

## ENHANCING COMPETITIVE POTENTIAL OF HUMAN RESOURCES THROUGH INTERNAL MARKETING

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### ABSTRACT

*The paper emphasizes recent evolutions in theory and practice of marketing and human resource management that argue the importance of employees' skills for gaining competitive advantage in today's socio-economic environment. The focus is on how human resources could be capitalized as a source of competitive advantage through internal marketing and what skills should have the marketing people from this perspective. On these bases we discuss the main results of a study on employers requirements related to such skills, as it results from announcements posted on a top job site in Romania. Our findings generally sustain the trends revealed by literature review and prior researches related to digital revolution in marketing that obviously require strong IT skills (including social networking). But we noted that the analytical skills are less represented in requirements of employers analyzed, while according to a previous survey on senior marketing executives from around the world these skills will be a core competence of marketing over the next five years.*

**KEYWORDS:** *competitive advantage, human resources, internal marketing, marketing skills, online recruitment.*

**JEL CLASSIFICATION:** *M50, M31, J24, J62.*

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### 1. INTRODUCTION

The general background of this paper embeds referential theories of competitive advantage and strategy developed in the last decades of the XX century, such as Porter's model reflecting the activity-based view of the firm (e.g., Porter, 1980; 1985) and alternatives built on the resource-based view of the firm (Barney, 1991; Wernerfelt, 1984). The major distinction is that the models of first type are focused primarily on environmental determinants of firm competitiveness (industry and market forces), while the second type of models emphasizes the internal factors - resources of the firm (Wright et al., 1994). Porter considers that "there are two basic types of competitive advantage: cost leadership and differentiation" (Porter, 1985, p. 3), while Barney argues that a resource that is valuable, rare, inimitable, and hard to be substituted is source of sustained competitive advantage (Barney, 1991).

Our paper aims to provide a combined perspective from the two theoretical streams, by putting together modern approaches of marketing and human resources management (HRM) related to the competitive advantage of differentiation through human resources, based on employees' skills. Given this perspective, it could be of practical relevance for employers (as competing

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organizations) to know those marketing skills that can make difference in today's highly competitive environment. Also, this could be equally important for people seeking jobs in the field, or for education institutions which should provide the students appropriate programs for developing these skills.

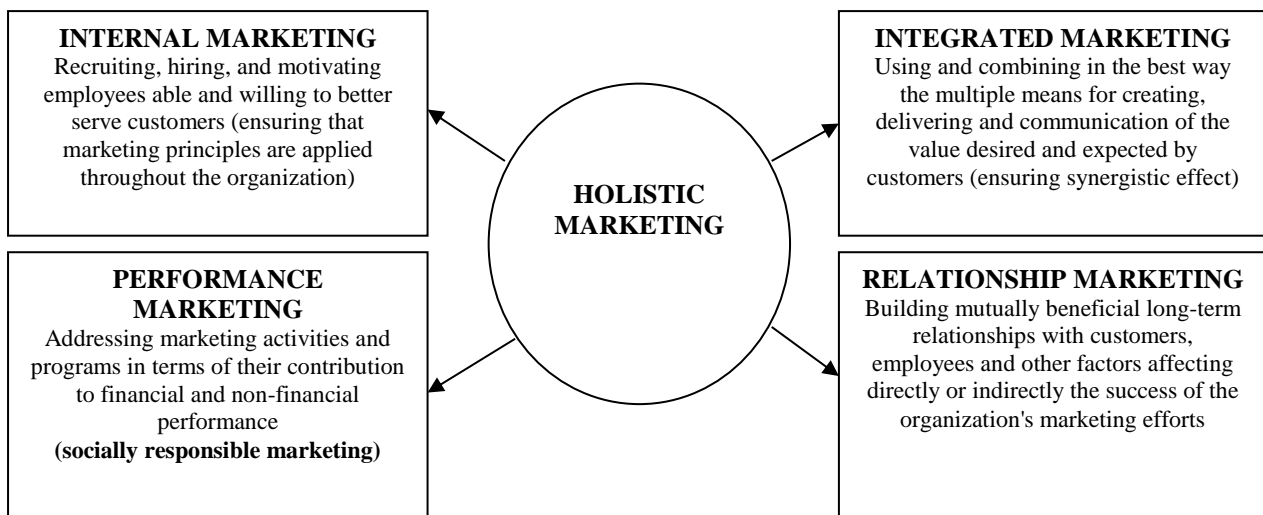
To address the above mentioned issues, we firstly present a brief review of literature on related topics, emphasizing the recent evolutions in marketing and HRM that argue:

