

The Research on Enterprise Organization Constructer Reforming Based on Internal Marketing

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Abstract—In the face of fierce competition, enterprises begin to build customer-oriented operation conception to meet customers' changing demands. The study suggests that enterprises can build such a kind of culture by taking internal marketing management activities. Otherwise, internal marketing can be regarded as an instrument to coordinate the relationship between departments and to carry out organizational reform, which can guarantee the implement of customer-oriented marketing system. Therefore, the implement of internal marketing will definitely bring about the organizational reform. In this paper, I would like to build a market-oriented organization by analyzing internal marketing theories and organization structure, as well as by combining qualitative analysis with quantitative analysis to provide some reference for companies that is preparing to reform organizational structure.

Keywords: *Internal Marketing; Organization Structure; Organization Restructuring;*

I. INTRODUCTION

With the rapid development of socio-economic environment and consumer demand, competition among enterprises has become increasingly fierce. In order to meet changing consumer demand, many companies have established a customer-oriented marketing system in the process of operation of the entire system of the enterprise, and all activities are starting from the customer point of view. Though the influence of PIMS, marketing managers believe that market share is a driving force behind corporate profit for a long time, but subsequent research has found that if employees' satisfactions increase by 5%, the customer satisfaction will go up in 1.3%. Therefore, we can conclude that employees' satisfaction is connected with profits in companies. In recent years, the internal marketing become more and more popular, and the company can improve the employees' satisfaction by internal marketing as well as combine the worker's profits with enterprises'.

With the aid of predecessors' research on internal marketing, this paper finds some relationships between internal marketing and organizational structure and then provides a newly systematic perspective for organizational structure reforming research, which is really making sense.

II. THE NECESSITY OF THE TRADITIONAL ENTERPRISE ORGANIZATION STRUCTURAL REFORM FROM THE PERSPECTIVE OF INTERNAL MARKETING

A. The definition of the traditional enterprise structure

1) The dimensions of enterprise structure

The article borrows organizations dimension mentioned in the writings of the "Organization Theory and Design" as the analysis indicators of internal marketing affecting the organizational structure. Richard • L • Daft divided dimension of the organization into two categories: structural dimension and correlation dimension. As Tudafute's opinion that the structural dimension describes the internal characteristics of an organization, it provides a basis for measuring and comparing organizations. The correlation dimension reflects the characteristics of the entire organization, including organization size, technology, environment and culture, and it describes the environment that impacts and changes the organization dimension.

As this paper studies the organizational structure change based on internal marketing, which is belonging to the organization's internal characteristics, we use the structural dimension as specific manifestations of studying internal marketing impacting the organizational structure, which means that the impact of internal marketing on organizational structure can be manifested through these eight dimensions, including normalization, specialization, standardization, power level, complexity, centralization, professionalism, turnover.

2) Characteristics of the traditional organization

Combined with American management expert Ian Rob's point of view and the division of the organizational structure dimension, the typical characteristics of the traditional organizational structure can be summarized in the following aspects:

- 1) The standardization of the organizational structure;
- 2) The specialization of organizational structure;
- 3) Standardization of traditional organizational structure;
- 4) The power level of traditional organizational structure;
- 5) The complexity of traditional organizational structure;
- 6) Professional analysis of the traditional organizational structure and staff ratios;

To be realistic, this kind of organizational structure that is hierarchical and meticulously divided labor has been reducing costs and improving production results in a past long historical period. But as the business environment is facing dramatic changes, the drawbacks of traditional organizational structure model are gradually becoming apparent.

B. Analyzing the problems existing in the traditional enterprise organization structure from the perspective of internal marketing

What has mentioned above is a traditional organizational structure in eight aspects, such as standardization, specialization, standardization. In fact, it is just an index system from the eight dimensions, which is neither good nor bad, and any form of organization structure can be analyzed from these eight aspects. Under the new circumstances, the disadvantages of traditional organization structure may be expressed through these eight aspects. Therefore, from the perspective of the internal marketing, problems existing in the traditional enterprise organization structure can be mainly expressed in the following aspects:

1)Not conducive to the improvement of employees' motivation and satisfaction

Effective implementation of enterprise external marketing system is based on the effective implementation of internal marketing, and the basic content of internal marketing is to improve the staff's enthusiasm and satisfaction, and set up a customer oriented enterprise organization structure. Some problems of traditional organizational structure existing in the use of human resources can be exhibited in following three aspects:

