused on the desired behavior for a particular task, the result-oriented appraisals focus more on the consequences of certain behaviors. For the brand behavior it is important employees constantly gain feedback on their actions. Customer-facing staff may be relatively poorly paid, resulting in low levels of motivation and responsibility (Bowen & Lawler, 1995), hence, a good compensation system within a company should have the opposite result.

This third instrument, compensation, is seen as a powerful tool for aligning employee interests with the organizational goals (Miles and Mangold, 2004). Pay influences employees attitudes, and behaviors, and it influences the kinds of individuals who are attracted to and remain with an organization (Noe et al, 2003). Frustration, low performance levels, and employee turnover may result if employees perceive that colleagues are less customer oriented but are getting the same or more rewards (Adams, 1963). Equitable pay and benefits show respect for employee rights while encouraging responsible behavior (Milkovich and Newman, 1987).

The fourth Human Resource instrument of present research is the presence of career opportunities, including the possibility within a company to growth on the career ladder, and the training and development opportunities the company offers its employees. Training and development helps employees to master skills, gain knowledge required for a particular job, increase their skills, knowledge or behavior with the goal of improving their ability to meet changing job requirements (Noe et al, 2003). In addition the training and development programs can help prevent employee obsolescence (Dyer et al., 1984).

Though, work atmosphere is not entirely a Human Resource instrument, we did included it as one in the instruments because company culture and the interaction with colleagues are seen as important determinants for the behavior and attitudes employees. The pleasant work atmosphere, the norms and values within the company culture and the interaction with colleagues are guiding the behaviors and attitudes of employees.

Finally, information and communication is sixth Human Resource Management instrument of present research. Good communication about the brand values throughout the whole company and informal communications might be of great influence. In addition employees should have the access to the appropriate information for doing their job. The better employees understand their role as brand builder, the better they will apply the appropriate behavior and attitude. This information can be in the form of both formal communication such as messages send by managers about what the company considers to be important, as well as informal communication through for example word-of-mouth communication. The communication is pivotal within the employee branding process,

because the different sources of information providing and communication can result in a substantial affect on employees' expectations, attitudes, and perceptions of fairness (Bone, 1995), where the word-of-mouth communications should not be underestimated. From the above mentioned literature the following hypothesis result, that will be examined within present research:

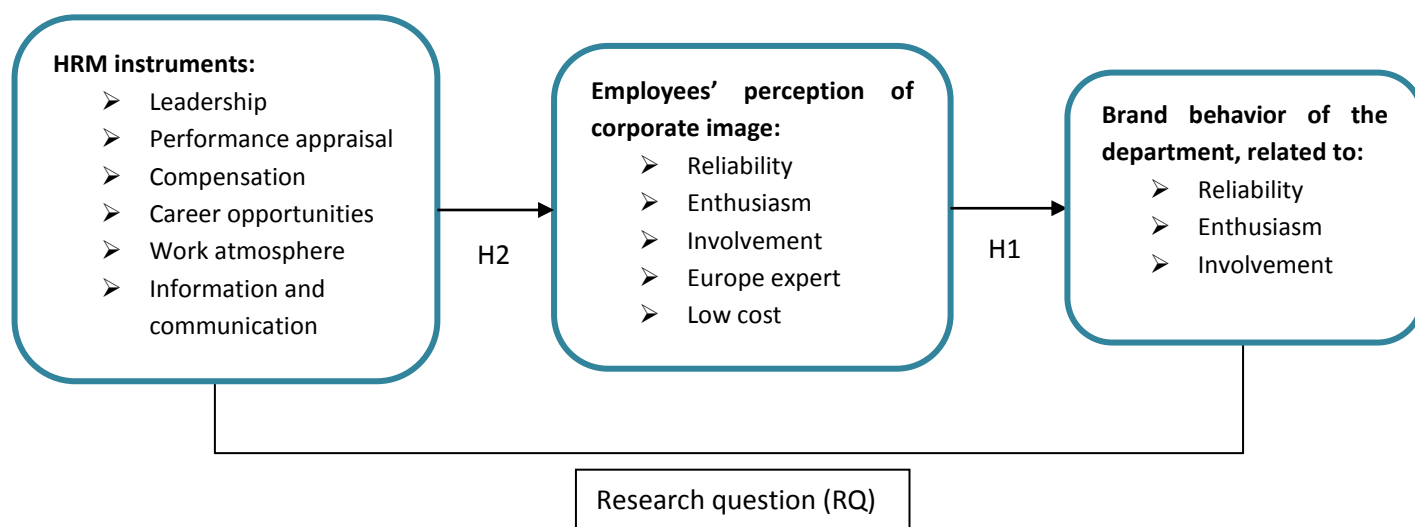
*Hypothesis 2: The six Human Resource instruments, leadership, performance appraisal, compensation, career opportunities, work atmosphere and information and communication, will be positively related to the employees' perceptions of the corporate image.*

## 2.4 Summarized in a research model

The illustration below is a schematic overview of the relationships between the three variables, including the brand behavior and attitudes of employees, the employees' perceptions of the corporate image, and the set of six Human Resource Management instruments, represented by the blue boxes.

The overall theme of this research, the affect of Human Resource Management on eliciting the suitable brand behavior and attitudes of employees, is indicated by the research question (RQ) line. Hypothesis 1 (H1) is located between the centre and right box, illustrating the relationship between the brand behavior of employees and their perception of the corporate image. Hypothesis 2 (H2) is located between the left and centre box, and illustrates the relationship between six Human Resource Management instruments and the perceptions of the corporate image by frontline employees.

This model is central in present research, and will be treated in the following sequence, beginning with the first hypothesis, followed by the hypothesis two, and finally the research question will be discussed. Finally it must be noted that in the two right boxes the brand values of the case company transavia.com are already added.







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### 3. Methodology

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This paper examines the relationship between several Human Resource Management instruments and the brand congruent behavior of the company's staff. This third chapter describes the research process towards developing an appropriate and valid answer to the research question. It underpins the research method, the way the data is collected, introduces the brand values of the case company transavia.com, and describes the way of measuring variables and sampling the respondents.

#### 3.1 Research approach

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Objective of present research is to contribute to our understanding of the relationship between Human Resource Management, and the brand related behavior and attitudes of a company's frontline personnel. The values of the corporate brand requires a specific employee behavior and attitude, that needs to be elicited in order to improve the company-customer relationships. This thesis aims to determine what Human Resource Management instruments reinforce the suitable behavior, and in turn may result in improved brand awareness and service quality perceptions of the customers, that will eventually enhance the relationship between customers and the company, and finally should increase customer loyalty.

As mentioned in the second chapter the above mentioned relationship will be tested by using two different hypotheses that separates the research question into two parts. First, the relationship between the brand behavior and attitude of employees and the employee's perception of the corporate image will be carried out. Second, the relationship between six Human Resource Management instruments, leadership, performance appraisal, compensation, career opportunities, work atmosphere, and information and communication, and the employees' perceptions of the corporate image will be examined. Eventually, the findings of both hypotheses will be combined and will result in the answer to main research question.