- The importance of the people (employees) for successful marketing within new context of global competition and socio-economic realities
- The potential of human resources to create sustained competitive advantage
- The competency-based HRM practices for unlocking this potential, and similar interdisciplinary approaches based on internal marketing concept
- The skills of marketing people which are considered to be most important within this context.

We then discuss the main results of our study on job announcements posted by a job site in Romania, concluding about our findings on marketing skills required by employers, comparative with those considered essential in the future by the professionals in the field.

## 2. LITERATURE REVIEW

The first decade of the 21st century marked significant shifts in marketing, as result of the rapid developments in Information and Communication Technology (ICT) and new socio-economic realities: globalization, environmental concerns, deregulation, market fragmentation, consumer empowerment, etc. Furthermore, Philip Kotler considers that the recent global crisis meant that marketing people "have had to operate in a slow-growth economic environment characterized by discriminating consumers, aggressive competition, and a turbulent marketplace" (Kotler & Keller, 2012, p. 622). He emphasizes that the only way to address all these different shifts is to practice a holistic marketing, developed on four key dimensions as synthesized in the Figure 1.



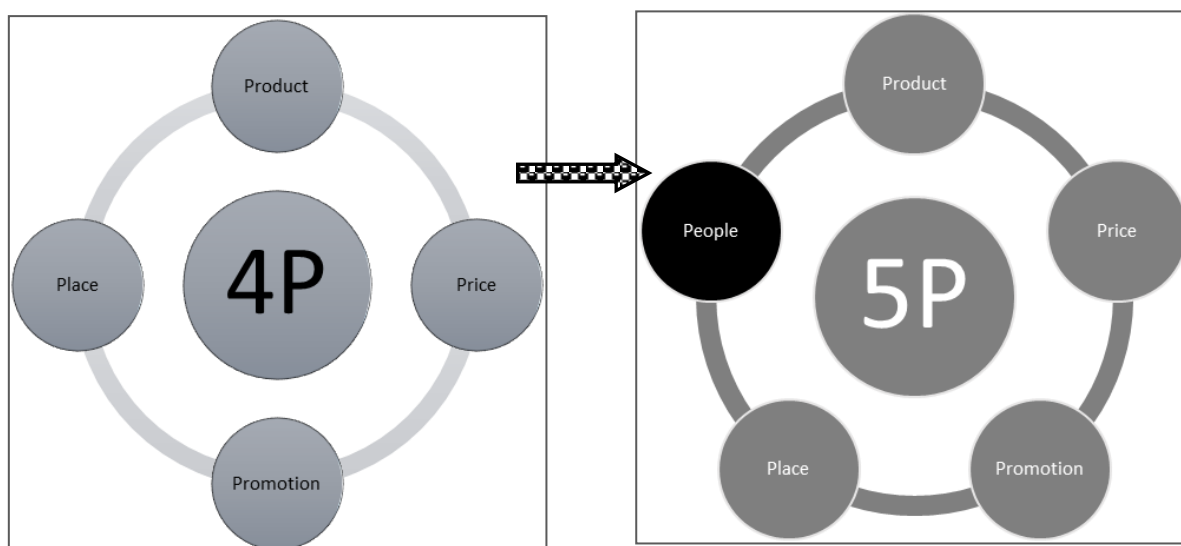
**Figure 1. The 4 Key Dimensions of Holistic Marketing**

*Source:* adapted from Kotler & Keller (2012, p.19)

Moreover is suggested that the classical "4Ps" of marketing-mix (Product, Price, Place, and Promotion) should be updated to reflect better the new realities embedded by the key dimensions of

holistic marketing. According to this, the 4Ps of modern marketing should be: People, Processes, Programs, and Performance (Kotler & Keller, 2012, p. 25).

