

PERSONNEL MARKETING IN CZECH BUSINESSES

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Abstract

The aim of the paper is to introduce a theme of personnel marketing (HR marketing) both in theoretical and empirical perspectives. Personnel marketing can be considered as a relatively new tool in the field of human resources management, concentrating on increasing the satisfaction of employees, improved career development and, consequently, on the improved quality of human working life.

As the term itself it is quite new, the paper in its first section deals with the theoretical basis of personnel marketing. The second and more extensive section explains the preparatory and implementation stages of the primary quantitative research, whose main objective was to evaluate the level of utilisation of personnel marketing in companies which can be classified as the largest employers in the Liberec Region. The interpretation of the research results strives namely to provide an answer to the question whether human resources experts in the businesses located in the Liberec Region use personnel marketing in practice, to what extent and which specific tools.

Introduction

The paper deals with an aspect of using personnel marketing in companies. One can see personnel marketing as a new approach in the field of human resources management, combined with the elements of “classical” marketing, using general marketing principles. It is based on the fundamental assumption that businesses want to have the best employees - loyal, motivated in the right way, satisfied and equipped with sufficiently developed competences, knowledge and skills. With these requirements companies are ever more competing to attract, win and, last but not least, keep the best people.

In its first part the paper brings comments on theoretical grounds of personnel marketing, both from internal and external perspectives. It also points out a critical view of some research findings [10]. The following research projects covered in both Czech and foreign professional literature and in scientific databases, the authors describe the time and rationale of the personnel marketing creation. Further in the paper there is pointed out an importance of HR marketing tools to recruit and retain key employees.

The second, pivotal section of the paper provides an interpretation of one part of the research investigation that took place in May 2015 at the Faculty of Economics of the Technical University of Liberec (EF TUL). The main objective was to identify the level of utilisation, tools and means of personnel marketing by the largest employers in the Liberec Region. The contribution deals first of all with the question if the largest employers in the region know the term personnel marketing, whether they use it in everyday life, and how they perceive the meaning of the term. Further the material analyses and compares personnel marketing tools. The primary research investigation was completed by the EF TUL project team, and its results were compared with the findings of BrandBakers Company’s research conducted among HR officers in the CR in 2015.

1 Theoretical Grounds of Personnel Marketing

The term *personnel marketing* first occurred in the work of German personnel management experts [5]. As soon as in the 1960s the term was associated with taking care of workforce acquisition and more specifically with the lack of university graduates. [1]

Due to the lack of required workforce the company managers at that time started to realize the issue of qualified manpower, and the related competitive (dis)advantage. Consequently, personnel marketing was secluded from the domain of human resources management. Personnel marketing was viewed from the perspective of the traditional marketing, based on the marketing mix (4Ps: product, place, price, promotion), where workplace was defined as a product, and an employee was seen as a customer offered a job. The goal of personnel marketing was to create a comprehensive system of recruitment and stabilization of employees, which resulted in the reduction of staff turnover. Step by step personnel marketing was developed in practice. Businesses started to perceive their employees as partners. [2]

At the turn of the millennium personnel marketing is already seen as a tool to satisfy the needs and values of the current employees, and simultaneously as a tool to build up a brand of the company as a good employer. So the point is to ensure the employees are satisfied with the current HR policy of the company, and to analyse their feedback in order to improve the marketing strategy usable for their stabilization and attraction of new, top-quality workforce. [3]

