
Role of Staff Marketing in Increasing Business Performance

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Abstract:

The paper reveals the role of staff marketing as a specific measure of increasing market versatility and performance. As a result, authors highlighted actual human and social capital theories as well as their reference to the staff marketing.

The paper provides with recommendations on assigning the staff loyalty programs with productive labor motivation of creative and non-creative employees.

Keywords: Staff marketing, motivation, human capital, social capital, business activity

JEL classification codes: M31, M39, M51

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1. Introduction

Marketing activity is considered as an adaptive mechanism for providing business activity of the company in the market. Marketing is also a resource for improving competitiveness via consumer orientation, target segment development, sales lifting due to original demand.

In the current context, staff marketing is acting a crucial element of increasing the efficiency of business activity, strengthening its adaptive features to the external environment via properly motivated staffing.

Thereafter, motivated and skilled staff allows the company conducting adequate marketing activity. Though, management issues in companies of both developed and developing countries highlight difficulties in establishing proper control and dynamic market adaptation. Some consider the problem much broader and consider mismatch of management institutions to the current conditions as a crisis phenomenon (Vavilov and Khachaturov, 2013; Akopova *et al.*, 2017; Bondarenko *et al.*, 2017; Firescu and Popescu, 2015; Theriou, 2015; Fetai, 2015).

We also recognize in-house difficulties in management almost everywhere, affecting economic climate. All mentioned above is customary for Russian economy as an inherent part of global economy, introducing advanced techniques in management and engagement (Bondarenko, 2013; Sultanova *et al.*, 2016; Robertie, 2016).

When specifying the role of staff in marketing activity, we stress that its contribution is ambivalent: employees are not only highly-valued units for employers but also could be considered as company's internal customers with marketing techniques applied to.

Current crisis conditions encourage modernization and transformation of Russian economy and business management. It is a good reason to overcome the negative experience and aim at introducing positive techniques like staff marketing to engage managers and other staff for effective performance reasons.

The need for positive staff activity in increasing company's market sustainability as well as labor efficiency in crisis conditions leads to introducing staff marketing that aims at proper labor capacity utilization.

2. Theoretical, Informational and Empirical, and Methodological Grounds of the Research

Economists and researchers consider staff as a specific capital for business development. Thus, there arose a standpoint of staff as a specific type of capital, namely human capital transforming into social capital for business. (Bondarenko and Sulimenko, 2015).

The concept was widely discussed by economists like Schulz T. and Becker G. Russian economist Kapelushnikov R. qualified that human capital includes knowledge, skills, motivation, and labor energy peculiar to the society and could be utilized for production reasons (Kapelushnikov, 1991).

Others determined human capital as a baggage obtained over the life as an investment and could be utilized for fruitful activity and increasing labor efficiency purposes (Korogodin, 2005; Mihola *et al.*, 2016).

Therefore, Kritskiy M. emphasized three types of human capital as follows: production, consumer, and brain (knowledge based) capital (Kritskiy, 1991). He noted that crucial role belongs to sociocultural and personal features in addition to professional skills.

All these business community-organizing individuals' features directly affect the company's reputation, namely employer's one and business competitiveness. (Bondarenko and Sulimenko, 2015). The social capital enables business success of grid and global companies of certain industry.

As for internal marketing concept, the staff is considered as a customer and acts not as a capital or resource but as a precious asset and growth driver while business performance depends on the personnel's loyalty to employer and certain business.

The aim of treating staff as internal customers parts into sub-issues of maintaining the interest as well as loyalty monitoring and increasing. The second sub-division is issues of talent acquisition for efficient work and sustainability increasing purposes. While specifying the internal marketing activity, we note the importance of efforts preventing from overkill in staff training and engagement. The standpoint is supported by modern economists like Ahmed P., Berry L., Rafiq M., Lings Y., Money A., Parasuraman A. (Foreman and Money, 1995; Rafiq and Ahmed, 1993). They stress a crucial standpoint of trending in similar to customers' loyalty programs. Being aimed at own staff, they enable targeted measures in maintaining the staff's interests in addition to reducing personnel expenditures while increasing its efficiency. Not half of today's companies are able to see the need in introducing the staff marketing due to lack of certain experience, skillful experts in the know, and insufficient marketing budget funds.