#### Research strategy

For conducting a research various strategies can be applied, such as an experiment, survey, case study, action research, grounded theory, ethnography, or archival research (Saunders, Lewis, and Thornhill, 2009), from which no strategy is superior or inferior to any other and neither are mutually exclusive. Within present research a combination of a survey research and case study will be used. This means that a questionnaire will be distributed within a specific company. Each strategy can be used for exploratory, descriptive, and explanatory research (Yin, 2003). The survey method allows researchers to collect quantitative data which can be used for a quantitatively analysis using descriptive and inferential statistics (Saunders et al., 2009). In general surveys contain three steps, the sample selection of respondents, formation of a standardized questionnaire, and the distribution of the questionnaire among the respondents (Babbie, 2007). Two reasons for using this quantitative design are, first because it is a suitable way for measuring attitudes in a large population, and second, it is the most appropriate method for collecting data for a population which is too large to observe directly (Babbie, 2007). Due to the fact that the targeted population of present research are all frontline employees of services companies, the survey approach is highly suitable research method.



This survey method will be used within a particular case, and has a cross sectional study design, including observations of a sample at a single point in time. A case study is defined by Robson (2002) as a strategy for doing research which involves an empirical investigation of a particular phenomenon within its real life context using multiple sources of evidence. The case study of present research is deviating from this traditional view of an extensive case study, in the fact that it is using one source of data. Selecting a single case is a useful strategy in observing and analyzing a phenomenon that few have considered before (Saunders et al., 2009). Rather than a traditional in-depth case study, this research emphasizes a more in-width approach.

In the following part of this third chapter the brand of the company of the case study will be introduced, the meaning of the three variables, the process of translating the variables in a list of indicators that will be assimilated into a questionnaire, the process of sampling respondents to whom the questionnaire will be administered, and the way of measuring the variables, will be discussed.

### 3.2 Conceptualization

This research consists of three different variables, including the brand related behaviors and attitudes of frontline employees, the frontline employees' perceptions of the corporate image, and the six Human Resource Management instruments, and they will be conceptualized below.

#### **Brand behavior and attitude of employees of transavia.com**

As mentioned in the first chapter transavia.com has introduced his new brand guide in 2006, but is not translated to the employees of the organization yet. The corporate brand of transavia.com consists of five values indicating its unique business model, which with the behaviors and attitudes of employees have to be aligned. Reinforcement of the suitable behavior, conform what the organization stands for, should strengthen the relationship of transavia.com with its passengers, by enhancing their brand awareness and quality perception, that eventually should increase the number of loyal travelers. A good rejection of the brand values by the employees of transavia.com improves the firm's competitive advantage that distinguishes its travel offerings from other airlines. Consistent application of the appropriate brand behavior is vital to the success of the company's brand. This means that the brand have to be expressed by the employees conform what the brands stands for, and the behavior and attitudes of all the employees have to be uniform. This brand congruent behaviors and attitudes of frontline employees, those who are in contact with the customers such as flight crew, is the dependent variable of the first hypothesis. Within the first hypothesis the causing variable is the frontline employees' perceptions of the corporate image. However, within main research question the causing variable is the set of Human Resource Management instruments.

Inherent to the newly introduced brand guide is the 'low cost low fare, with attention' formula, which means transavia.com will offer travel related products and services at a low price matching the customer's desires, and that the customers can expect an individualized, friendly, and professional treatment. The 'low cost low fare' part of the formula stands for the segment the airline company is operating in, and the latter part of the formula indicates that transavia.com is more than solely a low cost airline such as Ryan Air. transavia.com has translated this formula into a set of five values,



including reliability, enthusiasm, involvement, being the Europe expert, and low cost. The company divides the values into two separate groups, which are the necessary and distinguishing values. The former values, including reliability and low cost, are inevitable for each aviation company to be able to persist in the highly competitive market and therefore always necessary. Though, the distinguishing values, include enthusiasm, involvement, and the Europe expert. Those values are giving the brand transavia.com identity and strengthen its ability to distinguish itself from competitors. From these five variables the dependent variable only contains three, due to the fact that being the Europe expert is mainly expressed by the destinations the airline is flying at, and low cost is mainly reflected by the low prices of tickets and other ancillary services. Note, that aspects of both values have a kind of overlap with the other behavioral elements of the other three variables. For example, enthusiastic flight crew may provide the passengers with additional information about the destination they are flying at. The set of these three values will be described below, without considering the non-behavioral aspects. For instance, reliability also includes the on-time-performance of flights, but for present research only the behavior of employees is relevant.

- Reliability:* includes that the employees actually do what they promise to do, communicate clearly, are behaving calm and professionally, and giving the customers the attention they expect. The behavior of the employees have to be aligned with the brand promises and brand consistency is important. This entails for example pilots who inform passengers properly when a delay is expected, or problems arise. It is worth to note that this value should not be confused with the term often used within the field of doing research where it is related to the reliability of results.
- Enthusiasm:* concerns with ensuring customers feel welcome and appreciated at transavia.com and providing them pro-actively with useful and interesting information. For example, making sure passengers enjoy their trip.
- Involvement:* deals with the individualized service delivery including empathy, helpfulness and responsiveness of the employees, such as giving each customer personal attention and treating them individually, and includes understanding the specific desires of each customer. For instance, comforting a crying child.

### **Employees' perceptions of the corporate image**

The independent, or causing, variable of the first hypothesis are the perceptions of the corporate image of frontline employees of transavia.com. Conversely, this variable is the dependent variable in the second hypothesis, that is influenced by the Human Resource Management instruments, which is the causing variable in this case.

As mentioned in the theoretical framework the corporate image is the customer's perceptions of the brand, implicating the degree of brand awareness in the customer's mind and their perception of the quality of the delivered service. Though, the employees' perceptions of the corporate image, obviously contains how the employees perceive the strength of the brand, which means how they perceive the extent to which the perceptions of customers are positive, consistent and shared among different customers. This variable focuses on five instead of three variables of the corporate brand of transavia.com, including the Europe expert and low cost too.



- The Europe expert:* is mainly expressed by the destinations the airline is flying at, but is also reflected for example by the degree employees provide customers with information about European destinations, and the international growth strategy of the company such as its operations in France and Denmark.
- Low cost:* results from the low prices of tickets and other ancillary services, such as the rental of holiday homes on the website.

### **The Human Resource Management instruments**

The independent or causing variable for both the second hypothesis as well as the main research question, is the set of six Human Resource Management instruments, consisting of leadership, performance appraisal, compensation, career opportunities, work atmosphere, and information and communication. Aim of this research is to determine what influence these Human Resource Management instruments have on the brand congruent behavior and attitude of employees. Hence this is the variable which we tend to draw conclusions on, concerning what instruments are important in eliciting the appropriate behavior.

*Leadership* is the ability to influence people toward the attainment of organizational goals. This means using persuasion, motivating employees, and shaping culture and values to support the strategy. People throughout the organization must believe in the strategy and have a strong commitment to achieve the vision and goals. According to Daft (2006) a leader could adopt one of the four following leadership styles: supportive, directive, achievement-oriented or participative leadership.

*Performance appraisal* is the process of observing and evaluating an employee's performance, recording the assessment, and providing feedback to the employee, and is a useful technique for developing an effective workforce. Managers give feedback and praise concerning the acceptable elements of the employee's performance.

*Compensation* includes all monetary payments such as salary, and nonmonetary payments such as vacations. This Human Resource Management instrument is used to reward employees (Daft, 2006).

*Career opportunities* refers to the personal growth opportunities of the employees within the organization. Training and development of employees is a planned effort by an organization to facilitate employees' learning of job-related skills and behaviors (Daft, 2006).

*The work atmosphere* is related to the work itself. According to Herzberg's motivational two factor theory (1959) the work itself is a motivator. The work atmosphere implies the interaction with colleagues, the norms and values within the working environment and other aspects of the daily working atmosphere.

