

LEADING EMPLOYEES THROUGH CHANGE – THE ROLE OF INTERNAL MARKETING

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Abstract

Organizations continuously experience new challenges, probably now more than in the last years. The crisis effects are visible within most of the business areas and are very difficult to be managed and controlled. Nevertheless, companies try to define best strategies to support through transformation; the implemented changes first impact the employees. This paper aims to emphasize the most important aspects to be considered by managers when dealing with organizational change and underlines those internal marketing aspects that help employees to regard the change positively and minimize the possible negative impact the change might have over the individual and organizational performance.

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1. Introduction

During and post crisis, most of the organizations need to perform changes within their cultural and structural system, in order to keep the

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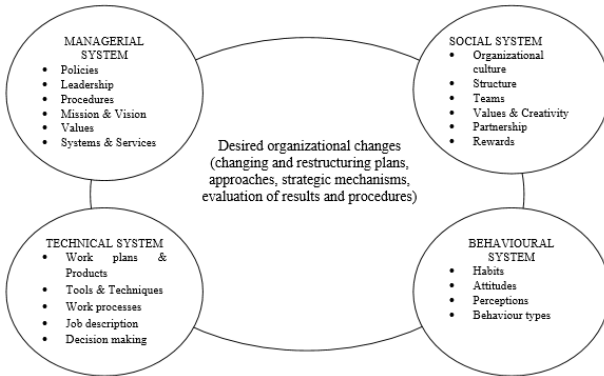
favorable position on the market and to confront the barriers that appear in developing the business and satisfying the customers.

The organizational environment is exposed to multiple changes. The changes impact all the internal and external customers, but always the management aims to make sure that the impact will not affect them in a negative direction and that the implementation of the changes will be performed as smoothly as possible. With all these in mind, one can agree that changes are difficult to be managed and the first ones that feel the impact and the consequences are the internal customers, the employees and immediately after, the customers. Their behavior, perceptions and attitudes are different from one individual to another and that it is why the human resources management and internal marketing roles are crucial in assuring that the employees' response towards changes will be a positive one. There must exist a high level of engagement from the employees' side in order to accept easier the change. A paradigm shift in employee engagement is required that moves from the independent/dependent relationship that exists between employer and employee, to a relationship that is interconnected and where accountability exists on both sides (Millar, 2012).

2. Employees' response to organizational changes

The organizational changes, as recently underlined by Dumitrescu et al (2011, p. 143), are influenced by four systems: managerial, technical, social and behavioral, as described within the below figure, exposed by Edosomwan in 1995. All these system are not independent and for the transformation to be easy implemented, they need to co-exist and each one must communicate efficiently with the other ones, as well as the fact that when considering a system, one must make sure that the three remaining ones are created accordingly and share the same individual and organizational objectives.

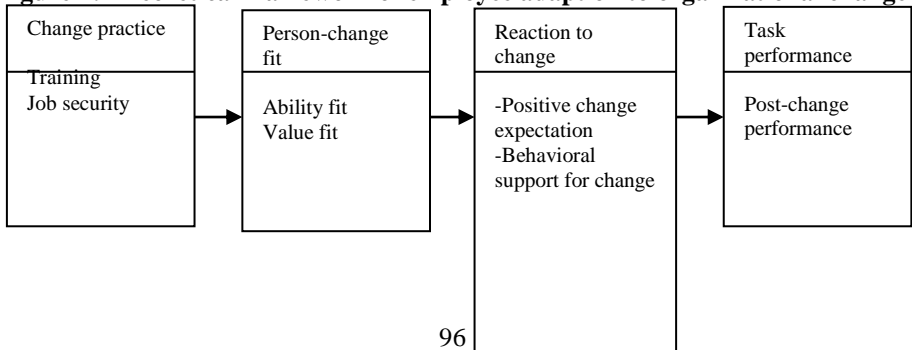
Figure 1: Edosomwan Model of organizational and process transformations



Source: Edosomwan, J. (1995) *Edosomwan Organizational an Process Reengineering.*, Los Angeles: Saint Lucie Press, in Dumitrescu, L., Radulescu, V., Pentescu, A. (2012) Knowing employees' perceptions – determinant in creating a successful organizational structure, *Revista Economica*, Supliment no. 3, pp. 142-150, p. 143

Moreover, the following figure delineates the overall mechanism by which people–change fit conveys the positive effects of job security and training on post change performance. Sometimes, an organizational change might mean defining some jobs from scratch, which causes more difficulties for the employees to embrace the change and behave accordingly, adopting a positive attitude towards the new responsibilities. The jobs must be defined in strong relation to the employees' needs, skills and knowledge and communicated efficiently. Most of the times, the organizational change can only mean adjusting existing jobs, but the above mentioned aspects still are to be taken into account.

