

# Do you know who you work for? Internal branding of Universitas Muhammadiyah Surakarta

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## ABSTRACT

Considering the high contact level between the service providers and the customers that occurred in higher education (HE) context, accurate internal branding is crucial to avoid any disparity between what is promised and what is actually delivered. The purpose of this research is to study how Universitas Muhammadiyah Surakarta's (UMS) staff perceive the university's brand and whether the perception matches the intended proposition set by UMS and its governing body. To attain this purpose, an online questionnaire was given to the respondents. The respondents, consisting of UMS faculty members, were given 30 adjectives or attributes and were asked to evaluate each of the adjectives whether they represent UMS as a brand or not. As UMS has never conducted a structured and planned internal branding, it was expected that the respondents' perceived branding would not match its intended proposition. However, the overall result suggests that the respondents' perceived UMS branding is consistent with the university's intended branding and its mission statement.

Several explanations can be suggested as to why the result contradicts the hypothesis. Firstly, the strong organizational culture lent by its governing body, Muhammadiyah, may have been strongly rooted in the university. The coherence between Muhammadiyah's and UMS' visions helps the organizational culture gain perpetual momentum in shaping the internal brand perceived by the internal stakeholders. Secondly, the close and continuous contacts between the employees and the customers uniquely found that the HE sector can strengthen the organizational culture which, in turn, helps to build the internal brand. The close contact between employees and the customers (the students) means that the employees will not only co-create the brand with fellow employees but also with the students they encounter every day. Further research will be invaluable to confirm the aforementioned suggested factors.

This study provides beneficial insights for other higher education institutions (HEIs). For other Muhammadiyah universities, the presence of Muhammadiyah as their governing body may have provided them with strong organizational core vision within the university. Therefore, if they are to conduct an internal branding effort, it should be built around Muhammadiyah's vision and ideology. Moreover, for other higher education universities, an internal branding effort should be directed to both employees and students. Therefore, the internal branding co-creation will be collectively and, more importantly, accurately created by both the employees and the students

*Keywords: internal branding, Higher Education, Muhammadiyah universities, organizational behavior.*

## 1. Background

A brand is an important asset of a firm so brand management activities are crucial in a firm's success (Backhaus & Tikoo, 2004). Although branding is often associated with communication with customers, branding can also work in human resource (HR) management

(Backhaus & Tikoo, 2004). Branding is an organization telling a story (Judson, Aurand, Gorchels, & Gordon, 2009). Marketing literature has seen building a brand from inside as an important topic of research (Judson, Gorchels, & Aurand, 2006). For that reason, some authors have highlighted the importance of aligning internal and external branding messages (Ind, 1997, 2007; Tosti & Stotz, 2001; Vallaster & de Chernatony, 2004).

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Resource-based perspective suggested how firms should have a sustainable advantage resource that competitors do not have or have difficulties to imitate (Barney, 1991), with people being seen as the most crucial factor (Pfeffer & Salancik, 1978). Employees who have the knowledge of the brand inside out can become the source of the advantage. When internal branding is practiced correctly, employees will take ownership of the brand and provide evidence displayed in their organizational responsibilities (Judson et al., 2006). In HE sector, internal branding has been seen as a prevailing phenomenon as it aligns employees' behavior with the intended brand values (Sujchaphong, Nguyen, & Melewar, 2015). If managed carefully, employees can become a resource that is difficult for competitors to duplicate, hence, providing a sustained competitive advantage (Barney, 1991).

Many industries have benefited from well-managed internal branding. An airline company introduced a customer service effort for business class travelers (Tosti & Stotz, 2001). Their success is not attributed to visible features such as the plane's facility or the in-flight entertainment, but to the fact that their effort was started from the cabin crews (Tosti & Stotz, 2001) which ensured that they understand the travelers' expectation. Zappos is a classic example of what well managed internal branding originating from organizational values can achieve. Employee engagement leads to maximum productivity and 1 billion dollars in gross revenue growth in 10 years (Partridge, 2011). In essence, a well-managed internal branding effort can give birth to employees who can become a "breathing advertisement" for the firm (Judson et al., 2006, p. 100). However, unfortunately, the opposite also applies. Poorly managed internal marketing prevents the employees from taking ownership of the brand which can be catastrophic. McDonald's learned it in a hard way when one of their employees tweeted a picture of a dirty ice cream machine in one of their restaurants in Louisiana (Ong, 2017).