*Information and communication* is the sixth Human Resource Management instrument used within this research. Information refers to the amount, usefulness and timeliness of information, whereas communication is the process by which information is exchanged and understood by two or more people, usually with the intent to motivate or influence behavior (Daft, 2006).



### 3.3 Questionnaire

Inherent to a survey research is the use of a questionnaire, which is a document containing questions and other types of items designed to solicit information appropriate for analysis (Babbie, 2007). The questions and statements within the questionnaire are used as indicators for the different variables of the research. Two types of questions can be distinguished, the open-ended questions are questions where the respondents are asked to provide his or her own answers, and the closed-ended questions are those questions where the respondents are asked to select an answer from among a list of answers provided by the researcher. In present research the questionnaires are mainly composed of closed-ended questions because this provides a greater uniformity of responses. Furthermore, the questionnaire is constructed as a matrix of items and answers, which enables the researcher to ask questions with the same set of answer categories (Babbie, 2007). Most important advantage of this format is the increase of comparability of responses, however it must be noted that it is important for the construction of closed-ended questions that all possible responses are included and that the answer categories are mutually exclusive. Therefore, the framing of questions will frequently be discussed with the Marketing Research department within transavia.com. In addition, the questions will be discussed with managers of all frontline departments within transavia.com, to ensure all respondents are competent to answer. Finally the questionnaire will be tested several times before administering.

For the first hypothesis, including the relationship between brand congruent behavior and the employees' perceptions of corporate image, one questionnaire will be distributed online among the frontline departments of transavia.com. The list of items illustrating the causing variable, the corporate image as perceived by the employees, can be found in appendix B. The set of questions indicating the dependent variable, the brand behavior and attitude of the frontline personnel of transavia.com, can be found in appendix C.

The second hypothesis, the influence of Human Resource instruments on the employees' perceptions of the corporate image, requires an analysis of two questionnaires. The items indicating the perceptions of the corporate image by the employees of transavia.com, in this case the dependent variable, are listed in appendix C. The same questionnaire will be used as for hypothesis 1. However, for the Human Resource Management part of the second hypothesis, the data from the employee satisfaction research will be used, which is yet conducted in 2009. The used items indicating the six Human Resource Management instruments from the employee satisfaction research are listed in appendix A. Combining the results of both hypotheses should result in the appropriate answer to the research question.

### 3.4 Sampling respondents

Before administering the research it is important to decide what or whom to study, also called units of analysis or units of observation. In social science research, the most typical units of analysis are individual people (Babbie, 2007). Additionally, it is important to define the population and the research sample. The population for a study encompasses whom we want to draw conclusions about. It is almost never possible to study all the members of the population, therefore it is necessary to select a sample, which is the process of selecting observations (Babbie, 2007). The population of this thesis is defined as all employees within service delivering organizations whom are



operating during the service encounter. And the sample of the research are all frontline employees of transavia.com. Within social research two types of sampling exist, non-probability sampling which is a technique in which samples are selected in some way not suggested by probability theory such as selecting units on the basis of pre-specified characteristics, and probability sampling which is the general term for samples selected in accordance with probability theory, typically involving random-selection mechanism (Babbie, 2007). Present research will use the method of probability sampling, because there are no pre-specified respondent characteristics.

The group of respondents consists of 1040 employees divided among five departments, 501 of Cabin Operations (cabin crew such as stewards), 510 of Flight Duty (pilots), 12 of Customer Relations, and 17 of the combination of the Service Desk and Group Desk. In appendix H is illustrated where in the circle of contact of transavia.com customers face employees of these departments. Actually the frontline of transavia.com consists of seven departments, but two of those could not be included in present research. The Call Center, where customers can book tickets, is part of Air France and is located in Prague and Paris, where customers can book their tickets. And second the Ground Services, including staff dealing with the check-in process of passengers as well as abroad as in The Netherlands, is outsourced to KLM. Due to the fact that of the employees of both departments transavia.com is not their employer, hence the employees of the Ground Services and the Call Centre were not able to assess the Human Resource Management instruments. Additionally because those employees are working for another employer they are confronted with other brand values requiring a different behavior and attitude, that might influence the brand perception among customers.

### 3.5 Measurement of variables

As mentioned, present research is quantitative, and the responses of the different questionnaires will be measured using Likert scaling. The Likert scale is a type of composite measure developed by Rensis Likert in an attempt to improve the levels of measurement in social research through the use of standardized response categories in survey questionnaires to determine the relative intensity of different items (Babbie, 2007). The response categories that will be used within present research for both questionnaires are ranging from 'strongly disagree' to 'strongly agree'. The analysis of data will be done with the statistical program SPSS, and within both hypotheses the frontline groups are analyzed separately, by which the employees of the Service and Group Desk are combined.

The brand congruent behavior and attitude of employees will be assessed with a 24-item index, the employees' perceptions of the corporate image will be assessed using a 5-item index, including the five brand values of transavia.com, and the six Human Resource Management instruments will also be assessed with a 5-item index. Finally, the indicating list of item for each variable will be measured using a 5-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. Testing of both hypotheses will be done using a regression analysis, which is the method for data analysis in which the relationships among variables are represented in the form of an equation, called a regression equation and describes the association between two variables focusing on the dependency and independency (Babbie, 2007). The regression analysis is a good technique for determining to what degree the independent is related to the dependent variable.





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## 4. Findings

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The fourth chapter presents all the results derived from the examination of the two hypotheses, necessary for answering the research question, furthermore a few additional findings will be discussed. The chapter concludes with a summary of the results displayed in a table, which provides a plain overview.

### 4.1 Results

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This part of the fourth chapter shows the results of the two hypotheses, necessary for answering the research question. First the findings of the relationship between the brand behavior and attitude of frontline employees, and the employees' perceptions of the corporate image will be presented. Subsequently, the results of the second hypothesis, the relationship between the six Human Resource Management instruments and employees' perceptions of the corporate image will be showed.

As mentioned in the methodology the questionnaire is distributed among all frontline employees of transavia.com, including the Cabin Operations, Flight Duty, Customer Relations, and the Service- and Group Desk, represented by a group of 1040 employees. For testing this hypothesis 216 out of 1040 surveys were useable, representing a response rate of 20,7 percent. Because the touch points with the customers of the departments differ from each other, the hypotheses are tested separately for each frontline group. It is assumed that different Human Resource Management instruments would influence the employees of the departments differently, because employees have other tastes and preferences. A previous research conducted by transavia.com in 2007 it is found that the personnel on board, including the Cabin Operations, is a key dissatisfier of firm performance. In addition this group of Cabin Operations is the largest group, consisting of the largest number of respondents, and therefore is the most important and valid group to drawing conclusions on.

Prior to the presentation of the results it is necessary to explain the coefficient of determination ( $r^2$ ) and the slope coefficient ( $\beta$ ), inherent to the regression analysis which is used for testing both hypotheses. A regression analysis is a useful tool for examining the correlation between two or more variables and does determines what part of variance in one variable is explained by the other variable, which is indicated with  $r^2$  varying between 0 and 1, and is a future predictor. A coefficient of determination ( $r^2$ ) lower than 0,25 is weak, between 0,25 and 0,50 is moderate, and higher than 0,50 is strong. The  $\beta$  coefficient indicates the slope or direction of the correlation between the variables, and indicates the strength of the relationship.

