SPECIFICS OF CONTEMPORARY ENTERPRISE ACTIVITIES

Premises for Communication of Organizational Competence in a Professional Service Firm

Jolita Rakickaite and Rimgaile Vaitkiene

Kaunas University of Technology
Donelaicio 73, LT-44029 Kaunas, Lithuania

crossref http://dx.doi.org/10.5755/j01.ss.80.2.4850

Abstract

For the analysis of organizational competence communication at a professional service firm, the integrated marketing communication (IMC) approach has been selected. The concept, processes, and activities of integrated marketing communication (IMC) have been widely analysed in scientific literature. However, in the context of services IMC has been analysed relatively seldom, not distinguishing IMC features as a strategic business process in services. It is difficult to find scientific works in which organizational competence is analysed as an IMC object. The components of organizational competence reveal themselves through different expressions, which impedes competence communication. In this paper, the premises for the communication of organizational competence in a professional service firm are disclosed on the basis of the IMC model by Schultz and Schultz (1998), which identifies four IMC levels, distinguishing in integration proportions, processes, and activities, and shows the IMC maturity. Dealing with the context of a professional service firm, the authors of the article have supplemented each level by important activities, processes, and communication specifics of organizational competence. On each level, the premises are structured by referring to analytical, behavioural, and organizational dimensions.

Keywords: professional services, organizational competence, integrated marketing communication.

Introduction

Firms of professional service belong to a wider category of knowledge intensive services which are consolidated by several essential features. A consultative activity, when specialists solve customer’s problems (Strambach, 2008), often unstructured and complex (Alvesson, 1995; Maier, 2007), by applying their knowledge is characteristic to these services. The main ‘product’ sold by these firms is specialized knowledge, abilities, and problem-resolution (Strambach, 2008). Knowledge is a clear part of the offer, and often it is the most valuable component of the offer (Ustuner, 2005); it becomes a resource possessing a great value in the market (Glazer, 1991) and customers are ready to pay for this value (Ustuner, 2005). When the knowledge becomes the most important component of the offer, communication with customers becomes the essential factor (Ustuner, 2005). Ritter (2006) also emphasizes the importance of organization’s competence communication, because competence generates the income only when customers pay for it. As Kaiser and Ringlstetter (2011) state, critical resources of a professional service firm have to be used for marketing purposes.

The necessity to communicate firm’s knowledge as well as its abilities is confirmed by the criteria of a professional service firm choice. When choosing a professional service firm, customers value its experience (West, 1997; Fitzsimmons et al., 1998; Lapierre et al., 1999; Barksdale and Day, 2003), its reputation (West, 1997; Fitzsimmons et al., 1998), trust (Fitzsimmons et al., 1998; Maister, 2003; Kaiser and Ringlstetter, 2011), firm’s competence, relationship maintenance and communication skills, its abilities to understand customer needs and interests (Barksdale and Day, 2003), responses, and recommendations (West, 1997; Bagdoniene and Hopeniene, 2009). It is evident that customers strive for witnessing service provider’s competence and its ability to provide quality service.

In this paper, organizational competence is treated as ‘a whole of the potential of internal organizational competence and of external contextualized organizational competence. Internal organizational competence belongs to employees at individual and collective levels and by an organization is held as important knowledge, skills, abilities, attitudes, values, and other personal and collective properties, revealing the potential of organizational competence. Contextualized organizational competence reveals organization’s successful activity and its outcome’ (Juuceviene et al., 2011).

The expression of organizational competence leads to communication complexity. Explicit components of
The expression of organizational competence and its manifestation in activities impede the management of communication content; however, it is evident that the communication content of organizational competence is strategically important. Thus, the question \textit{how to manage the communication of organizational competence} arises.

Communication in professional services possesses an exceptional meaning, as the creation of service between a service provider and a customer takes place (Lapierre, 1997). According to Dawson (2005), ‘mutual communication is the basis for knowledge-based relationship’, that is, delivering professional services is based on knowledge intensive relationship.

Integrated marketing communication (IMC) plays an important role in relationship development (Gronroos, 2004; Fill, 2006). IMC is defined as a process for managing customer relationships (Duncan, 2002), where the content of communication is strategically managed (Duncan, 2002; Kliatchko, 2008). Due to these reasons, the IMC approach was selected for examining the communication of organizational competence in a professional service firm. Firstly, the IMC is directed to the development of relationships with stakeholders, necessary for firms of professional service; secondly, the IMC approach points out the possibility to strategically manage communication content.

Scientific knowledge on the integrated marketing communication of organizational competence in a professional service firm has been limited. In scientific literature, IMC conception, processes, activities, implementation principles have been analysed relatively broadly; however, in the context of IMC services, only several researchers (Gronroos, 2001; Finne and Gronross, 2009) could be mentioned. Scientists, emphasizing different touch points of a service firm and a customer, or the necessity to integrate the messages emerging in them, do not consider the features of IMC as a strategic business process in services.

Competence has been analysed as a marketing communication object. Scientists (Golletto, 2003; Rinallo and Borghini, 2003; Ritter, 2006) highlight the importance, particularity, processes, and the content of competence communication; however, competence communication has not been analysed in the context of professional services and applying the IMC approach.