In the service sector, the role played by internal branding is even more central due to the high dependency of the sector on the people providing the service. Intangibility in service (Parasuraman, Zeithaml, & Berry, 1985) naturally makes the presence of the people even more important. Since the customers cannot see or touch the service, they will turn to something tangible like employees to look for clues (Judson et al., 2006).

Employees play a part in brand building by showing responsiveness and empathy towards the customer. Studies by Parasuraman et al., (1985) suggested that these characteristics are the determinants of service quality as perceived by the customers. Therefore, they can influence customers' satisfaction (Athiyaman, 1997; Ravichandran, 2010; Rod, Ashill, Shao, & Carruthers, 2009) and customer loyalty (Amin, Ahmad, & Hui, 2012; Ostrowski, O'Brien, & Gordon, 1993; Ravichandran, 2010). Considering that, service companies recently realized that the messages delivered to the employees are as important as those sent to customers (Judson et al., 2006).

In higher education (HE) context, meanwhile, Zinkan (2018) shared a unique experience he had when completing

his dissertation. He talked with several stakeholders closely involved with university branding. His respondents often felt surprised when he mentioned that he would talk to the HR department in his research. This suggests how internal branding application is largely misunderstood, even among university administrators working in branding projects.

Unfortunately, the HE sector faces more difficulties than the "traditional" service sector does. For instance, defining who are the actual customers of HEIs has invited more debates rather than a single formulation (see Barrett (1996) for a deeper discussion). Maringe and Gibbs (2009) extensively discussed the debates of using customer labels for students in the HEI industries. Although students purchase service from HEIs the way customers buy a product from a seller, students are not afforded the same privilege and rights as "customers enjoy in the ordinary purchase process" (Maringe & Gibbs, 2009, p. 34). In a simpler sentence, in the HE sector, customers are not the king.

The difficulty of service management in HE context can be presented from Nelson's (1974) and Darby and Karni's (2005) classification of properties and goods. Nelson (1974) proposed two types of goods properties, search properties, and experience properties. While search properties, such as color and shape, can be evaluated before purchase, experience properties can only be discerned during or after consumption.

Darby and Karni (1979) added another type of property, which they called credence properties. Consumers often find it difficult to assess the quality of these properties even after purchase and consumption. HE product is an example of such properties. The product of HE industry is not a mere diploma, but abstract transformation for the students or graduates (Tang & Hussin, 2011). The quality of the abstract transforms graduates get from years of education in their universities is difficult to assess even years after they graduate. Therefore, having faculty members who know the brand inside out and are able to deliver the brand promise can be a vital source of sustainable competitive advantage in an industry in which the product quality evaluation is difficult to determine.

Internal branding can be a university's "most valuable intangible asset" (Whisman, 2009, p. 369). However, academic attention on higher education institutions (HEIs) branding has been limited (Chapleo, 2007). Universities often feel reluctant to implement successful branding practices shown by businesses in the profit sector because they are afraid to be labeled corporate (Whisman, 2009). In opposite, UNESCO (2002), in a controversially talked newsletter entitled Higher Education for Sale, coined McDonaldization in which universities are encouraged to adopt business strategies used in commercial sectors to gain competitiveness. Moreover, a sixteen-page synthesis entitled Marketing your College explained how marketing is vital in HEIs survival (Barrett, 1996). These suggest that the notion arguing commercial sectors' values are not applicable in HE is outdated.