Figure 2: Theoretical framework of employee adaption to organizational change



Source: Goo, H.C., Jing, D., Jin, N.C. (2013) How do employees adapt to organizational change driven by cross-border M&As? A case in China, *Journal of World Business*, p. 2

Organizational change, both for the internal and external environment, might signify launching new offerings or technologies and all these require participation and motivation. Assuming that the change strategies have not been implemented efficiently, there can appear a gap between what management aims to obtain (and believes is will happen) and what actually happens among the employees and customers. This is one important reason to keep in mind when defining the internal marketing procedures, as they are the basis for a successful external marketing. As Gummesson (2007) mentioned, internal marketing must be applied with a network view, as organizations are networks of relationships within which employees interact; one must invest in interactive internal relationships.

According to the traditional understanding (Klarner et al, 2011, p. 333), employees have to adapt to organizational change and learn new strategies to achieve redefined goals while being resilient to setbacks during change. Employees' adaptive behavior is driven by their emotions. Studies on employees' emotions during change often characterize emotions, which can be either positive or negative. In the context of organizational change, positive emotions include being confident about change and enhance trust, leading to commitment and emotional engagement, whilst negative emotions include feeling stressed or insecure about change, leading to mistrust and resistance. It is important for managers and supervisors to understand that these reactions are simply a normal part of the process employees go through during periods of change (Stark, 2010), reactions that can raise some questions / lead to some states of mind, as per below.

- What will this do to my job security?
- Who's in charge here?
- Not me!
- Anger / gossip / panic
- I quit!
- Maybe I could adjust to this change
- This is a challenge!

- Enthusiasm / positive vision

Bottom line, they start questioning themselves how the change will affect the job security, they need to know who is taking the decisions, they are reticent to the idea that they can be subject of change and consider that probably they are not the most suitable candidates, they panic and get angry, or simply they look at the change in a positive way, as to an opportunity for self development and growth, even starting to make career plans towards change.

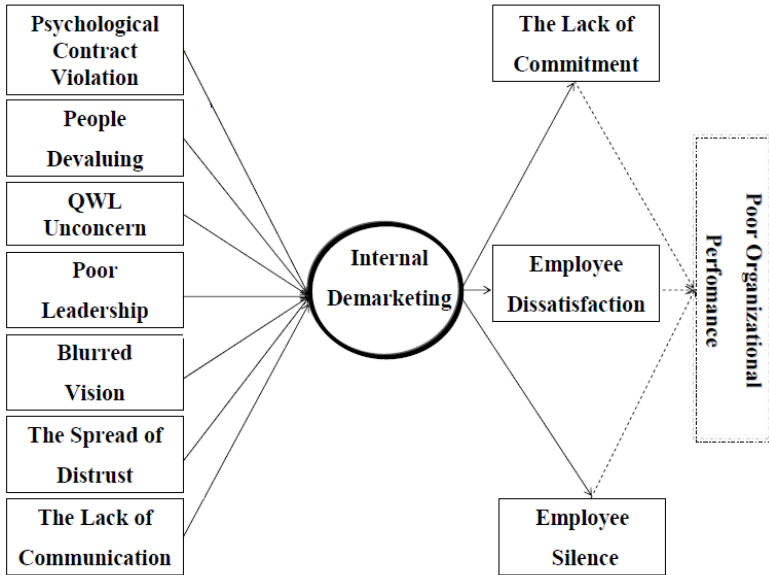
Employee resistance is commonly recognized as one of the biggest obstacles and threats to organizations attempting to change to keep up or ahead of evolving internal and external conditions (Avey et al, 2008, p.64). Thus, a special attention must be given to the communications, which must be done with transparency and clarity, so that to minimize the possible negative impact that the changes might have on the employees and to inspire reliability. Attention to internal demarketing

Nevertheless, one must pay attention to the internal demarketing phenomena (Vasconcelos, 2011), as it even might determine the employee to value his knowledge and expertise with some other company. The author defines (p. 37) internal demarketing as *as the set of managerial actions, decisions, and behaviors – either consciously or unconsciously implemented – that are capable of triggering perceptions of frustration, disappointment, and dissatisfaction at work settings and that can potentially lead to the decrease of employee productivity and organizational performance.*

This might appear within all the organizations, but during the organizational change is more difficult to be controlled. That is, basically, due to the fact that management structure lacks the necessary skills and knowledge and the fact that internal marketing was probably not considered a priority process within the organization, thus no specific procedures exist and, as a consequence, the employees' reactions are hard to be managed and controlled, in order not to affect the company and also the daily work they perform.

The below figure illustrates some key aspects that are impacted by the demarketing process and also the consequences that this results in.

Figure 3: Internal Demarketing Model



Source: Vasconcelos, A.F. (2011) Internal demarketing: construct, research propositions and managerial implications, *Management&Marketing-Challenges for the knowledge society*, p. 41

As per the above, it can be observed that, during the change, employees might get another image about the organization compared to the one that they used to have, their quality of work life (QWL) could also be affected, as well as the trust and values they shared, due to lack of communication and poor leadership. All these end in employee dissatisfaction and in poor organizational performance.

