The Use of External Personnel Marketing in Slovakia

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Abstract

This paper studies the application of the external personnel marketing in selected Slovak mechanical engineering company. The primary objective of the paper is to analyze and describe how and to what extent theoretical principles of external personnel marketing are applied in a selected Slovak mechanical engineering company. Concerning research methods, the case study methodology is used. The data were collected by means of questionnaire survey with secondary school students in their final year of studies, doing internship in the selected company and thus being potential employees of this company and by means of structured interviews with company managers. Secondary data (company documentation) were used too. Concerning findings and results, the selected company uses external personnel marketing principles in external hiring and practices employer branding within the geographical region of its location. We recommend more intensive use of public relations tools towards the inhabitants of the region where the selected company operates and recommend following the use of external personnel marketing principles in external hiring.

1. Introduction

Personnel marketing represents the use of marketing approach to the Human Resources Management. Klimentova (2008) states that the main tasks of personnel marketing are as follows:

- Hiring of new employees,
- Creation of employee’s profile before he or she actually becomes an employee,
- Dynamic motivation and strategic progress of employees.

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Instead of product and services market, we talk about labour market where the demand for labour meets the offer of available positions by companies. In this case, job applicants are considered to be customers and offer is provided by employers.

Marketing mix applied to the Human Resources Management can be established using marketing mix elements of classic marketing. Antosova (2005) states the definition of different elements of marketing mix applied to Human Resources Management:

- **Product** – *position* – represents a fundamental element of the marketing mix applied to the Human Resources Management when a company considers hiring new employee for a newly-created position or considering filling an existing position or a vacant position as a part of internal mobility. A prerequisite for an elaborated job vacancy is a good description of the vacancy and also the specification of demands to be fulfilled by an applicant that a company decides to search for and to hire from the labour market by means of the analysis of available job applications.

- **Price** – *motivation and remuneration for work at the position which is offered* – work activity is a purposeful and mindful activity which has to be systematically motivated. Remuneration represents the price of the work opportunity in the same way as it is in the classic marketing mix. It is a product evaluation element. One of key questions of remuneration is an appropriate, equitable and motivation system.

- **Place** – *corporate culture* – in the sense of place where the work is performed. Corporate culture creates both the internal and the external framework for the functioning of the personnel marketing, corporate organisation, employees’ behaviour, communication inside the company, relations within the company, training and development of employees, standards, and training priorities.

- **Promotion** – *presentation of job offer and company at the labour market* – definite, clear and understandable job vacancy offer, able to motivate and get sufficient attention of applicants.

2. **External personnel marketing and its practical use**

The aim of the personnel marketing is according to Sagaidak (2013) a constant improvement of work with employees. In addition to fundamental marketing mix elements (the 4P) other Human Resources management tools are used. **External personnel marketing** aims to contact and acquire new qualified employees where a good reputation of hiring company at the labour market is extremely important.

2.1. **Hiring and selection of employees from outside the company**

Armstrong (2005) discovered that the activity of attracting new applicants is in first place a question of discernment, evaluation and use of the most appropriate sources of potential applicants. Filling a vacancy by an employee with representative preconditions can be a decisive moment whether company’s objectives will be fulfilled and whether the company will be successful and competitive. According to Urban (2006), if people are the most important asset of a company and decisions concerning selection of appropriate employees belong to the fundamental and the most important tasks, then inappropriate course and incorrect conclusions of the selection process are expensive not only in terms of costs and performance but in the long run mainly in terms of corporate culture and reputation. Determination of selection conditions and employees hiring is influenced by a large number of factors. When it concerns a specific position, we should focus on conditions in relation to the position itself (e.g. character of work, range of tasks to perform, place of work etc.). On the other hand, when it concerns the elements in relation to the company as a whole, then the most important factor would the company’s reputation, market position, relations within the company etc. When selection is based on applicants external to the company, then factors external to the company play a role, like demographic, economic, social a technological ones. That’s the reason why we cannot approach the selection process in a mechanical way. Armstrong (2005) states that for the process of attraction, maintaining of the job applicants’ interest, it is necessary to draw up a study comparing the factors of the company with its competitors - weaknesses, strengths of the company in relation to the facts that sell this company as an employer. Here comes the knowledge of marketing where the company as an employer focuses on preferences of potential customers. Customers - job applicants on the other hand try to sell themselves and at the
same time try to buy what the company offers. The aim of this study is to create appropriate preconditions of company’s image in relation to recruitment campaigns, job postings, interviews and the selection of the right person for the right position. Perfect realisation of these activities needs time and preparation because in the case of failure the best applicants can lose interest and can accept competitor’s offer. In the hiring process there is a two-way communication. Job applicants need relatively precise and excessive information about company’s offer. The company on the other hand needs accurate information about applicants as potential employees. According to Kachanakova (2003), the first and the second party should then behave in a way to catch the attention of each other.