Universitas Muhammadiyah Surakarta (UMS) is a private university in Indonesia. Established in the early

1980s, the Islamic institution has never conducted a structured internal branding effort to date. The research served as an initial investigation to assess how far their faculty members understand the values of UMS as a brand. Internal branding literature has highlighted that the internal market has to understand the brand identity values (Balmer, Liao, & Wang, 2010; Burmann, Jost-Benz, & Riley, 2009; Punjaisri & Wilson, 2011). Therefore, understanding the current apprehension of the faculty members on the brand meaning will be the first stepping stone towards a successful internal branding campaign.

**2. What is internal branding?**

Schmidt & Ludlow’s (2002) inclusive branding idea suggests that no party should be left out from the branding campaign. Branding, and marketing in general, have been generally associated with communicating messages and values to external stakeholders. It is important to note, however, that when the marketing messages are consistently communicated to both customers and internal stakeholders, the company will be able to produce offerings that match their strength (LePla & Parker, 1999). When customers’ expectation is matched, trust and customer loyalty will be induced (LePla & Parker, 1999).

First coined by Berry, Hensel, and Burke, (1976), internal branding is not only using the marketing team’s message to an internal audience. It is not a one-way communication (Tosti & Stotz, 2001). Rather, it is two-way communication between the corporate and the employees as well as between fellow employees. Dean, Arroyo-Gamez, Punjaisri, and Pich (2016) conducted an extensive study on internal branding in HE in which they termed the internal branding process as co-creation. University brand values are “co-created” by faculty members as the formation and communication processes require collective efforts among faculty members (Dean et al., 2016, p. 1). In fact, to ensure employees understand the message, Marshall (2013) suggested for companies to communicate messages specially designed for employees since advertising for customers often involve clever languages that are difficult for employees to translate into daily actions.

Due to its wide focus (Tosti & Stotz, 2001) and the growing literature discussing the topic (Punjaisri & Wilson, 2011), there has been no single definition of internal branding (Sujchaphong et al., 2015). Internal branding focuses on communicating brand values to employees (Tosti & Stotz, 2001). In this study, internal branding refers to brand value communication activities targeted to employees in order to build an understanding of the values that lead to the appropriate attitudes and behavior (Sujchaphong et al., 2015). Regardless of the definition, the purpose of internal branding efforts is to reduce discrepancies between the intended corporate brand and the internal stakeholders’ perception (Punjaisri & Wilson, 2011) which leads to the alignment between brand values and employees’ behaviors (Sujchaphong et al., 2015).

As aforementioned, UMS, since its initial establishment more than 30 years ago, has never done a structured and

planned internal branding effort, it is expected that UMS faculty members do not understand the values and characteristics of UMS as a brand. The university should start thinking about the level of understanding their faculties have on the brand values. Starting from the late 20th century, universities have turned to branding practices to find a solution to their problems (Whisman, 2009). UMS should start thinking about their internal branding process as Whisman (2009, p. 370) considered that internal branding is a university’s “most valuable intangible asset”.

**3. Research method**

The purpose of the study was to identify how well UMS staff perceive their brand. To attain this purpose, an online questionnaire using qualtrics™ was given to the respondents. A total of 42 respondents participated in this study. The respondents were both teaching and non-teaching staff. The questionnaire consists of three parts

1. The first part sought to find basic information about the respondents. To enrich the finding of the study, the first part of the questionnaire asked the following information
2. The second part of the questionnaire is an essential part of attaining the objective of the study. To describe how the respondents brand UMS, the respondents were given 30 adjectives and were asked to evaluate each adjective against UMS. The respondents were given three answer choices, either to answer that a particular adjective characterizes UMS (denoted by “yes” in the questionnaire), or to answer that the adjective does not characterize UMS (denoted by “no” in the questionnaire), or to answer that they do not know whether the adjective characterizes UMS or not (denoted by “don’t know” in the questionnaire). The limitation of the options helps to eliminate hesitation when evaluating each adjective
3. The last section is open-ended. In this section, the respondents were allowed to write any three words that they associate with UMS.

In the data analysis process, the adjectives were divided into two categories. The two sets of adjectives were scattered in the questionnaire to avoid bias.

