

The Methodology of Human Resources Marketing Tools Selection in the Recruitment Process with Focus on International Companies

Šulcová Tereza

Department of Economics and Management
Faculty of Mechanical Engineering
Czech Technical University in Prague, Czech Republic
tereza_sulcova@centrum.cz

Abstract

The contribution is focused on the utilization of marketing tools in the part of human resources management - selection and recruitment process. The contribution introduces the theoretical base of new created methodology of human resources marketing tools selection. The internal and external factors including economical appraisal are identified. The right utilization of human resources marketing tools would be the precondition of approaching and gaining new qualified staff because the potential employees' decision is influenced by company image. Methodology proposal of human resources marketing utilization in sourcing, approaching and recruiting gives following advantage: approaching target groups of potential candidates with aim 1) Increasing responses of best-fit candidates, 2) Cost cutting of data administration processing, 3) Time-demanding of selection process reduction, 4) Human resources managers' workload reduction 5) Increasing company image and awareness and 6) Cost-per-hire reduction.

Keywords: recruitment process, human resources marketing, human resources management

Introduction

In the present turbulent and high competitive business environment, an employee becomes the source of competitive advantage. Main goal of managerial work in all professional branches is achievement of defined aims through the working potential of employees (subordinates). Only the right selected and motivated employees should be the right investment decision for the future. This research is focused on human resources management, especially on staffing and utilization of human resources marketing in recruitment process.

This contribution is divided in two parts: 1) First part: Theoretical Background with aim to approach basic areas of human resources management activities and identify that the research orientation of this contribution is focused just on one part of HR activities - "Selection and Staffing" according to the theory of "The Human Resources Wheel". This part should be a briefly introduction to the human resources questions and present opinions survey conclusion between top managers, where can be found, that the theme of HR recruitment is very important in contemporary human resources management orientation and priorities setting. 2) Second part: Project of methodology preparation introduces two phases of Project Preparation, which is already finished and Proposal of methodology creation and implementation (phase in process).

Theoretical Background

Human Resources Management Activities Introduction

According to the Theory of Patricia McLagan (in Waltom, 1999) - „The Human Resources Wheel“, the human resources activities should be divided to the following areas:

HR Research and Information System

Focus: assuring an HR information base

Union/Labour Relations

Focus: assuring healthy union/organization relationships

Employee Assistance

Focus: providing personal problem solving/counselling to individual employees

Compensation/Benefits

Focus: assuring compensation and benefits fairness and consistency

Selection and Staffing

Focus: matching people and their career needs and capabilities with jobs and career path

Performance Management System

Focus: assuring individual and organization goals are linked and that what individuals do every day supports the organizational goals

Human Resource Planning

Focus: determining the organization's major human resource needs, strategies and philosophies

Organization/Job Design

Focus: defining how tasks, authority, and system will be organized and integrated across organizational units and in individual jobs

Career Development

Focus: assuring an alignment of individual career planning and organization career-management processes to achieve an optimal match of individual and organizational needs

Organization Development

Focus: assuring healthy inter- and intra- unit relationships and helping groups initiate and manager change

Training and Development

Focus: identifying, assuring and - through planned learning - helping develop the key competencies that enable individuals to perform current of future jobs

Trends in human resources management within the international environment

Pricewaterhouse Coopers in cooperation with World Federation of Personnel Management Association conducted the survey of Global Human Resources Challenges: Yesterday, today, tomorrow in 2004. Human Resources Managers of 200 companies from more than 35 countries had to choose the three main areas that represent significant challenges for today and for the future.

