The Influence of internal Marketing on Talents Management +through employer branding

LOUAFI Khaled, PhD student, Dr. AGTI Djouhara,

Biskra University

ملخص: تقوم المنظمات بإبراز وتطوير صورة علامتها التي توحي بقيمها وفلسفتها واعترافها بضرورة إدارة المواهب من خلال حذب الموهبة الصحيحة والمناسبة. تتبنى الدراسة الحالية كل من التسويق الداخلي والعلامة التجارية لصاحب العمل كعنصرين رئيسيين محددين للإدارة الفعالة للمواهب. حيث قام الباحثان باستقراء الأدبيات السابقة قصد بناء نموذج يوضح أثر كل من أنشطة التسويق الداخلي والمتمثلة في نظام التوظيف، التطوير، الاتصال الداخلي، التمكين، نظام التحفيز، والتوجه نحو الزبون، ثم العلامة التجارية لصاحب العمل الذي تم قياسها من خلال أهدافها. إذ تنقسم هذه الأخيرة إلى حانبين هما: قيمة المنظمة (صورة المنظمة) وقيمة الموظف (استغراق الموظف)، إضافة إلى التوازن بين توقعات الموظف وصاحب العمل. وتعد هذه الأهداف أهم محددات فعالية عملية حذب المواهب، اكتشافها، واستبقاءها داخل المنظمة.

الكلمات المفتاحية: علامة تجارية لصاحب العمل، تسويق داخلي، وإدارة المواهب.

Abstract :

Organizations are developing and projecting a brand image that echoes its values and philosophy and supports their talent management needs by attracting the right talent. The paper presents internal marketing and employer branding as key elements determining effective talents management. The researchers review the existing literature to construct the theoretical model shows the impact of internal marketing activities in term of recruitment system, development, internal communication, empowerment, motivation system, and customer orientation on talent management through employer branding goals. Which divided into two aspects: organizational value (organizational image) and employee's value (employee involvement), and the balance between employee and employer expectations. These goals are the best determination of effective talents attraction, discover, and retention.

Keywords: employer branding, internal marketing, talent management.

Introduction :

In increasingly competitive labour markets, attracting and retaining talent has been one of the prime concerns of organizations. Therefore, this concept has become an important part of modern management systems and one of development and organizational change strategies.

These changes push the managers to pay attention to talent satisfaction. The employer branding is a prerequisite for providing organizational requirements to attract and retain talent.

The process of branding the organization or employer branding draws its roots from marketing and branding literature and has gained its relevance in developing the image of the organization as an employer of choice. In Additional, there are close link between employer branding and the internal marketing concept.

Internal Marketing is a notion and a way of thinking to satisfy the needs of employees. It was initially introduced as an internally directed marketing. It indicates the company's argument to develop and offer value for its employees. Internal marketing becomes more necessary when it comes to talented employees.

This paper tries to systematize literature on the issue and to propose a specific approach that could become a possible support to decision making.

The researchers used the inductive approach, as they inducted extrapolated a set of previous literature and they try to construct a model that summarizes the relationship between talent management, employer branding and internal marketing.

I. Literature review :

1. Internal Marketing

1.1.The Elements of Internal Marketing:

The constructs of internal marketing are inter-functional coordination & integration, customer orientation, marketing-like approach, job satisfaction, empowerment, employee motivation, quality of service employee development, vision of firm, strategic rewards, internal communication and senior leadership. (Ha et al, 2007) defined those elements as following:

1. Inter-functional Coordination and Integration:

The concept is defined as the coordinated utilization of an organization's resources in creating superior value for target customers. When an organization is able to use its resources effectively to create value, it will ensure long term profitability, thus improving business performance; the role of internal marketing in integrating marketing and personnel functions must be to the extent in which personnel become a resource for the marketing function.

2. Customer Orientation:

Customer orientation is defined as the understanding of the need of one's target buyer in order to create value for them continuously; this affects business performance by decreasing the buyer's cost in relation with the buyer's benefits; this induces buyers to be loyal as they feel that their needs are being satisfied by the service rendered.

3. Marketing-like Approach:

Internal marketing holds that employees are "best motivated for service mindedness and customer oriented behavior by an active marketing-like approach, where marketing-like techniques are used internally"; marketing-like approach is defined as a business management philosophy based on the need for customer orientation, profit orientation and recognition of the role of marketing to communicate the needs of the market to all major corporate departments.

