

The concept of workplace marketing: a management development model for corporate and enterprise sectors

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This article addresses the following issues:

- *The role of organizational culture in creating business success.*
- *The importance of internal marketing in relation to creating a sustainable business environment.*
- *The importance of applied research to the development of effective business models.*
- *Management development education as an investment in success not as a cost factor hindering profitability.*
- *Rigorous interventions make a positive difference to company performance.*

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In the opinion of many business analysts we are entering a new era centred on a global knowledge-based economy and one that will depend on new and innovative ways of working (Bradstock, 2000). In order to fully understand this analysis it is important to examine the role of culture in organizations as a prerequisite to understanding how these new ways may be successfully implemented. This investigation needs to address such issues as the adaptation of culture to facilitate change and further, how such adaptation can create new cultural norms. Therefore one of the main areas of investigation needs to be based around the formulation and use of culture as it is applied within different industrial sectors.

The industrial age saw many such individual cultures arise in specific industries,

each with its own social norms and interpretation of language (Lyotant, 1979). Interacting with these specific cultures has been the influence of the wider national cultural environment with its concomitant imposition of power structures and social hierarchy.

One of the main aims of this paper, therefore, is to provide a conceptual framework within which to create an understanding of the cultural issues involved in the formation of attitudes in a business environment. Such an understanding will be an important tool in the development of the innovative processes that must underpin a knowledge-based global economy and thereby become a necessity if such an economy is to gain both reality and maturity in the twenty-first century.

Many studies of business failure agree that it is both the internal factors rooted in the culture of the Western management system and an organization's ability to recognize signs

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of impending disaster before it becomes catastrophic failure, that are the most worthy of exploration (Smith, 1994). Several studies (Miller, 1992; Pauchant and Mitroff, 1992) have attempted to show how the various elements of an organization interact to create a profile of crisis preparedness. While the crisis-prone organization may be easily identified, it is seemingly extraordinarily difficult to remedy. The reasons for this can be found in the influence of culture upon power. It can be expressed in terms of hierarchical position and the role of senior management but subsequently in terms of management's inability to think laterally because they are trapped within a particular discourse (Smith, 1996).

Nowhere is this more evident than when the root of these crisis-forming factors can be traced to a reluctance to redefine the organization's relationship with its employees. This has a devastating effect on company performance and when coupled with the fact that the new sectors being created within the global economy need a new approach, it requires a re-evaluation of the present limits of traditional managerial discourses.

Such recognition has led to a critical development by Juliet Williams, the Chief Executive Officer (CEO) of the British-based consultancy firm, Strategic Management Resources. This is described by the concept of *Workplace Marketing*, defined by Williams as:

A strategic marketing activity executed within the organizational fabric and with the objective of creating an exceptional customer experience (Williams, 1996).

It extends brand values to the management of behaviour at every point of transaction along the internal supply chain. Its purpose is to fold every member of the workforce into the strategic marketing process and to turn people from cost-centres into profit earners. Workplace Marketing propounds the theory that competitive advantage and financial performance are the direct result of management's ability to obtain, manage and sustain employee motivation. It captures

the influence of organizational behaviour on market competitiveness and makes a real attempt to change the axioms of the discourse, as they currently exist.

In 1991, Regis McKenna's article 'Marketing is everything' published in the *Harvard Business Review* expressed the belief that there was a marketing revolution underway resulting from a marriage between knowledge-based and experience-based marketing. It implied a radical new role for the marketer... acting as integrator. The task would be to synthesize technology with experiential market needs in order to bring 'the customer into the company as a participant in the development of goods and services'. Sustainable relationships with the customer were seen as the key to success and McKenna went on to outline some eleven consequences of this development. One of which contends that 'Marketing is part of everybody's job and it is integrated in the organization' and would thus appear to offer a point of conception for Workplace Marketing (McKenna, 1991). The consequences of McKenna's redefined role enable a re-enactment of the 'Marketing Concept' to provide an example of how limited change is allowable within a discourse. It presents the idea that everybody within an organization should be involved in marketing but does not embrace the concept of employees being viewed as customers and ergo their involvement in the wider decision-making framework.