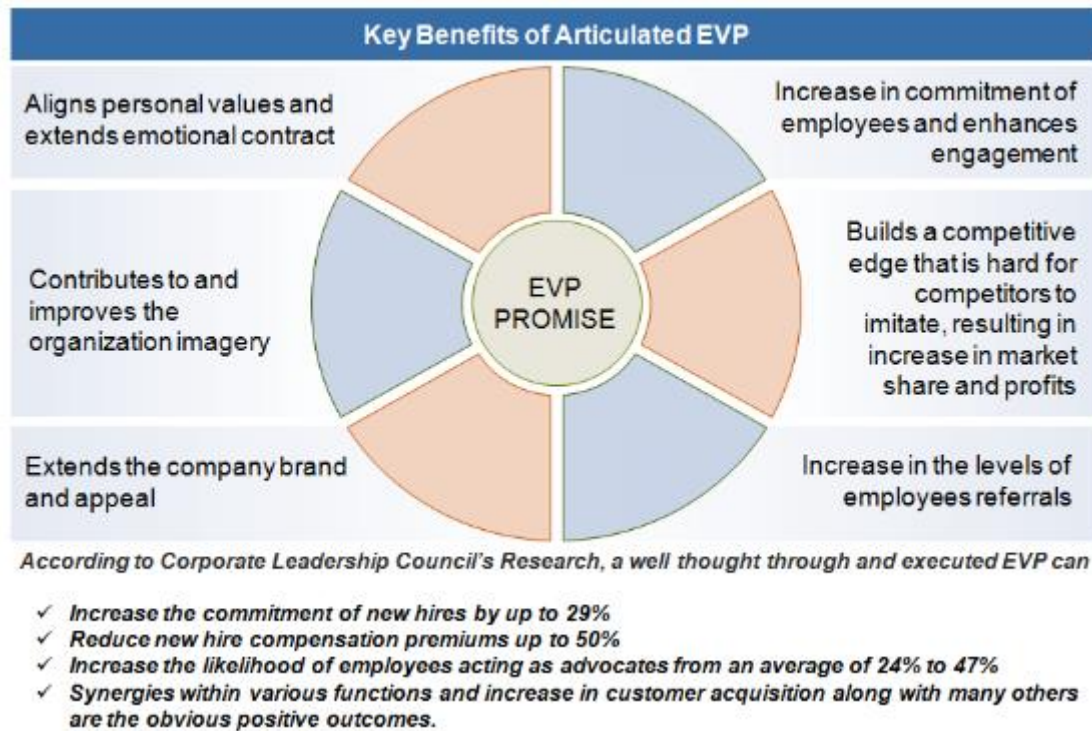
The goal of current personnel marketing according to Wimmers [4] is on the one hand *“creating positive influence on all the people actually or potentially interested in the organization, and mainly building up attractiveness of the organization for ambitious and motivated future employees who are the key to maintain the organization’s sustainability”*. It is clear from the definition that the terms personnel marketing and employer branding are combined here, and communication is becoming the main personnel marketing tool.

In the Czech environment personnel marketing was initially seen mostly as an instrument of obtaining workforce. Dvořáková [5] later expanded this concept of personnel marketing with the activities aimed at stabilization of the existing workforce (employee care, personal development, remuneration system and benefits). She added that personnel marketing can be seen from two points of view: wider and narrower. In the narrower sense personnel marketing can be understood as a long-term process of hiring human resources from the external labour market, and creation of a positive image of the employer: the so-called external personnel marketing. In the wider sense personnel marketing means measures aimed at stabilization of the current workforce, i.e., the solution of motivation problems, personnel management, leadership, personal development, remuneration and employee care: the so-called internal personnel marketing. Dvořáková has also defined personnel marketing as one of the functions of HR management from the viewpoint of marketing objectives, or possibly as a concept of human resources which includes all the personnel issues.

The term of personnel marketing and its use has also its critics. Hales (1994) brings in his paper an open discussion if marketing as a universal tool can be used also as a technique to develop conditions for employees and potential job candidates. [10] Although other studies point out the usefulness of internal marketing which is recognized by academics and practitioners, some critics claim that the term is just a new synonym for good human resources management, but IM is not a label. However, Sanchez and Grayson confirmed in their study that it is possible to connect HR activities together with marketing techniques which can help managers to discover and take profit from the social and environmental potential of employees also in connection with corporate responsibility. [11]

1.1 Employer Value Proposition

To become an attractive employer in the current labour market, employers should use marketing tools to create complex perspectives of a high-quality employer who is able to attract and keep the most talented employees. Employer Value Proposition (EVP) represents a unique set of values offered to current employees as well as potential candidates. It is a holistic framework that addresses all the aspirations of the 'high performing' workforce. For a detailed description see Fig. 1.



