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Managing relationships with employees as company's internal clients

JEL code: M5

Keywords: personnel, CRM, HRM, internal customer, customer relationship management, internal marketing, employer branding personnel

Summary. The purpose of the paper is to employ customer relationship management (CRM) conception for translating thinking about human resources management in enterprises. Giving staff name of internal customer is connected with perceive needs and expectations of people working in enterprise. It is important to put pressure on increasing internal customer satisfaction because this translates into customer satisfaction on the market. The author proposes a new application for the concept of external clients known for management. The suggestions for using CRM to support HRM contained in the article are based on the previous knowledge in both fields and the author's own observations. This article indicates some analogies in building customer–company and employee–company relationships. They can be used to match the assumptions of the CRM concept to building relationships with employees. The issues of internal marketing and employer branding are also discussed here. The issue of the impact of CRM on HRM and vice versa was also raised. It also indicated the limitations as well as the possible benefits to be achieved in the application of the CRM concept for building relationships with employees.

Introduction

Most companies nowadays successfully apply the CRM concept and build profitable relationships with customers. One of the basic rules regarding gaining customer loyalty is that it is impossible to convince customers to loyalty through disloyal employees. The question arises how the loyalty of staff can be build. There are many different ways to do this but you it can be assumed that treating the personnel as it is supposed to treat customers is a good way of proceeding. So if companies implement CRM to build relationships with clients, why not implement this concept to build relationships with employees? Sometimes employee market seems to be neglected.

The question arises, why apply CRM solutions to the so-called internal clients, since the theory of human resources management and its achievements is well developed, should be sufficient. However, there is a need to look for solutions in this area, for example due to the increased mobility of employees and global competition also in the labour market. Good companies can invest a lot in their employees, but they must be sure that the employee will maintain a relationship with them. Therefore, it is necessary to constantly raise awareness and inform employees in order to strengthen the level of their involvement and create loyalty (Biesaga-Słomczewska, Iwińska-Knop, 2017, p. 40–50). CRM activities directed to the company's interior are of great importance here and are support for HRM. Another very important reason why it is worth investing in building relationships with employees is that the shape of these relations will be reflected in relations with external clients. The aim of the article is therefore to employ customer relationship management conception for translating thinking about human recourses management in enterprises.

CRM reference for HRM in the organization

The CRM concept is a management concept that allows you to build lasting relationships with clients in the era of global and strong competition. CRM has become an essential part of business, especially large enterprises, and it is gaining increasing interest from smaller and mid-sized businesses (Greenberg, 2010, p. 410–419). This concept can be defined differently, one of the definitions says it is an information system that tracks customers' interactions with the firm and allows employees to instantly pull up information about the customers such as past sales, service records, outstanding records and unresolved problem calls (Nguyen, Sherif, Newby, 2007, p. 102–115). Sometimes CRM is defined as a way of designing structures and systems so that they are focused on providing consumers with what they want, rather than on what a company wants them to want (Hindle, 2012). Generally CRM helps companies to understand their customers.

The CRM system consists of software (often based on the data mining analysis), tools (e.g. hardware) and philosophy. The CRM philosophy is a conceptual approach to customer management in the company, rooted in the organizational culture. Customer relationship management system helps to better understand all customers' needs and show how to meet those needs while enhancing bottom line. Among the many benefits that can be transferred by CRM implemented in the company, also the marketing of positive information about the company on the market by means of whisper marketing is mentioned. This can be obtained if the clients trust the company and the relationship is at the appropriate level.

Typically, CRM is used and theoretically discussed only in relation to external clients of the organization. Meanwhile, it turns out that the assumptions of this concept may have a reference to managing the internal client, which is the employee. The concept of internal marketing appears; it assumes acquiring, developing, motivating and maintaining qualified employees through internal work products and treating employees as internal clients who expect the employer to meet their needs (Berry, Parasuraman, 1991). Internal marketing raises a lot of controversy, mainly with regard to the possibilities of its implementation. There is also no consensus among researchers on definitional matters. Everyone, however, agrees that it meets employees by treating them as internal clients of the company (Biesaga-Słomczewska, Iwińska-Knop, 2017, p. 40–50). Compliance also applies to the goals that internal marketing is to pursue. In particular, it is about increasing employees' readiness to do something for the organization, increasing their commitment to achieving the set goals and increasing motivation to work for the benefit of an external client (Davoudi, Kaur, 2012, p. 59–72).