Table 1: Survey of Global HR Challenges: Yesterday, today, tomorrow

Challenge	Companies (%)		
	Global	EAPM members	NAHRMA members
Benefits Costs: Health&Welfare	13	5	30
Benefits costs: Retirement	9	7	17
Change management	48	48	40

Compensation	24	30	9
Employee rewards	12	11	15
HR effectiveness measurement	27	23	23
HR technology selection & implementation	9	11	9
Industrial relations	7	7	0
Leadership development	35	20	53
Learning and development	19	18	15
Legal/Regulatory compliance	7	2	2
M&A integration/restructuring	11	7	15
Organizational effectiveness	25	36	28
Outsourcing	8	4	11
Staffing: International mobility of employees	4	5	4
Staffing: Recruitment and availability of skilled local labour	24 (fifth - sixth place)	34 (third place)	26 (sixth place)
Staffing: Retention	16	20	11
Succession Planning	20	16	32
Other	7	5	6

Source: World Federation of Personnel Management Association and Pricewaterhouse Coopers: Survey of Global HR Challenges: Yesterday, today, tomorrow

Members of European Association of Personnel Managers file recruitment and selection of qualified candidates on the third place of nineteenth preferred parts of human resources management. On the other side, the members of North American Human Resources Managers Association submit on the sixth position of challenges for companies today. This survey confirmed, that for European human resources managers the selection and recruitment of qualified employees is after the change management and organizational effectiveness the most important for the human resources management.

Research Project - Methodology of Human Resources Marketing Tools Selection Preparation

Research Project consists of two phases. First phase, which is already closed is focused on 3 part: 1) Monitoring human resources marketing utilization in international companies on the Czech market, 2) Identification difference between "classical" marketing conception and human resources marketing and 3) Expecting advantage of HR marketing utilization setting. Second phase, which has been started, is presented in this contribution as the presentation of methodology proposal and prepared system of methodology implementation to the praxis.

Research objectives

- 1 Description of present human resources marketing utilization in Czech subsidiaries of international companies
- 2 Creation of methodology of human resources marketing utilization in the area of recruitment process
- 3 Definition of advantages of human resources marketing utilization during the recruitment process

Focus on international companies

International companies as target groups of project preparation was chosen due to the following reasons:

- Sophisticated human resources strategy
- Long-term experience with HR activities and outsourcing (ex. In the area of Executive Search) in different cultures
- HR marketing and HR branding are usually used by international companies only
- High rate of foreign investment in the Czech Republic

1st Research Phase - Research Project Conclusion

HR Marketing in the Czech Business Environment

Marketing in the "classical meaning" is considered as the basis of HR marketing. In the following sheet the differences between marketing and HR marketing are described.

Table 2: Comparison of Marketing and HR Marketing

	Marketing	HR Marketing
Marketing Mix	Classical marketing "4P"	Adapted 4P: Place - information about vacant position Product - job offer including benefits and development Price - labour contract Promotion - internal and external communication strategy and PR
Target Groups	Consumers	Potential employees
Internal Responsibility	Marketing Department	Human Resources Department
External Partners	Advertising/PR agencies	Personnel/Executive Search/Advisory companies Specialized agencies focused on HR Branding or HR marketing

In the Czech issued Human Resources Dictionary, a personnel marketing is defined as „Marketing methods application focused on internal customers and their needs. Human Resources Department should gain the power for selling of HR activities, be more oriented in organizational weakness and create positive relationships with other managers, especially with line managers.“ This definition of personnel marketing includes a direction focused on internal customers only, it means accession of human resources management activities to the line managers for the first time and then to the employees.

The utilization of marketing tools is common in the education and development sphere, where can be the „classical“ view of marketing mix 4P used - Product (ex. education possibilities), Promotion (ex. presentation of education possibilities to target groups of employees), Price (ex. future education as the motivation benefit for managers) and Place.

The second direction of personnel marketing is an alignment to the external environment, especially target groups of potential hires.

Nowadays, the human resources advertisement is the most used tool in the Czech environment.