Source: [6]

Fig. 1: Key Benefits of Articulated EVP

These aspirations of the 'high performing' workforce can be clustered in 3 pillars, which in turn address 12 sub-factors, which are the decision drivers for an employment choice, and at the same time they help organizations achieve larger business objectives. EVP must be unique, relevant and compelling, if it is to act as a key driver of talent attraction, performance and retention. [6]

2 The Concept Framework and Objective of the Research

The concept framework was the research of the personnel marketing topic and its use by the largest employers in the Liberec Region, identification of major variables related to personnel marketing and its practical utilisation.

The reason was the fact that this is a very current, fast developing and important field of expertise, with a considerable impact on the competitive edge of businesses, where attraction and stabilization of high-quality workforce play the key role.

The quantitative research was preceded by a thorough research of professional and scientific sources, while the main objective of the qualitative research was to create a base for the quantitative research – to establish whether HR experts are aware of personnel marketing, whether they use it when recruiting new hires and for the creation of good conditions for their employees.

A basic sample of respondents was specified in the preparatory stage, following the secondary research, whose target was to find out which companies in the Liberec Region were the largest employers. To select this sample the authors used strategic business documents of the Statutory City of Liberec (“A strategic analysis for a development area of the economy, business environment and labour market) and Labour Office documents (“The biggest employers of the Liberec region”) to elaborate the basic sample.

The preparatory stage also included the identification of the suitable data collection method to be used, as well as data collection tools, and, last but not least, the organization of this exercise was specified. Questionnaire testing followed with respect to the target segment of interviewees.

2.1 The Objective of the Research

The research concentrated on the identification of key factors influencing the successful use of personnel marketing in a business, and on the definition of attributes that create some value for the enterprise from the viewpoint of both the employer and the job applicant (employee).

The objective was to *evaluate the level of utilisation of personnel marketing in the companies that are the largest employers in the Liberec Region.*

The main objective was subdivided into specific sub-objectives.

- O1: What do experts in practice think personnel marketing means?
- O2: Which personnel marketing tools are used in business practice?
- O3: How effective are these tools?
- O4: What means of personnel marketing are used to stabilize employees in corporate practice?
- O5: How and to what extent are social networks used in connection with personnel marketing in corporate practice?