There is a fight for employees between competing companies. The aim according to Hraskova and Bartosova (2014) is not only to provide the same amount or more money and benefits but also to create bearable work environment, sell it and get this information into the minds of public. Styblo (2008) states that “hiring of employees is a continuous process where the best applicants are searched for”. According to Armstrong (2005), the general objective of hiring should be, engaging minimum costs, to acquire such an amount of employees who would satisfy the company’s needs.

The external sources of personnel are as follows:
- human resources available at the labour market (unemployed people),
- school graduates (apprentice schools, secondary schools and universities),
- employees currently holding a position in another company who decided to change their employer,
- other complementary external sources can be housewives, senior citizens and students and applicants from abroad.

Hiring of employees represents a process of acquiring employees from external environment even if today companies prefer hiring employees from the inside of the company. Hiring of employees can be defined as: “all activities aiming at acquiring potential employees - getting applications from suitable applicants”. When filling a vacancy from external environment, companies use the following tools:

a) Job advertisements are the most commonly used and the most efficient method to acquire personnel through newspapers, media or professional magazines. The main advantage is that in a relatively short period of time it is possible to get sufficient number of applicants. According to Borsikova (2005), the advertisement should contain the name of the position, its short description, description of the company, required qualifications, practical experience and other applicant’s characteristics and competences, possibilities of further training and professional development and a way to submit the application (in person or in writing), required documents, address and contact person. Concerning the advertisement, Kachanakova (2003) recommends respecting the marketing rule AIDA. In the first place, the advertisement should attract the attention of a large public. Next, the interest should only arouse among applicants that the company is interested in. At this stage, the company specifies its requirements. Afterwards, a desire in the potential applicant to respond to the advertisement should be evoked. The advertisement should be completed by contact information to the company in order to incite the potential applicant to act (to submit an application). All these steps should be carried out with the respect to legalisation in force and in accordance with the protection of human rights.

b) Internet as a communication tool which can be used in two following ways:
- in researching suitable applicants on job offering web sites,
- in advertising vacancies and specifying requirements on the company’s web site or on job offering web sites and
- and very important are according Majerova at al. (2013)social media, e.g. Facebook and Instagram.

According to Borsikova (2005), in Slovakia there are three main types of web sites dedicated to job offers which are used by Slovak company to search for suitable applicants:
- job offering web sites, e.g. www.profesia.sk and www.jobs.com;
- web sites of private employment agencies, e.g. www.jenewein.sk;
- on-line version of newspapers, e.g. www.sme.sk

c) Hiring new employees at schools. Companies should cooperate with schools in order to organise excursions for students to discover company’s operations, processes and departments, to provide internships and master thesis tutorials. Such activities can provide companies with best university and
secondary school graduates who during their studies acquired practical experience and companies do not have to invest time and financial resources to train them.

d) Public employment agencies are publicly held agencies registering job applicants and vacancies offered by companies. The most significant disadvantage of public employment agencies is that they are very rarely used by highly-qualified professionals and managers.

e) Recruitment agencies recruiting personnel for interim job positions are a widely used type of recruitment services specialized in providing qualified professionals (personnel leasing).

f) Recruitment and training providing agencies provide an opportunity to companies to manage their human resource tasks quickly and efficiently.

g) Job fairs are specialized events organized as workshops where participating companies present their vacancies and try to contact potential applicants.