4. Job Satisfaction:

Job satisfaction is defined as show content of an individual with his or her job; the underlying view of internal marketing is based on the concept that in order for a service organization to satisfy customers, it must first satisfy employees (Ahmed et al, 2003).

5. Empowerment:

By allowing empowerment, employees can make faster decisions, which in turn increase productivity, enhance the service experience and improve performance; it is an essential aspect of internal marketing. Empowerment has been associated with such benefits as improving employee and customer satisfaction.

6. Employee Motivation:

Internal marketing sought to increase employee motivation by focusing on treating the job as an internal product and try to "sell" it to employees; this inward-looking philosophy is enhanced by steps which motivate employees to try out the product first. This logic stands behind the importance of addressing employee motivation as an important aspect of internal marketing (Ahmed et al, 2003).

7. Quality of Service:

Service quality is an important element in internal marketing because high quality will make it easier for employees to identify themselves with the service they are selling to the customers. In fact, quality of service might be more crucial to employees than external customers because unlike external customers, they do not have a choice to select their product.

8. Employee Development:

In order for internal marketing to be effectively employed within an organization, employees must be trained and properly developed to fulfill its service role; with a well developed workforce, an organization will exploit the full potential of its resource (the employees). Thus improving business performance.

9. Vision of the Organization:

Vision is short term and long term goals that employees can believe in; internal marketing programs that are imaginatively and sensitively created and implemented, with this in mind, will improve both the internal efficiency and external effectiveness of the organization's marketing efforts.

10. Strategic Reward:

The inclusion of strategic reward in implementing internal marketing is important as it will help in accomplishing other goals of internal marketing such as motivation and employee satisfaction.

11. Internal Communication:

Internal communication is an important element of internal marketing as it is the key factor in creating understanding among employees.

12. Senior Leadership:

Senior leadership is the moral and the intellectual ability of the upper-echelon management to drive the organization and its employees toward the right direction; thus leadership style is important in determining employees' attitudes and behaviors.

1.2. Phases of Internal Marketing

Phase 1: Employee Motivation & Satisfaction:

The assumption of internal marketing is "to have satisfied employees" (Farzad, 2007). So in this phase, companies will treat their employees as customers; treat the job as the offering of products (Tsai 2008). It was thought that by employing an IM approach, the effect would be more satisfied customer-contact employees, which in turn would lead to greater customer satisfaction (Sadiq & Akerlind, 2004), but according to (Farzad, 2007) & (Tsai, 2008), Rafig & Ahmed, point out some problems of this view: Firstly, products which are sold by companies may not be preferred by employees, even cause negative utility. Secondly, unlike external customers, employees cannot choose products freely. Thirdly, employees may be forced to accept products, no matter what they like. Fourthly, making employees satisfied may cost a fortune. Finally, questions come to whether internal employees' needs over weight external customer's needs or not.

Phase 2: Customer Orientation

Here the purpose is to establish the interaction between frontline employees and customers, a process known as interactive marketing; integrating the different functions of organization is vital in service companies (Farzad, 2007; & Tsai, 2008). Furthermore, the aim

of internal marketing is to achieve effective co-ordination between contact staff and backroom support staff (Sadiq & Akerlind, 2004).

Phase 3: Broadening the IM Concept-Strategy Implementation & Change Management

In this phase, internal marketing is presented as a tool to implement company strategies. Internal marketing is a methodology and personnel function to extend an employee to become a resource of marketing function. It also can eliminate the isolations among departments; reduce inner functional friction to change (Farzad, 2007; &Tsai, 2008)._(Sadiq & Akerlind, 2004) believed that if strategies are implemented more efficiently, internal conflicts must be overcome and internal communications improved.

Internal Marketing at Present

Today, the term internal marketing has been applied to a much broader range of management and social interest; by bringing together a multidisciplinary set of research contributions from the field of service marketing and management, internal marketing identifies key themes and issues, including a social model of marketing, a human resource management perspective, marketing & service management, organizational development, corporate identity, image and communication (Sadiq, & Akerlind 2004).

1.3.Problems Affecting Successful Implementation of Internal Marketing:

Logaj & Trnavcevic (2006) suggested that there are some problems affecting effective implementation of internal marketing such as: th managerial incompetence in interpersonal, technical and conceptual skills is some of the stumbling blocks against successful internal marketing; poor understanding of internal marketing concept; individual conflict and conflict between departments makes the implementation of internal marketing difficult; rigid organizational structure coupled by bureaucratic leadership hinders success of internal Marketing; ignoring and not listening to subordinate staff; the tendency of ignoring employees' importance and treating them like any other tools of business; unnecessary protection of information against employees; and resistance to change.