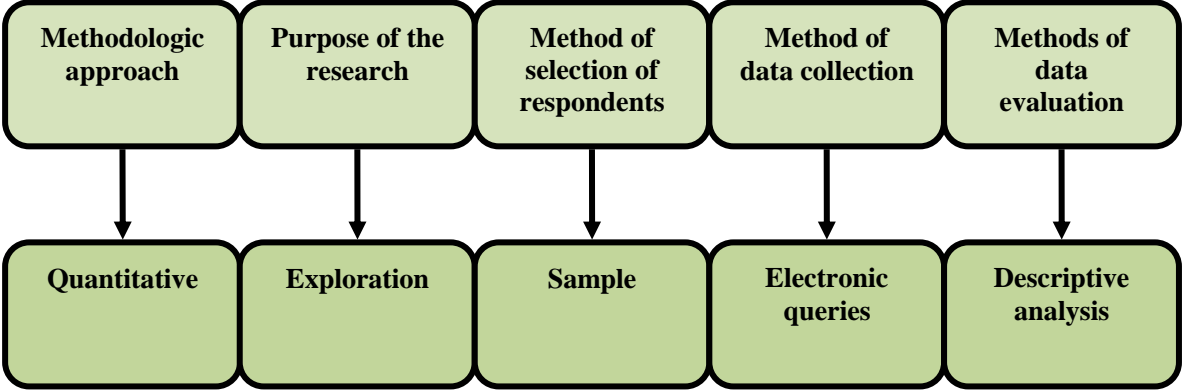
2.2 Research Methodology

Quantitative research was selected to achieve the objective, due to its basic property: ability to collect measurable data. Online electronic query, so-called CAWI (Computer Assisted Web Interviewing) was used as the data collection method, because it is targeted and not too time and money consuming. CAWI is a method of data collection using an on-line questionnaire. An advantage of this method is based on low costs, a fast completion and a comfort for respondents. On the other hand a disadvantage lies on a low rate of return. In the case of our survey this negative aspect was eliminated by a personal approach and additional phone calls to remind respondents to fill this questionnaire.

A structured questionnaire with 19 questions divided in 5 parts was used as the primary data collection tool. The respondents provided their specific details in the first section. In the next section they were answering questions related to the use of personnel marketing in the corporate practice. The third part focused on recruitment as a major component of personnel marketing. The fourth section dealt with the issue of employees' satisfaction, employer branding and support of personnel marketing provided by the company's management. The last part asked questions related to social media. To motivate the respondents and increase the return rate, they were offered a choice to obtain the results of the survey.

The basic sample consisted of top management members involved in personnel matters (HR managers) in the companies – the largest employers in the Liberec Region (see Chapter 2). Total of 84 companies were contacted.

The research methodology is illustrated in Figure 2.



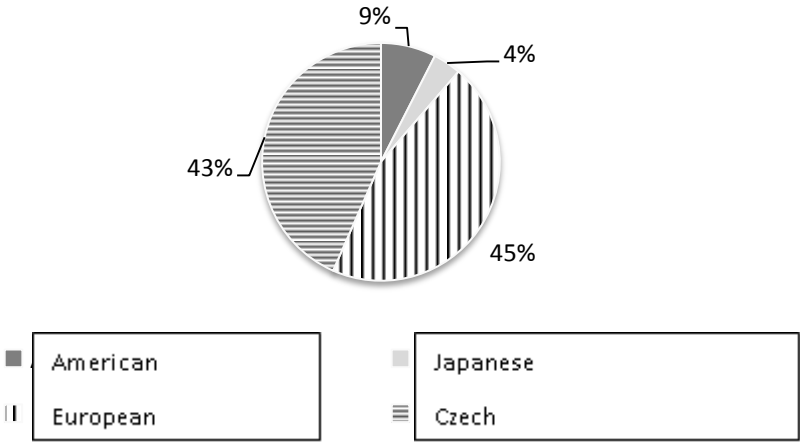
Source: Own

Fig. 2: Research Methodology

3 The Use of Personnel Marketing in the Companies of the Liberec Region

According to the data collected from 54 medium and large businesses active mostly in processing and automotive industry in the Liberec Region, personnel marketing as a tool of sophisticated and effective work with both job applicants and current employers gains considerable importance. Not only the company size, but also its ownership influences the intensity of utilisation of personnel marketing. Therefore Figure 3 below illustrates the structure of the respondents in the Liberec Region by the country of origin of the owner. It is evident that the highest share among the interviewees was represented by Czech entities, followed by European companies. Only 8% were owned by American and 4% by Japanese capital.