1. The first set of adjectives reflect the intended branding proposition and values set by UMS and its governing body as well as characteristics commonly associated with HEIs. To determine which adjectives are intended to be associated with UMS, a review of UMS’ vision and missions in their official website ([www.ums.ac.id/en](http://www.ums.ac.id/en)) and literature discussing UMS’ governing body values and history (Abror, 2010; Jainuri, 1981; Sutarmo, 2005) were conducted.

Curious	Dependable	Professional
Trusted	Big	Respectful
Scientific	Clever	Current
Progressive	Experimental	Rigorous
Welcoming	Humble	Open-minded
Wise	Discipline	Adventurous

Sophisticated    Best in class    Timeless

2. The second set of adjectives is neutral. It means that UMS not having the following characteristics does not mean that they are a poorly-managed institution. Rather, it is up to UMS whether or not they decide to bring the following values. More importantly, from the data gathering standpoint, the presence of the following adjectives is to cover the presence of the right answers presented in the previous category.

Energetic	Idealistic	High-end
Exclusive	Realistic	Rational
Formal	fun	

If more than 50% of the respondents agree that an adjective represents UMS, it is assumed that the respondents associate the adjective with UMS.

#### 4. Results

Since UMS has never done any conscious branding effort, it is expected that neither the respondents will place the correct adjectives into the wrong category nor they will answer “don’t know” most of the time. However, the surmise was not proven. Respondents were generally able to identify which adjectives are intended to be associated with UMS. There were only 2 adjectives that were put into the wrong category by the respondents, namely rigorous and adventurous. However, aside from these adjectives, the respondents seem to know what the brand and the institution represents.

This is an unexpected result considering the lack of internal branding effort within the institution. The following factors are presented as possible explanations as to why the surmise does not hold. Further and more in-depth research will be invaluable to confirm the following suggested factors.

#### 5. Discussion

Before elaborating on the possible factors behind the phenomena, it will be beneficial to present UMS’ profile and Muhammadiyah as its governing body.

##### 5.1. UMS history

UMS was first established in 1957 in Surakarta. Initially, they were a part of Universitas Muhammadiyah Jakarta, another Muhammadiyah university. Muhammadiyah, UMS’ governing body, then spun off the institution and named it Universitas Muhammadiyah Surakarta in 1981. The university is known for the name since.

During the first few years after its establishment, UMS only had five faculties. They were Education, Economics, Engineering, Law, and Islamic Faculties. Currently, they have 12 colleges with more than 31,000 students and 1,200 teaching staff.

##### 5.2. Muhammadiyah, the governing body

The establishment of Muhammadiyah cannot be separated by the founding father, Ahmad Dahlan. He was a Muslim scholar who actively preached the religion’s message, starting from his family members (Jainuri, 1981). Broadly, the establishment of Muhammadiyah was to purify Islam messages and to educate society (Jainuri, 1981). It is worth to note that Indonesia was under The Netherlands’ occupation in the early 20th century, therefore education and healthcare were a privilege only for a few. Based on those visions, Muhammadiyah was established in 1912.

To be able to realize its visions, Muhammadiyah further established entities, which are called charity units, so they can better reach the grassroots. Muhammadiyah is actively involved in the sectors directly related to public welfare such as economics, public health, and education. Almost a century after the establishment, Muhammadiyah now has over 5,700 schools, 525 hospitals and clinics, and 1,000 grassroots economic institutions across Indonesia (Sutarmo, 2005).

A vital sector in Muhammadiyah’s movement is education and higher education. Aside from the aforementioned school Muhammadiyah have, they have over 170 higher education providers under their command, with UMS being among the biggest. In their education vision, Muhammadiyah incorporates both Islamic teaching values and contemporary ideas to ensure progressiveness in their teaching.

##### 5.3. UMS identity

Following Muhammadiyah’s identity, UMS is a religious institution affiliated with Islam. Islamic teaching becomes the core value of the institution. Each undergraduate student has 12 credits of compulsory Islamic-related courses.