A similar view on the central role of people for today's marketing success is reflected by recent working documents of The Chartered Institute of Marketing (CIM) that emphasize the need of reconsidering the traditional marketing-mix through integration of a 5th "P" – People (Figure 2).



**Figure 2. The Evolution of Modern Marketing**

Logical argumentation is simply given by the fact that whoever comes in contact with customers will make an impression that can have a powerful effect (positive or negative) on their satisfaction. In other words, "brand reputation" is in the hands of employees which is why they should be recruited, hired, trained and motivated on the basis of their skills reflected in appropriate professional competency standards (CIM, 2009, pp. 4-6).

As concerning the main emerging trends in marketing practice are pointed out the followings (CIM, 2009, p. 9):

- A new emphasis on collection, analysis and use of more and better marketing information, in line with advances in ICT related to the so called "digital transformation" of marketing.
- A significant importance given to measure and monitor performance (including in non-financial terms) and to develop appropriate tools for this.
- A growing investment in employees training and development, especially in continuing professional development that enable companies to more effectively defend the competitive advantage.

General tendency for the near future is closely related to the above mentioned digital transformation, and according to the findings of a recent survey among more than 700 chief marketing officers with experience around the world (Accenture, 2014) major changes will continue to occur in the next five years, mainly on the following directions:

- Analytical skills will be a core competence of marketing;
- Digital channels / programs will account for over 75% of the marketing budget;
- Marketing will become more and more a function of providing information "on demand", will merge with Sales, Customer Service and IT, acting as a single function by integrating the multiple related tasks (traditional associated with specialized skills of marketing, sales, customer service, or IT people).

The above mentioned issues argue the competitive potential of human resources defined mainly by their competency i.e. their key skills, that must be adapted to trends in each field. In this line the

competency-based HRM practices and similar interdisciplinary approaches such as internal marketing could and should be the key for unlocking this potential.

As we showed in a previous study (Băleanu, Irimie, & Irimie, 2015, p. 164) competency-based approaches are particularly highlighted by international evolutions of HRM practices related to employment decisions. Thus, the main tools for recruitment and selection (i.e. job description and candidates' interviews) are ever more based on competency and include the so-called "soft" or employability skills that actually are elements of the key competencies generally required by employers.

But the applicability of competency-based approaches can and should be extended also in practices related to:

- (1) Personnel development (by developing programs to support and explain the various means available for developing and strengthening of key competencies);
- (2) Career planning (by using competencies as reference base for identifying individual and organizational needs and for career development planning);
- (3) Assessment and motivation of employees (by developing competency-based performance standards, assessing individual performance in relation to them and establishing, on this basis, the most appropriate ways to motivate all the staff).

Regarding the last trends in recruiting practices, beside the obvious prevalence of online recruitment activities we must mention an increasing of outsourcing the related functions. According to a recent survey "the top reason for outsourcing recruitment was the speed of hire quickly (49%), follower by gaining access to the vendor's talent/expertise (36%). One out of five organizations said that their company/industry had difficulty attracting specific types of talent (20%) or wanted to allow HR staff to focus more on strategy (19%)" (SHRM, 2015, p.3).

On the other hand, regarding internal marketing concept we can say that it's not very new if we consider the references in the literature. Thus a quite recent article analyzing publications on topic (Alencar de Farias, 2010) suggests that the term has been used since the early 1980s to designate a marketing approach applied within an organization, that views the employees as "internal customers" which have to be treated in the same manner as any external customer. The concept of internal customer is explained by the fact that each employee is both supplier and customer to other employees within the organization. Internal customers are those who generate goods and services for the end client (external) being thus determinants of the customer satisfaction.

In other words, internal marketing means applying the philosophy and practices of marketing to the employees who serve external customers of the organization, so that it can be hired and retained the best people, who will do everything what is possible to be done in order to satisfy external customers (Greene, Walls, & Schrest, 1994). The basic idea of this philosophy is that understanding and meeting the needs and expectations of employees is a prerequisite for enabling them to understand and meet customer needs and expectations of the organization.

Being centered on employees, internal marketing is closely related to HRM so that it is considered an interdisciplinary approach, consisting in applying of the theories, techniques and principles of marketing and HRM in order to attract, retain, motivate, mobilize, and direct the employees at all levels of the organization toward continuous improvement of the way they collaborate (among themselves) and serve external customers (Alencar de Farias, 2010).