One of the main goals of implementing CRM in relation to external and internal clients is to create such an organizational culture in a company that promotes the formation of profitable customer-company and employee-company relationships. Inside the enterprise, the attitude of employers and managers, manifesting itself in:

- investing in valuable employees,
- building mutual trust in the employee group and in relation to superiors,
- leaving employees the largest possible decision-making independence,
- encouraging employees to take independent initiatives,
- building an atmosphere of mutual respect,
- using a language aimed at building profitable relationships.

The role of the manager in building relationships with employees should be based on:

- training,
- advising,

- motivating,
- inspiring,
- evaluating.

The creators of CRM show that customer-company relations, like interpersonal relationships, go through subsequent stages (fig. 1). The same is also true of the employer-employee relationship stages (fig. 2).



Figure 1. Pyramid of loyalty in CRM conception

Source: Schriver, 2017.

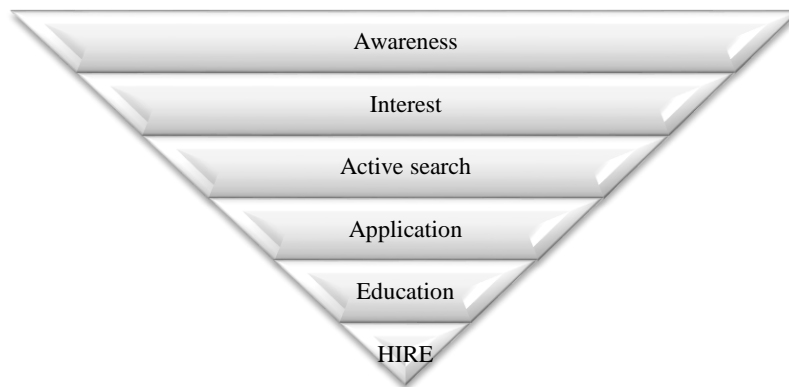


Figure 2. Recruitment funnel

Source: *The Five Stages...*, 2017.

Each subsequent stage of the employee's relationship with the company is characterized by greater loyalty and mutual trust. The same applies to the customer-company relationship. One can speak about both the customer's life cycle in relation to the company (fig. 3) and the employee's life cycle in the company, and there are also similarities (fig. 4).

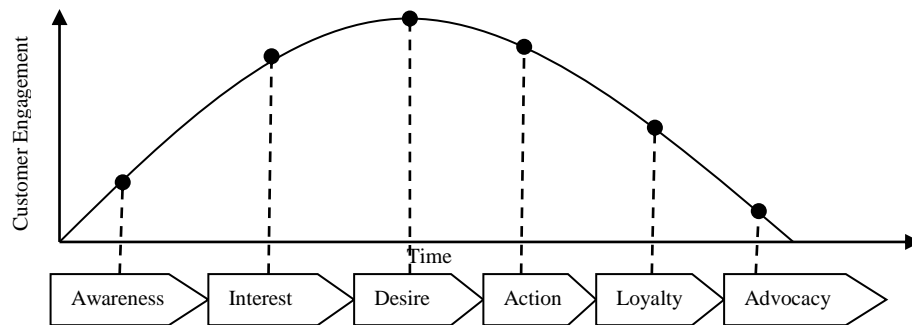


Figure 3. Customer lifecycle stage

Source: *Ted says...*, 2016.

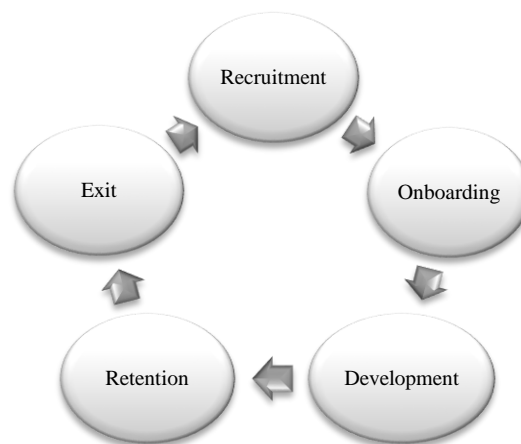


Figure 4. Employee lifecycle

Source: *The Five Stages...*, 2017.

CRM on customers mainly affects the desire phase; its purpose is to extend it. However, it is important to focus on building a relationship with the customer from the beginning of his interest in the company. In the case of an employee's life cycle, the most effective will be the development and retention phase. However, an employee can already be encouraged to build a lasting relationship with the organization at the recruitment stage. Companies can achieve great benefits thanks to the skilful involvement of the media to build a positive image of the so-called employers by choice. In order to ensure the effectiveness of human resources management in the organization, it is crucial to use the opportunities offered by the employer branding strategy in social media (Rzemieniak, Wawer, 2012, p. 353–367). Employer branding is a way in which an organization builds

and communicates its identity primarily to its employees, candidates, but also stakeholders and other surrounding groups. In other words, it is a process of creating, identifying and managing the image of a company or organization as an employer (Minchington, Thorne, 2007, p. 14–16).