The entire UMS’s value, mission, and beliefs are based on Muhammadiyah’s. For instance, while UMS holds Islamic teaching as the main principle, UMS is open to development and progressiveness brought by technology and global competition.

UMS’ organizational philosophy is to be aspiring in both knowledge and Islamic religiosity. Their current vision statement is to be the center of knowledge development that provides wind of change.

##### 5.4. UMS’ strong organizational culture

Their strong organizational culture becomes the central premise as to why the study’s surmise did not hold proven. Although UMS was founded in 1981, the organizational culture is well developed arguably since the establishment of Muhammadiyah in 1912. From an organizational culture point of view, Muhammadiyah is quite unique. Employees are often only associated with their organizational culture when they are at the office. However, Muhammadiyah’s staff members still embody organizational values in society. Therefore, while Dean et al. (2016) explained how employees co-create organizational values in the workplace,

Muhammadiyah's organizational values co-creation extends beyond the workplace. This strengthens the culture influence on UMS faculty members.

Arguably first getting prominence after Ouchi (1980), organizational culture has been a fruitful discussion topic in HE management (Tierney, 1998). Geertz (1973) likened humans and culture with animals interaction with its webs. The webs become boundaries and mechanisms of how things should work. Therefore, the interpretation process of the culture has to include the perception of the animals towards the webs. Therefore, organizational culture is a study of the webs and their significance in an organizational setting.

However, unfortunately, organizational culture is often only analyzed when problems arise (Tierney, 1998) while their significance on the organization's daily activities is undervalued. To enhance organizational performance, culture should be more than a mere symbol and values. The beliefs and the values in the culture should be aligned with policies and practices in management (Dennison, 1990). As the simple version of organizational culture is how things are done, its role is central in the entire organization activities ranging from procurement process to customer service.

As organizational culture also provides meaning and purpose (Masland, 1985), it is important to view the historical context surrounding the establishment of Muhammadiyah. Muhammadiyah's establishment cannot be separated by the fact that Indonesia was occupied by the Netherlands for more than 2,5 centuries before declaring its independence in 1945. Education and economic opportunities were scarce for the grassroots. Islamic, and the grassroots movement in general, were oppressed by the colonial government (Jainuri, 1981). Therefore, Muhammadiyah tried to empower society by spearheading developments in religion, education, economic and public health. The origin of Muhammadiyah is central in UMS culture and value development.

The process of sustaining the organizational culture starts at the hiring process. UMS requires a background check on the recruits to ensure that they are active Muhammadiyah members and are actively engaged in their community. This, more importantly, ensures that recruits already have Muhammadiyah values so they will not find it difficult to adjust and strive in the workplace. In HR management, this is often referred to as person-organization fit (P-O fit) (Gardner, Reithel, Coglisier, Walumbwa, & Foley, 2012) which is often deemed necessary to be able to compete in the 21<sup>st</sup>-century business competition (Dineen & Soltis, 2010). Such an institution helps to sustain or reinforcing the existing culture (Tsui, Zhang, Wang, Xin, & Wu, 2006). Moreover, this also avoids "intuitive grasp" that is when someone does not completely understand the culture and how things are done in the organization (Tierney, 1998, p. 4) so the new recruit makes guesses in reacting to certain situations instead of showing behaviors consistent with the culture.

Finally, as culture provides members a basis for purpose alignment and shared action, organizational culture helps

members getting clear ideas of what the organization is about (Watkins, 2013). On the other end of that process, a brand is "co-created" by employees through each of their interactions with each other as well as through their contacts with the organization (Dean et al., 2016, p. 1). Therefore, employees play a critical part in the brand building since brand identity is based on the decisions and actions of employees, especially in service industries (Burmam & Zeplin, 2005). In fact, in employer branding inquiry, which is an application of branding in HR management (Backhaus & Tikoo, 2004), the first step of developing employer branding is reviewing the organizational culture to develop value proposition embodied in the brand. This suggests that branding, either internal or external, emanates from organizational culture. Tony Hsieh, Zappos' CEO, stated that the company's culture and brand are "two sides of the same coin" (Heitman, n.d.).