The Marketing Concept has also been identified as 'very difficult to implement because it describes a highly idealized goal'. It certainly does function as an ideology and has won widespread acceptance in the business world. Nonetheless, it is precisely this factor of ideology that makes the concept so difficult to implement. Quite simply, there are many who are unwilling to accept the ideology or abstract concept of marketing as the sole business philosophy (Brownlie and Saren, 1992).

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posed by the abstract nature of the ideology but in doing so takes the radical step of viewing internal marketing factors as an integral component of an organization's approach to the use of marketing as a strategic management tool. Indeed it illustrates the fact that commitment to value-driven management, effective communication, knowledge management and the development of people in line with evolving business must lie at the heart of a success culture, a culture in which marketing's role becomes that of an informer, influencer and facilitator. It requires marketing specialists to reorientate themselves to become less isolationist. Furthermore, Workplace Marketing demands an approach that overtly harnesses the entire organizational asset, thereby adopting a holistic approach to the very business of business. It enhances an organization's ability to adapt to changing market need while maintaining or regaining profitability. A robust model addresses both the ideological and the practical problems posed by the less than holistic approach of the current Marketing Concept.

The concept of 'Workplace Marketing' has a particular and inescapable resonance when thought of in terms of the interface between marketing and entrepreneurship. The new industrial revolution brought on by the development and application of technology has given the small and medium sized enterprise (SME) a role within the global economy that encompasses not only wealth creation but more importantly, accelerated job creation. The reasons for this are complex but not least of these is a desire by governments to mitigate the social effects of the continuing job shedding ethos of the major corporations (Goyder and Hartley, 1995). Nevertheless, the role of SMEs will be

difficult to achieve without corresponding innovation in the manner in which high-technology companies are perceived and managed (Beaver, 2001). They will have little alternative but to involve all employees and their knowledge in the strategic marketing management discourse.

The new generation of entrepreneurs must realize from the outset that the people they employ will form their most valuable resource and will require an investment in maintenance and development that will act as critical to company sustainability and competitiveness (Fillis, 2000).

Another output of research at the marketing and entrepreneurship interface restates this need for innovation. It identifies creativity as a determining process and subsequent factor, in the success rate of SMEs (Mumby-Croft, 2000). A particular characteristic of the SME is that it does not have the resources of the larger firm at its disposal and therefore innovation in the management approach becomes as important as the creativity necessary within other essential functions. Workplace Marketing is no more and no less than an innovative approach to management practice that positions marketing as central to the successful strategic management of an organization. It does this by addressing the relationship between the internal market, the decision-making process and the external perception of an organization's brand and image in its own particular market place (Palmer and Hartley, 1996).

Thus, Workplace Marketing extends the strategic marketing process to address the needs of those in whose hands customer relations ultimately lie — the workforce. Chaston (2000) points to the fact that in markets where the customer is seeking to build close working relationships with suppliers, staff on all sides need to be strongly committed to meeting the needs of others both internally and externally. Indeed, it becomes evident that staff at all levels serving the supplier organization must interact regularly with the buyer in seeking solutions to identified problems.

Zeldin (1999) argues that people increasingly want jobs that challenge them as whole people rather than mould them into the individuals they never intended to become. He finds that one of the reasons for job dissatisfaction is that business divides personal life from work life. Limited interaction means that most employers know their staff only within their work capacity and not as individuals with a plethora of skills and interests beyond that capacity.

Zeldin concludes that it is time for us to reinvent the firm. This should be done by taking time to find out about the complete employee instead of pigeon-holing each to the specific task he or she was employed to do. He believes that employers should find out which other skills their staff possess and what kind of tasks they particularly enjoy doing. From there, an employer can build a job around an employee rather than allocating the employee to a specific job or task. Zeldin also makes the point that employees need to be stimulated by dynamic conversation and that this kind of conversation creates an empathy between two people, which is as important in business relations as it is in the forging of personal relationships.