2.2. Company’s reputation as an employer at the labour market

Employer Branding is a process aiming at creating company’s image as a great employer on the labour market. It is employer’s effort to present good working environments and conditions and to give a positive image about the company. According to Klimentova (2008), employer branding represents “marketing technique to build company’s brand, image and goodwill in the field of human resources management”. The result of employer branding should be a better company’s image as an employer, improved quality level of recruitment processes and finally improved competitive advantage of the company. It should also lead to higher motivation, lower fluctuation and higher work performance. Sukalova (2012) indicates that the principle of equal treatment is given to the act of discrimination based on marital and family status, colour, language, political or other opinion, trade union activity, national or social origin, property, birth or other status. Koubek (2006) specifies following tools used to improve the interest of people to work for a specific company:

- care dedicated to high standard of social and hygienic conditions,
- care dedicated to high quality working conditions,
- care dedicated to development and education of employees,
- building of corporate culture
- respectability and ethics in business.

According to Bielikova and Misankova (2014) corporate culture has a multifactor conditionality and is strongly dependent on the culture of the environment. As a conclusion, we can say that a better level of remuneration solely is not enough and that companies should build their good reputation as an organisation and a business partner.

That is the reason why it is important to set a wide range of measures so that potential applicants would start seeing the company in a more positive way because at the first stage, an applicant divides job offers into two categories: suitable and unsuitable according to his/her own suppositions and experiences with companies offering those vacancies. According to Styblo (2008), companies’ activities oriented at external environment in the field of employees reputations should focus on the following:

1. Obtaining information: information from schools and organisations, opinion surveys among students in relation to potential employees, communication with students, e.g. interviews with human resources managers, discussions at schools (conferences, lectures).

2. Cooperation with students: getting to know students during their studies (internships, cooperations on various projects), career counselling (interviews between HR managers and students), part-time jobs and corporate grants.

3. Cooperation with international student organisations: cooperation with students’ clubs and organisations, obtaining information about other companies, career possibilities, orientation of students in the field of international cooperation, possibility of exchange programs for students.

4. Cooperation with schools: common activities, professional activities, remuneration of the best students, technical cooperation with students in the field of science, innovations and research, student conferences, lectures, keeping a database of talented students.
5. Activities in the field of public relations: cooperation will social and professional organisations, promotion of sports and cultural events, support to the development of the area where the company is located, fairs, exhibitions and presentation events, open door days, care for natural environment, activities in the field of research and development and social problems, cooperation with different charities.
6. Cooperation among several companies: meetings of HR managers.
7. Cooperation with recruitment agencies.

3. Materials and methods

The selected company operates in the field mechanical engineering. It is located in the Slovak region of Orava and has been an important manufacturer in the field of mechanical engineering for almost sixty years. As an employer, it is ranks among the best regional employers in number of vacancies offered. It also tries to build an attitude of an important employer who is strategically focused on the future. Concerning the analysis of the external personnel marketing of the selected company, we used secondary sources (corporate documents), interviews with company’s HR manager and results of the questionnaire survey. The analysis of the external personnel marketing focused on hiring new employees from outside of the company and on the company’s reputation as an employer.

4. Results and Discussion

4.1. Acquiring new employees from the outside of the company

The company’s management had to learn progressively and still learn to react in advance of its competitors to the job offers in order to attract qualified applicants. The selected company uses the tool entitled e-recruitment (career web pages) which allows vacancies searching and also a research for suitable applicants by means of web, job offering web sites and company’s web site. The studied company focuses its activities towards its applicants and fulfils the element promotion of the marketing mix because job vacancies are presented by means of:

- company’s own web site,
- internet, daily newspapers, bulletin board
- public employment agency,
- recruitment agencies,
- recruitment and training providing agencies,
- direct recruitment of potential applicants among interns in the company.

The recruitment of managers is carried out by the department of the HRM (human resources management). The recruitment for other type of vacancies is carried out by the personnel and payroll department. The cooperation between the company and the public employment agency is carried out also by means of a creating a database of qualified professionals, by an agreement about internship positions for university graduates from 2011. This agreement is financed by the European Social Fund and the public budget of the Slovak Republic.

When the company wants to hire a new employee, it uses the marketing tool AIDA in the following way:
1. Attention – The company attracts the attention of potential application by publishing its job vacancies.
2. Interest – The company arouses applicant’s interest in the job vacancy on the basis of information, requirements and advantages related to the job vacancy. It uses the tool entitled redesign (analysis of the position) which provides information about the position and requirements concerning the applicant for this position.
3. Desire – Potential applicants interested in the vacancy will decide to join the company.
4. Action – Potential applicants interested in the vacancy will actually submit the application with appropriate documents to the contact person stated in the job advertisement.