### ***5.5. Organizational culture, leader behavior, and internal branding socialization***

Often being "taken for granted" in shaping and building organizational culture (Tsui et al., 2006, p. 114), leadership holds a central role in organizations (Grojean, Resick, Dickson, & Smith, 2004; Schein, 2017). They provide direction and facilitate the processes in achieving organizational goals (Zaccaro & Klimoski, 2001). While organizational culture is an abstract concept, one that employees cannot easily grasp, the physical presence of leaders who hold and permeate the beliefs and values coherent with the organization's vision and beliefs will enhance the impact of the organizational culture on the employees.

The close monitor from the Muhammadiyah board does not happen only in the employee recruitment, as aforementioned, but also occurs in the presidential election. The president (commonly referred to as rector in Indonesian HE context) is elected by the Muhammadiyah board. This is to ensure the alignment of the candidates' values to Muhammadiyah's. Giberson et al. (2009) argued that firms need to ensure the fit between the CEO characteristics with the intended organizational culture. Moreover, Schneider (1987, p. 437) believed that organizations are "functions of people" in them, especially upper leaders who exert a primary influence in organizational culture creation and reinforcement (Bennis & Nanus, 1985; Schein, 2017; Schneider, 1987). Indeed, Tsui et al. (2006) found that the CEO's behaviors induce the formation of organizational mechanisms and characteristics that enhance the org culture.

The simplest way of how leaders can convey their ideas is through charisma which is the natural ability to capture attention and communicate values (Bennis & Nanus, 1985; Conger, 1989; Leavitt, 1986). Moreover, Tsui et al., (2006) asserted that organizational culture is a result of charismatic and visionary CEOs' leadership. For the past one and a half-decade, the university only had 2 presidents, Professors Sofyan Anif and Bambang Setiaji, both are well-liked by faculties.

More important than charisma, however, organizational leaders influence organizational culture through how they allocate resources, measure and reward success as well as structure the organizational designs (Schein, 2017). While the current president, Professor Sofyan Anif, has been in the office for some years, it is difficult to judge the impact his reign has made on the organizational culture. The previous president, Professor Bambang Setiaji, ruled for 12,5 years. His policy permeated what Muhammadiyah is about and its culture.

Aside from rolling up an idea to establish an amazon-like platform for grassroots SMEs, Setiaji also formed a pension bureau managing the employees' retirement plan. These policies represent Muhammadiyah's spirit in realizing prosperity for society. Indeed, Muhammadiyah believes that the act of worship consists of two types of acts. Aside from God-related worships such as offering prayers and observing fasts, there is also an act of worship in the form of contributing to the welfare of the society (Sutarmo, 2005). He was also known to personally buy his students for a dinner in the last meeting of his classes.

International collaborations and partnerships were prioritized during his administration. This depicts the university's international aspiration. Consequently, as one of the mechanisms of how leaders embed values can be seen from how they allocate resources (Schein, 2017), this signaled the other internal stakeholders to which direction the university was moving. Indeed, both Schein (2017) and Schneider (1987) believed that the formation process of organizational culture content begins with the leaders' decisions. Despite coming from a different background, the new president is expected to bring similar values and, eventually, policies.

To sum up, since the presidential election process is run by the Muhammadiyah board, the elected leaders and the officials permeate the same set of cultures and values. Leaders' personal value, among others, helps to shape how the firm ultimately looks (Berson, Oreg, & Dvir, 2008; Hambrick & Mason, 1984; Lewin & Stephens, 1994). The fact that the elected president is deemed to have the same values with Muhammadiyah helps UMS sustaining the already-in-placed organizational culture and beliefs. In turn, through their organizational and daily actions, they have strengthened the culture (Schein, 2017). Therefore, the leaders' influence and brand coherent behaviors are mediated by organizational culture.

