

Changing face of companies and role of Internal Marketing

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Abstract

Success is what every organization aims at and this can be achieved if the firm knows how to manage its resources namely men, material, machine, money and management. Out of these the “men” or the human resource is the only resource that can be developed and molded to the corporate needs. Thus the development of manpower stands to be of vital importance. Every successful firm understands the needs of the customers and it promises to satisfy them. But this can only be possible if there is utmost commitment from the members internal to the organization. This cooperation is only possible if the firm understands the life plan and the personal needs and other requirements of its employees. This paper emphasizes the importance of Internal Marketing, its need and objectives, how it helps in motivating employees using different motivational techniques.

Introduction

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Every successful firm understands the needs of the customers and it promises to satisfy them. But this can only be possible if there is utmost commitment from the members internal to the organization. This cooperation is only possible if the firm understands the life plan and the personal needs and other requirements of its employees.

So the effective implementation of programs requires coordinating the efforts of all employees. Their cooperation is essential to increase productivity and customer service to gain and maintain competitive advantage. Having known the importance a shift in the focus of the company from the external customers to the internal customers i.e.; its employees is “INTERNAL MARKETING”.

The idea of Internal Marketing was originally suggested by Sassar and Arfeit. The Internal Marketing concept has been developed largely within the context of services marketing where customer service depends heavily on the personnel who interact with customer. Recognizing the importance of service provider,

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it is necessary that successful service companies should first sell the jobs to their employees before they try to sell their services to customers.

Need for Internal Marketing

Today Internal Marketing can be just as potentially used for external marketing. The reasons being:

- Many enterprises are continually in some form of transformation-mergers, alliances etc. so there is a need for constant communication.
- There is less reciprocal loyalty between employer and employee. The "Internal" brand can be a way to bind the two parties together with shared goals and values.
- More companies are empowering staff to take an increased focus in customer relationship. This needs full involvement, immersion and training in brand values.
- New ways of working require organizations and staff to constantly learn new skills and sometimes these are acquired through alliances. Internal brand values can be an umbrella for this effort.

Objectives

The three main objectives of Internal Marketing are

- **Overall objective:** To achieve this firm should develop motivation, customer conscious and care oriented personnel
- **Strategic level objectives:** At this level the firm has to create an internal environment that supports customer consciousness among personnel through supportive

management methods, personnel policies and planning and controlling procedures.

- **Tactical level objective:** At this level the service provider has to sell services, supporting services, campaigns and marketing efforts to the employees.

Five Phases of Internal Marketing

ASSESSMENT PHASE: It covers management and employees' attitude and beliefs towards each other, the company, the customer and marketing mix components.

REVIEW OF COMMUNICATION: This includes mapping of communication channels. Instrumental in this mapping are links among customers, employees and management.

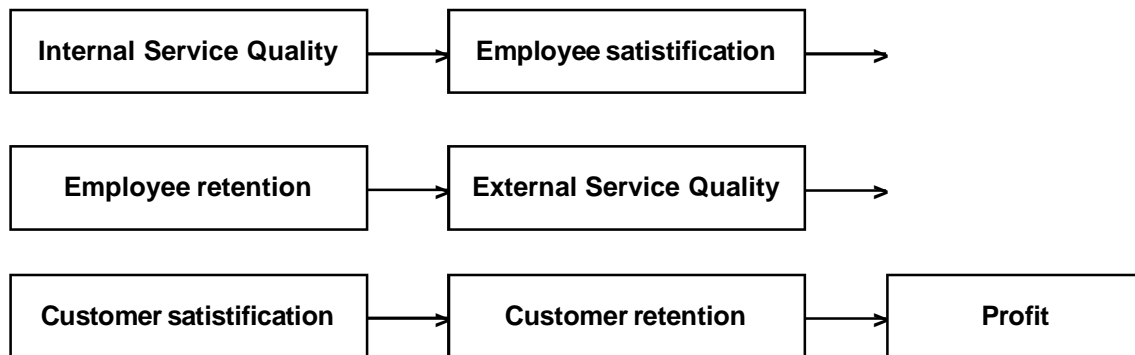
ASSESSMENT OF EMPLOYEE PERFORMANCE: It includes goal setting, measurement and rewards.

DISCOVERY: Discovery with management and employees of realistic internal marketing goals and objectives.

DEVELOPMENT OF STRATEGIES: To achieve Internal Marketing goals workable strategies should be developed. These include communications, behavioral and performance related outcomes at all organizational levels.

Service-Profit-Chain

The role of organizations employees in customer care has come increasingly to the forefront, and investment in people became integral to the service-profit-chain.



