

Internal Marketing Orientation in Cultural Change Management for Organisation Development

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Abstract: Marketing, according to the traditional view, focuses on external customers, rather than paying attention to the organisation's employees as "internal" customers. Internal marketing is an important part of organisational development and change, moreover, if there is an absence of internal marketing in the given firm management may face with resistant staff toward change processes and adaptation. Marketing tools are essential and necessary in order to shape a given firm environment, also to establish the basis of the achievable new stage of change. Internal marketing in cultural change flows down from upper level management through the strategies, new values and objectives they set for the organisation. Therefore the elements of internal marketing have core competitive value in building effective business performance.

Keywords: internal marketing, change management, organisation development

1 Internal Market Orientation

Marketing, according to the traditional view, focuses on external customers, rather than paying attention to the organisation's employees as "internal" customers. However, internal marketing is a competitive asset of developing a sustainable advantage in the marketplace through using a "marketing-like approach directed at motivating employees for implementing and integrating organisational strategies towards customer orientation" [1, p. 10]. With other words, internal marketing is a

process that operates among the various departments within the given firm, also between staff and management. Therefore, there is a strong need for marketers to motivate and influence workers to change the internal process as expected according to an effective external market orientation. This combines all the activities of the company to convince employees to respond to the market, which includes the capability of adapting quickly change within the external market.

Internal marketing is an important part of organisational development and change, moreover, if there is an absence of internal marketing in the given firm management may face with resistant staff toward change processes and adaptation. Thus, applying internal marketing, an organisation can be able to develop an atmosphere and environment in which workers are appreciated and susceptible to improve business performance and generate long term competitive advantage through the creation of strong organisational cultures. This can be generally attained through developing face-to-face, flexible, also efficient interaction between management and different groups within the given company instead of operating in a rather bureaucratic organisation [2].

Intensive and high quality communication should be treated as competitive advantage in order to inform employees always in time about the current nature of the external environment change. This is a general internal marketing activity that requires companies to focus on customers and adopt market orientation. Strong communication pushes staff to recognize the need of change, when it is required, also to make them feel comfortable about adopting quickly. This can be enough in itself to warrant success with marketing activities. Workers have to “desire” to provide individual effort required to adapt. Although a strong organisational culture which encourages and rewards positive responses to change provides the environment to generate high levels of job effort, it is, of course, relying on the individual discretion of each employee as to nature of the effort they will put in, that is whether they are willing to exceed requirements or to meet expectations.

The result of interaction between employees is seen as a strategic factor to the end product that the customer receives, especially in the service sector. According to [9], internal marketing should be also seen as a training asset, which through a firm can enhance its knowledge about their services, capabilities, awareness of market opportunities and marketing skills. From another aspect, this can be a distinctive competency of the firm that creates value for the customers. Internal marketing, therefore, can affect a change in behaviours and attitudes to market responsiveness, also the market orientation of the given firm. As it was seen by [7], money is an important motivator in leading employees, however, not the only factor in guidance. Research has shown that employees are also looking for more interaction with management, therefore for more responsibility and control over those decisions that affect them and their environment. It means that open communication within effective internal market orientation are key factors to enabler staff retention. The relationship between internal marketing, internal market orientation, and relational competencies of individual workers should be

taken on consideration. Organisations' human resource approach, internal and also external market orientation must be deepened in order to improve both employee and company performance.

2 Cultural Change

That cultures do change is not in questions. No organisation's culture is static, as external and internal influencing factors change, culture changes as well. Cultural change should be recognized on two basic levels. On "macro level", cultural change is a form of organisational transformation that usually managed radically, relative quickly in order to rebuild fundamental assumptions. On "micro level" cultural change is about people within the organisations that means it is locked into the beliefs, values and norms of each individual in the organisation, and because these are difficult constructs to alter, this type of organic change is rather incremental, developed step-by-step and slow, unless there is some major shock to the organisation [3].

The *Cultural-Change-Onion Model* helps to recognize and understand the most important elements existing at different levels of awareness, namely basic assumptions, values, norms and artifacts. These factors were also recognized by [4], however in a different setting.

Basic assumptions: this is the deepest level of cultural awareness, where assumptions are usually unconscious regarding the solutions of organisations' problems. This means non-confrontable presumption regarding the environment, nature of human being, activity and relationships.

Values: this is the second level of awareness, which includes general values regarding those activities that ought to be in an organisation. Values explain to the members of a given organisation what is important, and what they have to pay attention to. These "rates" are set by the firm, generally by the management, however the individuals' behaviour can also form this level, moreover, this is the healthy attitude, when the different personalities have influence on the firm's culture.

Norms: this is the third level, just under the surface of cultural awareness showing how members of an organisation should behave in a given situation. These are unwritten, however known and understood roles within an organisation. These are rather intrinsic, internal values, closely related to ethical behaviour. Of course, it is difficult to measure what is ethical and not, it may vary among different countries and their cultures, parallel, it might differ among distinct business environments.