#### **Relationship between the brand behavior and attitude of employees and their perceptions of the corporate image.**

Within this hypothesis a distinction is made between the frontline employee groups, that resulted in a small number of respondents (a small 'N') for a few groups. Hence, the results of the groups Customer Relations and Service Desk and Group Desk are indicative. The hypothesis which is examined is:

*H1: The employees' perceptions of the corporate image, will be positively related to the brand behavior and attitudes of the frontline employees.*



This hypothesis assumes that if an employees' perceptions of the corporate image are positive, they will be better able to apply the appropriate brand behavior related to the three variables reliability, enthusiasm, and involvement, than if the employees' perceptions of the corporate image would be negative. The term 'positive' means that the assessment has an average score of 4 or higher. The results from the regression analysis are stated in appendix G.

Within the Cabin Operations group 397 employees were approached, 125 surveys returned, which is a response rate of 31 percent. Filtering resulted in 93 useable surveys for this hypothesis. The results of the regression analysis for the Cabin Operations group, with a correlation squared ( $r^2$ ) of 0,34, indicate that about one-third of the employees' perceptions of the corporate image is related to the frontline employees' brand behavior and attitude. With a slope coefficient ( $\beta$ ) of 0,51, the perception of the corporate image by employees has a significant positive influence on the brand congruent behavior and attitude of employees. In other words when the employees' perceptions of the corporate image increases with 1, the employees' brand behavior and attitude will increase with more than a half (0,51).

Within the Flight Duty the survey was sent to 510 employees and resulted in a response of 138 surveys, indicating a response rate of 27 percent. For testing this hypothesis 104 surveys could be used. The results of the regression analysis, with an  $r^2$  of 0,30, represent a significant positive influence of the employees' perceptions of the corporate image on the brand congruent behavior and attitude of employees, including a determinant coefficient of 0,67 ( $\beta = 0,67$ ). In other words, the increase in the employees' perceptions of the corporate image is converted for two-third in an increase of the brand behavior and attitude.

For the residual two groups the number of respondents ('N') is too small in order to find significant results, though we need to interpret the results as an indication. The Customer Relations consists of 12 employees, and 9 surveys returned which is a response rate of 75 percent. Considering that the results of the regression analysis were not significant we are not able to draw conclusions about the relationship between the two variables. In contrast, the combined group of the Service and Group Desk the results showed to be significant, with an  $r^2$  of 0,47, indicating that 47 percent of the independent variable is related to the dependent variable. The results show that the employees' perceptions of the corporate image has a significant positive influence on the brand congruent behavior and attitude of employees, with a slop coefficient ( $\beta$ ) of 0,45. This can be interpreted as follows, when the independent variable increases with 1 point, the brand behavior and attitude increases with a little bit less than a half, which is 0,45.

In summary three of the four groups, including Cabin Operations, Flight Duty, and the Service- and Group Desk, do show a significant correlation between the employees' perceptions of the corporate image and the brand congruent behavior and attitude of the employees and its colleagues. Though, the results of the combined group (Service and Group desk) is indicative. The Flight Duty group shows the biggest influence ( $\beta = 0,67$ ), followed by the Cabin Operations ( $\beta = 0,51$ ). These results illustrate that if the employee can perceives the corporate image more positively, he will be better able to apply the brand congruent behavior and attitude.





### **Relationship between Human Resource Management instruments and the employees' perception of the corporate image.**

Similar to the first hypothesis, this hypothesis is tested among four frontline employee groups, and the results of the Customer Relations and the Service and Group desk are indicative due to the small number of respondents. The hypothesis which is examined is the following:

*H2: The six HR instruments, leadership, performance appraisal, compensation, career opportunities, work atmosphere and information and communication, will be positively related to the employees' perceptions of the corporate image*

This second hypothesis is also tested with a regression analysis, using the outcomes of the questionnaire of the employee satisfaction research, conducted by transavia.com among all employees in 2009, and the results from the survey related to brand congruent behavior conducted among all frontline employees. Hence, prerequisite for this hypothesis is that the employee must have participated in both researches, otherwise the surveys are not useable. The meaning of the term 'positive' implies an average score of 4 or higher on the employees' assessment of the corporate image. Finally, the results from the regression analysis are listed in appendix H.

Within the Cabin Operations group 83 respondents meet the prerequisite of testing the hypothesis, which is a response rate of approximately 21 percent. Most important finding is that the Human Resource Management instrument leadership shows to have a significant positive influence on the employees' perceptions of the corporate image ( $\beta = 0,23$ ), and remarkable is that the performance appraisal shows a very small, but significant negative influence ( $\beta = -0,02$ ). Both using a significance level of  $\alpha = 0,1$ . The regression analysis ( $r^2 = 0,06$ ) shows that employee satisfaction with the Human Resource Management instruments leadership and performance appraisal have a significant positive respectively negative influence on the employees' perceptions of the corporate image. The remainder Human Resource Management instruments did not show to have any significant influence.

The number of respondents within the Flight Duty group is 72, which is a response rate of 14 percent. Though, the results of the regression analysis with  $r^2 = 0,08$  show that none of the Human Resource Management instruments, leadership, performance appraisal, compensation, career opportunities, work atmosphere, and information and communication, have a significant influence on the employees' perception of the corporate image.

Despite the small number of respondents within the Customer Relations group ( $N = 7$ ), including a response rate of 58 percent, the results are indicative but still remarkable. The satisfaction with the Human Resource Management instruments compensation and career opportunities both show a significant negative influence on the employees' perceptions of the corporate image, of respectively  $\beta = -1,44$  and  $\beta = -0,10$ . The regression analysis ( $r^2 = 0,03$ ) shows that satisfaction with the Human Resource Management instrument career opportunities and especially compensation will have a negative impact on the employee's perception of the corporate image.



Though, the results of the combined group are indicative, including 9 out of 17 useable surveys which is a response rate of approximately 53 percent. The results of the regression analysis ( $r^2 = 0,14$ ) show that satisfaction with the Human Resource Management instruments leadership has a significant positive influence on the employees' perceptions of the corporate image. And information and communication has a significant negative influence on the employees' perceptions of the corporate image. Especially the instrument leadership shows a relatively strong positive influence ( $\beta = 1,73$ ), illustrating that when this increases with 1 point, the employees' perceptions of the corporate image will grow with 1.73. The Human Resource instrument information and communication in contrast shows a slightly negative effect on the employees' perceptions of the corporate image ( $\beta = -0,15$ ).

In summary, especially the Human Resource Management instrument leadership seems to be an important factor in explaining the influence on the employees' perceptions of the corporate image. Extremely remarkable is the result of the Human Resource Management instrument compensation within the Customer Relations group, that has a strong negative effect on the perceptions of the corporate image by the employees, though this result is indicative. In general, within the different departments and especially within Flight Duty the majority of the Human Resource Management instruments did not show any significant effect. Finally, it should be noted that the results show the correlations within each group are relatively weak.

### **Additional findings**

In addition the extent three other variables that may influence the relationship between Human Resource Management and the brand related behavior of employees are examined, including the employee commitment to the company, job level and employment period. The commitment is related to the employee's relationship with the company, and is measured on a 5-item index listed in appendix E, and measured with a 5-point Likert scale. An average score of 4 or higher is defined as high commitment. The other two moderating variables are extracted from data of the Human Resource Management department within transavia.com. For the Flight Duty group the influence of degree of job level is examined, using the distinction between, ranging from high to low Captain, First Office Senior, and First Office Junior. The impact of employment period is investigated, by dividing the employment period into the following groups 0-5 years, 5-10 years, 10-15 years, and more than 15 years of employment. The hypotheses used to examine the influence of these variables on the brand congruent behavior can be found in appendix I.