1.4.Benefits of Internal Marketing:

Also Logaj & Trnavcevic (2006) suggested some benefits of internal marketing such as: encourages the internal market (employees) to perform better; empowers employees and gives them accountability and responsibility; creates common understanding of the business organization; encourages employees to offer super service to clients by appreciating their valuable contribution to the success of the business; helps non-marketing staff to learn and be able to perform their tasks in a marketing-like manner; improves customers retention and individual employee development; integrates business culture, structure, human resources management, vision and strategy with the employees' professional and social needs; creates good coordination and cooperation among departments of the business.

2. Employer Branding:

2.1.Employer branding definition:

The concept of employer branding was introduced in 90. of XX cent in works of Ambler and Barrow (1996). Many definitions of employer brand may be found in the literature. (Figurska and Matuska, 2013) suggested that Employer Branding (EB) is a complex concept based on various intangible factors, including perception, image versus identity, and the ability to differentiate between them. (Ambler and Barrow, 1996) defined Employer Brand as "the package of functional, economic, and psychological benefits provided by employment, and identified with the employing company. Employer branding is not something that employers undertake in isolation from their other business activities or independently of their employees. Stakeholders such as employees, customers and investors are part of inadvertent and planned

branding which encompasses the use of symbolism, behaviours and communication activities (Einwiller and Will, 2002).

2.2.Employer Branding Goals and benefits:

(Lazorko and Zajac, 2014) indicated that the goals of employer branding are the following:

- creation of the image of ideal employer,
- creation of the image of socially responsible and ethical organization,
- creation of organization identity,
- attracting the most qualified and desired candidates,
- creation of a climate for employees' identification with an organization and its goals to increase their involvement in achievement of requested results.

Also (Figurska and Matuska, 2013) said the main objective of EB is to build the image of the organization which: cares about the interests and needs of their employees, invests in their professional development, as well as observes and responds to trends emerging on the labor market.

While (Ambler and Barrow, 1996) said that the benefits of the Employer Brand offers employees parallel those that a conventional (product) brand offers to consumers: (1) developmental and/or useful activities (functional); (2) material or monetary rewards (economic); and (3) feelings such as belonging, direction and purpose (psychological). The Employer Brand also has a personality, and may be positioned in much the same way as a product brand.

Also ((Mosley, 2009) suggested that effective employer brand strategies can deliver high impact and long-term results including:

- Competitive advantage;
- Significantly enhanced talent pipeline;
- Increased employee engagement levels;
- Greater workforce diversity;
- Stronger corporate culture;
- Stronger PR tool kit;
- Increased support for the organization and brand;
- Increased shareholder value.

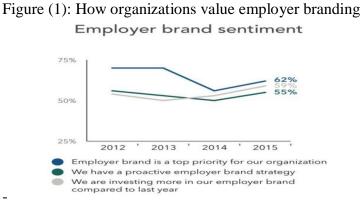
2.3.How to build employer brand?

According to (Figurska and Matuska, 2013) analysis of the literature on employer branding allows distinguish the following steps in the process of building employer brand:

- Characterize current employer brand describing, how the company is perceived and experienced by employees, candidates for the job and other stakeholders;
- Characterize the vision of employer brand describing, how the company would like to be perceived and experienced by employees, candidates for the job and other stakeholders;
- Determine the gap between actual and desired employer brand;
- Work out the plan of eliminating the gap between the current brand reality and brand vision;
- Take actions aimed at eliminating the gap between actual and desired employer brand;
- Control the results of undertaken actions;
- Change the plan of eliminating the gap if necessary.

Employer branding is increasingly gaining attention of not only academicians but HR practitioners around the world. According to (Bali and Dixit, 2016) in a study conducted by LinkedIn that surveyed 3894 talent acquisition decision makers, it was reported that organizations worldwide are increasing there spending on employer brand. The study surveyed that 59% organizations are investing more in their employer brand compared to last year.

Further, figure (1) depicts that organisations, after a dip in 2014, have started investing their efforts in employer branding strategies.



Source: Bali and Dixit, 2016

- 3. Talents Management :
- **3.1.**Talents Definition and Classification:

McKinsey company sparked such concern on year (1997) via providing study that formulated the term (war on talent) to rethink the actions to be taken to attract the talented and their retention.