### **5.6. The recently built main office**

The university's main office recently moved to a newly-built and state-of-the-art building. The seven-story building has a deep meaning behind the beautiful architectural design (Adonara, 2016). The two wings of the building represent faith in God and Prophet Muhammad PBUH as the Messenger. If seen from above, the building resembles the sun which represents a tireless and relentless effort in advancing society. The building's shape is a cylinder and it gets wider as it gets to the top, it represents continuous self-

improvement. These serve as a fresh reminder of the vision, values and beliefs of the university and its governing body.

Corporate headquarters' layout is an example of material symbols (Robbins & Judge, 2017). The design can convey the kinds of behaviors and values expected from the employees. In organizational behavior literature, such physical element is often categorized as an artifact. Kinicki argued that organizational culture performs on three-level, with the most visible one being "observable artifacts" (Kinicki & Fugate, 2016, p. 481). The first level is also the one with the greatest visibility (Kinicki & Fugate, 2016). Therefore, the building enhances the likelihood that the faculties having the appropriate perception of the university.

As aforementioned, the building represents the institution's values and purpose. Therefore, the building can be seen as the habitable version of the university's logo or symbol. In Schein's (1985) model, and later in his (2017) model, artifact, including company headquarter, is seen only as a physical form of assumption interpretation. However, in Hatch's (1993) cultural dynamic model, a symbol is introduced aside with artifacts. The model's main's inquiry is centered around how culture can be constituted by values, assumptions, symbols, and artifacts as well as the process linking them. In other words, Hatch's (1993) model magnifies the role of visible aspects in both forming and interpreting organizational values. Therefore, it is conceivable if the newly built company headquarter building serves as a concrete reminder on the university's branding proposition.

### **5.7. Close contact between employees and students**

Broadly, a brand is both a name and perceptions based on the functional as well as emotional benefit (De Chernatony, Cottam, & Segal-Horn, 2006) which helps to differentiate products (Miles & Mangold, 2004) and has "power to influence buyers" (Kapferer, 2008, p. 11). However, there has been an emerging line of understanding that argues that brand formulation is a social process involving multiple stakeholders (Iglesias, Ind, & Alfaro, 2013) instead of mere differentiation (Miles & Mangold, 2004) or conscious efforts from the firm hierarchies. Indeed, brand co-creation begins with interactions between internal and external stakeholders (Prahalad & Ramaswamy, 2004). The organic view of the brand (OVB) argued that brand value is "conversationally co-created by multiple stakeholders" (Iglesias et al., 2013, p. 671). The implication of the emerging view is that managers need to invest in establishing strong relationships with all of their stakeholders (Merz, He, & Vargo, 2009). Indeed, Dall'Olmo Riley and De Chernatony (2000) discussed that branding and relationship marketing are two steps of one same process.

However, despite the growing interest in brand co-creation between companies and their stakeholders in the commercial sectors, the role played by HE students in their school's branding co-creation has invited arguments (Nguyen, Shirahada, & Kosaka, 2012). Therefore, the study on students' role in a university's brand co-creation has been

limited. One among few, Nguyen et al., (2012), postulated a model on the brand co-creation process between students and their professors. They argued that students and professors are both the providers and receivers of the co-creation process, especially considering that students encounter the university staff in a long period of time (Dean et al., 2016). The value gained from their daily interactions changes their mindset and later they transmit their understanding of the brand towards other stakeholders.

Considering Nguyen and colleague's model (Nguyen et al., 2012), it is conceivable that suggesting since UMS is an organization in which close contacts with the customers are inherent, the brand value is constantly created and evaluated collectively between the internal stakeholders and external stakeholders. The faculties evaluate the perceived branding in every contact with the students. However, such is the case since UMS has mostly the same type of students, students whose values are consistent or compatible with Muhammadiyah's. It will be interesting when UMS decides to scale up their internationalization effort and admit more students who come from different cultures, hence bringing values that may be conflicting with Muhammadiyah's.

## 6. Conclusion

The practical point of view of this study is relevant in UMS' branding effort. Considering that UMS has never done an integrated and structured internal brand effort, it was expected that the faculties would not understand the intended meaning of UMS as a brand. If UMS is to start planning an internal branding effort, this study will provide a broad description of the faculty members' understanding of UMS branding.