For HRM, it is important how to maintain relationships with employees. In relation to external customers it is so much easier that usually employees are willing to build relationships from the beginning of contacts with the company and often try to sustain them. Important are the rules that originate from the CRM concept directed outside the company. Adaptation to internal clients is shown in table 1.

Table 1

CRM policy for internal client

External CRM	Internal CRM
Customer's individualization	Individualization of an employee – an employee cannot be a work number or just a position, if possible each employee should be treated individually, know their first and last name. Address him cordially and kindly and with respect.
Openness to dialogue with the client	Every supervisor and employer should be open to dialogue with the employee, to get to know his motivation and needs.
Transition from a transactional approach to a relational approach	If an employee is perceived by the company only as a workforce, then he/she will not identify with the company and its strategy. Approach to an employee reflecting the transition to a relational approach can be observed in the openness to building relations with superiors.
Analysis of behavioural data of clients	Employees can be assessed by quantitative data and based on attitude and behaviour. When building employee-company relations, emphasis should be placed on the latter.

Source: own study.

Building employee loyalty

Employees should be treated as internal clients, although it is hard for employers to even call employees customers. An internal client in an organization is any employee who participates in the value-added chain in the organization (Broniewska, 2018). The employees are for the organization of the so-called human capital, which is an important component of the intellectual capital of the organization. In addition to financial capital, it is an important element affecting the market value of the organization. Employees constitute the so-called tactical knowledge contained in their skills (intellectual and manual), professional knowledge, experience and creativity (Urbaniak, 2008, p. 16–19).

Employee loyalty is of great importance to the organization as only loyal employees will attract loyal customers. In a well-organized company there should be no disruption in the approach to the external and internal client. Neither one nor the other should be treated in a disrespectful or aggressive way. Even in difficult situations, the employee-customer should be able to count on

hearing and understanding. It is even said that the concept of comprehensive management by quality clearly expresses the view that (Broniewska, 1998, p. 20–24):

- a) each employee and each department of a given organization are also internal clients (or recipients) and internal suppliers, while the operations of the organization are optimal when each employee and each department both provide and receive the highest quality services;
- b) the staff of the organization is working in accordance with the declared mission, strategy and goals of the organization, and the goal of internal marketing is to stimulate all staff, in the telephone conversations, e-mails and personal contacts with other clients (external and internal), employees represent the organization as best as possible .

Employee loyalty can be built through a motivational system. The construction of an appropriate motivation system is very important because it is aimed at stimulating and involving employees and managers to carry out the assigned tasks. Without the personal commitment of employees, you cannot expect effective implementation of even the best-assigned tasks. The traditional approach to motivating employees says that managers wanting to achieve the expected results should motivate employees to get a sense of having to identify with the company (Balon, Dziadkowiec, 2010, p. 17–40). The CRM philosophy encourages employers to influence employees so that they want to and do not have to identify with the company.

This effect can be obtained by using the methods of creating the loyalty of recipients proposed by Reichheld, they are (own elaboration based on Reichheld, 1996):

- adequate communication (in the case of employees, e.g. internal bulletin, employee group on a social network),
- proper service (employees inside the company are also served, e.g. by the human resources department, this service should be of appropriate quality so that employees can function without problems in the company and that this service raises positive associations),
- training (a trained employee feels more confident in the work he or she does on a daily basis, and training properly matched to the employee's profile fosters attachment to the company),
- incentives (incentive system for employees can be very complex and consist of various instruments),
- reliability (employees must know that they can rely on the company, they must trust their superiors who should be verbally and honest),
- flexibility (a company that wants to maintain a loyal employee sometimes has to adapt to his needs and expectations),

- putting people above technology (employees must be aware that they are important and valuable for their superiors and employers).

Reichheld was referring to ways of creating loyalty to customers, but as shown above, it can also be justified in relation to employees.

In managing relationships with internal clients, it is also important to notice the huge role of whisper marketing inside the organization. Whisper marketing has its source in gossip, and it spreads well in the employees' environment and can bring both HRM support and a huge threat. External customers are encouraged to disseminate positive information about the company both actively (e.g. by organizing contests in social media) and passively (through an appropriate attitude towards the client and satisfy his needs and require at the highest level). Similarly with internal clients – different problems and difficult situations must be explained quickly and efficiently in the company, so as not to leave room for gossip. On the other hand, the dissemination of information that positively influences the image of the company in the eyes of employees (e.g. about winning awards at trade fairs) should be supported and skilfully fuelled. Employees should also be encouraged to recommend the company to friends and family through various incentives such as special bonuses and rebates.