Limited scientific knowledge on the integrated marketing communication of organizational competence in a professional service firm formulates the question, how to ensure the integrated marketing communication of organizational competence at a professional service firm.

This paper aims at identifying the premises for the integrated marketing communication of organizational competence at a professional service firm.

The premises for the integrated marketing communication of organizational competence at a professional service firm are formulated here on the basis of a four-level IMC model by Schultz and Schultz (1998). However, each level is supplemented by important activities and processes for professional service firms’ and communication specifics of organizational competence. The premises at every level are structured by referring to
Morgan and Piercy (1990, 1994) and are distinguished by analytical, behavioural, and organizational dimensions.

The paper draws on the analysis of research literature. It has been structured in the following way. Firstly, a methodological approach for the substantiation of the premises for integrated marketing communication of organizational competence at a professional service firm is discussed. Secondly, integration levels, characteristic processes, and activities are analyzed as well as the premises ensuring the integrated marketing communication of organizational competence at a professional service firm are singled out.

Methodological approaches to substantiate the premises for the integrated marketing communication of organizational competence in a professional service firm

Integrated marketing communication (IMC) is seen as a process for managing customer relationships that drive brand value; it is a cross-functional process for creating and nourishing profitable relationships with customers and other stakeholders by strategically controlling or influencing all the messages sent to these groups and encouraging a data-driven, purposeful dialogue with them (Duncan, 2002). Schultz and Schultz (2004) define IMC as ‘a strategic business process used to plan, develop, execute, and evaluate coordinated, measurable, persuasive brand communication programs overtime with consumers, customers, prospects, and other target relevant external and internal audiences’. According to Kliatchko (2008), ‘IMC is an audience-driven business process of strategically managing stakeholders, content, channels, and results of brand communication programs’. In IMC definitions, the need to strategically manage communication content, which, in this case, includes the organizational competence of professional service firm, is highlighted.

When explaining the IMC concept, scientists (Schultz and Schultz, 1998; Broderick and Pickton, 2001; Duncan, 2002; Fill, 2002) visualize the essential aspects in IMC models.

The model of integrated marketing communication by Broderick and Pickton (2001) reveals the complexity of marketing communication elements and forms, their influence upon communication goals. However, the model might be criticized because it does not single out organizational processes, necessary for IMC implementation, for example, inter-functional integration, which is a necessity in the practice of marketing communication at a professional service firm; it also does not reveal essential aspects for the development of IMC as a strategic level business process.

The model of the IMC process presented by Duncan (2002) is more directed towards processes taking place inside the organization. According to Holm (2006), a procedural viewpoint excessively simplifies the IMC concept; the IMC is a more complex phenomenon than the coordination of plenty of activities in space and time. IMC, as a more advanced form to plan communication, is usually implemented in several stages at organizations and it covers certain integration levels (Zemaitiene, 2009).

IMC levels are visualized in the models by Fill (2002) and Schultz and Schultz (1998). The IMC development model by Fill (2002) not only distinguishes tactical integration of marketing communication actions, but also reveals important IMC development components, functional coordination, and culture changes within an organization that require strategic decisions. However, the model is too much simplified; it lacks significant details and explanations (Burgmann and Kitchen, 2010).

The premises for the integrated marketing communication of organizational competence at a professional service firm will be disclosed on the basis of a IMC model by Schultz and Schultz (1998). This model visualizes and thoroughly discusses four IMC levels which differ in integration degrees, processes, and activities; they also show the IMC development (Figure 1).

The first level, tactical coordination, is the coordination of different elements of marketing communication, as well as a means of communication by focusing on external communication. This level relates to previous IMC interpretations, when IMC was understood as the integration of promotion elements and media (Fill, 2006), by which it is aimed to communicate coherent messages (Bulmer et al., 2007; Shimp, 2007). It is ‘the lowest’ integration which has to be attained by an organization if it focuses on IMC implementation on a tactical level.

![Figure 1. Four levels of IMC (Schultz and Schultz, 1998)](image-url)
The second level extends the concept of communication; all touch points of the organization and customers have to be evaluated here. Not only marketing communication tools, but also a lot of other touch points perform the function of communication. The importance of a customer-oriented approach becomes evident. One of the most important touch points is organization’s employees who are treated as a target marketing communication audience.

The goal of internal marketing is to have organization’s values reflected in employees’ behaviour and employee participation in the marketing process (Schultz and Schultz, 1998). The title of the second level (‘redefining scope of marketing communication’) does not disclose the complexity of this level; thus, this article defines the second level as the 'Integration of organizational competence marketing communication at all touch points of a firm and its customers as well as stakeholders'.

The third level is based on IT application, which changes communication ways and enables new decisions in collecting information. The understanding, analysis, and use of information concerning customers’ behaviour, attitudes, and transactions in striving for organization’s goals is the feature of the third stage of integration (Schultz and Schultz, 1998). Though an organization can possess exceptional data for usage, or attain important insights from the possessed data, it cannot ignore the first two levels of integration. If integration is not reached on the first three levels, the organization cannot perform integration on the fourth level (Schultz and Schultz, 1998). It is necessary to note that IT application is not a goal by itself; it is a means to collect, accumulate information about customers as well as stakeholders, and to finally transform the accumulated information into the knowledge, valuable for the organization and enabling the IMC development. Thus, the third level should be defined as ‘accumulation of knowledge about customers, stakeholders and its application’.

