

STRATEGIC HUMAN RESOURCE MANAGEMENT AND INTERNAL MARKETING ON ENTERPRISE PERFORMANCE

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ABSTRACT

Face the world development and society competition, human resources have become the core competitiveness of enterprises, and the improvement of internal marketing ability depends on the strategic human management resources of enterprises. This research investigate the impact of strategic human resources management and internal marketing on enterprise performance, take public enterprise as the background to conduct a questionnaire survey, using regression analysis to empirical testing. The results show that both strategic human resource management and internal marketing have a positive relationship on enterprise performance, and internal marketing has not much mediating role between strategic human resource management and enterprise performance. It provides some suggestions on how to implement strategic human resource management to improve enterprise performance.

Keywords: Strategic Human Resource Management, Internal Marketing, Enterprise Performance.

INTRODUCTION

With the intensification of competition in the world, relying solely on the original model it is difficult for enterprises to survival in the competition, need constantly strengthening their own ability gain a opportunity in the fierce global competition. competition can regard as human competition, Carl Marx long before has put forward that among the elements of compete that the most active factor is human resources, it have enthusiasm, leading and creativity, which is the fundamental force to promote the development of enterprises. In fact, with the deepening of strategic human resource management research, the relationship between strategic human resource management and enterprise performance has been paid more attention by scholars. a lot of previous studies have shown that strategic human resource management has a positive effect on the improvement of enterprise performance. Meanwhile internal marketing and strategic human resource management are indispensable strategic tools in the process of enterprise operation. Internal marketing belongs to the part in human management, but it has relative independence that can not be ignored the role of them (Qiu, 2013). But academic history is little take internal marketing in the framework to research the relationship between strategic human resource management and firm performance, so it is necessary to explore deeply.

Based on the above theoretical and practical background, this research selects internal marketing as an mediating variable, and uses questionnaire data to conduct empirical research on strategic human resource management, internal marketing and enterprise performance, and test the mediating effect of internal marketing in the strategic human resource management on

enterprise performance, so as to effectively provide a new direction for enterprises, but also enrich the relevant theoretical research.

LITERATURE REVIEW

Strategic Human Resource Management and Enterprise Performance

Strategic human resources management is based on the perspective of globalization, when facing the strategic challenges brought by the rapid changes in the world, can help enterprises maintain competitive strategic advantages in the future long-term development. Strategic human resources management as an important part in human resources, gradually becomes one of the important way to improve enterprise performance in order to stand out in enterprise competition. With the development, configuration and management of internal employee high performance work system as the core, it can balance and integrate the needs of multiple stakeholder groups. The acquisition, development and retention of human resources are embedded in the unique history and culture of the enterprise, so it is the source of the unique competitive advantage of the enterprise. In order to realize the value of human resources, the management and operation of human resources must be guided by strategy, and enterprises need to carry out strategic human resources management. The research on the impact of strategic human resource management on enterprise performance has always been an important subject of research (Wright & Snell, 2001). It is believed that enterprises influence the stock of human capital, guide the behavior of employees, and then affect the performance of enterprises through strategic human resource management. Yang (2020) by analyzing and researching the relationship between strategic human resource management and enterprise performance, it is concluded that there is a significant relationship between strategic human resource management and enterprise performance Wang (2016) through establishing the relevant theoretical models (Becker model, Ferris model, Wright model) between strategic human resource management and enterprise performance, it is concluded that there is a positive impact between strategic human resource management and enterprise performance. In the practice of analyzing the performance of strategic human resource management, the model test shows that strategic human resource management significantly affects enterprises performance.

Through the introduction of the literature on strategic human resource management, conclusions first, strategic human resource management emphasizes the establishment of practical methods of human resource management in line with enterprise strategy in order to achieve the strategic objectives of enterprises different from traditional human resource management. Strategic human resource management pays more attention to the foresight, predictability and planning of management, and emphasizes the adaptation of enterprise strategy and human resource management, rather than the passive cooperation of human resource management. Secondly, most scholars show there is a significant relationship between strategic human resource management and enterprises performance.

Internal Marketing and Performance

Internal marketing is a new thinking of strategic human resource management. Internal marketing is of great significance and value to improve and strengthen enterprise performance. the concept of internal marketing is being accepted by more enterprises and is considered to be an indispensable internal and important part of enterprises. To realize the leapfrog development

of internal marketing is the premise of sustainable development of enterprise (George, 1990) internal marketing can reshape the enterprise appearance (Snell, 2009). It was noted that internal marketing was carried out in professional services, despite varying degrees of complexity, those in order to implement a wide range of projects related to strategic human resources management Prasad & Steffes (2002) from the view of enterprises, well-structured and rational internal marketing can significantly improve the relationship between strategic human resources management and the overall competitiveness of enterprises, thus enhancing enterprise performance. Only in this way can meet the challenges of globalization for enterprise (Budhwar et al., 2009).