Artifacts: these are on the highest level. These include observable behaviours of members, as well as the structures, systems, procedures, rules, and physical aspects of the organisation, which are built on the former three levels. These hold

together all those factors which provide an individual with an objective picture about the given firm that we look into and measure.

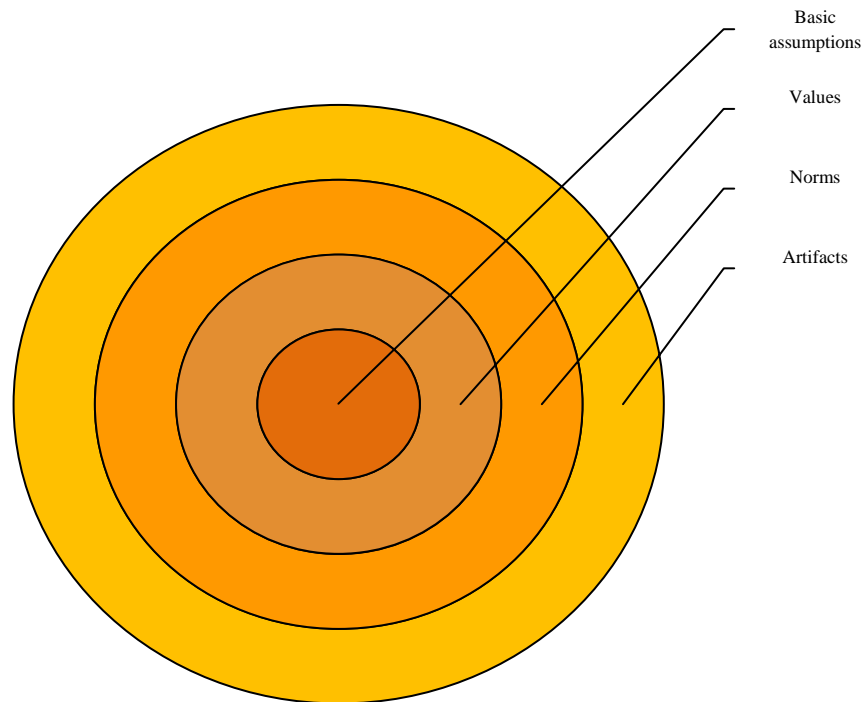


Figure 1
Cultural-Change-Onion Model

3 Internal Market Orientation and Cultural Change

An internal market orientation crosses marketing and human resource management functional boundaries. The role of management is to influence workers' behaviours in ways that will positively affect customer's perceptions of the levels of service they receive [6]. Therefore, managerial activities can be explained as the equivalent of an external market orientation of the firm. It means that a strategic overview of cultural change helps the given organisation's marketing orientation as well.

Throughout the six-step guideline based on [5] one may find a linkage between internal marketing orientation and cultural change program. According to this guideline, change should be valued as a strategic decision making process in order to meet customers' needs:

- 1 Developing a clear strategic vision – an effective change process should start with the formulation of a new, clear vision, strategy which includes the necessary shared values and expected behaviour in order to operate the new corporate strategy.
- 2 Top management involvement – cultural change should be initialized by the top managers of the organisation, therefore, senior managers and leaders should be highly committed to the new values and the need to create continual pressure for change.
- 3 Model culture change at the highest level within the organisation – top management should communicate the new culture and changes through their own actions. Their behaviours need to symbolize the values and norms being linked together with the new culture. It means they should be pioneer in order to push change through the organisation.
- 4 Modify the organisation to support corporate changes – cultural change should be followed by supporting modifications in organisational structure, human resource system, information and control system, communication, public relation, operation and management style. These types of features can lead to a new type of orientation in people's behaviours toward new culture.
- 5 Select the members of the new organisation, also terminate retentive persons – it is important to change organisational membership in order to deepen the new culture's basis, therefore people can be selected in terms their fit with the new culture, and provided with an induction clearly showing required attitudes and behaviour. Those, who cannot adapt the changing environment, should be – perhaps – retired or terminated. This can be especially applied on the senior management level, in key leadership positions, where individual behaviour may hinder new values.
- 6 Develop ethical and legal sensitivity – most cultural change programs promote values that highlight employee integration, control, equal opportunity and job security for instance. However, if it essential in the change process to keep those workers and recruit new staff who adopt smoothly the new attempts, it could contravene employment laws. Therefore, organisations should be especially clear about the rising ethical and legal issues, pitfalls.

The purpose of this paper was to consider the role of internal relationship marketing in sustaining long term customer relationships in business service organisations. Marketing tools are essential and necessary in order to shape a

given firm environment, also to establish the basis of the achievable new stage of change. Internal marketing in cultural change flows down from upper level management through the strategies, new values and objectives they set for the organisation. Therefore the elements of internal marketing have core competitive value in building effective business performance.

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