The fourth IMC strategic level discloses the interface of marketing and finances, which allows business to become fully oriented to a customer. The highest integration level is revealed in two primary objects: the ability to measure the return of investments to customers and the ability to use IMC in striving for organizational and strategic trends (Schultz and Schultz, 1998).

On every IMC level, the premises are structured by referring to a simplified model of the process, which is applied for marketing planning (Morgan and Piercy, 1990, 1994) and the process of customer satisfaction management (Morgan and Piercy, 1995). The latest scientific works (Ashford et al., 2008; Gilligan and Wilson, 2009, 2012) analyze strategic processes of marketing planning, and they refer to analytical, behavioural, and organizational dimensions by Morgan and Piercy (1990, 1994). On every IMC level distinguished by Schultz and Schultz (1998) the premises for the integrated marketing communication of organizational competence at a professional service firm are identified in the framework of these dimensions.

The application of analytical tools, techniques, and models which provide a system contributing to the application of identification and problem-solution is attributed to the analytical dimension (Morgan and Piercy, 1990; Ashford et al., 2008). It is important to note that the application of analytical tools ‘contributing to problem-solution’ has to be related to employee competence, i.e. the application of analytical tools has to allow attaining a successful activity result. Alongside the analytical dimension, the behavioural dimension is not less important. It focuses on a human factor: employee maintenance, participation, motivation, and commitments (Morgan and Piercy, 1995) in developing the integrated marketing communication of organizational competence. Most behavioural nuances, if not all, are influenced by a business context – the organizational dimension (Simkin, 1996), related to IMC development context: abilities of organization learning, strategic orientation of management (Piercy, 1998), formal structures and information, corporate culture, then style of managers’ administration, ‘signals’ being sent, priorities being communicated, and planning expectations (Morgan and Piercy, 1990).

Thus, the premises for the integrated marketing communication of organizational competence in a professional service firm are formulated on the basis of the four-level IMC model by Schultz and Schultz (1998) and are structured referring to the dimensions distinguished by Morgan and Piercy (1990, 1994).

Tactical integration of the marketing communication of organizational competence at a professional service firm

On the first IMC level, the greatest attention is paid to the consistency of communication content. The content is important for communication persuasiveness and it determines the behaviour of the target audience, which is the essential IMC principle (Kliatchko, 2008). The complexity lies in communication with a few or several target audiences, when different messages are sent, followed always by a different image. The search for integration should not mean communication uniformity; integration should involve in, principal, different approaches and messages, aimed at most target audiences (Broderick and Pickton, 2001). Scientists note that in planning topics or messages it is necessary to evaluate what influence they make upon each other.

The development of content in IMC flows from a deep knowledge and understanding of multiple markets that an IMC programme is initiated to address (Kliatchko, 2008). The main goal of marketing communication is to influence the understanding of customer’s value and the relation between the profit and costs (Holm, 2006). The organization has to communicate customer competences creating the value. The firm, striving to identify the components of organizational competence to be communicated, should answer the question: what organizational competences, creating value for a customer, the organization possesses. If the organization does not know its competences, clear communication for the market
as well as trustworthy interface with customers are not possible (Ritter, 2006).

First of all, the firm has to identify the components of value for a customer. When those components are known, the organization needs to identify organizational competences, necessary for value creation. Harmsen and Jensen (2004) relate market requirements to competences, necessary to fulfill them; thus, they create value in the market. A set of competences, valuable in a branch of industry, can be equally identified. King, Flower and Zeithaml (2001) begin competence identification from the construction of a list of competences, valuable for organizations in an industry branch, which allows attaining the competences. It is important for the firm to communicate only those components of organizational competence which belong to it, or are available; otherwise, the organization will not be able to keep the promise it has made. Thus, the marketing communication of organizational competence requires not only knowing the market and possessing organizational competences creating values within it, but also knowing and understanding the components of firm’s organizational competence which determine successful results of the activity.

Thus, in order to communicate organizational competence, the analytical dimension, and, more specifically, abilities of firm’s employees to identify the value of a service for a customer, to determine competences of firm employees, necessary for the value creation at individual and collective levels, is particularly relevant.

The search for the marketing communication content does not end, having identified components of the organizational competence creating value for a customer. The organization has to decide what conception, ideas, associations, values, and other perceptions of the brand, which the organization wishes customers to memorize, to communicate (Schultz and Schultz, 1998). Most organizations possess competences, applicable in most industry branches, manufacturing of different products or service delivering (Linton and Walsh, 2001). Vasiliauskas (2007) considers competences distinguishing by their specific peculiarities among competitors’ core competences, which, in fact, has to influence a positive image of the organization and its production (services).

The communication of messages, consistent and compatible with each other, induces creating of corporate guides (Schultz and Schultz, 1998). Decisions on brand image are made on the strategic level (Lee and Park, 2007).