Selected applicants, who satisfy requirements for the position, will be informed about the job interview that will serve the company’s managers to choose the most suitable applicant for the job. Applicants who do not satisfy the requirements of the position, will be informed about the result of the job interview and will be ensured that in case of any job vacancies in the future, they will be informed by the company. References concerning the way the company deals with job applicants are extremely important. They represent a feedback of serious and respectful
attitude even in the case of a negative response from the company. This is the way the company builds its “relationships with applicants”.

One of the possible ways to acquire suitable employees is company’s cooperation with secondary schools and universities. Nowadays, one of the most important motivation factors for young people to choose a secondary school or a university is the possibility of internship and job offers offered by the school. In this sense, the selected company has been cooperating with the secondary vocational school in district of Namestovo (Orava region), offering secondary vocational education in the field of mechanical engineering and offering internships in the studied company with a possibility to be hired upon the completion of secondary studies.

The survey was carried out at the beginning of 2014 at the above mentioned secondary vocational school. Questionnaires were filled in by the students themselves. The survey was carried out among 75% of all students (75 students) in the final year of two vocational secondary schools specialised in mechanical engineering and having an internship in the studied company.

The results of the survey are shown in the Table 1. We can see that 55% of surveyed students stated that they were prepared for a position in the studied company. 73% of surveyed students think that they would be loyal to the studied company if they were offered a job there. The most important factor influencing the choice of an employer after completion of the secondary vocational training is the salary and possibilities of personal development within the company. The low salary is the main reason for young Slovaks to quit their country after completion of studies to other EU member and non-EU member countries.

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| Factors                                      | Possibilities |
|----------------------------------------------|---------------|
|                                              | Yes | No | I do not know |
| Readiness for professional activity in the field of studies | 55% | 20% | 25% |
| Students’ level of satisfaction with internships during their studies | 81% | 6% | 13% |
| Loyalty towards the studied company          | 73% | 14% | 13% |
| Factors that influence the choice of the future employer | Salary, possibilities of personal development |

Source: Own work

4.2. Reputation of the studied company as an employer

When reasoning about the fact that the studied company belongs to the most demanded and the most strategic employers in the region Orava because of its good reputation as an employer or because of the fact that the studied company is one of rare employers in the field of mechanical engineering in the region of Orava and people who are
qualified in this field do not have many other job possibilities. In the past, there have not been many other education possibilities apart from the mechanical engineering.

However, the competition in the field of mechanical engineering has increased during the last decade. In this sense, the company’s reputation has become a crucial element of survival and development because the company has to attract qualified professionals and should be perceived as a “good employer” in the eyes of the public. The management of the studied company is very much aware of this fact and works on its reputation as an employer and a business partner too. The ethical code of the studied company states that the good reputation is a fundamental intangible asset of the organization. Each employee acts not only as a private person but also as representative of the company. That is why the employee observes the respect of the good reputation of the company and protects its interests. We behave decently; dress appropriately because we also build a good professional level of the company. We use legal software and tangible and intangible assets. We protect company’s intellectual property and its material resources. We do not use tangible and intangible assets of the company for private purposes. We try to resolve all the problems within the company at first.

In 2012, the studied company participated at the project “Best Employers” under the auspices of the international consulting company AON HEWITT. The aim of the project was to find out the level of satisfaction and motivation of the employees by means of a questionnaire survey, to specify strengths and weaknesses of the company from the viewpoint of the human resources policy and company’s management and to compare the company with the best practices among other companies.

Among activities of the studied company in the field of public relations, we can state the following:

- Cooperation with social and professional organisations, e.g. event “The Health Day”,
- Support of sports and cultural events, e.g. tennis tournament,
- Fairs, exhibitions and presentation events,
- Open doors day – “Family day” for employees’ family members.

5. Conclusion

The analysis of the external personnel marketing techniques used in the studied company shows that the selected company actively uses various marketing tools in relation to the hiring of new qualified employees from outside of the company. Concerning the hiring of new employees from the outside of the company, the company follows recommended practices and also actively promotes its reputation as an employer in the region of Orava. For the future, we recommend a better use of „public relation“ tools mainly in relation to inhabitants of the region of Orava and to continue in the present style of HR management in relation to the hiring of new employees from the outside of the company.

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