Linguists agree that the linguistic concept of talent is innate readiness for ingenuity in the art or so on. However, specialists and psychologists differ in the definition of talent. There is a group of researchers and experts who believe that some people are considered talented as they maintain exceptional and potential capabilities through which they can influence the efficiency and effectiveness of the organization. So talented is the person with many characteristics that contribute to the advancement of his organization or their nation. While others argue that in practice, anyone who can have an influence in achieving the organization's objectives may be called a talented (Alsakarneh & Hong, 2015, p 1037).

Osinga (2009, p) classified talent within the organization as following:

- 1- Leadership talents: This category came at the top of the pyramid of talent as they classified as talented leaders who have responsibility for the development, preparation, delivery, and implementation of the strategy at the corporate level.
- 2- Basic talents: The second type includes individuals with a strong sense of competition. They are considered as valued and important talent for the organization because of their capabilities, vision, and perception of the future.
- 3- Substantial talents: Members of this type are a superpower in the work. They are production staff responsible for the final product delivery to the consumer.
- 4- Supportive talents: The implementation of the activities is done through the support of the supporting talent to non-core business. Often, these activities represent, for example, in administrative activities that may be suitable for automation.

3.2.Talents Management Definition:

The term of talent management has emerged at the end of the last century and there are a number of its special definitions. (Horváthová, 2011) defined talent management as a set of organization's activities whose task is to acquire, develop, motivate and retain talented employees needed for the fulfillment of both current and future business objectives. Also it's Implementation of integrated strategies, or systems designed to improve the recruitment and development of people and retain people with the required skills and a willingness to meet current and future organizational needs (Alsakarneh & Hong, 2015, p 1037). So managing talent is about ensuring that the organization has an external talent pool available from which to draw,

qualified candidates, while at the same time continuing to build on the existing talent that exists within the organization.

The talent management and human resources management are linked with each other in theory, but differ in the analysis as the following:

- 1- Human resource management activities are public administration, while talent management is a continuous process that connect the optimum human resources to the real place of work (Alsakarneh & Hong, 2015, p 1038).
- 2- Talent management does not differ substantially from the human resources management. It includes all human resources management activities, and therefore it can be said that talent management reflect the new term, through which the Human Resources Management, can be renamed. The new name of the human resources management focused on how to manage talent strategically. (Iles et al, 2010).

(Wellins et al) Suggested that the key components of a highly effective talent management process include:

- 1. A clear understanding of the organization's current and future business strategies.
- 2. Identification of the key gaps between the talent in place and the talent required to drive business success.
- 3. A sound talent management plan designed to close the talent gaps. It should also be integrated with strategic and business plans.
- 4. Accurate hiring and promotion decisions.
- 5. Connection of individual and team goals to corporate goals, and providing clear expectations and feedback to manage performance.
- 6. Development of talent to enhance performance in current positions as well as readiness for transition to the next level.
- 7. A focus not just on the talent strategy itself, but the elements required for successful execution.
- 8. Business impact and workforce effectiveness measurement during and after implementation.
- 3.2.1. Talent Attraction

The components of talent attraction are recruitment and selection, employer branding, employee value proposition and employer choice. Recruitment and selection requires that organizations use various methods or techniques of selecting the right talent that reflect the culture and value of that particular organization. The recruitment of members of talent is the first task of talent management strategy (Ahmed, 2016).

3.2.2. Talent Retention

Talent retention aims to take measures to encourage employees to remain in the organization for the maximum period of time. Talent turnover is harmful to a company's productivity because costs of attraction are high. There are two classifications of retention tool to suffice employee's expectation: extrinsic and intrinsic incentives. Extrinsic incentives includes different sorts of monetary rewards which can satisfy employees' physiological needs, while intrinsic incentives refer to non-monetary rewards that can fulfil employees' psychological needs (Ahmed, 2016).

3.2.3. Talent Discover

Talents discover include all internal efforts which can encourage the employees to understand themselves and appear their talents and help managers to evaluate those talents. So talents discover contains performance evaluation, employees development, empowerment, and rewards and benefits system.

3.3.Talents Management Benefits:

The main benefits resulting from a correctly set and applied system of talent management are as follows - talented employees contribute to a more considerable extent to the fulfillment of organization's strategy and economic goals; costs of fluctuation and acquirement of new employees drop; the organization becomes a sought after an attractive employer; talented employees are identified and retained; succession planning for key positions is more efficient as well as ensuring of employees from the internal sources and their motivation; talented employees are appointed to appropriate positions and their potential is better used; losses connected with vacant key positions are minimized (Horváthová, 2011).