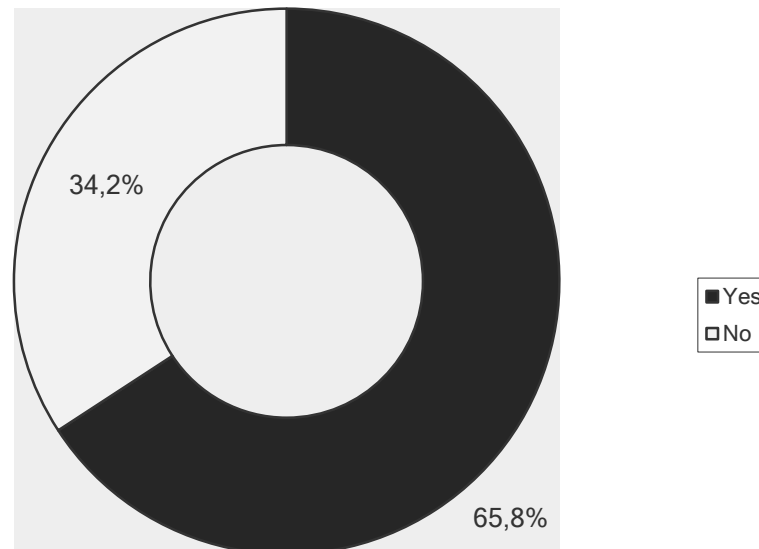
The results confirmed that personnel marketing is becoming more important for all types of businesses. Regardless of whether they work with the term personnel marketing or not, in practice they use a number of internal and external instruments in order to solicit and keep good and happy employees.



Source: Own

Fig. 3: The Structure of the Respondents by the Owner's Country of Origin

The interviewed companies agree that personnel marketing (HR) is related to all of the key areas of human resources management, i.e., recruitment and hiring of employees, especially in the crucial positions, the process of their induction and adaptation, and also stabilization of the current staff and building up the image of the employer.



Source: Own

Fig. 4: Awareness of Personnel Marketing in Czech Businesses

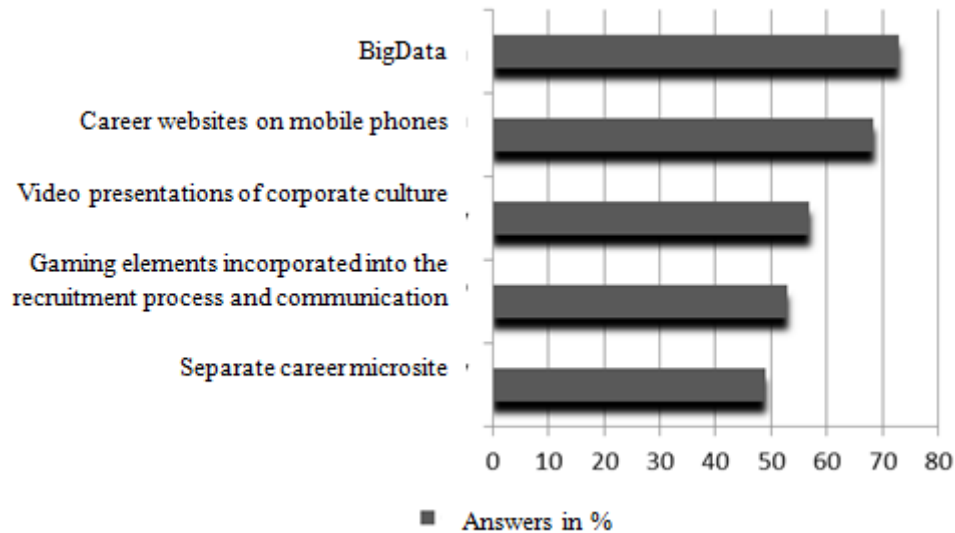
The term personnel marketing in everyday practice of human resources management in Czech companies is still a relatively new concept. As we can see in Figure 4, even though the respondents work with the tools of personnel marketing in the concerned areas of HR management, just 66% of them use explicitly the term *personnel marketing* in their corporate practice. The remaining 34% do not use the term *personnel marketing* in their environment at all.

4 Personnel Marketing Tools used in Corporate Practice

The effective use of personnel marketing is based on the assumption that businesses work with a wide range of tools with regards to both external and internal environments. The data below are based on the comparison of personnel marketing tools in private companies in the Czech Republic and in the Liberec Region. The selected secondary data from the research completed by BrandBakers among HR experts in the CR in 2015 were used for an analysis, compared to the primary data collected during the research among HR managers in the companies – the largest employers in the Liberec Region, performed in May 2015.