The immediate effect from HRM perspective includes the superior use of human and intellectual capital of the organization, as well as the increase of work motivation and satisfaction. In this context, the "product" offered to each internal client (employee) is the result of the hiring process, consisting of the elements that give content to each job and personnel policies associated (ie job description and requirements of skills used for recruitment, tasks and responsibilities specified in the job description, methods and systems evaluation, motivation, rewards, etc.)

However, we must take into account that people do not simply "buy" a job description, the exchange process between employers and employees being actually much more complex. It implies

a relationship of social exchange which is supported by a reasonable guarantee for employees, related to job security, training and continuous development. And, above all, employers should provide enjoyable work experiences in order to receive in return the knowledge, experience and total dedication/involvement of employees (Vasconcelos, 2008, p. 1255).

From the marketing perspective, the intended effect is to have employees able to effectively involve and support successful marketing efforts focused on satisfying the customers of the organization and building profitable sustainable relationships with them.

And, not in the lastly, the internal marketing approach enables differentiation from competitors through human resources, creating an advantage difficult to be copied because (Learning Network):

- Employees become more committed, and loyal towards their organization
- Employees can better help the customers when they understand the brand promise
- Employees who believe in brand, work more profitably and better
- Employees become "brand advocates", creating a real difference for customers - something very difficult countered by competitors.

Particularly important in this context are the researches undertaken similarly with any marketing research, aiming at knowing and understanding those elements of the employee competency (knowledge, skills and attitudes / behaviors) required to implement internal marketing programs supporting the holistic marketing approach. Thus, companies who recruit, select, develop and motivate employees on this basis, can gain a sustainable competitive advantage which cannot copy by competitors.

Based on this idea we undertook such a research, respective an exploratory study presented in brief in the next section.

### **3. METHODOLOGY OF STUDY, MAIN RESULTS AND DISCUSSION**

The issues previously revealed justifies our attempt to explore how the marketing field generates jobs in Romania, with highlighting skills requirements associated by employers using online recruitment.

The research area was determined considering the available time, and the easy access to data offered by the online recruitment sites, out of which we chosen eJobs.ro (<https://www.ejobs.ro/>), especially due to its leading position on the market of online recruitment in Romania.

Sample size (N = 504 job announcements) was result of randomly sampling, with a time benchmark fixed for the the last day of each quarter of the 2014 year (March 31, June 30, September 30, and December 31). For data collecting and processing, we firstly created a general data base in Excel (with all job announcements posted on the days mentioned).

The data thus collected were further processed by centralizing, grouping and analyzing them based on usual statistical methods, using certain relevant criteria such as types of jobs (execution / management), occupational fields, career level, study level, etc. Then we focused on the job announcements in marketing field, using the content analysis method for analyzing these. The main results of analysis are discussed in the follows.

Investigated sample comprised a total of 504 announcements for 1761 jobs, grouped in 17 occupational fields (industries) as shown in Table 1.