It can be seen that internal marketing will improve enterprise performance, on the one hand, the relationship between internal marketing and strategic management resource management is manifested in the realization of internal marketing quality through strategic human resource management; on the other hand, how to carry out human resources management can achieve the quality of internal marketing to improve enterprise performance. In the existing literature, the relationship between strategic human resource management and internal marketing and enterprise performance has not yet formed a more recognized theoretical framework, and there are few empirical studies on internal marketing and enterprise performance. Thus, this research adds internal marketing to the hypothetical framework, in order provide a new direction for guidance and enrich related theoretical research.

Definition and Hypothesis

Definition of strategic human resources variables

Zhang Hong and Zhao Shuming investigated the data of human resource management practice and enterprise performance. the results of correlation analysis and factor analysis of variance show that is a positive correlation between the strategic human resource management, such as incentive work design, career development planning, development evaluation, employee participation group with enterprise performance. The research regards performance management, personnel recruitment and selection, employee interaction and career development as the main contents of strategic human resource management practice. The strategic human resource management in this research absorbs the above views and summarizes the contents in five aspects: recruitment, work planning, interaction, training and assessment.

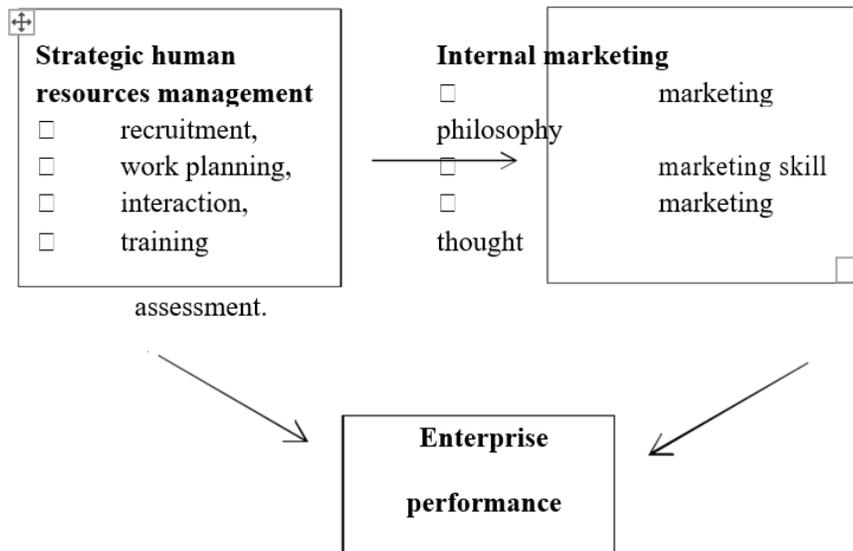
Definition of Internal marketing

Marketing is a business philosophy and is a business skill. Marketing as a social process of macro-marketing concept its use is not limited to economic exchange, and can be applied to internal relations. The analysis of the dimension of internal marketing is based on the above three characteristics of marketing. from the three dimensions of marketing philosophy, marketing function and marketing of macroscopic view, the broad sense of internal marketing should involve the following three aspects: (1) internal marketing related to marketing philosophy, refers to the dissemination of market-oriented concepts within enterprises, including all internal activities aimed at establishing market-oriented organizations; (2) internal marketing related to marketing skill refers to the use of marketing methods in the internal management of enterprises; (3) internal marketing related to macro marketing ideas refers to solving the contradictions between producers and consumers within enterprises and dealing with the relationship between

marketing and the micro environment of enterprises. In this research, internal marketing adopts the above viewpoint to extract marketing philosophy, marketing skill and marketing thought.

Definition of enterprise performance

Foreign scholars began to research enterprise performance in the 1970s, but in the connotation of enterprise performance, academic views have not been unified, many scholars have given different conceptual definitions. Considering that enterprise performance is a comprehensive reflection of organizational technological innovation results, enterprise performance can be understood from the narrow sense and the broad sense, the narrow sense of enterprise performance refers to the degree to which the enterprise introduces invention and creation into the market, and the broad sense of enterprise performance refers to the invention, technology and performance produced in the whole process of innovation concept to market benefit. Different understanding of enterprise performance also makes they measurement indicators have different classification. Put forward about performance pyramid evaluation model. It in order to further improve the performance evaluation indicators, (Stern Stewart, 1997) created a new performance evaluation index economic value added (EVA). EVA points out that economic profit is obtained by deducting the total capital cost of the enterprise on the basis of operating profit. Summing up the experience of 12 large enterprises that successfully applied the performance evaluation system, the balanced score card (BSC) was put forward for the first time, the BSC is a comprehensive evaluation of performance from the four dimensions of finance, customer, internal business processes, learning and growth. This is a new performance management system that can transform the strategic objectives of the organization into goals and indicators that can be implemented and measured (Sisk & Roth, 1995).



