The market within: A marketing approach to creating and developing high-value employment relationships

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\textbf{Abstract} In the battle for high-value talent, managers need to think like marketers, creating job offerings and employment relationships that provide mutual value for firms and their employees. This article provides a 3-stage framework for the application of marketing techniques to the recruitment and retention of high-value employees. In the first stage, the 4Ps of the marketing mix are used to create compelling job offerings that attract high-value employees. In the second stage, firms use relationship marketing concepts to build long-lasting employment relationships that create mutual value for the firm and its employees. The third stage involves the outcomes of high-value employment relationships, which include greater employee commitment and satisfaction, which then lead to greater employee advocacy of the firm and lower levels of employee turnover. The ultimate proposed outcomes of this approach are increased performance and stability of the firm.

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1. Today’s hiring managers need to think like marketers

Jeffrey Pfeffer (1994) has argued that in today’s information-based economy, human knowledge and innovation are the firm’s only non-imitable sources of sustainable competitive advantage. In an increasingly competitive global economy, the firm’s success is dependent on its ability to attract, retain, and engage high-value employees: those who have the skills, performance, and motivation to fully realize the firm’s strategic objectives (Corporate Executive Board, 1999). As firms compete for top talent, managers are increasingly compelled to think like marketers, using the perspectives and tools developed to attract and retain customers in the recruitment, retention, and management of high-value employees (Maurer & Liu, 2007). Taking a marketing perspective on human resource issues reveals previously unseen conceptual and practical similarities between the two disciplines, and provides a basis for integrative, strategic consideration of such issues.

To date, the fusion of marketing and management concepts has been somewhat piecemeal, providing

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useful, but narrow applications from one field to the other. Practitioner-based management literature has advocated the use of marketing concepts and tools to address a variety of human resource challenges, including designing compelling jobs (Corporate Executive Board, 1999), managing HR services (Collins & Payne, 1991), and recruiting employees (Redman & Mathews, 1994). Within the field of marketing, the concept of internal marketing (IM) has been proposed as a means of applying traditional marketing concepts and the marketing mix to develop a customer service orientation among employees (Grönroos, 1990).

In this article we go further, offering a framework that illustrates how marketing concepts and tools can be applied in the development and management of high-value employment relationships. We begin with a brief overview of relevant marketing concepts, and then present the framework, explaining how these concepts can contribute to effective people management.

2. A review of relevant marketing concepts

The field of marketing incorporates a wide variety of concepts and tools aimed at facilitating exchange relationships between sellers and buyers. Even a cursory review of the marketing field would be well beyond the scope of a single article. Our review of marketing concepts, therefore, focuses only on those concepts that are relevant to our framework for recruiting, selecting, developing, and managing employees, which is presented below.

We necessarily begin with a consideration of the marketing concept. Among non-marketers, marketing is often viewed rather narrowly as a tool for influencing, selling, or manipulating consumers. However, marketing pioneer Phillip Kotler defined marketing more broadly as the “task of creating and offering value to others for the purposes of achieving a desired response” (Kotler, 1972, p. 46). This famous definition suggests that marketing involves more than inducing customers to purchase goods and services: it involves efforts targeted at the mutual exchange of value, providing both customers and sellers something that is desirable and important to them. Recent decades have witnessed a broadening of the marketing concept from a focus solely on market transactions, or the transactional view of marketing, to a focus on managing relationships with the firm’s various publics, or relationship marketing (Webster, 1992). We examine each of these approaches in the following sections.

2.1. The transactional view of marketing

The transactional view of marketing is product-oriented, with the sales transaction being the ultimate objective. From this perspective, the goal of the firm is to use its resources to design, produce, distribute, and promote a product that attracts as many buyers as possible, resulting in the maximum number of sales transactions (Webster, 1992). For many years, this has been the dominant marketing paradigm (Grönroos, 1994).

The central concepts employed in the transactional marketing paradigm are segmentation, targeting, positioning, and the marketing mix. Because it is implausible to try to meet the needs of all consumers with a product offering, marketers subdivide a market into homogeneous segments on the basis of some category of relevant needs or characteristics of customers. Segments that have the most potential are then targeted as the main focus of marketing efforts. Positioning refers to the firm’s efforts to create a preferable image or identity for its product, brand, or organization in the minds of its target market. The marketing mix—the familiar 4 Ps, or product, price, promotion, and place—is specifically designed to appeal to the needs and desires of the targeted segments in order to achieve a desired response from the consumer (Solomon, Stuart, Smith, & Sirisi, 2006). The product is the thing that is exchanged with the customer, whether it is a good, service, idea, or bundle of attributes. Price is the value of the product, which is generally assigned by the seller. Place refers to the location or distribution channels through which the product is made available to the customer and exchange is facilitated. Finally, promotion refers to the marketing communication activities undertaken to influence buyers.

2.2. The relationship view of marketing

Relationship marketing has emerged fairly recently as a new perspective in marketing, distinct from the transaction-based approach described above (Parvatiyar & Sheth, 2000). Christian Grönroos, a pioneer in the study of relationship marketing, defined it as “all activities directed towards establishing, developing and maintaining successful relational exchanges,” and the “mutual exchange and fulfillment of promises” (Grönroos, 1994, p. 9). The basic assertion of relationship marketing is that developing a strong seller-customer relationship provides customers with an intangible value that is difficult for competitors to imitate or match, which keeps them buying from the firm (Evans & Laskin, 1994). The goal is not necessarily to maximize sales.
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