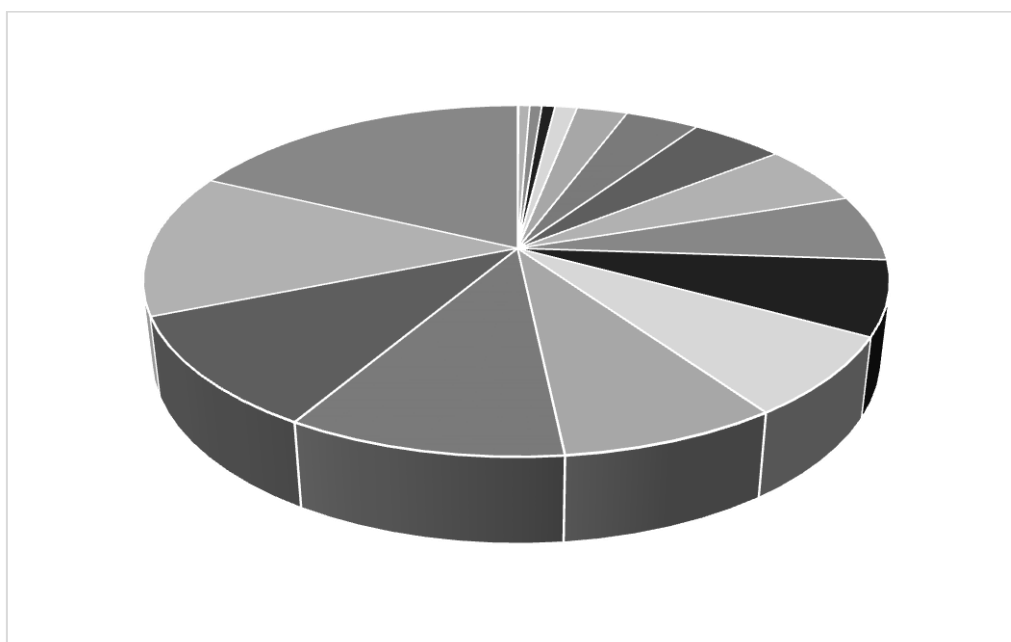
As it can see from the tabel 1, marketing is ranked in top five occupational fields that have the many job announcements (the fourth position, with 54 announcements). But considering the number of jobs comprised in these announcements, the top is changing, marketing being ranked the second - with 233 jobs representing 13.2 percents of total (Figure 3).

Content analysis of these announcements for marketing jobs focused on two directions: (1) main elements of job description and (2) skills requirements expressed in each announcement.

On first direction, the marketing announcements were grouped and analyzed by type of job (execution / management), career level, education level, work regime.

**Table 1. Distribution of announcements by occupational fields including jobs number**

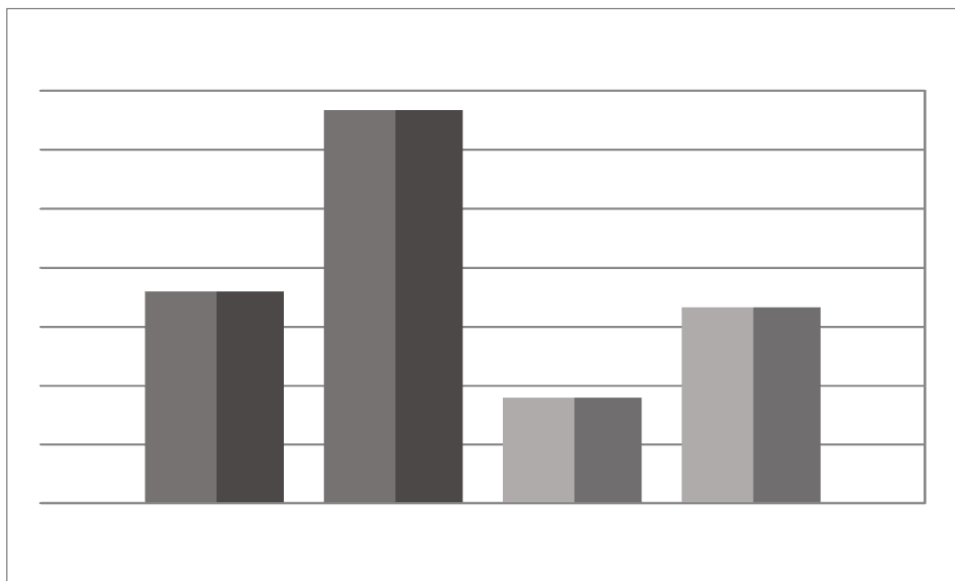
Occupational fields/Industries	Number of announcements	Number of jobs/positions
Sales <b>S</b>	99	315
Information and Communication Technology <b>ICT</b>	67	130
Manufacturing, Industry, Engineering <b>MIE</b>	55	108
Marketing, Advertising & Public Relations <b>MK&amp;PR</b>	54	233
Finance, Accounting, Banking, Audit <b>FABA</b>	48	67
Health & Care <b>H&amp;C</b>	34	183
Administrative, Secretariat, Translation <b>AST</b>	29	99
Supply, Transport, Logistics <b>STL</b>	26	179
Hotels, Restaurants, Catering <b>HoReCa</b>	26	141
Construction, Real Estate & Related Services <b>CRE</b>	17	85
Architecture, Design <b>AD</b>	10	20
Human Resources <b>HR</b>	10	11
Consultancy <b>C</b>	9	10
Education, Sports, Culture <b>ESC</b>	9	46
Entertainment <b>E</b>	8	121
Insurance, Security & Protection <b>ISP</b>	2	12
Agriculture, Environmental Protection <b>AEP</b>	1	1
<b>TOTAL</b>	<b>504</b>	<b>1761</b>