- 1) The limited development of staff talents;
- 2) The limited all-round development of individuals;
- 3) Losing incentives for employees;

2)Not conducive to the customer satisfaction for functional barriers in enterprise value-added activities

In the traditionally functional organization structure, offering customers the products value may be regarded as one constituent part by the various functional departments to add their value activities. Most of the functional activities are around within the department, and given the limitations of the line of sight, each department is striving for the maxima value. In the traditional enterprise organization structure, departments are relatively independent, and different departments define their goals as self-value. In other words, in this kind of hierarchical structure, the enterprise is oriented by self-value and ignore the customer value.

3)Not conducive to information transmission and coordination between different departments

All the activities of enterprises are conveying every kinds of message to the customer. Then, the customer will deal with this information and acquire something what they really need. The same customers can get information the enterprise passes to the world from different departments and in different methods. If the inner-enterprise lacks communication, it will be definite that customers will gain different or even inconsistent information, which will make the customer become

skeptical and mistrust for the company. Traditional organization is a pyramid structure whose hierarchy is overmuch, which in turn lead to long information transport channel and slow responses; Mutual isolation among the various functional departments can limit the activity to the inner-department; Information transfers between supervisors and peers are often distorted.

III. INTRODUCING CHANGES TO THE ORGANIZING STRUCTURE OF ENTERPRISE FROM THE PERSPECTIVE OF INTERNAL MARKETING

A. Target of changing

Enterprise should establish customer-oriented marketing system externally and organizing structure oriented by coordination, communication and cooperation internally. Both sides serve for the customers corporately. This idea can be summarized as follows:

- 1) Meeting staffs' development;
- 2) Achieving customer orientation;
- 3) Efficiency of organization;
- 4) Implementing the corporate strategy;
- 5) Improving economic benefit;

B. The process of changing

In this paper, we argue that the application of the concept of internal marketing on organizing structure change in the enterprise should first establish awareness of internal marketing and build customer-oriented corporate culture and then perform specific changes to the organizing structure. We put forward two points for the change: building a specialized relationship management unit; changing the organizational structure of enterprises based on the customer value-adding.

1)Building a specialized relationship management unit

Relationship management unit is set to further coordination of departments within a variety of internal and external relations to realize the company's goal. Relationship management unit is the organizing structure of enterprise and plays an important role in it. The specific effects are as follows:

- 1) Coordinating internal relations;
- 2) Collecting information;
- 3) Decision-making consulting;
- 4) Participating in external association;

2)Enterprise organization structure transformation in process oriented

Internal marketing stresses that enterprise can make a series of activities a process through establishing a market-oriented structure which is based on a customer-oriented organization. In conclusion, the implement of internal marketing inevitably involves the business process so that enterprises must firstly carry on the process optimization.

1) Achieving the target

Process optimization focuses on providing additional value to the end customer to improve competitive advantage. Generally, when enterprise reforms the structure of the organization on the basis of business process, the business process can become clearer, and staff can understand deeply about the procedures in order to attain the market-oriented purpose and increase costumers' satisfaction. Therefore, I believe that the

process-oriented reform is valid.

2) Construction of process-oriented organization structure

Process-oriented organization structure mainly includes three parts: organizational decision-making layer, process team and functional management system, respectively.

a. Organizational decision-making layer is the highest level in the organization. Generally, the board is responsible for the overall strategic planning and overall goal determinations;

b. The process team is the core part of the process-oriented organization. The first task of building process team is to integrate the process, which should be constructed within a scope. So the enterprise should found different process team according to the process that will be integrated;

c. Functional management system is the basis of the process team. One of the major characteristics of the process-oriented organization is to retain the functional departments that play the original supporting role, such as human resources department, finance department and so on. Redesigned functional departments carry out the works focusing on different processes, and provide support and measures for different process teams.

4) The establishment of a process-oriented organization

Process-oriented organization is a kind of organization model, which is based on a series of core business processes and allocates the resources such as staff, organization structure and so on. This kind of organization structure emphasizes how the departments and employees create value for clients together.