Zeldin's work may appear rather utopian but he does address matters of behaviour that become fundamental if organizations, and especially SMEs, are going to be able

to create the dynamic and innovative managerial frameworks that will be necessary to foster sustainable growth (Zeldin, 1999). Here again Workplace Marketing offers an approach to business and management practice that encompasses staff development and by doing so drives change to two of the most entrenched protestations of UK business. Management attitudes such as those illustrated in the statement *'I am too busy and if I train someone well they'll leave to my competitor's benefit'* can only inhibit business development with many firms enjoying being 'too busy' because they regard that state as a demonstration of profitability and efficiency. Executives become blind to improved management structures and best business practice and see no reason to seek to adopt them. It stands to reason that if employees are highly competent and motivated to better themselves, unless the organization changes and works in partnership to accommodate them they may leave anyway. Purposeful personal development in line with strategic business need coupled with discipline, motivation, career planning and performance recognition will actually encourage people to stay.

The concept of Workplace Marketing is equally applicable to both the corporate and the SME sectors because it treats the workplace with the same respect marketers traditionally reserve for the external marketplace (Figure 1).

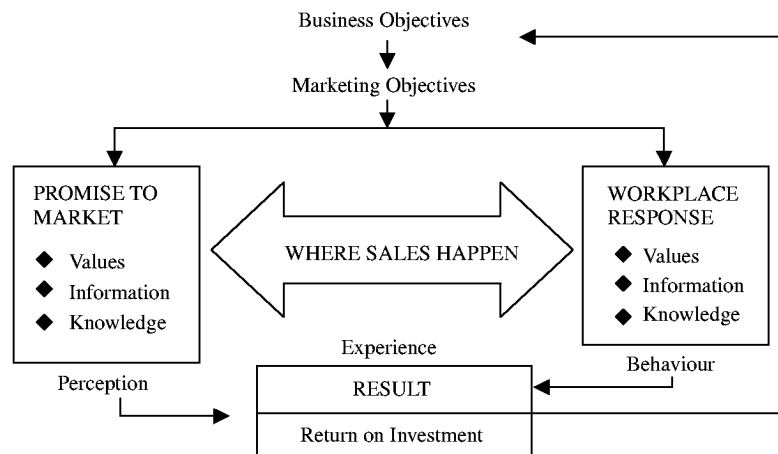


Figure 1. Workplace marketing... the paradigm shift.



The objectives are twofold: first, to engender in the staff the pride that characterizes a preferred employer and second, to create for its customers the exceptional customer experience expected from a preferred supplier. Employers must be prepared to invest in marketing the company to their staff. Only then can apathy and frustration be translated into the energy and direction that claim competitive advantage amid the perpetual mobility of today's market environment. There is compelling evidence to suggest that up to 40% of the potential return on marketing spend can be lost by the failure of staff to live up to the promises a company makes to its customers. Further, brand images, perceptions and values are unwittingly undermined and eroded on a regular basis at every point of contact along the customer interface. Workplace Marketing seeks to match customer expectation with employee motivation and it is within this intercourse that the potential influence of management behaviour, worker involvement and personal education cannot be underestimated.

Change in organizational behaviour are achieved via an acceptance that it is management that determines company culture and the motivation of employees to volunteer added value to the customer. The customer can then, in turn, be provoked into a loyalty that enhances financial performance (Figure 2).

Employee attitudes to the company and to the job have by far the greatest influence on behaviour towards the customer. Indeed

it is the degrees of responsiveness and volunteered value that characterize individual behaviour that are the essential contributors to the realization of Customer Lifetime Value (CLV). Thus, organizational performance relies on the behaviour of management towards the workforce and on its sharing of purpose and circumstance, strategy and objectives. This sharing is not telling but communicating, and as such it benchmarks the concept of Employee Lifetime Value (ELV) as being of equal importance to company sustainability as that of CLV. The concept of ELV is a derivative of the practice of Workplace Marketing.