To prevent this from happening and considering the fact that the employees are the company’s first market (Gronroos, 1993), the organization must create effective internal marketing procedures, to build strong relationships based on trust, to treat jobs as internal products and to communicate them efficiently to the employees, the internal customers, so that to meet their needs and requirements.

3. Internal marketing, relationship marketing and internal communication

Internal marketing can practically be viewed as the process of initiating, maintaining, and developing the relationships between employees, their management, and the organization, for the purposes of creating superior value for customers (Bell et al, 2004, p. 113). The implementation of the change must be done on the basis of a solid definition of ways of communication and under the umbrella of consolidated relationships between the organization's members. All these actions are based on some very well established strategies: basic and secondary. The values are fixed and the basic strategy is clear, stable and strong. The secondary strategies are in continuous movement and keep up with the innovation processes (Cetina et al, 2007, p. 57) and help management to choose those steps that are most appropriate to the organizational requirements, especially given that the changes need deep analysis and efficiency.

It is very important for the managers to be credible, for the employees to trust them, so that the communications they provide towards change to be correctly interpreted and understood. The employees must understand the benefits and the advantages of the organizational change, and most of all, why these changes are imperative and how are they going to affect their daily jobs and responsibilities. Considering that these aspects are taken into account when employees are informed towards change, their reactions should be less reticent; in addition, a strong trusted communication will ensure that the employees are constantly informed, are part of the organizational strategy and most important, are informed on time with respect to it and share the organizational values and culture.

To underline, during organizational change, the type of relationship with the management, the atmosphere and the organizational environment created among the employees are crucial for moving through change successfully. Internal marketing is a top management responsibility, but it is also the responsibility of every manager and supervisor. Of course, the personal needs of the employees and their perceived job satisfaction and supervisors' encouragement of employees, as well as their life path and their image of the employer, also have an impact on the employees' performance as part-time marketers (Gronroos, 2007).

Moreover, employees may encounter some barriers which prevent them from performing their job well, such as:

- Role ambiguity
- Role conflicts
- Support of systems and technology
- Lack of empowerment and participation to decision making
- A trust based relationship with superiors

A personal relationship that has been built over time gives security and support also in the age of the Internet. In contrast, using IT without this personal equity as a foundation can cause problems. Increased use of email inside the company can alienate the staff, as this kind of alienation in the work-place derives not from lack of communication but from a surplus of the wrong kind. ‘Management by email’ can supersede ‘management by walking around’. The fact that the Internet has the potential of interactivity is not enough. There are delayed reactions, and written text – which is deprived of body language – is perceived differently from face-to-face communication and immediate feedback (Gummesson, 2002, p.202).

To mention, the social networking platforms now allow managers and employees to develop and build a more personal relationship because of the intense communication that these allow, based on the “friendship” connection that they provide, which significantly contributes to manager-employee and employee-employee relationship within the company, at the work place. This aspect also enhances the openness of the communication types between all the organizational members who subscribe to such a social network platform, aspect that, bottom line, makes communication easier.

Another aspect that leads to a positive attitude towards change is the level of perceived control. According to Zeithaml et al (1990, p. 104), employees’ reactions to stressful situations depend on whether they feel they can control those situations. Perceived control involves the ability to make responses that influence threatening situations and the ability to choose outcomes or goals. When employees perceive themselves to be in control of situations, they experience less stress, which leads to higher performance. Perceived control can be low when organizational rules, procedures and culture limit the contact employees’ flexibility in serving customers.

Next to this, Berry et al (2002, p.12) underlines the importance of service convenience, represented by consumer’s time and effort perceptions related to buying or using a service. This can be as well analyzed from an employee’s perspective. This is an important aspect, as all internal marketing

performances that require employee time and effort fall within its domain and also because time and effort are resources people must give up to become “consumers”. Thus, the benefits obtained must satisfy the employees, especially when moving through change, as in this situation this aspect is more difficult to be emphasized. The importance of an effective communication is again obvious.

4. Conclusions

Going through change was never easy, especially when discussing about organizational changes, as they involve people and procedures that must align in order to deliver value for all the internal stakeholders involved within the organization and external customers. Because of this, some very well defined internal marketing procedures must be implemented before, during and after the change implementation. Probably the most important role is represented by the communication, as this is the element that can ensure the management that the employee is committed to the organizational values and culture, actions accordingly, understands the role of the changes and the benefits they bring, the value added for the organization and for the customer. One must also pay attention to the internal demarketing phenomena that might appear, in case the management does not have a solid structure to follow when going through change and might lose control, which ends in employee dissatisfaction and poor organizational performance.

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