3) Measures of Safeguard

In order to guarantee the reform, enterprises should also do the following:

- 1) Training the staff;
- 2) Establishing a fair working environment to ensure fair service to people;
- 3) Help employees develop their personal value through expressing caring and respecting for them;
- 4) Establishing an effective incentive mechanism;

C. 3.3 Evaluating the reformed organization structure

This paper mainly focuses on the enterprise organizational structure reform based on the conception of internal marketing, and thus builds a kind of market-oriented organization structure by setting up the customer-oriented culture among staff. Therefore, the performance indexes in this paper consist two parts: the financial indicator acquiring from the annual financial statements and customer satisfaction index reflecting market achievement.

1) Financial indicators

I have referred some literature and summarized the common financial indicators as following:

TABLE I ENTERPRISE FINANCIAL INDICATORS SYSTEM

| Details | Basic Indicators | Cash Flow indicators |
|---------------------------------|---|-------------------------------|
| Reflecting Short-term Liquidity | Current ratio; Quick ratio; Cash ratio; | Cash flow ratio; |
| Reflecting Long-term solvency | Asset-liability ratio; Equity ratio; Debt Service Coverage Ratios; Fixed Charge Coverage; | Debt Service Coverage Ratios; |
| Reflecting operating power | Turnover of account receivable; Inventory turnover ratio; Current asset turnover rate; Fixed asset turnover rate; | |
| Reflecting profitability | Rate of gross profit; Operating profit ratio; Net profit ratio; Ratio of profits to cost; Return to asset; Return to equity; | CFOA |

2) Customer satisfaction indexes

Customer satisfaction measurement process is as shown:

1) Determining the texted factor and grade

(1) According to the enterprise situation, determining the main and decisive factors that affect customer satisfaction;

(2) Determining the customer satisfaction grade;

The customer satisfaction grade can be divided into five parts as shown in Table II:

TABLE II CUSTOMER SATISFACTION EVALUATION RATING SCALE

| Scores | Very Satisfied | Satisfied | General Satisfied | Dissatisfied | Very Dissatisfied |
|---------------------|----------------|-----------|-------------------|--------------|-------------------|
| Ten-point system | 10 | 8 | 6 | 4 | 2 |
| Hundred-mark system | 100 | 80 | 60 | 40 | 20 |

2) Designing the questionnaire

The details of questionnaire include: product name, model, recommendations of customers, customers' name, contacting information, etc.

3) Implementing the investigation and gathering the information

4) Analysis methods consist of the longitudinal analysis, horizontal analysis, and mathematical model analysis.

a. The longitudinal analysis mainly concentrates on comparing the investigation results with the previous and analyzing the reason of increase or decline for further continuous improvement.

b. The horizontal analysis mainly concentrates on comparing the investigation results with the competitors, measuring the level of the enterprise customer satisfaction, and making sure the goals and directions of continuous improvement.

c. Mathematical model analysis methods: direct calculation method, the percentage method and weighted average method, etc.

d. Weighted average method as follows:

$$S = \sum_{j=1}^k \lambda_j S_j \times 100\% \quad (1)$$

S --the value of customer satisfaction; λ_j --weighted factor of the first j items;

$$0 \leq \lambda_j \leq 1, \sum_{j=1}^k \lambda_j = 1 \quad (2)$$

S_j --the first j items' customer satisfaction value

5) Improvement measures. On the basis of above analysis, the company should find out problems, analyze reasons, and make continuous improvement measures.

IV. CONCLUSION

Enterprise organization is a system composed of a plurality of elements. This kind of permutation and combination, according to the traditional organization theory, is achieved by the design of the department and the functions, the arrangement of class, the horizontal coordinate and responsibility allocation, and the organization formed in this way often performs in characteristics of administrative agency which is a mechanical organization. People used to think that this kind of organizational form can ensure enterprises to achieve high efficiency. However, since the nineteen seventies, organizations operated in this form have suffered challenge and threat from customers, change and competition, and also the impact from information technology. The internal marketing provides a new method for the enterprise to operate organizational reform, and reflects that enterprise pays high attention to inner employees establishing customer-oriented consciousness. Otherwise, internal marketing emphasizes that it should regard the next process as customers so that the organization structure begins to reform according to the process, which aims to establish a market-oriented enterprise organization structure.

By establishing the culture of internal marketing, enterprise can make employees set up the awareness that the next process is customer. And though the core

business processes, it can change the enterprise organization structure to make the enterprise process more clear, improve the communication among employees, and finally increase the costumers' satisfaction.

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