The research focused on the most frequently used personnel marketing tools. According to the data the unknown or unused tools of personnel marketing in both Czech and Liberec businesses are the so-called BigData and some other technological instruments. The BigData represent currently a very popular marketing tool. However, the importance of the data is not just in the collection and storage; their interpretation and possibilities of use in personnel marketing, and namely in communication are critically important.

As shown in Figure 5, BigData as a personnel marketing tool is not used by 73% of the businesses in the Liberec Region.



Source: Own

Fig. 5: Used Personnel Marketing Tools

In the Czech Republic it represents in results 28% less (in total 45% of companies do not work with BigData), however, the results still tell us that this area can be rather considered as a future opportunity for HR experts [7].

The companies in the Liberec Region find targeted recruitment campaigns for specific positions to be the most effective tool, together with the methods promoting satisfaction of employees and corporate culture plans.

4.1 Employer Value Proposition from the Viewpoint of Czech Companies

The findings commented on in Chapter 1.1 on the importance of EVP provide the evidence that this is the key to win talented employees and keep the good ones existing. Another interesting finding is also the fact that 41% Czech companies are not interested in what the job applicants think about them [7]. In the Liberec Region 44% of the interviewees replied they did not try to analyse the perception of the company by job applicants (during the recruitment process). Further: 44% of Czech businesses confirmed they did not work on a brand building strategy of the employer. In the Liberec Region 27% of the companies provided this answer, and another 36% confirmed they had such a strategy, while 33% were working on its development.

A significant element of EVP monitoring is also represented by the level of employee satisfaction and engagement. According to international surveys carried out for example by Gallup, the level of engagement is surprisingly low (only 13%); the companies in the Czech Republic had mere 8% of engaged employees [8]. Therefore the research also focused on whether the businesses followed the issue of engagement in their employee satisfaction surveys. Just 31% of Czech companies perform such a survey once a year at minimum. On the contrary in the Liberec Region the share was quite high: 64%.

The partial results of the research performed among the largest employers of the Liberec Region, as well as the nationwide data presented in the field of personnel marketing in 2015 among the Czech companies confirm the ever-growing importance of personnel marketing in corporate practice, in particular due to the differentiation of employers in the labour market, competing to win and keep the key personnel. On the other hand, the results reveal there are

considerable gaps concerning the usage of personnel marketing tools, especially in connection with the modern technological trends.

Conclusion

HR marketing (Personnel marketing) has become a topical issue not only between scientists and HR specials, but there has also risen an importance of the practical application of marketing tools in internal and external company's environments. For companies it is a crucial question to attract new talented employees in the recruitment process as well as to retain and engage their employees.

To analyse the importance of personnel marketing the authors undertook an empirical survey among key employers in the Liberec Region in 2015 and compared the data with the results published typically in the Czech business environment. In the process of quantitative research they contacted total 84 entities, which can be characterized as the largest employers in the Liberec Region. On the basis of the processed and analysed data it is possible to conclude that the personnel marketing as an instrument of the high-quality and effective work with both new hires and employees in corporate practice is gaining importance, and the utilisation of personnel marketing tools is influenced not just by the company's size, but also by the ownership.

According to the research done in the Czech Republic and in the Liberec Region, the HR experts think that personnel marketing in corporate practice includes all of the key areas of human resources management: recruitment, selection, induction and integration of new employees, especially the key ones, stabilization of the existing staff, and, last but not least, "Employer Branding". More than two thirds of the interviewed experts commonly use the term *personnel marketing* in their corporate practice.

The research has also proved that the unknown or the least-used tools of personnel marketing in the companies both nationwide and in the Liberec Region include the so-called BigData and some other technological tools, such as career websites on mobile phones, video presentations of corporate culture, or game elements incorporated into the recruitment process and communication. On the other hand, the companies in the Liberec Region consider targeted recruitment campaigns for specific positions to be the most effective tool, together with the methods promoting satisfaction of employees and corporate culture plans.