A striving to create ‘one view, one sound’, which involves visual and content consistency of the message, ‘may be an important stage in developing internal cooperation among advertising, sales, public relations, and other areas of communications’ (Caywood and Duncan, 1996). Interpersonal and inter-functional communication within the organization and with external partners is important for planning and implementing consistent communication content. Thus, firms often use written manuals, procedural guides; they particularly point out the importance of direct personal communication, maintained by meetings or other forms (Schultz and Schultz, 2004). Therefore, initiatives and guidelines of firm’s managers in determining formal procedures to maintain interpersonal and inter-functional communication within the organization and with external partners are necessary. However, Schultz and Schultz (2004) point out that integration does not happen only by the effort of formal procedures. Marketing specialists often oppose the integration of functions, not wishing to transfer the field in which they function and possess competences (Schultz and Schultz, 1998). According to Fill (2002), the development of integrated marketing communication is not possible without the changes in employee expectations. Employees have to be more oriented towards a customer, are ‘to think more strategically rather than get involved into communication tactics’ (Schultz and Schultz, 2004), i.e. they have to feel more responsibility for business results. Thus, the processes necessary for successful changes have to be applied: trainings and programmes for personnel development (Fill, 2002), stimulating employees’ orientation to customers, but not the priority delivering to the functional field, which develops employees’ responsibility for the implementation of the strategic goals. Finally, organizational culture directs and forms employee attitudes and behaviour (Robbins, 1996), which has to induce interpersonal and inter-functional communication as well as employees’ orientation towards the market/customers.

Table 1

<table>
<thead>
<tr>
<th>Organisational dimension</th>
<th>Behavioural dimension</th>
<th>Analytical dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Identification of firm’s image guidelines</td>
<td>• Trainings and personnel development programmes which stimulate employee orientation to customers, not giving priority to a functional field, and which develop employee responsibility for implementation of strategic aims</td>
<td>• Ability to identify the value of services for a customer</td>
</tr>
<tr>
<td>• Introduction of formal procedures maintaining interpersonal and inter-functional communication</td>
<td></td>
<td>• Ability to determine the components of organizational competence creating the value for a customer</td>
</tr>
<tr>
<td>• Development and maintenance of organizational culture, stimulating employees’ interpersonal and inter-functional communication</td>
<td></td>
<td>• Ability to identify organizational competences belonging to the firm and creating the value for a customer</td>
</tr>
<tr>
<td>• Development and maintenance of organizational culture, stimulating orientation to the market/customers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

31
Thus, though the first level of integration of organizational competence, marketing communication is related to tactical activities of marketing communication. However, the organizational component – identification of firm’s image guidelines, introduction of formal procedures maintaining interpersonal and inter-functional communication as well as development and maintenance of organizational culture inducing employees’ interpersonal and inter-functional communication, orientation to the market/customers – is necessary for the development of integrated marketing communication. Thus, the organizational dimension becomes the foundation, which influences behavioural and analytical dimensions, in the development of tactical-level integrated marketing communication of organizational competence in a professional service firm.

Integration of the marketing communication of organizational competence at all touch points of the firm and customers as well as stakeholders

The second IMC level features a movement from the simplest tactical coordination to more expanded communication activities (Schultz and Schultz, 2004). Organizations have not only to pay their attention to marketing communication activities, but also to evaluate all the touch points of an organization and a customer, which greatly influence the decision-making to buy (Schultz and Schultz, 1998; 2004). The touch points with the organization are customer’s experiences about the firm; over time, it forms firm’s reputation (Fill, 2006).

Every element of a marketing mix has a potential to communicate (Broderick and Pickton, 2001; Fill, 2006). For example, price, product (in terms of quality), tangible attributes, the way of people delivering the service and the efficiency of where and how the service is delivered (e.g., place), the Internet site, etc. have to be understood by the customer as a coordinated and consistent entirety (Fill, 2006). Real integration includes the integration of all elements of a marketing and promotion mix as well as their goals (Broderick and Pickton, 2001). In developing the integrated marketing communication of organizational competence, all marketing mix elements have to strengthen, or at least not contradict, the image of the professional service firm as a competitive service provider. Messages sent by marketing mix elements have to be understood by customers and other stakeholders as a coordinated and consistent entirety.

IMC development at a professional service firm has to involve the integration of not only marketing communication elements but also other communicating sources, emerging during service delivering and consuming. Gronroos (2001) indicates four sources of messages: planned messages (planned and transmitted by certain media: TV, press, etc.); product messages (those are the sent/mailed physical objects present in the offer, their appearance, functioning); service messages (they emerge from the process of service delivery: service provider’s appearance, behaviour, functioning of systems and technologies, environment); unplanned messages (organization’s customers sharing positive/negative information). As Gronroos (2001) states, the greatest problem is that planned communication, being the least trustworthy marketing communication part, is given the greatest attention, and the most trust-giving services and unplanned messages are ignored. Organizations avoid the latter messages because those are difficult to be planned (Gronroos, 2001). However, when choosing a professional service firm, customers often consider comments and recommendations of other customers. Therefore, planned communication is only a part of the communication which forms trust in the provider of a professional service. Consequently, it is important to manage both planned communication and the communication emerging during service delivering, in interaction with other customers. Otherwise, customers obtain different, controversial information from various sources (Gronroos, 2001).

In striving for integrity of the marketing communication of organizational competence, it is necessary to guarantee that in planned marketing communication the declared knowledge, abilities, values, and other features of firm’s employees conform with those, demonstrated in the activity, and are additionally verified in the comments and recommendations by the third parties. In the marketing communication of professional service firms, promises are transmitted by planned messages; they have to be implemented during the process of service delivery, i.e. the contextualized organizational competence of a professional service firm has to determine successful activity and its result. In other words, employee knowledge, skills, abilities, and values have to be demonstrated in activities, successfully solving customer’s problem.