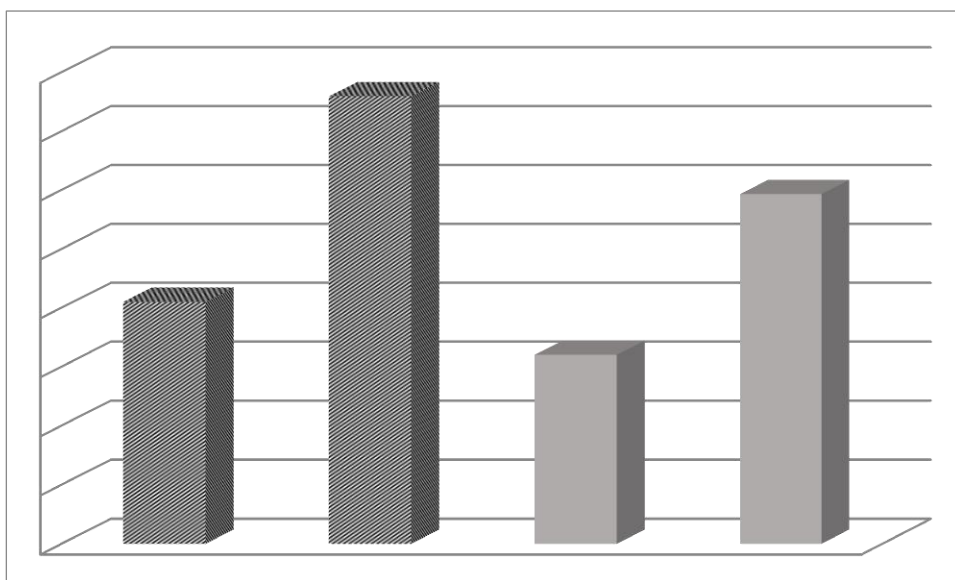
**Figure 3. Overall structure of the jobs by occupational fields**

Thus, grouping by type of job showed that most announcements are for execution jobs (Figure 4), while grouping by career level shows the prevalence of jobs for entry and mid-level (Figure 5). Prevalent study level required by employers correspond to jobs with medium and higher education but quit many are unspecified (Figure 6), while grouping by the work regime shows that most are full-time jobs (21.03%).





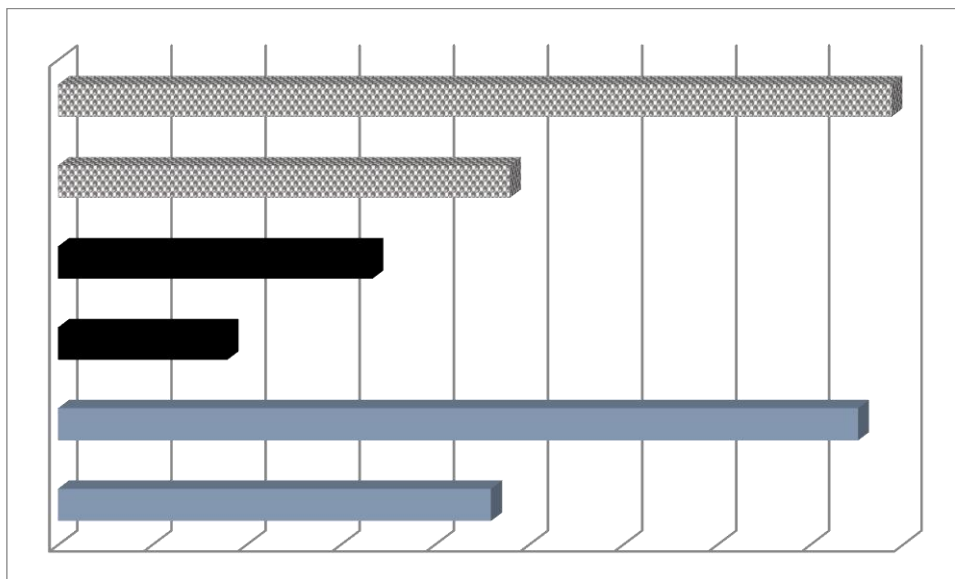
**Figure 4. Distribution of the marketing jobs by type (execution/management)**