**FIGURE 1
THE FRAMEWORK OF STRATEGIC HUMAN RESOURCES MANAGEMENT,
INTERNAL MARKETING AND ENTERPRISE PERFORMANCE**

From the above point of view that the academic definition of performance is different, in order to facilitate measurement and research, this research mainly deals with the positioning of

performance from the point of view of results, and measures performance as a whole single dimension variable. The above theoretical review explains the main variables and selection significance of this research. The purpose of this research is to explore the influence of strategic human resource management on enterprise performance. Internal marketing is introduced as the mediating variable to further explain the influence mechanism. The theoretical model shown in Figure 1 is proposed (Li & Yuan, 2013).

Based on the above views, the following assumptions are made:

H_{1a} strategic human resource management has a positive significant with enterprise performance;

H_{2a} internal marketing has a positive significant with enterprise performance;

H_{2b} marketing philosophy has a positive significant with enterprise performance;

H_{2c} marketing skill has a positive significant with enterprise performance;

H_{2d} marketing thought has a positive significant with enterprise performance;

H_{3a} strategic human resource management has a positive impact with internal marketing.

H_a internal marketing has a mediating role relationship between strategic human resource management and enterprise performance.

METHODOLOGY

Due to the subject is public enterprise, considering the convenience of data collection, use online questionnaires. A 5-point Likert scale was used to measure each item. By filling in a Likert5 number, the larger the number means the higher of acceptance. The questionnaire is omitted here based on space. Before the official questionnaire, pre-test the contents of the questionnaire, at the official release stage, 210 questionnaires distributed via the internet, recovery of 151 copies, the final valid sample (excluding the missing data and the contradictory questionnaires) was 149, and the effective sample rate was 71. Before the questionnaire, first, the reliability and validity of all scales were tested (Wang & Qing, 2009).

Reliability Analysis

The critical value of factor load has no uniform standard, according to the viewpoint of structural equation model and its application, the problem of factor load below 0.45 can be deleted. Thus, eliminate the Item-total Correlation coefficient less than 0.45, then the coefficient was used to judge the reliability of the table. The coefficients of strategic human resource management, internal marketing and enterprise performance were 0.922, 0.901 and 0.932 that consistency coefficient of each scale is above 0.9, shows that each scale is more reliable.

Validity Analysis

The questionnaire in this research is widely used by many scholars, so content validity of the scale can be guaranteed, in order to test the structural validity, the confirmatory factor analysis of each scale is carried out. The fitting index test results of each scale are shown in Table 1. For convenience the variable name is abbreviated (Mishra, 2008).

Variable	χ^2/df	GFI	NFI	CFI	AGFI	SRMR	RMSEA
SHRM	4.096	0.912	0.956	0.964	0.921	0.045	0.067
IM	4.012	0.918	0.949	0.969	0.932	0.042	0.034
EP	3.967	0.943	0.963	0.960	0.936	0.064	0.053

The commonly used indicators for validity testing are: χ^2/df , GFI (goodness-of-fit index), NFI (non-standard fitting indices), CFI (comparative fit index), AGFI (adjusted goodness-of-fit index), SRMR (standardized root mean square residual), RMSEA (root mean square error of approximation). It is generally acknowledged, χ^2/df is a statistic of similarity between sample variance matrix distance and estimated variance matrix distance. Its theoretical expectation value is 1 or less than 5. SRMR and RMSEA below 0.08, the smaller the better, GFI, NFI, CFI, AGFI above 0.9, the bigger the better. This research data accord with the statistical requirements, it shows that the variables fit the original data well.

Empirical Analysis

Correlation analysis

Carry out correlation analysis of variables before the regression analysis. According to the results of correlation analysis, there is a significant correlation between the three variables, and the specific test results are shown in Table 2.

Variable	Mean	Std.	SHRM	IM	EP
SHRM	4.121	0.654	1		
IM	4.025	0.677	0.788**	1	
EP	3.097	0.794	0.816**	0.839**	1

Note: N=149, *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$ two-tailed test.

Regression analysis of strategic human resource management and enterprise performance

Variable	Enterprise performance	
	Model 1	Model 2
Recruitment	0.405	
Work planning	0.412	
Interaction	0.267	
Training	0.224	
Assessment	0.138	
SHRM		0.823
F	63.301	147.223
Adj-R ²	0.742	0.726

In order to test the influence of strategic human resource management on enterprise performance, this research takes enterprise performance as dependent variable, and takes each

dimension of strategic human resource management as independent variable. The results are shown in Table 3. The F value in the model 1 is 63.301, and the adjusted R^2 indicates that the interpretation ability of these dimensions to dependent variables is 74.2%. The recruitment, work planning, interaction, training and assessment have a positive impact on enterprise performance. at the same time, the VIF values of each dimension are less than 10 in the collinearity test of stepwise regression, which indicates that there is no collinearity problem between each dimension. The F value is 147.223 in model 2, and its ability to interpret is 72.6%, thus, hypothesis 1 is verified.