The stage of purchasing a professional service forms certain challenges, striving for getting the integrity of marketing communication of organizational competence. Involvement into long-term and close relations means that providers of a professional service are to communicate tacit components of organizational competence, which are inherent in the activity and shared when speaking, telling stories, or sharing their experience. It might so happen that messages contradict each other, or create an undesirable image of the professional service firm and the services provided. Therefore, it is very important for the firm to be able to recognize the components of organizational competence revealed in the activity and to evaluate their compliance with firm’s image.

Here it is important to consider the specificity of employee competences at individual and collective levels. At the individual level, employee competence (person’s knowledge, skills, abilities, attitudes, and values) belongs to each individual separately, and various employees can acquire discrepant knowledge, abilities, or follow different values and distinguish in still differing personal features. It is natural that contradictions or inconsistency occur in the communication of individual-level employees’ competences. In the meantime, the essential feature of employee competences at the corporate level is ‘collectivism/team’. They emerge from interaction in teams and are accepted by a part or by all organization members. Collective activity depends on group capacity to overcome the fragmentation of perceptions of different
subgroups (Boreham, 2004); this means that employees’ competence at a collective level is a certain form of integration. The collective sense allows the organization to focus on striving for unity (Boyce, 1995). Thus, on the collective level of employees’ competence, it is expedient that communication is distinguished by consistency and uniformity; it is disclosed without any fragmentation and contradictions. So, on the collective level of employees’ competence, the development and strengthening can contribute to the integrity of marketing communication of organizational competence. Thus, the development of employees’ competence requires empowering the processes of organizational learning.

In estimating the touch points of the firm and customers, customer’s purchase path is analyzed, and it is decided which communication tools are most effective in achieving the target audience, or how customers wish to communicate with the firm (Kliatchko, 2008). In the planning of marketing communication, a customer has to be the starting point, i.e. it is necessary to follow the outside-in approach (Kliatchko, 2008; Burgmann and Kitchen, 2010). In order to collect information about customers, organizations use different feedback channels, use feedback information, and share it within the organization (Schultz and Schultz, 2004). Thus, on the second IMC development level firm’s employees have to be able to use different channels of feedback in order to collect information about customers or other stakeholders, to be able to process the collected information and to use it for the planning, developing and evaluating of communication activities as well as to share the possessed information in the organization.

In order to achieve the integrity of marketing communication, employee support and involvement in activities of integrated marketing communication are important. The treatment of employees as a target audience of marketing communication is an important aspect of the second-level integration (Schultz and Schultz, 1998). IMC cannot be developed if consumer-facing employees do not support it (Fill, 2006). The employees of services who communicate with a customer become organization’s brand, and their performance influences the understanding of the firm by customers (Duncan, 2002). Though customers interact with the same organization, customer’s subjective experience can significantly differ: organizations are dynamic, different people can perform the same functions, but the experience of communication will not be the same (Keyton, 2005).

The aim of internal marketing is to transfer firm’s values into employees’ behaviour, to involve every employee into the marketing process (Schultz and Schultz, 1998), to inform employees about important activities of marketing (Duncan, 2002), to enable employees to keep the promises given to customers through external communication (Schultz and Schultz, 2004). Internal marketing involves the management of viewpoint and communication (Gronroos, 2001). First of all, employees’ viewpoints and their motivation to understand customers as well as their disposition to deliver a service have to be managed. Secondly, in order to be able to perform assignments, employees have to possess information (for example, about the promises given to customers, which were expressed in the advertisement) (Gronroos, 2001). Thus, promises that the firm of professional service is able to solve customer’s problem, which were given via planned marketing communication, have to be continued in the stage of service delivery. That is, the potential of organizational competence is contextualized and the notable behaviour of firm’s employees has to manifest itself as the activity determined by competitiveness. The integrated marketing communication of organizational competence in a professional service firm requires changes in employees’ viewpoint and behaviour.

Table 2

Premises for integration of the marketing communication of organizational competence at all touch points of the firm and customers as well as stakeholders

<table>
<thead>
<tr>
<th>Organisational dimension</th>
<th>Behavioural dimension</th>
<th>Analytical dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Creation and maintenance of organizational culture, inducing orientation to the market/customers</td>
<td>• Employees’ viewpoints and behaviour influenced by internal marketing activities so that values, viewpoints, approaches, and other issues which create the value for a customer and strengthen the firm’s image are revealed</td>
<td>• Ability to create and to effectively use feedback channels in order to collect information about customers or other stakeholders</td>
</tr>
<tr>
<td>• Creation and maintenance of organizational culture which focuses on the values, related to firm’s image</td>
<td>• Internal marketing activities directed towards employees’ involvement into marketing process</td>
<td>• Ability to identify the touch points of the firm and customer, or other stakeholder, and to estimate both the content of communication they convey and the emerging communication possibilities</td>
</tr>
<tr>
<td>• Managers’ viewpoint to employees as a relevant target audience</td>
<td>• Empowerment of the organizational learning directed to the development and strengthening of employees’ competence</td>
<td>• Ability to recognize the components of organizational competence disclosed in the activity as well as to estimate their compliance to the firm’s image</td>
</tr>
<tr>
<td>• Empowerment of the organizational learning directed to the development and strengthening of employees’ competence</td>
<td></td>
<td>• Ability to plan communication by considering customer’s positions, evaluating his/her needs, acceptable communication ways, and so on</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ability to effectively share the possessed information with firm’s employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ability to effectively use the accumulated information and knowledge in striving for the organization’s goals planning, implementing, and assessing communication activities</td>
</tr>
</tbody>
</table>
Tacit components of organizational competence and their unfolding in the activity determine the necessity to influence employees’ behaviour in order to disclose the components of organizational competence that creates the value for a customer and strengthens organization’s image. Internal marketing activities acquire great significance in strengthening organizational culture, distinguishing essential values, and striving to demonstrate them in activities.