The profit and customer satisfaction depends on the employee satisfaction. This relates to the concept of Internal Marketing. Satisfying the needs of internal customers upgrades the capability to satisfy the needs of external customer.

Building Brand

The company should always be a preferred employer. A company should not only try to develop brand loyalty from external customers but it should loyalty from internal customers too. Some of the common ways to satisfy internal customers are brand contact strategy (where brand can be driven through organization), e.g., hiring, training, selling, technical support, etc.

Specific programs like Internal celebrations of momentous achievements, Internal “trade shows” with booths and exhibits, Videotapes mailed to employee homes, Printed collateral, in employee “kits”.

Once the internal marketing program is completed, marketing and communications teams should be assigned to specific sectors in

the company to implement the marketing efforts, with one overall goal.

Management Trap

When a company is incurring losses the firm first tries to cut down its expenses and the option is to fire some of its employees or their benefits. This leads to dissatisfaction among the employees and they are demotivated. This in turn leads to lower performance of the workers and increase the losses for the company.

Instead of firing the employees straight away the company should first try to cut down the other expenses and try to organize motivation campaigns communicate its objectives and clarify or redefine the goals of the individuals. This helps them to work better and aid to the profits of the company.

Internal Marketing –Helps in change management

“Change” probably the only word that’s common to every company in every industry. The change can be in work or in the working conditions. The company has to see that the

employees acclimatize to the new requirements of the company. As we have already seen that in a company there are three types of employees supporters, neutral and opposers, the company the company should handle each person in a different way so as to cope up with the change.

The supporters can be given the necessary training to suit to the new requirements of the job. The neutral men can be motivated by giving them extra benefits and compensation. The company should try to convince the opposers and if they do not then the company has to force the opposers to accept the change.

Training

Training is anything that helps to enhance the skills of the individuals of the organization. Training is essential for all the employees as their skills get obsolete after a period of time and they have to be rejuvenated with new skills to suit to this dynamic and ever changing world. Now a day almost every company is organizing training campaigns to see to that, they work effectively and efficiently.

Motivating Techniques - Keeps the employees committed

“Motivation” the internal driving force is very much necessary to get the full out of our employees and keep the loyal to the organization. The firm can motivate their employees through either financial or non financial methods.

A few financial methods

- Hike in the Compensation levels

- Bonus
- Holiday pays
- Paid trips etc.

Non financial methods

- Job enrichment
- Job enlargement
- Promotion
- Power to make decisions
- Counseling
- Training
- Recognition

Training and Motivating practices of TATA Consultancy Services

At TCS he training and education of their people as a continuous value-adding process. This approach hones, improves and enhances their skills and makes the organisation stronger.

TCS invests about 4 per cent of its annual revenues in training, a shining example of which can be seen at the state-of-the-art training centre in Thiruvananthapuram.

Training modules have been developed to serve the specific needs of individual employees, and are based on their needs at various stages of development in the organisation.

‘Induction training program’ (ITP), which is for all our recruits from engineering colleges. This is a specially designed, 77-day training course at the Thiruvananthapuram facility. The ITP is conducted with the objective of transforming engineers from diverse disciplines into software professionals.

Then there are the 'continuing education programs' (CEPs), which cover over 300 topics and can be delivered over a variety of channels: classrooms, computers, audio / video, contact sessions, seminars, conferences and workshops.

Motivating Techniques

- Loans
- counselling
- cultural
- medical
- overseas
- others

TCS provides a wide range of sundry benefits to its employees. These are some of them.

Loans for...

- housing
- personal computers
- household high-investment consumer goods
- automobiles
- advance for housing accommodation rental loans

Counseling

- Mentoring
- Career development
- Stress-reduction programmes

Cultural

- Holiday homes across the country
- Picnics / get-togethers
- In-house gymnasiums and recreation facilities

Medical

- Medical insurance for employees and family (including 50 per cent for dependant parents).

Overseas

- Air fares for spouse and two children
- Competitive overseas allowances
- Medical insurance coverage
- Special language training for non-English speaking country assignments (Japanese / German)
- Assistance in accommodation and schooling

Economic Value Added

- The 'economic value added' model that we follow at TCS ensures that the compensation packages of our employees are determined by the value they bring to the organisation.

Others

- Bank extension counters at offices.
- Assistance in school admissions (for transferred employees and those returning from overseas stints).
- Welfare trust facilitation for higher education.
- Retirement benefits (provident fund, gratuity, superannuation)
- Membership in Tata Sons Welfare Trust, Consultancy Employees Welfare Trust, etc.

Conclusion

The role of Internal Marketing is increasing day by day. The companies have to recognize the need of keeping their employees trained,

motivated and satisfied. The companies should try to get innovated and new techniques to develop their brand and always be a “preferred employer”.

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