Strategic Management Resources is diligent in conducting a formal and continuing research programme among the more than two hundred organizations with whom it works. Such a research methodology is based on conducting two parallel audits. The Customer Audit requires both the modelling of prospective customers by source, propensity, motivation, attitudes and decisions to purchase as well as a series of customer consultations identifying strengths and weaknesses by supplier, differentiating factors, market drivers and market movement. The Workplace Audit matches customer and prospect values, standards and behaviours to workplace responsiveness: examines the influence of each role and responsibility over the sales process and sets the agenda for change before measuring progress against it.

Questionnaires are used sparingly, having been found in practice to offer little

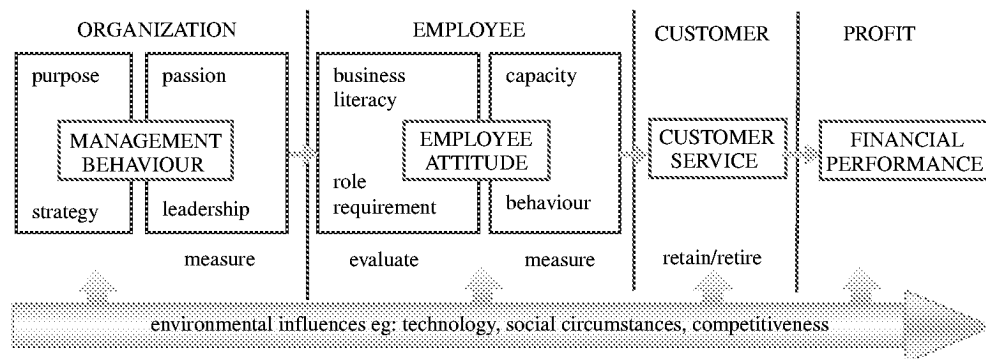


Figure 2. The profit value Chain.



volunteered or added value. They are used, however, to support evidence produced by group discussion and debate. Otherwise, statistics are derived from a bespoke interview process whose styling makes it appropriate to a wide variety of organizations in service and manufacturing; public, private and voluntary sectors, and of a size varying from 50 employees to more than 2000. This research not only unveils the lost opportunity cost of the failure of marketing to persuade the workforce into the strategic marketing process but also provides evidence of even greater managerial weakness:

- Some 25% of companies claim to practise some form of internal marketing but 85% of all marketing managers see no reason to include it in their plans.
- Approximately 40% of business decision makers believe internal marketing to be a critical function of the marketing department while 77% of personnel or corporate service managers claim internal marketing as part of their remit.
- Some 44% of marketing directors make little effort to share their marketing plans with their own departments and 68% of them fail to share them with their managerial colleagues.
- Less than 10% of companies with 'customers', 'quality', 'service' and/or 'people' written into their mission statements can claim a motivated workforce.
- In almost every case, internal politics and strong personal preferences are bound to continually frustrate the implementation of essential business decisions (Richards, 1997).

Thus, it is imperative to understand that Workplace Marketing is much more than internal marketing. It is the management of the customer experience within the totality of the strategic business process. The contention is that if the organizational energy that drives customer behaviour lacks comparable momentum in any one of the three organizational centres of excellence, not only is the organization itself thrown into imbalance but also market advantage itself becomes unattainable (Figure 3).

A redrawing of the marketing equation is also presented here in order to illustrate the points of difference between Internal Marketing and Workplace Marketing (Figure 4).

However, a refined corporate strategy with clarity of business direction and a developing customer consciousness are insufficient catalysts to competitiveness. The organization will not attain the performance it desires without the investment in people that leads to the release of corporate energy and the emancipation of the workforce (Figure 5).

It must be noted that that empowerment is inconsequential without emancipation. Such a process of emancipation has, however, to be understood in conjunction with a

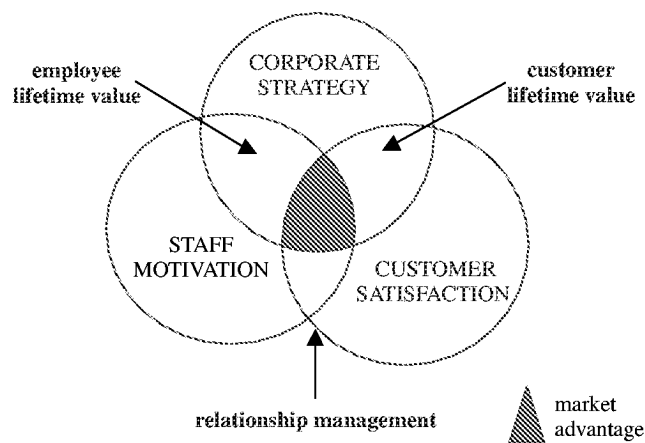


Figure 3. Fountains of organizational energy.