The results show a strong positive relationship between the degree of employee commitment to the company and the brand congruent behavior of employees. Employees with a strong commitment are much more positive (71%), than employees with an average degree of commitment (22%).

The findings show that the group First Office Junior employees are most positive about the brand congruent behavior (68%), followed by the Captains (49%), and then the First Office Seniors (40%). Though, this is not indicating an logical correlation between degree of job level and the brand congruent behavior and attitude of employees. Finally, the findings show that employees with the shortest employment period (55%) are most positive about the brand congruent behavior and attitude of frontline employees, and the employees with the longest employment period are the least positive (44%). A possible explanation for this can be that employees with a longer employment period are more critical because they are more familiar with the company.



## 4.2 Summarized in a table

The results of the first hypothesis show there is a significant correlation between the two variables employees' perceptions of the corporate image and the employees' brand behavior and attitude. Where the Flight Duty group shows the biggest influence, followed by the Cabin Operations frontline group, and finally the Ticket and Service Desk combination. Finally, there is no correlation found within Customer Relations. The table below is an overview of these results.

Hypothesis 1	Department	Correlation (yes/no)	Strength
<i>Employees' perceptions of corp. image, and brand behavior of frontline employees</i>	Cabin Operations	yes	$\beta = 0,51$
	Flight Duty	yes	$\beta = 0,67$
	Customer Relations*	no	-
	Ticket and Service Desk*	yes	$\beta = 0,45$
* = indicative because of small "N"			

The results from the second hypotheses are listed in the table below.

Hypothesis 2	Department	HRM instrument	Neg. / pos.	Strength
<i>HRM, and employees' perceptions of corp. image</i>	Cabin Operations	Leadership	positive	$\beta = 0,23$
		Performance appraisal	negative	$\beta = -0,02$
		Compensation	not significant	-
		Career opportunities	not significant	-
		Work atmosphere	not significant	-
		Information and communication	not significant	-
	Flight Duty	Leadership	not significant	-
		Performance appraisal	not significant	-
		Compensation	not significant	-
		Career opportunities	not significant	-
		Work atmosphere	not significant	-
		Information and communication	not significant	-
	Customer Relations*	Leadership	not significant	-
		Performance appraisal	not significant	-
		Compensation	negative	$\beta = -1,44$
		Career opportunities	negative	$\beta = -0,10$
		Work atmosphere	not significant	-
		Information and communication	not significant	-
	Service- and Group Desk*	Leadership	positive	$\beta = 1,73$
		Performance appraisal	not significant	-
		Compensation	not significant	-
		Career opportunities	not significant	-
		Work atmosphere	not significant	-
		Information and communication	negative	$\beta = -0,15$
<i>* = results indicative because of small "N"</i>				



The findings of the second hypothesis show that especially the Human Resource Management leadership is an important factor in reinforcing the appropriate behavior of employees. The Human Resource Management instruments performance appraisal, career opportunities and information and communication all showed a slightly negative influence on the employees' perceptions of the corporate image. In addition, the findings indicate that the correlations within each group are relatively weak. Finally, employees with a strong commitment to the organization and and/or shortest employment period will be most positive about the employees' brand congruent behavior and attitude.



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## 5. Conclusion

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The fifth chapter, deals with answering the research question. Based upon the findings discussed in chapter four, we will draw conclusions within this final part of present thesis. In addition this chapter enumerates the limitations the research, and will provide recommendations for the case company and proposals for further research.

### 5.1 Conclusions

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To draw conclusions we return to the main question of present research:

***What is the influence of Human Resource Management instruments on the brand congruent behavior of customer-facing employees, through the employees' perceptions of the corporate image?***

For answering the research question we focus on the two largest frontline groups because the other two groups are too small to draw valid conclusions on. The findings show that there is a significant positive correlation between the employees' perceptions of the corporate image and the employees' brand behavior and attitude. From the indicative groups the findings of Customer Relations do not show a correlation, while the findings of the Service- and Group Desk do show a correlation. Hence, focusing on the two largest groups, we found support for the first hypothesis.

In addition the findings of the Cabin Operations group present that the Human Resource Management instrument leadership has a significant positive influence on the employees' perceptions of the corporate image. And the Human Resource Instrument performance appraisal has a slightly significant negative influence on the employees' perceptions of the corporate image. Though, the findings do not show evidence for a significant relationship between the Human Resource Management instruments compensation, career opportunities, work atmosphere, and information and communication. And for the performance appraisal instrument there is evidence found for a slight negative instead of significant positive relationship between the Human Resource Management and the employees' perceptions of the corporate image. However, the findings of the Flight Duty group show that none of the Human Resource Management instruments have a significant influence on the employees' perceptions of the corporate image. The findings of the indicative groups present that within the Customer Relations group the instruments compensation and career opportunities both have a negative influence on the employees' perceptions of the corporate image, and within the Service- and Group Desk group the instruments leadership and information and communication respectively show a positive and negative influence. These findings are remarkable but solely indicative. Though the significant relationships that are derived from the findings are relatively weak. Hence, we have found just little support for the second hypothesis.

We can conclude that especially the Human Resource Management instrument leadership is the most important instrument for reinforcing and stimulating the appropriate brand congruent behavior and attitude of employees. This is also supported by the indicative findings from the frontline group Service- and Group Desk, that show a strong influence of leadership on the employees' perceptions of the corporate image. In other words, when managers or leaders showed to be good role models the employees will be better able to imitate them, hence a well employee-leader relationship is



important. Due to the fact that the results of the second hypothesis are relatively weak this conclusion should be interpreted cautiously.

We conclude that there probably is no direct relationship between the variables, and there are other potential influencing variables that may impact the relationship between Human Resource Management and reinforcement of the brand appropriate behavior of customer-facing employees. The relationship between Human Resource Management and the brand building behavior of employees is much more complex than expected. In addition we assume that the brand values of transavia.com are too 'fresh' within the organization, that is why the employees are not being aware and committed enough yet. Employees should live the brand, but now the top of the company expects them to live the brand while the staff is not yet familiar with the brand and they have not sufficiently internalized the brand values. The brand guide is new in the organization and requires changes in behavior and attitudes of employees within the whole organization, implying cultural adjustments, which is very time consuming. It might also be the case, that the strategy of transavia.com does not fit the brand values of the company, or does not fit the Human Resource Management practices the company uses to control its labor force, well enough.

## 5.2 Limitations

Abovementioned conclusions should be interpreted cautiously, because of also this research is accompanied by limitations, which will be discussed within this part of the fifth chapter. Main point for criticism concerns the examination of the second main hypothesis, where two variables are measured among employees, but at different points in time. This means that there exists a time gap between the survey about Human Resource Management conducted in 2009, and the survey about brand behavior and attitudes conducted in 2010. Therefore linking both surveys may impede the findings of present research. The best way to investigate the relationship between Human Resource Management and the brand congruent behavior and attitude of employees would be by integrating the two variables into one survey, and to distribute this survey among respondents at a single point in time.

Another limitation of present research is the fact that a part of the staff, working at the frontline departments Ground Services and the Call Centre, are outsourced and therefore confronted with other Human Resource Management instruments and other brand values. For example, the check-in process is an important factor in developing the customers' brand associations, however because transavia.com is not their employer it is difficult to influence these frontline workers. Though it might influence the brand projection negatively.