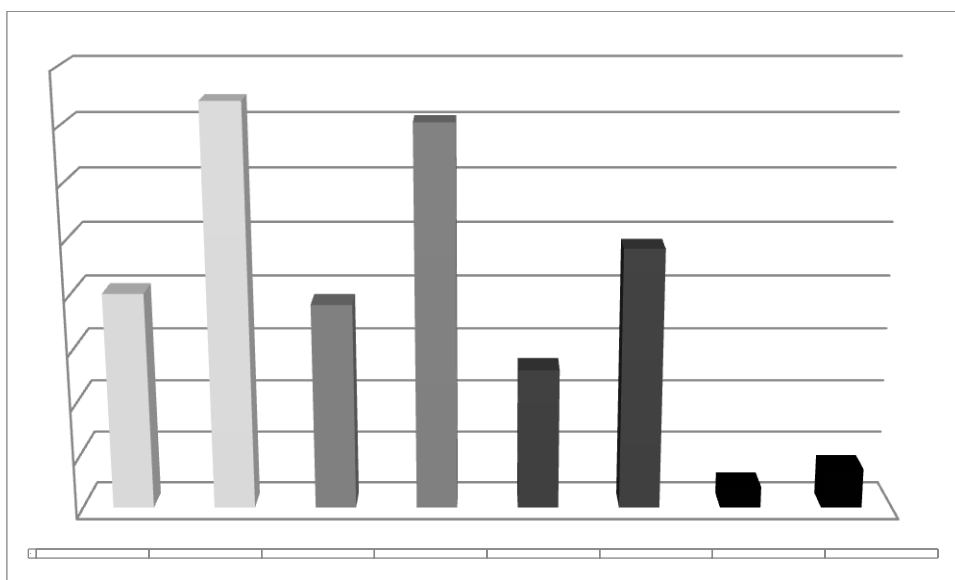
**Figure 5. Distribution of the marketing jobs by career level**

On the second direction, the content analysis of the announcements showed a variety of names and manners of describing the jobs (apparently very heterogeneous). The job names do not always reflect the actual tasks and responsibilities of the jobs specified in announcements and are not consistent with international ones. There are also situations where unclear descriptions of jobs lead to difficulty of their classification accurately (eg. sales agent / telemarketing agent - in the same announcement).

Consequently, we performed a thorough analysis in order to obtain a relatively homogenous grouping of the jobs, depending on the specifics of the main tasks, responsibilities and skills requirements associated with them. The results obtained are shown in Figure 7, pointing out that prevails jobs with tasks related to online marketing and customer service (including customer relationship management).



**Figure 6. Distribution of the marketing jobs by study level**



**Figure 7. Distribution of the marketing jobs by specific tasks**

This can be regarded as reflecting a positive trend of alignment to recent developments in marketing as we mentioned in the previous section of the paper.