Human Resources Managers of international companies describe the personnel marketing in their companies:

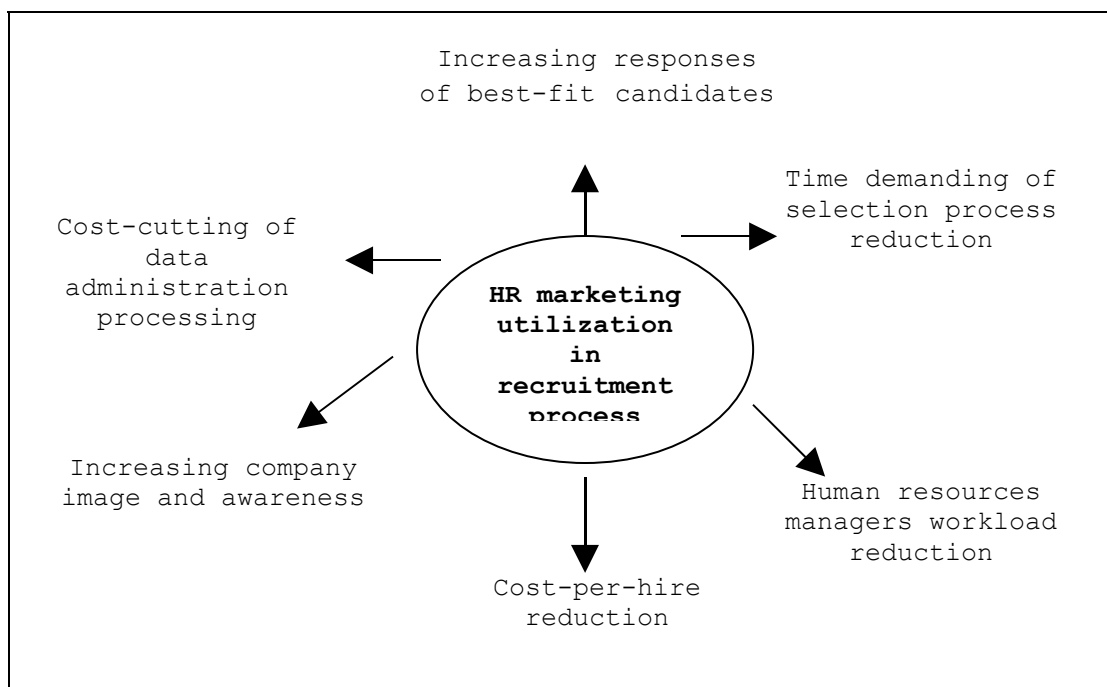
VW - Škoda Auto: Personnel marketing mean a changeover from a random recruitment according to the present needs to the targeting impact on the job market." T-Mobile Czech Republic: "Personnel marketing in T-Mobile consists of four pillars: personnel advertisement, information flow via media, attendance on a competition of „The Best Employer of the Year" and different types of students approach and cooperation with universities. ČSOB - banking sector: ČSOB started to fulfil the concept of personnel marketing during the year 2002. Nowadays, ČSOB is using a new layout of personnel advertisement, posters and Internet presentation. The whole concept was created in cooperation with marketing department and is in the same line as the new visual style and is presenting values, which should be conducted with the company. The concept is in agreement with image and product marketing communication. (Pešková,2006, p 20- 21).

Conclusion of HR marketing utilization in the Czech Republic:

- A personnel marketing is a synonym for advertisement layout (graphics) and campus recruitment in the Czech business environment
- According to the Czech authors, personnel marketing is defined as the communication strategy to line managers as internal customers
- A personnel marketing is considerate as a new trend in human resources management in Czech specialist journals and newspapers
- Usage of personnel marketing tools would be precondition of approaching and gaining new qualified staff - employees' decision is influenced by company image.

Advantages of Human Resources Marketing Utilization

Figure 1: Advantage of HR marketing Utilization



The right marketing utilization influence effectiveness of recruitment process and help decreasing cost and better controlling budget. Utilization of human resources marketing in the recruitment process gives following advantages (see Figure 1) as compared with recruitment without marketing utilization:

1 Increasing responses of best-fit candidates

Regarding to the expansion of modern communication tools (internet, mobile phones, teleconferences) in recruitment, applicants have more opportunities to answer to the high number of job offers, which not correspondent with job requirements. This fact influences increasing number of unfitting candidates. Thanks to the focus on target groups of applicants through to the marketing tools utilization, company approach more best-fit candidates.