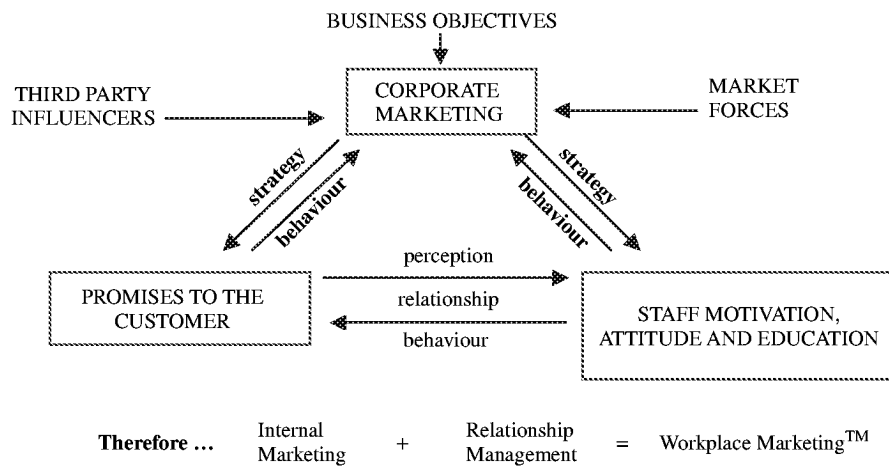


Figure 4. The redrawn marketing equation.

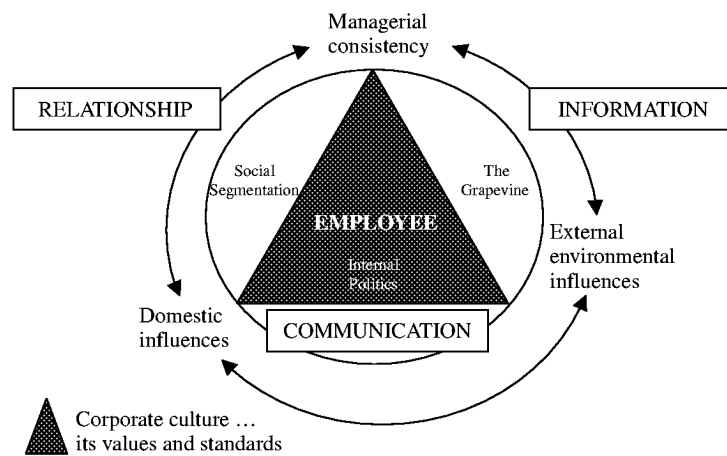


Figure 5. A political spectrum.

number of less tangible ‘Personal Persuasive Influences’ (Figure 6).

For those who invest in Workplace Marketing the results can be impressive but it is ultimately only the unwavering commitment of management to the change process that assures success. By tracking businesses with such top management commitment over a two-year period, it was found that 77% of participating organizations had a superior return-on-capital. These companies also achieved an average improvement of 172% in pre-tax profits. However, the organizations were not the only beneficiaries. Within these same companies employees experienced an average increase in earnings of 13% during the study period (Williams, 1995).