Managers of professional service firms have to initiate and maintain organizational culture which focuses on the market, customers, and the values, related to firm’s image. The development of employees’ abilities and behaviour is achieved through organizational learning (Donegan and Murray, 2003) when learning processes take place in the organization, and ‘the organization has to try to create favourable conditions for this’ (Mozurumiene and Juceviciene, 2009). According to Apaydin et al. (2011), the firm needs to develop a learning system which would involve the learning embedded in organization’s strategy, structure, culture, systems, and procedures; different elements of the system have to be compatible with each other.

On the second level, behavioural and organizational dimensions acquire exceptional importance. They contribute to the formation of employees’ favourable viewpoint to IMC processes, they influence employees’ viewpoints and behaviour so that the values, standpoints and approaches, creating the value for a customer and strengthening organization’s image, are disclosed.

Accumulation and application of knowledge about customers and stakeholders

The third IMC level is often related to higher quality activities and decisions when the experience and accumulated knowledge, acquired in previous stages, are used. IT application changes communication modes and enables new decisions in collecting information, processing it, and employees get oriented to customers (outside-in planning approach). Schultz and Schultz (1998, 2004) consider the application of information technologies as one of main features of the third IMC level in developing databases, communicating with internal and external audiences.

Information technologies are used to facilitate internal communication; in the organization they help spread information about customers, are used in marketing actions; outside the organization - to communicate with customers and prospects, other target audiences (Schultz and Schultz, 2004). IT use allows creating more personal and reacting relations, the basis of which is the identification and respect of individual differences, requirements, values, and priorities (Schultz and Schultz, 1998). Scientists also note that IT use is a part of the first integration stage, and sending of only individualized messages does not show that one firm has achieved a greater integration than others. It is more important how the organization plans and develops its communication from the position of a customer, how well the insights, formulated at the second integration stage, are used (Schultz and Schultz, 1998).

The use of information technologies allows firms to accumulate the data about customers, former transactions, keep queries, claims, etc. (Schultz and Schultz, 2004). The accumulated information enables making a more full-scale view of consumers’ behaviour, perspectives, and feelings in respect of the brand (Fill, 2006); it allows reacting better to customer (other target audiences’) needs and fulfilling their expectations in the long period (Schultz and Schultz, 1998). It helps reach more effective marketing communication (Broderick and Pickton, 2001; Fill, 2006). The data, referring to an economic or behaviour-based view of the customer, are used on the third level (Schultz and Schultz, 2004). Scientists point out customers’ differentiation by economic criteria and the designation of organization’s resources and priorities to customers who bring a larger part of the income or profit. This is the essential requirement while moving towards the fourth integration level (Schultz and Schultz, 1998).

Possessing the data does not mean that the organization is on the third integration level, because data ownership does not guarantee integration and does not necessarily provide qualitative insights (Schultz and Schultz, 1998, 2004). Analytical tools are used for the evaluation of customers and prospects, identifying the most profitable customers by evaluating the costs of customers’ acquisition, maintenance, and migration, analyzing the changes of customers’ behaviour in the purchasing cycle, identifying the customers who might withdraw, or, vice versa, who might increase expenditure, and so on (Schultz and Schultz, 1998). Thus, during the third IMC development stage, organization’s ability to transform the possessed information into the knowledge, which must be shared at the organization, which must become available particularly to the employees who interact with customers and contribute to the creation of value (Duncan, 2002), becomes important. Sharing knowledge and feedback give the possibility for organizations to learn from the interaction and to improve the process (Duncan, 2002; Smith and Zook, 2011). Thus, the third IMC level distinguishes in the processes of knowledge management, i.e. ‘knowledge production, reception, and fixation in striving for more effective activity of the organization’ (Bassi, 1999, quoted in Juceviciene, 2007). Knowledge management is related to different technical processes of knowledge reception, production, conservation, distribution, etc., within the organization by frequently getting deep into the importance of information technologies, or even projecting it (Juceviciene, 2007). Knowledge is acquired through learning processes which give the possibility for organizations to improve their activity, to reach their goals, and to acquire new abilities (Gill, 2010).