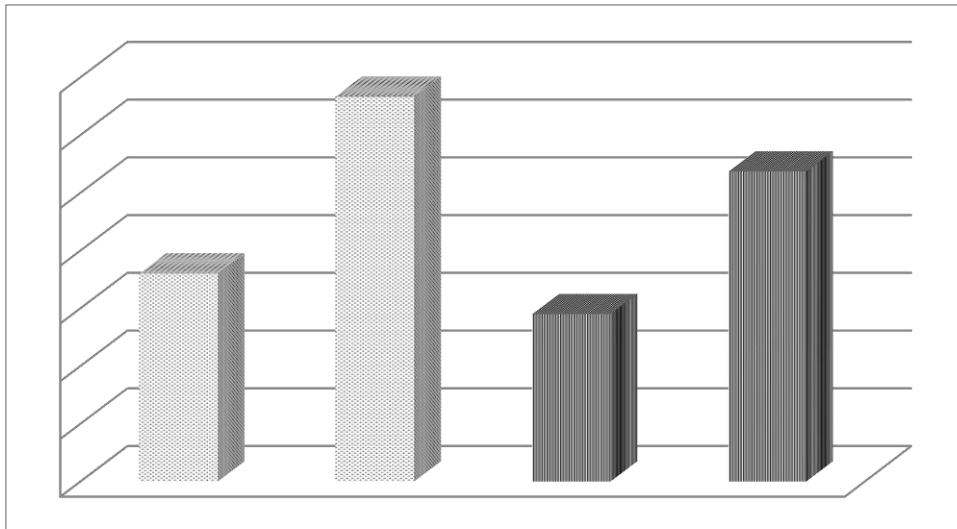
Finally, considering the skills currently assigned to the marketing workers and the tendency for the future (highlighted also in the previous section), we analyzed what skills requirements appear in job announcements. The analysis results indicate that a significant number of announcements / jobs comprises requirements for: communication skills (including foreign languages and negotiation), social abilities, digital skills (IT) and analytical skills (Figure 8 and Figure 9).

Regarding the skills requirements of communication in foreign languages, English is the most demanded (66.66% of advertisements), but are also requirements for German, French, Italian, Spanish.

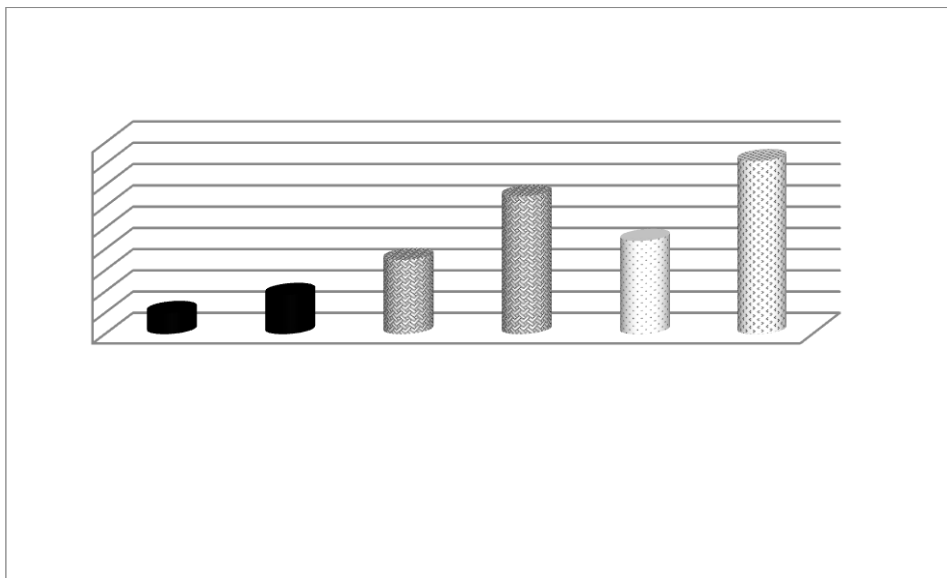
The requirements of digital skills (social media, networking, programming, online marketing, telemarketing, etc.) are found in a fairly similar proportion (64.81%). Visible prevailing between employers' requirements are social skills (networking, teamwork, interaction, etc.), which have a



share of 81.48%, while the analytical skills are the least represented between job requirements analyzed.



**Figure 8. Distribution of the marketing jobs with requirements for communication and negotiation skills**



**Figure 9. Distribution of the marketing jobs with requirements for social, digital and analytical skills**

#### 4. CONCLUSIONS

The results of our study generally confirm the emerging trends in marketing at international level, its potential for generating jobs in Romania and aligning in a great extent of the job requirements in the field, particularly those related to the so-called digital transformation.

If we consider the main directions of future changes in marketing, especially regarding the fact that analytical skills will become a core competency of marketing (Accenture, 2014), our findings may

be a warning signal for Romanian employers in the field - indicating a rather weak representation of the requirements for analytical skills in the marketing jobs analysed.

Also, theoretical issues and study results presented in the paper argues the usefulness of integrating the interdisciplinary approaches of marketing and HRM in academic study programs for developing the skills required the future professionals in the field.

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