We also note that not all staff marketing tools used for employees' capturing and engaging, tested by Western companies, could be applied with profit in Russian conditions. Further research is considered to be conducted to make results more applicable for Russian business environment.

3. Results

Cost optimization coupled with loyalty programs adaptation in Russia could be obtained only via application of different staff management patterns. The first pattern is applied to the “rote job-staff” with a certain skills. Another one is applied to creative staff with other professional skills.

The differentiation turns into actual issue based on neo-Taylor and situationism concepts including participative patterns of staff management (Bondarenko, 2006). Despite the management patterns’ differentiation, providing the loyalty of the staff to the employer is crucial. Current objective of talent acquisition for prosperity reasons is also of high interest since measures for existing staff are tactical and responsible for market environment adaptation. As for recruitment, the objective is solving the strategic issue of adaptation by means of labor turnover and developing the customers’ policy via staff’s loyalty.

As for strategic staff relations marketing, we highlight the sentence of Strutz T. that company should market itself on internal and external labor markets as well as be presented as reliable employer (Strutz H., 1989)

Schnellinger, F., Eckardstein, D., noted that staff marketing framework should include a set of measures respecting any interest of employees (Schnellinger and Eckardstein, 1975). In fact, they should inspire the staff’s loyalty increasing.

Some researchers identify marketing as uniting of information and communicative resources (Buhner, 2000). And we lean towards supporting this standpoint, when discussing effective internal communication and timely analysis staff’s feedback on their satisfaction and expectations.

Modern domestic researchers like Rodin D. consider social and psychological climate as well as productive labor engagement, advancement opportunities, and acceptability of organizing role (Rodin, 2015). The criteria noted above are significant for newcomers.

It is notable that in current concept we consider the new employees as internal customers the employer interested in. The employer “sells” the vacancy coupled with career growth opportunity. In case when the employee is satisfied or ideally completely loyal, the employee’s labor efficiency rapidly increases. He is up to volunteer his time for colleagues and company’s prosperity.

Current sentiments substantially lead to the business success. Loyal employees tend to do their job in a good and honest manner satisfying the customer’s needs. This fact determines highly competitive market position of the company.

We also highlight the issue of “business via efficient marketing” as one of present interest. Such an issue is topical not only for business but for the society, so latest research in staff marketing should be applied bot in business and social spheres

(Bondarenko and Ivanchenko, 2016). By the way, the forecast “by the year 2020 we expect a crisis in labor markets. The key challenge involves not only decreasing of employable population numbers but inability of Russia to utilize its human capital for development at full extent” (Spiridonova, 2013). The actualities suggest raising demands to staff marketing patterns.

Major companies tend to invest in house-brands’ as reliable employers, and then in terms of staff marketing engage its employees and develop its labor capacity. The major challenge they face on the market consists in need for being differentiated from numerous competitors. That involves capturing employees to the strong employer’s brand.

4. Conclusions and recommendations

To conclude, we stress the relevancy of combining loyalty programs developing for existing staff with different management models (in participative frames) depending on the staff’s category. The approach allows effective staff employment costs and efforts’ optimization.

In modern times the new grade competition of companies has revealed. The success of business activity is defined by qualitative staff features including not only skills and experience but also objectives and aims’ loyalty and their benchmarking.

Due to increased staff mobility in conditions of developed information and communication environment as well as special network communities, engaging and recruiting of skilled personnel becomes a hard job. Marketing motivations of attracting and retaining skilled staff are poorly distinguished and could be easily adopted by competitors if company’s activity is impactful.

In light of this, tools of corporate and staff marketing treating personnel like customers become highly appreciated. Current tools provide keeping the employer-employee relations in a very loyal way. To provide the opportunity of attracting and recruitment of skilled staff ensuring the leading market positions and development outlooks it is important to introduce new tools and techniques of attracting and retaining the loyal staff from hiring to firing after achieving the goal.

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