4. Internal Marketing Activities, Employer Branding Goals, and Effective Talents Management:

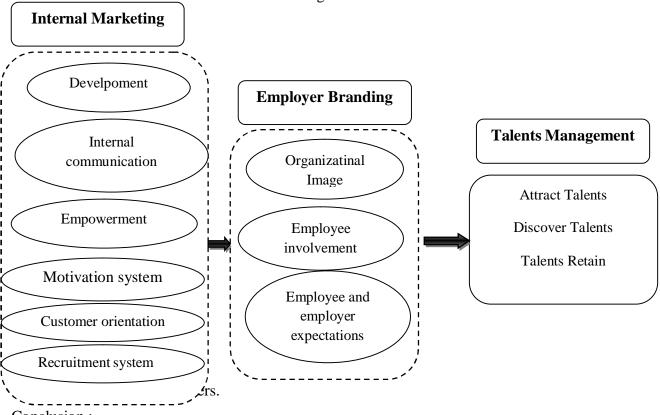
According to G.Martin EB is aimed at creation of adequate image of an organization to attract talented candidates and to make all employees (present and potential ones) identifying themselves with an organization – its mission, goals and brands to provide an organization with expected results. This mean that employer branding can significantly influence and support process of talent management in an organization (Lazorko and Zajac, 2014). Also (Semnani and fard, 2014)) see that Organizational values in term of organizational culture, corporate social responsibility, and internal marketing positively influence Employee branding.

The Internal marketing activities can effect on Talents management by achieve the Employer Brand goals, as following:

- 1. Training can be one from image creation efforts that contribute to maintain the talented employees (Lazorko and Zajac, 2014). Also Employees development is an essential strategy to analyze the weakness and strangeness points of competencies and discover the talents.
- 2. Attracting talents by activities aimed at implementing image of an organization as employer informing public opinion about introduction of talent management strategy (Lazorko and Zajac, 2014). Costumer orientation can be a tool to exploit the words-ofmouth for support organizational image.
- 3. Implementation of recruitment and selection may also support employer branding activities aimed at creation of employer image since the way organizations conduct the procedures in this area may influence and even create their perception among candidates. The way the candidates are treated during the process (respectful or not attitude, keeping promises concerning feedback from the process, etc.) may result in positive or negative opinions about employer that they will spread among other people in their environment (Lazorko and Zajac, 2014). The link between recruitment and selection tools and the creation of a corporate image is based on the presence of certain relationships, empirically verified. In particular, the presence of an employer brand has positive effects in terms of quantity and quality of applications submitted during human resources recruitment and selection (Collins and Han, 2004).
- 4. Empowerment is important in the aspect of managing employers. It Influences on satisfaction and involvement that are positive feel to retain the talented employees. It can be obtained by effective internal communication. Each employer should know what employees' expectations and should be aware of organization goals. Feedback and freedom definitely affect relations with superiors (immediate supervisors may reveal potential of subordinates or, oppositely, eliminate it) (Lazorko and Zajac, 2014). Employees involvements, including talents retain, may also be affected by motivation system.

All above actions and strategies can show on the following structure:

Figure (2): The relationship among internal marketing, employer branding, and talents management



Conclusion :

Employer branding is gaining increasing importance both in academic literature and with practitioners. As organizations are faced with talent crunch, it is becoming imperative for them to distinguish and market their brand to prospective applicants so as to manage their talent needs in a timely and efficient manner.

Success in the war for talent is likely to be reached by those employers who are able to effectively create the image of a good workplace by communicating own strengths in and outside the organization. However, to reach those aims, they should treat employer branding as central part of their human resources management strategy, and as an important part of their general business strategy. Employer branding divided into two goals individual values (employee involvement) and organizational values (organizational image), which affected by various factors. Internal marketing is the important factor that determines the employer branding through its activities (recruitment system, development, internal communication, empowerment, motivation system, and customer orientation). In the same time the three concepts (internal marketing, employer branding, and talents management) considered as integral construction. So the organizations must focus the internal marketing as a critical changes strategy to keep up with the trend towards talent management.

Finally, although internal marketing, employee branding and talents management model has been studied by some researchers, yet, this model has not yet attracted the attention of practitioners in the Algerian business environment.