2 Cost cutting of data administration processing

In the past, human resources department was considered as supporting part of company management. Nowadays, managers gain responsibilities for strategically decision and are part of top management. Thanks to cost cutting of recruitment administration processes, budget should be used to another internal activities in department.

3 Time-demanding of selection process reduction

Promptness of placement is one of important determinant in competition for the best applicants. Thanks to the defined focus group contacting, the timing of placement is decreasing. The company can approach more potential best-fit candidates and decreasing the number of recruitment rounds.

4 Human resources managers' workload reduction

Human resources managers should be oriented to another activities focused on improving internal processes, implementing modern management tools or benchmarking with aim to improve the company position on the job market and building strong HR brand, which has been defined as the company's image as seen through the eyes of its associates and potential hires and is intimately linked to the employment experience of what it is like to work at a company, including tangibles such as salary and intangibles such as company culture and values.

5 Increasing company image and awareness

Thanks to the high level of image, company becomes the „Choice Employer“, which means following: during the candidates' decision-making process when potential employees can choose their future employer, they choose the company with high level of company image and awareness. High level of image influence in the positive way: employees' stability and loyalty, trust, pride in company and prestige in professional sub branch.

6 Cost-per-hire reduction

Cost-per-hire can include advertising, agency fees, relocation costs, and training costs and it is one of quantitative evaluation of recruitment process effectiveness.

2nd Research Phase - Methodology of Human Resources Marketing Tools Selection Preparation

Methodology consists of following areas:

1st Step: Defined Areas	
Internal Factors	Company culture Potential of internal sources Career planning HR Department working capability Internal x external employees

	preference Possibility of HR services outsourcing HR department budget
External Factors	Situation on the local job market Competition companies Competition environment within the professional group
Employees Segmentation	Top management Middle management First line management Workers Administration executives
Way of sourcing candidates	Executive search Advertisement Development centres for internal candidates
Selection Methods and Tools (including their combination)	Questionnaires and CVs Interviews with candidates Case Studies References Assessment Centres
2nd Step: Analyses of Present Situation	
HR Marketing Tools Selection	

Prepared system of methodology application into the praxis

The theoretical framework will be used during the next year in the Czech subsidiary of international production company. The process of implementation consists of following steps:

1 Company selection

Basic information about selected company:

- International company with production subsidiary in the Czech Republic
- HR department with long-term experience in recruitment (especially due to the green-field projects)
- International standards implemented within the HR corporate policy

2 Recruitment project analyses - before methodology implementation

3 Process of analyses

4 Methodology implementation in cooperation with HR department

5 Recruitment project preparation

6 Recruitment project implementation

7 Projects evaluation

Conclusion

Human resources management is a part of each managerial position, which means that the core of managerial work is to achieve targets by force of employees and selection and recruitment of potential employees is very important step for future companies' achievements. The right utilization of human resources marketing tools would be the precondition of approaching and gaining new qualified staff. Human resources marketing utilization gives following advantage: 1) Increasing responses of best-fit candidates, 2) Cost cutting of data administration processing, 3) Time-demanding of selection process reduction, 4) Human resources managers' workload reduction 5) Increasing company image and awareness and 6) Cost-per-hire reduction.

References

- Martin, G., Beaumont, P., Doig, R., Pate, J., 2005, "Branding: A New Performance Discourse for HR", *European Management Journal*, 23(1), 76 -88.
- Pešková, L., 2006, "New Tools in Human Resources Management," *Human Resources Management*, 3, 20-21,
- Rue, L.W., Byars, L.L., 1987, "Human Resource Management," Homewood, Illinois.
- Waltom, J., "Strategic Human Resource Development," 1999, Pearson Education Limited, Edinburgh.
- World Federation of Personnel Management Association and Pricewaterhouse Coopers, 2004, "Survey of Global HR Challenges: Yesterday, today, tomorrow", www.pwc.com.

Tereza Šulcová, graduated in management and economics on Czech Agriculture University in Prague, is a PhD student on the Czech Technical University in Prague since 2003, specialization HR management. During her studies, she has cooperated with the executive search company Recruit CZ, a member of the international group Eurosearch Consultants International.