Regression Analysis of Internal Marketing and Enterprise Performance

In order to test the influence of internal marketing on enterprise performance, the three dimensions of internal marketing are taken as independent variables and the results are shown in Table 4. The regression equation is significant in model 1 of fractal dimension stepwise regression, and the F value of the model is 74.034. The adjusted R^2 shows that the interpretation ability of these dimensions to dependent variables is 70.2%. Among the model 2, which takes internal marketing as the overall variable, the regression equation is significant, the F value is 169.892, and its ability to explain innovation performance is 68.7%. Thus, hypothesis 2 is verified.

Variable	Enterprise performance	
	Model 1	Model 2
Marketing philosophy	0.422	
Marketing skill	0.416	
Marketing thought	0.396	
IM		0.864
F	74.034	169.892
Adj- R^2	0.702	0.687

Regression analysis of Strategic Human Resource Management and Internal Marketing

Due to strategic human resource management and internal marketing can be used as antecedents of enterprise performance; these two variables involve 8 dimensions. in order to test the impact of strategic human resource management on internal marketing, this research first takes the three dimensions of internal marketing as dependent variables (DV), and takes the five dimensions of strategic human resource management as independent variables (IV) to carry out dimensional regression tests (model 1, model 2, model 3), and then carries out regression tests at the overall level of variables (model 4). The results are shown in Table 5.

Mediating Role of Internal Marketing

The most traditional and commonly used methods in the test of intermediary effect are the three-step method proposed: first, independent variable affects dependent variable; second, independent variable affects intermediary variable; third, after controlling intermediary variable, The effect of independent variable on dependent variable disappears (completely mediated) or (decreases significantly). From the above analysis, we can see that the first two conditions of

intermediary inspection have been satisfied. The third condition is now tested, and the results are shown in Table 6.

DV	IV	Model 1	Model 2	Model 3	Model 4
Marketing philosophy	Recruitment	0.112			
	Work planning	0.285			
	Interaction	0.283			
	Training	0.307			
	Assessment	0.305			
Marketing skill	Recruitment		0.071		
	Interaction		0.068		
	Training		0.131		
	Assessment		0.224		
Marketing thought	Work planning			0.101	
	Interaction			0.325	
	Training			0.264	
IM	SHRM				0.762
F		70.305	67.223	64.021	204.638
Adj-R ²		0.667	0.644	0.605	0.714

	IV	Enterprise Performance		
		Standard Coefficient	F	Adj - R ²
Not mediated	SHRM	0.764	147.223	0.726
Mediated	SHRM	0.024	74.278	0.794
Mediated	IM	0.125	74.278	0.794

Before joining corporate culture, strategic human resource management has a significant positive impact on performance ($\beta=0.764$, $P<0.001$). When internal marketing enters the regression model, the effect of strategic human resource management practice on performance is significantly reduced ($\beta=0.024$, $P>0.005$) and the internal marketing also reduces the performance obviously ($\beta=0.125$, $P>0.005$), the VIF value of collinear diagnosis of two independent variables is 4.325, less than 10. Thus, hypothesis 4 is not verified. Through the regression test of the above stage, the influence relationship between variables is further clarified.

CONCLUSIONS

The results of hypothesis 1 show that strategic human resource management can improve enterprise performance. Recruitment, work planning, interaction, training, Assessment in strategic human resources management is significant positive effects on performance. Based on the angle of strategic human resource management, the following ways are proposed: First, strategic managers must develop a clear enterprise development strategy that can be understood and recognized by all employees and enterprise often face strategic choices, if strategic managers can formulate clear and specific development strategies in time that can greatly gather the

advantages of human resources and enhance the competitiveness of enterprises; Secondly, interaction and assessment on each employee make them clearly understand their own work and the overall objectives of the enterprise. Valid interaction and assessment can encourage everyone to play a much greater ability than his personal talent.

The results of hypothesis 2 show that internal marketing can improve enterprise performance. Strengthen marketing philosophy, marketing skill and marketing thought in the enterprise can improve the development of the enterprise. Hypothesis 3 points out the positive effect of strategic human resource management on internal marketing. The results of hypothesis 4 show that internal marketing has no mediating role in the relationship between strategic human resource management and performance. May be no reasonable strategy to make internal marketing and human resources together. Only by constructing a reasonable strategic human resource management system and internal marketing to adapt to the development of enterprises can enterprises promote their enterprise performance.

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