On the third IMC level, the abilities of organization’s employees, particularly in accumulating, analysing, and using information, the assurance of communication among employees and the empowerment of knowledge management and organizational learning processes on the organizational level become important.
Accumulation and application of knowledge about customers and stakeholders

<table>
<thead>
<tr>
<th>Organisational dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Assurance of knowledge management and organizational learning processes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Behavioural dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Maintenance of communication among organization’s employees, particularly when applying information technologies</td>
</tr>
<tr>
<td>• Direction of communication towards sharing knowledge</td>
</tr>
<tr>
<td>• Involvement of employees into marketing communication processes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Analytical dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ability to plan communication referring to the outside-in planning approach (considering customer positions)</td>
</tr>
<tr>
<td>• Ability to effectively use information technologies for data accumulation and analysis</td>
</tr>
<tr>
<td>• Ability to effectively apply analytical tools (methods, models, techniques) for data accumulation, analysis, and their understanding</td>
</tr>
<tr>
<td>• Ability to effectively share the possessed information with firm’s employees</td>
</tr>
<tr>
<td>• Ability to effectively use the accumulated information and knowledge in striving for organization’s goals planning, implementing, and evaluating communication activities</td>
</tr>
</tbody>
</table>

Financial and strategic integration

The highest level of integration occurs as organizations begin to operationalize the assets and skills, developed during stages 1 through 3. (Schultz and Schultz, 2004). The fourth IMC level discloses two primary objects (Schultz and Schultz, 2004): 1) the need to upgrade systems and processes to measure the effectiveness of communication activities, and 2) the need to apply IMC tools and principles to firm’s overall strategic objectives.

A strive for results and effectiveness is the need of contemporary business (Kliatchko, 2008). The IMC concept particularly distinguishes the importance to calculate the return of investments to customers. Having related the investments into customers with the return from customers, organization’s managers obtain comparative tools and can decide on investment alternatives (e.g., to invest into marketing communication or to construct a new building) (Schultz and Schultz, 1998). Marketing specialists have to learn to speak the language of organization managers, for instance, by naming the return of investments into marketing (Smith and Zook, 2011).

The measurement of marketing communication results, as any change, requires not only choosing and applying measurement mechanisms, but, first of all, requests change in thinking (Young and Aitken, 2007). The scientist thinks about ‘marketing ROI culture creation’. One of the principles of IMC development and accomplishment, distinguished by Schultz and Schultz (2004), to treat customers as assets, is directed to the formation of a perspective that the estimation of investments into marketing communication is necessary. Marketing specialists are often separated from financial planning at an organization and they simply spend money or other resources, but do not invest by striving for the return. If a marcom manager is to move up to the strategic level of customer investments and returns, take on the management of income flows from customers and prospects, then this incremental return approach becomes a major tool in developing and managing the IMC process (Schultz and Schultz, 2004). According to researchers, marketing communication managers must follow more strategic viewpoint to their activity and investment into organization’s resources. Thus, one of the exclusive IMC programme features, and even the requirement to it, is responsibility for business results.

In IMC results measurement, customers’ ability to successfully apply the methods of marketing communication result measurement, inducement of customers’ responsibility for business results and marketing ROI culture creation, i.e. the formation of the viewpoint that estimation of investments into marketing communication is a necessity are important.

Alongside the IMC results evaluation, on the fourth level, the ability to use IMC in striving for organizational and strategic trends (Schultz and Schultz, 1998) is necessary. In treating IMC as a business process of a strategic level, it has to be given the characteristics which ‘usually are related to the concept of strategy and strategic decisions’ (Holm, 2006): 1) identification of long-term trends of the organization; 2) strategic decisions directed towards the acquisition of competitive advantage; 3) strategic decisions related to activities organization-wide.

The responsibility to create and maintain relations with customers going to IMC is closely related to the identification of long-term trends of a professional service firm. Firms of professional service acquire most of their competences through interaction with customers, and this means that strategic decisions on the future competences are mostly made by choosing customers and projects (Lowendahl, 2005). In order to use IMC activities for the implementation of strategic trends, strategic clarity ‘related to the choice of firm’s target customers and definition of the services oriented to customers’ (Dawson, 2005) is necessary. According to the scientist, strategic clarity is achieved through close participation of organization’s managers in the development of firm’s strategy and the achieved corporate understanding.

IMC as a strategic business process should be implemented and applied within the entire organization (Burgmann and Kitchen, 2010).
Financial and strategic integration

<table>
<thead>
<tr>
<th>Organisational dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Managers’ viewpoint to IMC as a business process of strategic level</td>
</tr>
<tr>
<td>• Strategic explicitness achieved by close participation of organization’s managers on the development of firm’s strategy and achieved corporate understanding</td>
</tr>
<tr>
<td>• Appointment of responsibilities for IMC implementation to different functional units/employees</td>
</tr>
<tr>
<td>• Creation of investments into marketing return, i.e. formation of the viewpoint that evaluation of investments into marketing communication is a necessity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Behavioural dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Encouragement of employees’ responsibility for business results</td>
</tr>
<tr>
<td>• Definition of employee behaviour or definition of achieved results</td>
</tr>
<tr>
<td>• Evaluation of conformity in employee’s individual and collective values in hiring</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Analytical dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ability to measure results of marketing communication</td>
</tr>
<tr>
<td>• Knowledge about firm’s culture components (e.g., values)</td>
</tr>
<tr>
<td>• Ability to identify firm’s values in newly recruited employees</td>
</tr>
<tr>
<td>• Ability to effectively use accumulated information and knowledge in striving for organization’s aims planning, implementing, and assessing communication activities</td>
</tr>
</tbody>
</table>