References:

- 1. Ahmed, H.K., (2016), "THE IMPACT OF TALENT MANAGEMENT ON THE COMPETITIVE ADVANTAGE IN THE ORGANIZATIONS", Proceedings of 37th ISERD International Conference, Abu Dhabi, UAE, 6th June 2016.
- 2. Ahmed, P.K., Rafik, M., & Saad, N.M. (2003), "Internal Marketing and the Mediating Role of Organizational Competencies", European Journal of Marketing, 37, pp. 1221-1243.
- 3. Alsakarneh, A.A., & Hong, S.C., (2015), Talent management in twenty first century: theory and practically, International Journal of Applied Research, 1(11), pp 1036-1043.
- 4. Ambler; T., and Barrow, S., (1996), "THE EMPLOYER BRAND", Journal of brand management, vol 4, no 3.
- 5. Bali, M., and Dixit, S., (2016), "Employer Brand Building for Effective Talent Management", International Journal of Applied Sciences and Management Vol. 2, No. 1, pp183-191.
- 6. Collins C.J., Han J., (2004). "Exploring Applicant Pool Quantity and Quality: the Effects of Early Recruitment Practices, Corporate Advertising, and Firm Reputation", in Personnel Psychology, vol 57, pp 685-717.
- 7. Einwiller, S., & Will, M. (2002), "Towards an integrated approach to corporate branding—an empirical study", Corporate Communications, vol , no 2, pp 100–109.
- 8. Farzad, A. (2007), "The Effect of Internal Marketing on Organizational Commitment: An Investigation among State-Owned Banks in Isfahan, Iran", Unpublished Master's Thesis, Lulea University of Technology.
- 9. Figurska, I, Matuska, E. (2013), "Employer branding as a human resources management strategy", Human Resources Management & Ergonomics, vol. 7, No 2, pp 185-206.
- Ha, N.C., Abu Bakar, R., & Jaafar, S.I.S. (2007), "Internal Marketing Issues in Service Organizations in Malaysia", International Review of Business Research Papers, Vol. 3 No.5, pp. 134-145.
- 11. Horváthová, P., (2011), " The Application of Talent Management at Human Resource Management in Organization", 2011 3rd International Conference on Information and Financial Engineering IPEDR vol.12
- 12. Iles P, Chuai X, Preece D., (2010), Talent management and Human Resource Management in multinational companies in Beijing: Definition, difference and drivers, Journal of World Business, 46(2), pp147-158.
- 13. Lazorko, K., and Zajac, M., (2014), "INTERNAL MARKETING AND TALENT MANAGEMENT AS INTEGRAL ELEMENTS OF EMPLOYER BRANDING STRATEGIES", ECONOMIC PROCESSES MANAGEMENT, international scientific e-journal, no 1.
- 14. Logaj, V., & Trnavcevic, A. (2006), "Internal Marketing and Schools: The Slovenian Case Study", Managing Global Transitions, 4 (1), pp. 79–96.
- 15. Mosley, R. (2009), "Employer Brand. The Performance Driver No Business Can Ignore", A Shoulders of Giants Publication.
- 16. Osinga, S., (2009), "Talent Management & Oracle HCM, HCM 3 Groups, Thought Leader Oracle and HCM Consultancy.
- 17. Sadiq, S., & Akerlind, U. (2004), "Corporate Special Events: A Strategic Tool in Internal Marketing to Motivate and Retain Employees, Unpublished Graduate Business School, impartial Fulfillment of the Requirement For the Degree of Master thesis, Gotehoy University.
- 18. Semnani, B.L., and Fard, R., (2014), " EMPLOYEE BRANDING MODEL BASED ON INDIVIDUAL AND ORGANIZATIONAL VALUES IN THE IRANIAN BANKING INDUSTRY", Asian Economic and Financial Review, vol 4, no 12, pp 1726-1740.
- 19. Tsai, C.C., (2008), "The relationships among Internal Marketing, Job Satisfaction, Relationship Marketing, Customer Orientation, and Organizational Performance: An Empirical Study of TFT-LCD companies in Taiwan", Unpublished Master's Thesis, National Cheng King University, Taiwan.
- 20. Wellins, R,H., Smith, A.B., and Erker,S., "WHITE PAPER NINE BEST PRACTICES FOR EFFECTIVE TALENT MANAGEMENT, Development Dimensions International, Inc., MMVI. Revised MMIX.