According the used literature of Peccei (2004), it is stated there is too much emphasis placed on the business oriented performance outcomes within the Human Resource Management literature, and more emphasis should be placed on the behavioral outcomes. Yet there is relatively little research conducted on the impact of Human Resource Management on behavioral outcomes, and though is restricting present research.

Final limitation of this research is the small number of respondents for two of the four frontline employee groups within transavia.com, which opposes the generalizability of the findings.



### 5.3 Recommendations

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Main recommendation for transavia.com is that there should be placed much emphasis on the internal branding process, involving the entire company, in order to ensure its employees become aware and familiar with the relatively new brand values of transavia.com. The brand values are not yet translated into the company's culture and norms sufficiently, which still may cause an inconsistent brand perception by the customers. Improving the communication about the brand throughout the entire organization should enhance employees' understanding of what the brand stands for, and what from the employees is expected. It might also be useful to provide more training programs and to develop seminars in which employees can get to know the brand guide. For example, also a brand document can be developed that distributed to all employees. Also for the Call Center and Ground Services, it may also be useful to provide more training programs, in order to achieve a better alignment with the company's brand.

### 5.4 Further research

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Abovementioned, for a more profound understanding of the relationship between the Human Resource Management instruments and the brand congruent behavior and attitude of frontline employees, more case studies need to be performed in order to conduct a comparative case analysis which will increase the generalizability of the findings.

Although it might be difficult, but a more longitudinal empirical research would gain a more in-depth analysis of the HRM-employee brand related behavior relationship, including a more extensive search for alternative variables that may influence this relationship.

This research attempts to contribute to our understanding of the Human Resource Management and employee behavior relationship. Though for determining what actually the effect is of this relationship on the performance of a company and the successfulness of a company's brand, more in-depth research is needed. In present research it is solely assumed that the improved brand congruent behavior may lead to improved customer brand awareness and their perception of service quality.



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## 7. Appendices

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### Appendix A:

#### Questionnaire items for the six Human Resource Management instruments.

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This items of the six HR instruments, leadership, performance appraisal, compensation, career opportunities, work atmosphere, and information and communication, were part of the employee satisfaction research which is conducted in early 2009. Note, that this is done before the research to the brand values of transavia.com is conducted. However, the employees were asked to rank their satisfaction of several aspects of the organization, including the six Human Resource instruments. For each instrument five items from the employee satisfaction research are selected.

#### Leadership

The frontline employees were asked to assess their satisfaction about the following items, (1=strongly disagree, 5=strongly agree):

- ....the support from transavia.com in general
- ....the work relationship with their (direct) manager
- ....the openness of managers to suggestions of employees
- ....the degree of appreciation received from their (direct) manager
- ....the example role their (direct) manager plays

#### Performance appraisal

The frontline employees were asked to assess their satisfaction about the following items, (1=strongly disagree, 5=strongly agree):

- ....the frequency of appraisal meetings
- ....the usefulness of appraisal meetings
- ....the degree of fulfillment of agreements that are made in appraisal
- ....the amount of feedback they receive
- ....the quality of the feedback they receive

#### Compensation

The frontline employees were asked to assess their satisfaction about the following items, (1=strongly disagree, 5=strongly agree):

- ....their working conditions in general
- ....their salary in relation to their tasks
- ....their other working conditions
- ....their total income compared to that of colleagues with similar tasks
- ....their total income compared to that of people working at other organizations



### **Career opportunities**

The frontline employees were asked to assess their satisfaction about the following items, (1=strongly disagree, 5=strongly agree):

- ....their career opportunities available within transavia.com
- ....the number of training programs offered to them
- ....the quality of the offered training programs
- ....the training programs they followed have helped them in their functioning
- ....that transavia.com offers them sufficient opportunities for personal growth and development

### **Work atmosphere**

The frontline employees were asked to assess their satisfaction about the following items, (1=strongly disagree, 5=strongly agree):

- ....the work atmosphere within their daily work environment
- ....the interaction/cooperation with their colleagues within the daily work environment
- ....feeling safe to give their opinion about issues
- ....within the work atmosphere of the daily environment they are stimulated to be innovative
- ....within transavia.com is made use of clear values and norms

### **Information and communication**

The frontline employees were asked to assess their satisfaction about the following items, (1=strongly disagree, 5=strongly agree):

- ....the internal communication within transavia.com in general
- ....the communication between the colleagues of their department
- ....the amount of information they receive
- ....the timeliness of information they receive
- ....that usefulness of information they receive

## **Appendix B:**

### **Questionnaire items for the employees' perceptions of the corporate image.**

The following items indicate how the employees assess the customers perceptions of the brand transavia.com in general. The frontline employees were asked how they think the customers experience the brand transavia.com in general. In other words, this shows how the company is projecting its five brand values to customers in other ways than behavior, ranging from 1=strongly disagree to 5=strongly agree:

- ....Reliable
- ....Enthusiasm
- ....Involvement
- ....Europe expert
- ....Low cost