Responsibility for marketing implementation belongs not only to the marketing unit of a professional service firm; ‘modern and effective professional service marketing covers all hierarchical levels and functions of a company’ (Kaiser and Ringlstetter, 2011). It is necessary to review and coordinate different activities of the organization (for example, quality of service, human resources recruiting, teaching, motivating, compensating, and so on) with the promises given to customers (Schultz and Schultz, 1998). Employee selection, considering the compliance of their values and his/her other features with the values of organization’s collective level, can be of great importance for the integrity of organizational competence marketing communication. Employee values or other features are hardly changed or learnt (Bergenhenegouwen et al., 1996); they manifest in the activity, interaction between a service provider and customer. Consequently, the compliance between employee’s individual and collective values can ensure greater integrity in the marketing communication of organizational competence. The point of evaluating the compliance of employee’s individual and collective values, creates two goals: employees in authoritative positions must know what organizational culture is, and these employees must identify these characteristics in new hires (Keyton, 2005).

Remuneration and recognition are important elements in developing abilities to maintain relations with customers (Dawson, 2005). According to the scientist, the greatest problem is to identify employee behaviour or obtained results which the organization strives to encourage and reward.

On the fourth level, employees have to be able to measure IMC results, to identify firm’s values in newly recruited employees and, of course, are to effectively use the accumulated information and knowledge. In order for employees to develop their abilities and apply them, they have to be encouraged, their responsibility for business results should be developed; the employees whose values and viewpoints comply with those prevailing in the organization, are hired. Both analytical and behavioural dimensions are determined by the organizational context – managers’ view towards IMC as a business process of strategic level, appointment of responsibilities for IMC implementation to different functional units/employees, strategic clarity, and organizational culture inducing estimation of investments into marketing communication.

Conclusions

The development of the integrated marketing communication of organizational competence at a professional service firm is closely related to employees’ abilities (the analytical dimension) and employees’ participation, motivation, and commitments (the behaviour dimension) to plan, implement, and assess communication processes. Employee abilities and behaviour are influenced by the organizational dimension – the processes of knowledge management and organizational learning, organizational culture, formal procedures, managers’ viewpoints, and strategic clarity.

In the development of the integrated marketing communication of organizational competence, the analytical dimension involves employees’ abilities to know customers (to identify the value for a customer, to identify which competences create value for a customer, to identify the touch points and communication possibilities, emerging in them). Other employee abilities are aimed at the cognition and evaluation of the organizational competence of a professional service firm (the ability to identify organizational competences of the firm, to identify them in activity, to estimate their compliance with the company image, to identify values in newly recruited employees). Crucial are the abilities to collect information, accumulate it, analyze, share, and apply in order to achieve organization’s aims by planning, implementing, and evaluating communication activities. And, of course, the ability to measure the results of marketing communication is important.

In the development of the integrated marketing communication of organizational competence, a
behavioural dimension is related to the activities of internal marketing and human resources. Employees are involved in marketing activities, they are informed about the processes taking place, interpersonal communication is guaranteed and it is directed towards sharing knowledge. Along the information of employees, important are the programmes of employee training and personnel development which influence employees’ viewpoints, induce orientation to customers, develop employee responsibility for strategic goals implementation, strengthen the values, viewpoints, approaches of employees creating the value for a customer and complying with organization’s image. It is important to define employee behaviour to be stimulated or to distinguish the obtained results. The manifestation of the tacit components of organizational competence in activity requires assessing the compliance of employee’s individual and collective values, viewpoints, and approaches in personnel selection.

In the integrated marketing communication of organizational competence, the organizational dimension is related to managers’ viewpoints, priorities; the creation and maintenance of organizational culture which induces interpersonal and inter-functional employee communication, their orientation to the market/customers and which maintains the values, views, and approaches related to firm’s image are particularly important. The assurance of knowledge management and organizational learning contributes to the development of marketing communication processes, but, at the same time, it allows strengthening employee competence on the collective level. Important formal procedures maintaining interpersonal and inter-functional communication, which divert information flows, open the ways to share information and to collaborate.

The integrated marketing communication of the organizational competence in a firm of professional service transits four integration levels which differ in integration extent, processes, activities, and maturity. Thus, the premises for the integrated marketing communication of organizational competence are different in every of the four levels.

The premises for the integrated marketing communication of organizational competence at a professional service firm, distinguished on the basis of theoretical analysis, still have to be empirically verified.

References


Santrauka

Profesionalių paslaugų įmonės kuriama ir rinkai parduodama produktas yra žinios, gebėjimai ir kliento problemos spręsimas. Siekdamas parduoti savo žinias ir gebėjimus rinkai, įmonė turi komunikuoti savo turinį organizacinią kompetenciją. Tokiu būdu organizacinių kompetencijos sudedamosios tampa komunikacijos objekta.

Organizational Competence in a Professional Service Firm

J. Rakickaite, R. Vaitkiene.

Premises for Communication of Organizational Competence in a Professional Service Firm

Social Sciences / Socialiniai moksai. 2013. Nr. 2 (80)

Accepted for publication: June, 2013