The academic relevance of the study comes when the research premise did not hold true. For whatever reasons, the respondents largely understand UMS's intended proposition as a brand despite the absence of a structured internal branding program. As this study is not an exploratory inquiry, this work does not examine factors to explain the phenomena. Rather, this study puts forward two possible explanations of the phenomena. Firstly, since UMS was established by a governing body that has been present in the Indonesian community for almost a century, UMS has inherited a strong organizational culture from the governing body. Organizational culture provides an explanation of what the organization is all about (Watkins, 2013). Indeed, since branding and organizational culture is two sides of the same coin (Hiltman nd), the internal branding proposition is represented by the culture.

The influence of the strong organizational culture is reinforced by UMS leaders who bring and transmit the Muhammadiyah values in the policy that they make and their daily actions. The intended brand proposition is further refreshed by the new seven-story head office. The building, behind its majesty, presents the values, vision, and mission of the institution. Consequently, both the organizational leaders as well as the physical building reinforce the strong organizational culture

Secondly, drawing on the brand co-creation view in HE sector (Dean et al., 2016; Iglesias et al., 2013), university branding is collectively created by its stakeholders. The university branding is reevaluated and strengthened by stakeholders, whether they are internal or external stakeholders. Therefore, the fact that UMS' employees and customers (the students) have interacted with each other for a long time and in a high frequency, it helped reinforce UMS' branding continuously. Such is the case since both the staff and the students mostly believe in values that are compatible with UMS' values and vision.

## 7. Recommendations

The purpose of this work is not to suggest that UMS should be a model of managing organizational culture that has constructive impacts on internal branding. Arguably, there is no right or wrong of organizational culture formation as each organization is unique and different. This paper seeks to explain how UMS employees understand the UMS intended branding despite having minimal effort in internal branding.

This study proposes a number of explanations that need further studies and inquiries. Researchers should examine how internal branding can thrive when the organizational culture is strong and deeply rooted in the company and society. This is the case in UMS, where the employees bring their personal values not only to work but also when they are engaged in society. Researchers in the HE sector should also conduct more inquiries on students-faculties brand co-creation. More studies on the topic will clarify whether the branding co-creation process is similar to those of other commercial sectors which have been well-studied.

The finding of this study showed that faculties have a clear understanding of what UMS represents, however, it does not mean that internal branding effort is not needed in HE sectors. The study is beneficial for universities in which profiles are similar to UMS.

This may become the starting point for other similar universities as it may suggest the current understanding level of the faculties on their institution. More importantly, this research provides insights for other Muhammadiyah universities. There are over 170 Muhammadiyah universities in Indonesia, all of which have Muhammadiyah's vision and mission as the core value of their existence. These other institutions are also likely to have faculties who have a clear understanding of what their institution is all about and what it represents. This can represent a strong point, one which can produce a competitive advantage. It is worth to note, however, from a branding standpoint, the similarity can become a source of weakness as well as it means that brand differentiation among Muhammadiyah universities is somewhat unclear.

Finally, for UMS, this finding suggests that UMS has a strong start in the internal branding process. If a long-term internal branding effort is to be implemented, it may become a sustainable competitive advantage for UMS. As aforementioned having a competitive advantage resource

that is difficult for competitors to imitate will be invaluable to give a firm competitive edge (Barney, 1991).

## 8. Research Limitation

The integral part of this research, the online questionnaire, was adopted from Branddeck™. Branddeck™ provides a set of adjectives that they use to evaluate the brand. As the questionnaire intentionally did not provide an explanation of each adjective to avoid bias, the respondent is prone to the online questionnaire is prone to misinterpretation. The adjectives are also in English which is not the respondents' first language.

The research also only examined UMS' internal branding as perceived by the teaching staff and administrative staff. UMS has a lot of staff outside of these areas including janitors, security staff and maintenance staff. Although they rarely have direct contact with the students, their point of view may be beneficial for further study as subcultures exist in a culture.

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