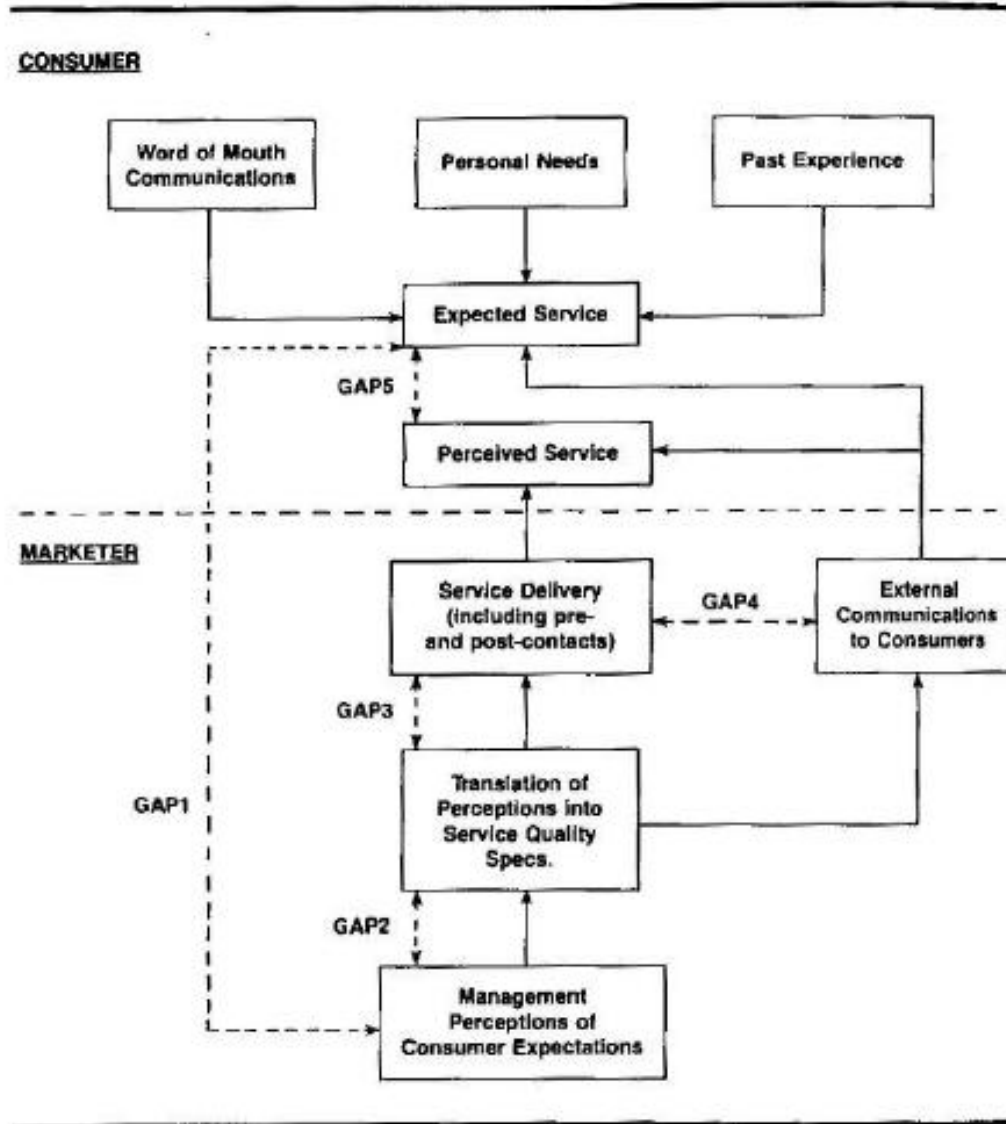


### **Appendix C: Questionnaire items for the brand behavior of frontline employees.**

Within this part of the questionnaire the employees of transavia.com were asked to assess the behaviors and attitudes (in relation to the three brand values, reliability, enthusiasm, and involvement) of themselves and the colleagues of their department. (1=strongly disagree, 5=strongly agree):

- ....during the service encounter the customers are greeted friendly
- ....we are handling an enthusiastic attitude
- ....among my colleagues within my department is generally a good atmosphere
- ....we speak to the customers interestingly (the way of talking to customers)
- ....we pro-actively provide the customers with nice information
- ....we pro-actively provide the customers with useful information
- ....we make sure that customers feel welcome at transavia.com
- ....during the service encounter we are patient
- ....we give each customer personal attention
- ....we show sincere interest in each customer
- ....we are prepared to help the customers
- ....we are prepared to answer the questions of customers
- ....we understand the specific needs of each customer
- ....we actually meet these specific needs (if possible)
- ....we exceed the expectations of the customers
- ....we are prepared to do something extra for the customers
- ....we are restful to the customers
- ....we are reliable to the customers
- ....we communicate clearly to the customers
- ....we check, if necessary, whether the message is understood by the customers
- ....when we promise something to the customer, we will accomplish that
- ....when a customer has a request, we will respond to it fast (if possible)
- ....we have a professional attitude
- ....we poses the appropriate knowledge to be able to answer the questions of customers

**FIGURE 1**  
**Service Quality Model**



## Appendix E: Employee's commitment to the organization.

This appendix contains a set of questions that was asked to determine the strength of the employee-employer relationship, which is indicated as 'commitment'. These questions were asked for testing the third sub-hypothesis, which assumes that people with a higher commitment will be more positive about how their department is applying the appropriate brand behavior. In other words, they will be more positive about the items listed in appendix C when the commitment to the organization is higher.

To what degree do you agree with following statements, (1=strongly disagree, 5=strongly agree):

....transavia.com is as home to me

....I am feeling appreciated within transavia.com

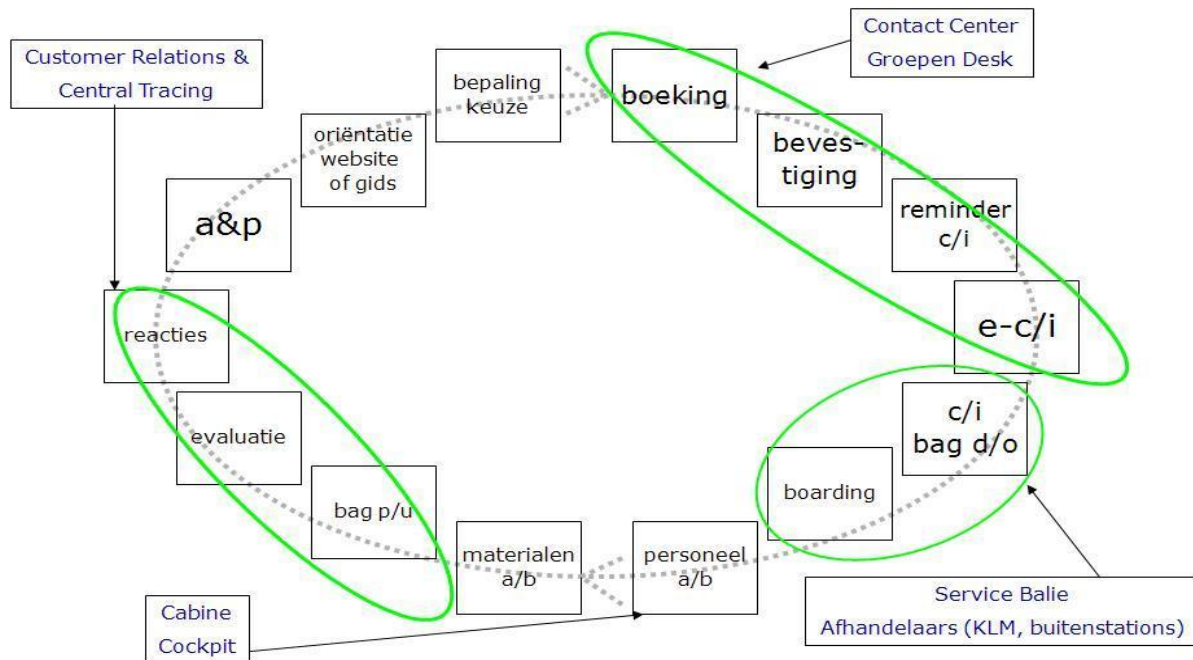
....I am feeling that transavia.com enables me to get involved within the organization

....I have trust in transavia.com

....I am aware of the brand values of transavia.com

## Appendix F: The circle of contact of transavia.com.

The figure illustrate all the touch points of the customers with transavia.com. During the process of service delivery the customer passes through from buying the ticket, checking-in, flying retour, and finally to evaluating the service and complaining at the Customer Relations. The seven departments having direct contact with passengers are Call Centre, Group Desk, Service Desks, Ground Services, Cabin Operations and Flight Duty, and are indicated with arrows in the overview below.