Benefits and limitations of the application of the CRM concept in building relationships with employees

The implementation of CRM to manage relationships with internal clients, like internal marketing, raises some controversies, mainly in terms of implementation. Restrictions on the application of the CRM concept in building relationships with employees result primarily from the differences between employees and clients. Employees can not usually as easily as customers go to a competitive employer, so they can feel compelled to build relationships, which does not affect its shape well. In addition, the personality of some employees means that building relationships with them is impossible and they will never be loyal to their company. Some positions and types of employment are also not predestined to build lasting relationships between employer and employee. It is also difficult to apply CRM methods to select key employees. Here, probably the solutions in the field of HRM will be better.

An undoubted benefit from building relationships with employees may be the receipt of a loyal group of internal clients that disseminates positive information to the company outside and actively supports the building of loyalty of external customers. In addition, employees with whom good relationships are built will be less susceptible to competitive job offers. It should be remembered, because the employee, as in other organizational resources, usually invests and it is worth to make this investment properly. This can happen if the internal client is at the right level of relationship with the company. Good employee

relations - the company also encourages employees to intensify their efforts to the employer, and they are happy to work. Thus, the work atmosphere in the enterprise can improve significantly.

This article does not address the issue of collecting and storing customer data for internal clients, which is one of the pillars of CRM aimed at external clients. This is due to the fact that employee data is stored in the company in HR departments and used there. CRM software will find less or less use in managing employee relationships and may be unprofitable. The emphasis in building employee-company relationships should be placed in relation to behavioural data. However, you can use the data from the HR system to maintain customer relationships, even by making employees wish on their birthday. Certainly, in most cases, this may be welcomed by employees.

Conclusion

In today's economy, satisfying an external client seems to be the most important thing for the organization. In many cases, however, companies do not realize that for employees to properly build relationships with customers, they themselves must be fully satisfied with the relationship with their company. The CRM concept, which is successfully used to manage the client-company relationship, can be applied on many levels to internal clients, such as employees. It is very important to build employee loyalty towards the company. Only a loyal employee can convince the customer to loyalty.

Activities in the field of CRM allow not only for this, but also can effectively support activities in the field of HRM. Of course, there are some limitations in the application of the CRM concept to employees, but the benefits that a company can derive from this seem sufficient to convince employers and supervisors to apply CRM principles to build relationships with an internal client.

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Zarządzanie relacjami z pracownikami jako klientami wewnętrznymi przedsiębiorstwa

Słowa kluczowe: personel, CRM, HRM, zarządzanie zasobami ludzkimi, klient wewnętrzny, zarządzanie relacjami z klientami, przedsiębiorstwo, marketing wewnętrzny

Streszczenie. Celem artykułu jest ukazanie zastosowania koncepcji zarządzania relacjami z klientami (*Customer Relationship Management* – CRM) do przekształcenia myślenia o zasobach ludzkich w organizacji. Nadając pracownikom miano klienta wewnętrznego, wskazuje się na dostrzeżenie ich potrzeb i oczekiwań. Szczególny nacisk kładziony jest na dbanie o satysfakcję klienta wewnętrznego, gdyż przekłada się ona na satysfakcję klienta zewnętrznego w organizacji. Autorka proponuje niejako nowe zastosowanie dla koncepcji znanej z zarządzania klientami zewnętrznymi. Zawarte w artykule propozycje użycia CRM do wspierania HRM opierają się na dotychczasowej wiedzy z obu dziedzin oraz obserwacji własnych autorki. W artykule wskazuje się na pewne analogie w budowaniu relacji klient–firma i pracownik–firma. Można je wykorzystać, aby dopasować założenia koncepcji CRM do budowania relacji z pracownikami. Poruszono również zagadnienia marketingu wewnętrznego oraz budowania marki pracodawcy (*employer branding* – EB). Zwrócono uwagę na kwestię wpływu CRM na HRM i odwrotnie. Wskazano także na ograniczenia, jak i możliwe do osiągnięcia korzyści, w stosowaniu koncepcji CRM dla budowania relacji z pracownikami.

Translated by Agnieszka Bojanowska

Cytowanie

- Bojanowska, A. (2018). Managing relationships with employees as company's internal clients. *Marketing i Zarządzanie*, 3 (53), 17–26. DOI: 10.18276/miz.2018.53-02.