

INTERNAL MARKETING AND HUMAN RESOURCES MANAGEMENT – A SIMPLE RELATIONSHIP OR AN IN-DEPTH SYNERGIC EFFECT?

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Abstract: *Internal Marketing and Human Resources Management seem to be two different concepts, but at the same time they are working towards the same overall goal: “satisfied employees that promote the company’s products or services as well as its values, mission and principles”. The current paper is a brief literature review which aims to bring a better understanding of the symbiotic relationship between the two concepts, and which should become the spring board of further research in the matter, at least for the Romanian business world. We are underlining concepts, common elements and some human resources management strategies and directions that is implemented, in this everchanging, technology based and highly competitive business environment, should bring about satisfied and loyal employees which that are the main assets in the promotional activity of ones company.*

Keywords: *internal marketing, strategies, human resources management, employee relationship*

JEL classification: *M1, M39, O15*

1. Introduction

In a business environment where technology has become an integral part of almost all activities of a company, be it marketing, sales, public relations, human resources etc., one must consider also the internal marketing strategies that a company must employ to generate satisfied employees and also to develop and affect change. Even if sometimes is overlooked by the managers, internal marketing is and should always be at the forefront of their minds when designing the company strategy for the future.

While the idea behind the concept of internal marketing has come to life in the late '70s and early '80s and was offered by Grönroos (1985) which stated that “*holding that an organization’s internal market of employees can be influenced most effectively and hence motivated to consumer-consciousness, market orientation and sales-mindedness by a marketing-like internal approach and by applying marketing-like activities internally*”, when defining the internal marketing concept, we know that it represents a clear process of promoting and selling an organization's goals, mission, values, and products or services to its own employees. It involves treating employees as internal customers who are critical to the success of the organization and ensuring that they are satisfied with their job and committed to the organization's goals and objectives (Ahmed and Rafiq, 2002, pp. 9- 10).

Kotler (Kotler and Armstrong, 2018, p. 260) defines internal marketing as “*orienting and motivating customer contact employees and supporting service employees to work as a team to provide customer satisfaction*”, therefor marketing specialists must get everyone in the organization to be customer centred no matter what they are doing within the business.

Considering the definitions there are several elements of internal marketing that can be pointed out (Ahmed and Rafiq, 2002, p. 9): (1) Employee motivation and satisfaction; (2) Customer orientation and customer satisfaction; (3) Inter-functional coordination and integration; (4) Marketing-like approach to the previous mentioned elements; and (5) Internal marketing perspectives, characteristics, and relations with other marketing

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types. Looking at the two above mentioned perspectives we can see the link that has been created with the idea of human resources and the need for employee satisfaction in relation with their jobs or with the company that they work for.

The main objective of internal marketing is to develop a feeling of motivation from the employees to contribute to the company's success, and of course they are equipped with the necessary skills and knowledge to do so. Internal marketing also involves creating a positive work culture, fostering good relationships between employees and managers, and providing employees with opportunities for career development and growth, which links it to human resources management.

Internal marketing and human resources management are essential aspects of any organization's overall marketing and business strategy, as satisfied and motivated employees can contribute significantly to the success of the business. By creating an accepted organizational culture that values its employees and treats them as valuable assets, organizations can improve employee retention, increase productivity, and enhance customer satisfaction. But from all this one important question remains, is the relations between internal marketing and human resources management a simple one, or a synergic effect has developed between the two?

2. Internal Marketing vs. Human Resources Management

Internal marketing is a strategic approach that focuses on promoting and reinforcing a company's brand and values to its employees. The goal of internal marketing is to create a positive, engaged workplace culture in which employees feel valued and motivated, and in which they can effectively represent the company to customers. Over time, when dealing with internal marketing, some activities have come to life within the company:

- a) *Develop a strong communication between different hierarchical levels* - regular, clear, and transparent communication from company leadership helps to keep employees informed about the company's goals, initiatives, and performance. This can include regular updates, town hall meetings, and other communication channels.
- b) *Improve and support employee training and development* - providing employees with opportunities to develop new skills and improve their job performance helps to keep them engaged and motivated and can also improve the quality of service they provide to customers.
- c) *Employee recognition and incentives* - programs that recognize, and reward employee achievements help to create a positive and motivating work environment, and can also help to build morale and foster a sense of loyalty to the company.
- d) *Construct a viable and accepted company culture* - building a positive company culture that supports employee engagement and motivation is a key part of internal marketing. This can involve promoting the company's values and mission, encouraging collaboration and teamwork, and creating a positive and inclusive workplace environment.