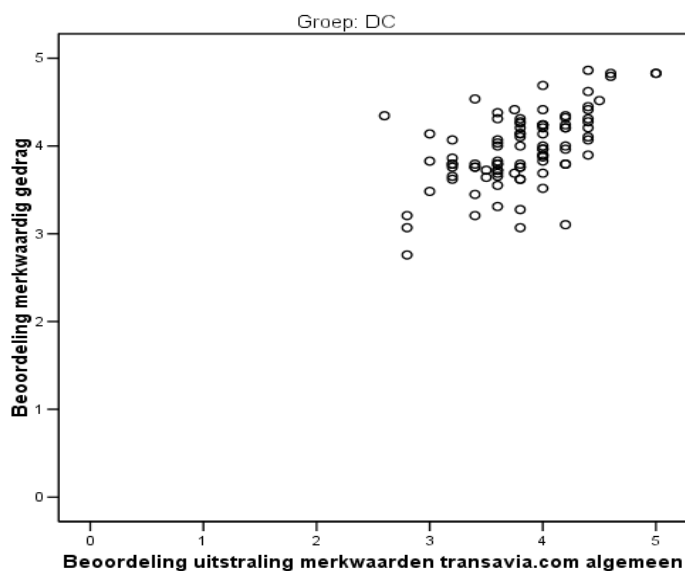


Bron: Presentatie Transavia briefing doorvertaling brandguide

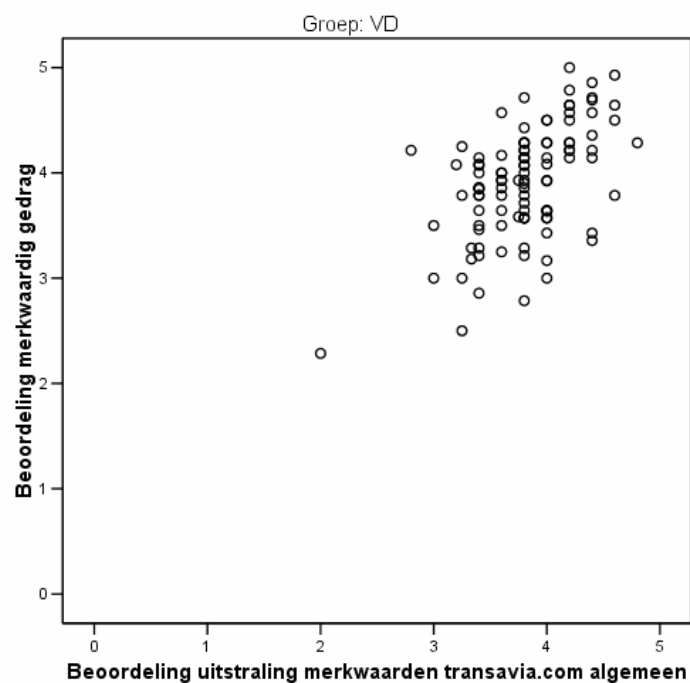
## Appendix G: Testing hypothesis 1.

The relationship between employees' perception of transavia.com's general brand expression and the brand behavior of employees.

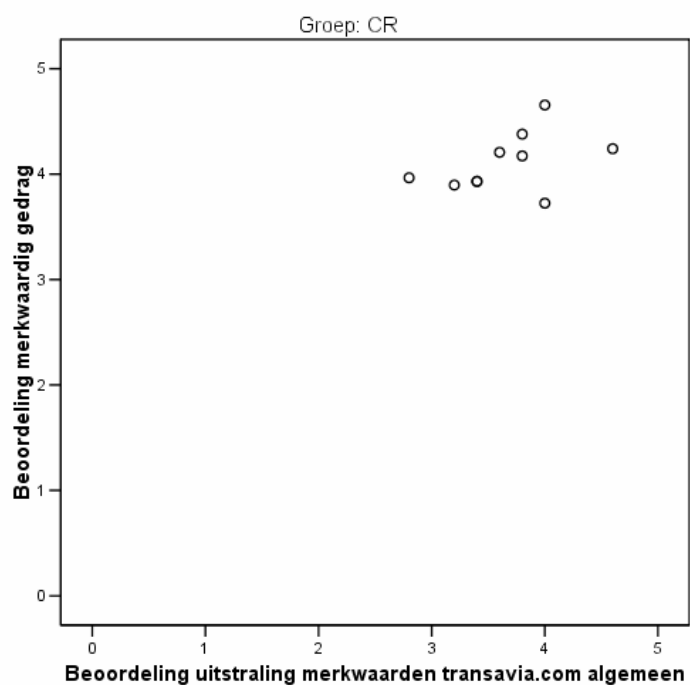
### Outcome Cabin Operations:



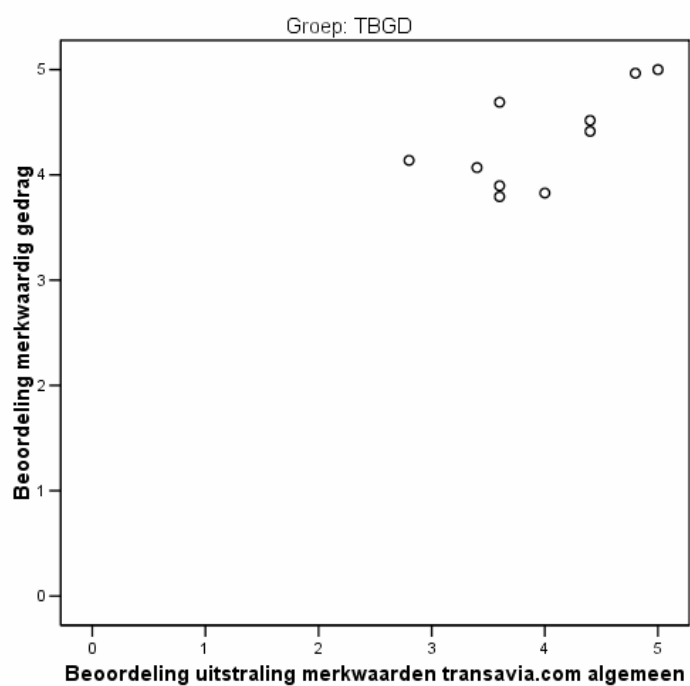
### Outcome Flight Duty:



## Outcome Customer Relations:



## Outcome Service Desk and Group Desk:







## Appendix H: Testing hypothesis 2.

*The HRM and employees' perception of transavia.com's general brand expression relationship.*

### Outcome Cabin Operations:

HRM Instrument	$\beta$	
Leiding	0.23	*
Beoordeling	-0.02	*
Beloning	Niet significant	
Groeimogelijkheden	Niet significant	
Werk sfeer	Niet significant	
Informatie en Communicatie	Niet significant	

**\*Significant o.b.v. significantie niveau  $\alpha=0.1$**

### Outcome Flight Duty:

HRM Instrument	$\beta$
Beloning	Niet significant
Beoordeling	Niet significant
Leiding	Niet significant
Groeimogelijkheden	Niet significant
Werk sfeer	Niet significant
Informatie en Communicatie	Niet significant

### Outcome Customer Relations:

HRM Instrument	$\beta$	
Beloning	-1.44	*
Groeimogelijkheden	-0.10	
Beoordeling	Niet significant	
Leiding	Niet significant	
Werk sfeer	Niet significant	
Informatie en Communicatie	Niet significant	

**\*Resultaten zijn indicatief van aard vanwege een kleine N.**

### Outcome Service Desk and Group Desk:

HRM Instrument	$\beta$	
Leiding	1.73	*
Informatie en Communicatie	-0.15	*
Beloning	Niet significant	
Beoordeling	Niet significant	
Groeimogelijkheden	Niet significant	
Werk sfeer	Niet significant	

**\*Resultaten zijn indicatief van aard vanwege een kleine N.**



## Appendix I: additional hypotheses

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In addition the extent three other variables that may influence the relationship between Human Resource Management and the brand related behavior of employees are examined, including the employee commitment to the company, job level and employment period. For this, the following hypotheses are used:

Sub-hypothesis 1: *employees with a higher commitment to the organization will be more positively related to the employees brand congruent behavior and attitude, than employees with a lower commitment.*

Sub-hypothesis 2: *employees with a higher job level will be more positively related to the employees brand congruent behavior and attitude, than employees with a lower job level.*

Sub-hypothesis 3: *employees with a longer employment period will be more positively related to the employee's assessment of the brand congruent behavior of him-/herself and his/her colleagues, than employees with a shorter employment period.*