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PERSONÁLNÍ MARKETING V PODMÍNKÁCH ČESKÝCH SPOLEČNOSTÍ

Příspěvek pojednává o personálním marketingu, který je možno považovat za poměrně nový nástroj v oblasti řízení lidských zdrojů a který se soustřeďuje na zvyšování spokojenosti pracovníků, zlepšování rozvoje pracovníků, tedy celkově na zlepšování kvality lidského pracovního života.

S ohledem na to, že je tento pojem poměrně nový, příspěvek se ve své úvodní části zabývá teoretickými východisky personálního marketingu. Ve druhé, rozsáhlejší části pojednává o přípravné a realizační fázi primárního, kvantitativního výzkumu, jehož hlavním cílem bylo zhodnotit míru využití personálního marketingu u firem, které lze nazvat největšími zaměstnavateli v Libereckém kraji. Předmětem interpretace výzkumu v příspěvku je především odpověď na otázku, zda odborníci na lidské zdroje v podnicích v Libereckém kraji s personálním marketingem pracují, v jaké míře a které konkrétní nástroje jsou v praxi využívány.

PERSONALMARKETING UNTER DEN BEDINGUNGEN TSCHECHISCHER UNTERNEHMEN

Der Beitrag behandelt das Personalmarketing, das als verhältnismäßig neues Instrument im Bereich des Personalwesens, des sog. Human Resource Managements, erachtet werden kann, und welches sich auf die Erhöhung der Zufriedenheit der Mitarbeiter, die Verbesserung der Entwicklung der Mitarbeiter, somit insgesamt auf die Verbesserung der Qualität des menschlichen Arbeitslebens konzentriert.

Im Hinblick darauf, dass dieser Begriffe relativ neu ist, befasst sich der Beitrag in seinem einleitenden Teil mit den theoretischen Ausgangspunkten des Personalmarketings. Im zweiten, umfangreicheren Teil widmet er sich der Vorbereitungs- und Realisierungsphase der primären, quantitativen Forschung, deren Hauptziel die Bewertung des Maßes der Inanspruchnahme des Personalmarketings bei jenen Firmen war, die zu den größten Arbeitgebern in der Region Liberec gehören. Gegenstand der Interpretation der Forschungsarbeiten im Beitrag ist vor allem die Beantwortung der Frage, ob und inwieweit die Spezialisten für das Personalwesen (Human Resources) in den Unternehmen der Region Liberec im Personalmarketing arbeiten, und welche konkreten Instrumente in der Praxis zur Anwendung gelangen.

MARKETING PERSONALNY W WARUNKACH CZESKICH SPÓLEK

Artykuł dotyczy marketingu personalnego, który można uważać za stosunkowo nowe narzędzie w dziedzinie zarządzania zasobami ludzkimi i który skupia się na podnoszeniu poziomu zadowolenia pracowników, udoskonalaniu ich rozwoju, czyli na ogólnym podnoszeniu jakości tej części życia ludzkiego, która związana jest z pracą.

W związku z tym, że chodzi o stosunkowo nowe pojęcie, we wprowadzeniu do artykułu opisano założenia teoretyczne marketingu personalnego. Jego druga, obszerniejsza część, poświęcona jest etapowi przygotowania i realizacji podstawowych badań ilościowych, których głównym celem była ocena stopnia wykorzystania marketingu personalnego w spółkach, które można nazwać największymi pracodawcami w kraju libereckim. Przedmiotem interpretacji badań podjętej w ramach artykułu jest przede wszystkim poszukiwanie odpowiedzi na pytanie, czy specjaliści ds. zasobów ludzkich w kraju libereckim wykorzystują marketing personalny, w jakim stopniu oraz jakie konkretne narzędzia stosowane są w praktyce.