On the other hand, human resources management is focused on attracting, developing, and retaining a high-performing workforce, and internal marketing is a key tool that can be used to achieve these goals. By promoting a positive workplace culture, providing opportunities for employee training and development, and recognizing and rewarding employee achievements, internal marketing can help to create an environment in which employees are motivated and engaged, and in which they are more likely to provide high-quality service to customers.

More than that human resources management can also play a role in implementing internal marketing initiatives aimed at promoting the company's brand and values to employees. Considering some examples, the human resources specialists can help to develop training programs that teach employees about the company's brand and values and can also help to create employee recognition and incentives programs that help to build morale and foster a sense of loyalty to the company.

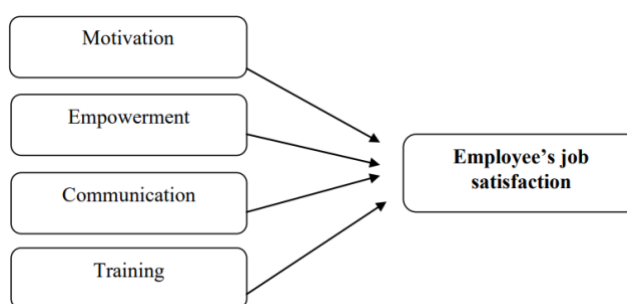
Overall, the connection between internal marketing and human management is strong, as both functions are focused on creating a positive and productive workplace culture, and on attracting,

developing, and retaining a high-performing workforce. The close connection between internal marketing and human resources management can be seen in several key areas:

- a) *Employee engagement* - both internal marketing and human resources management are focused on creating a workplace culture that promotes employee engagement and motivation. Internal marketing initiatives such as employee training and development, recognition and incentives programs, and regular communication from company leadership can help to create an environment in which employees feel valued and connected to the company.
- b) *Employee development* – human resources management is responsible for developing programs and initiatives that support employee development and growth, and internal marketing can help to reinforce these efforts by promoting the company's commitment to employee training and development.
- c) *Brand representation* - the goal of internal marketing is to ensure that employees understand and embody the company's brand and values and are able to effectively represent the company to customers. The human resources department and its employees are playing a vital a role in implementing internal marketing initiatives aimed at building brand awareness and knowledge among employees, such as training programs and internal communications.
- d) *Company culture* - building and promoting a positive company culture is a key focus of both internal marketing and human resources management. Internal marketing initiatives such as employee recognition and incentives programs, and company-wide events and activities, can help to reinforce the company's values and create a positive and inclusive workplace culture.
- e) *Employee recruitment and retention* – both initiatives, internal marketing and human resources management are focused on attracting and retaining high-performing employees. Internal marketing initiatives such as promoting the company's positive workplace culture and offering opportunities for employee training and development can help to make the company an attractive place to work, reducing turnover and recruitment costs.

Of course, the employee is at the heart of both internal marketing and human resources management and nothing in these two concepts is more important for the company and for the long term success of the company as *employee satisfaction*. In a paper treating the issue of employee satisfaction (Al-Hawary et.al., 2013) shows by the development of a model that there are four elements that strongly influence the satisfaction of one’s company, as seen in figure no. 1.

Figure 1: A model of Employee’s job satisfaction in the context of internal marketing



Source: (Al-Hawary et.al., 2013, p. 815)

The above-mentioned study has shown that *Motivation* has been positively impacted the job satisfaction of the employees. *Empowerment*, which represents the enabling of employees to make decisions and to be responsible for their own actions (Han, 2006) is also a factor that has positively affected job satisfaction. However, the there is an issue with empowerment of employees: Which of the following three steps are the ones that generated the most positive impact: (a) the first step is information, which managers should share liberally with employees to help create a sense of ownership within the

employees; (b) drawing clear and understandable boundaries that will should make employees feel both comfortable and equally challenged. (c) teamwork, were managers develop teams that eventually replace the old hierarchical structure within a company.

Communication, especially the internal one is the third variable that positively influences the employee job satisfaction. Considering the type of communication used it can be seen from a dual perspective: (a) the management team or direct managers are informing the employees with regard to the new plans, strategies and the company's strategic objectives using written email, letters or memo; (b) communication from the management side with the employees provide them with constructive feedbacks about their work and understand their desires and needs.