As Schultz and Walters (1997) point out, the focus of strategy is to achieve measurable behavioural results but in order

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to be effective it has to be articulated in two dimensions, against both internal and external markets (Schultz, Tannerbaum and Lauterborn, 1994). The quality of the interaction of the two and the perceptions that each holds of the other become the



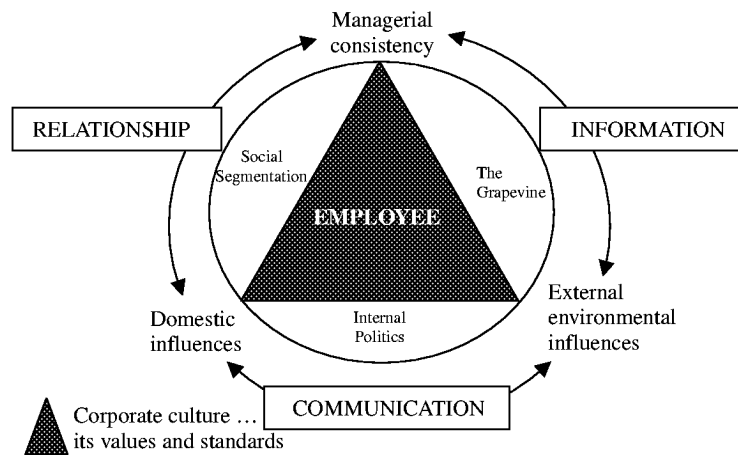


Figure 6. Personal persuasive influences.

basis for behaviour across the two markets. Both Schultz and Williams are making the fundamental point that organizations exist within wider concepts.

It is all too often the belief that the heart of business success is not the time-consuming effort of organization building, nurturing human capital and sustaining a brand, it is doing the big deal (Hutton, 2000), a deal which, in the UK, so often contributes in real terms to further decline. If we are to change this mind-set as an essential prerequisite of success in meeting the challenges that the new knowledge-based economy of the twenty-first century is certain to pose, then we have to change the axioms of the paradigm and create a new discourse.

Such a discourse requires a language which harnesses the workforce within a framework of continuing development and which sees the internal market as being of vital importance to achieving long-term sustainability. It is precisely this change in management thinking that Workplace Marketing seeks to address. Indeed, it already demonstrates that its new approach to marketing works and is equally applicable to both the corporate and SME sectors.

As Ball (2000) states 'Research has shown that investment in personal development has an immediate and direct effect on the

uptake and application of skills developed'. Furthermore, if businesses are to develop the highly skilled, flexible workforces they depend upon to succeed, then they must pay attention to developing talent at the individual level within their organizations (Masojada, 2001).

Conclusions

This article has endeavoured to examine the role of organizational culture in relation to the efficiency and profitability of the firm. It has examined how cultural concepts can act as a barrier to the creation of a company that is proactive in maximizing its market advantage on an ongoing basis. Further, it has highlighted the importance of recognizing effective internal marketing as one of the major factors in establishing the environment for sustainability.

Allied to marketing is the importance of successful management education at all levels of the company if the concept of 'Employee Lifetime Value' is to be realized and utilized rigorously. The identification and effective use of ELV as a concept outlines how important applied research is to building the tool kit of techniques business needs to deal with the problems of the economy in the early part of the twenty-first century. Indeed, the whole concept of Workplace Marketing has highlighted how

rigorous interventions can make a difference to company performance. Its successful use underlines how vital it is to move away from an environment that sees any form of development as a cost and not an investment. Workplace Marketing has, in this context, the potential to be a more effective applied business model that can produce tangible results for all parties.

Biographical notes

Juliet Williams is a graduate of London and Cambridge universities and spent seventeen years as a successful CEO. In 1991 she left corporate life to create Strategic Management Resources, a management consultancy specializing in the management of change in organizational behaviour. Juliet is a regular contributor to MBA programmes at Northwestern University, USA, the Manchester Business School and the Oxford Brookes Business School in the UK together with St Gallen University, Switzerland. She is also a prolific presenter of compelling radical thought at conferences, workshops and business forums around the world. An extensive portfolio of engaging case histories supports her work.

Roger Mumby-Croft is a DTI/HEFC appointed Business Fellow and an EU accredited Senior Expert in Entrepreneurship. Roger has a master's degree from the University of Warwick and is a member of the Chartered Institute of Marketing. Prior to joining Oxford Brookes University he ran his own group of companies in the North of England that were based in the processing sector of the UK fishing industry. He has extensive experience as a change management consultant within the SME sector. His research interests are mainly based in the area of the enterprise–marketing interface.

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