Last, but not least, the fourth variable of the model is *training* which should be considered by the management for the employees because the company personnel is the most valuable resource the company has. Training programs should be aimed at developing skills and competencies at the workplace (Forrest and Peterson, 2006) but also issues like wellbeing, work life balance, team buildings etc.

But there is also another aspect that internal marketing deals with and which is strongly associated with human resources management activity, *the development of employee's organizational loyalty*. The main definition recognized of organisational loyalty is "*identification with and allegiance to organizational leaders and the organization, transcending the parochial interests of individuals, work groups, and departments. Representative behaviours include defending the organization against threats; contributing to its good reputation; and cooperating with others to serve the interests of the whole*" (Chen and Lin, 2013; Coughlan, 2005; Graham, 1995).

Employee loyalty and retention are critical issues currently facing companies and the main concern of companies should be to use internal-marketing and human resources strategies to effectively enhance and develop the organizational commitment employees and reduce turnover to promote organization competitive advantage, in an everchanging business environment (Chang & Chang, 2009)

Activating in a competitive environment, were remote work, the possibility to change jobs rather easily it has become imperative to develop organizational loyalty from one's employees and there are some important strategies and actions to do just that (Ojaokomo, 2022, Kotler et. al, 2017, Kotler et. al, 2021):

- a) *Ask and use employee feedback* – create a positive feedback environment within the company and use the information that the employees give you;
- b) *Offer permanent recognition and appreciation* – as stated before, it is imperative that you offer your employees your appreciation for the quality of their work and for their dedication;
- c) *Develop a positive work environment* – try to eliminate all potential toxic work environment conditions, be it in the communication area, or toxic managers, or toxic employees.
- d) *Become a loyal manager* – employees trust the manager that fights for them and their needs, if a manager wants loyalty from the employees he must first demonstrate loyal behaviour towards the his / hers co-workers.
- e) *Find employees that have aligning interests with the company vision* – in the recruitment and selection process of new employees it is very important that you identify potential candidates that have aligning views and principles with the company vision. This will reduce the adaptation time and the new employee becomes easier accustomed with the company views.
- f) *Be human centric* – in a digital environment were technological advancement make everything seem more impersonal, it is important that the strategic approach of the company to be designed for displaying empathy and humanity.
- g) *Be flexible with the working hours* – if the Covid-19 pandemic has taught us something is that you can always work from home or in some conditions from any place in the world. So offer your employees if possible a flexible (on-site or remote) work schedule that will improve their work-life balance and their satisfaction.

Organizational and employee loyalty is based on trust, and trust takes some time to build. As a company, it is in the interest of its managers to gain employees' confidence by being loyal to them first.

And even if they will leave the company after some time, the loyalty you've shown will likely have them become the best promoters for your organization.

3. Discussion and conclusions

While the issue of internal marketing is not very present in today's scientific literature landscape, we feel that linking and pointing out one again the issue together with the human resources management will bring forth once again the issue and show its importance for the business environment. This article, which is a brief literature analysis, but also a forth bringing of the analysed issue, started with the question if between internal marketing and HR management is simple relationship or a in-depth synergic effect? The answer is simple, the "love affair" between internal marketing and human resources management probably started with a simple relationship and overtime it has turned into a full synergic link. Why? Because one can not live without the other, and a company can't develop internal marketing strategies and actions without considering the human resources managerial implications and the other way round.

We started this paper with some brief concepts and presented some internal marketing issues, but in the second section of the paper we underlined the similarity of the two concepts and what links them. As we have discovered, a manager might see two different concepts that work together in the same direction, but also he or she can see the same overall concept with common characteristics or ideas.

From the human resources perspective, we have: (a) employee engagement; (b) employee development; (c) company culture; (d) employee retention and recruitment. Considering the internal marketing point of view, we underline: (a) internal communication; (b) employee development and training; (c) recognition and incentives for the employees and (d) develop a recognisable company culture.

While not in the same order, and not worded the same, we can observe that the basis of the two concepts *internal marketing* and *human resources management* is the same and it should and must lead towards employee satisfaction, organizational loyalty and most of all it must bring forth the transformation of the employee in the main "sales and communications" agent of the company, in both matter of the services or products offered on the market and on the organisational direction, principles and vision for the company and the community. Acknowledging that this paper is no more than a short incursion in the topic, we feel that further research should be done in this area by the way of qualitative and quantitative researches for both managers and employees of Romanian companies, which could support the ideas behind this paper.

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