

Competitiveness as a Result of Human Resources Marketing

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Abstract. Competitiveness is the new main goal of the enterprises all over the world. The world has become more competitive and a major component of this issue is the field of human resources. This review has the purpose to provide readers with the basic conditions to understand the role that marketing could play in human resources competitiveness, which is vital for the competitiveness of the enterprise.

Keywords: Competitiveness, Costs, Human Resources Management, Marketing

1. Introduction

Human resources marketing is a concept that has already started to be used by a great number of enterprises. Top managers started to be aware of the importance of using marketing principles in human resources management and of creating a powerful brand both for the employees and for the possible candidates. An attractive enterprise on the workforce market means that it is capable of attracting competitive employees, which has direct effects on the entire activity. Developing a human resources strategy is not a difficult task, but experts from all the departments should take part in doing it. At first the leading role will belong to the human resources department, but departments such as marketing, public relations, legal, accounting will have a vital role in elaborating a practical and feasible solution, whose effect is not only the profit increase but also risk minimizing and profitability increase. No matter whether the enterprise recruits or not, it needs to use marketing tools in human resources management because it has to retain its competent employees. Having a strategy is a matter of discipline. It requires a strong focus on profitability rather than just growth, an ability to define a unique value proposition [1].

The literature is not stuffed with materials in the field of human resources marketing: the greater importance being given to the human resources management. Despite the importance given to the recruiting, selection, placing, motivation and selection processes, few researchers analysed the implications of marketing in the human resources management, although this generated the idea of product in human resources management.

2. Human Resources and Marketing

The global tendencies show that the role of the human resources in marketing is not any more of support, but it also has a strategic one. There are three main reasons for which the marketing principles should be used in the human resources management: the increased influence of the reputation management which brings into attention issues related to people management – it is vital, in any field of activity, for the organizations to pay more attention to people management in the branding process; the increase of the economy based on services in which the products are delivered and differentiated only by qualified and well trained employees; the increase in importance of the intangible assets such as humans and intellectual capital, as a source of the strategic advantage.

In order to have a competitive advantage the human resources of the enterprise should be rare, valuable, irreplaceable and hard to imitate. In order to attract, retain and hire a human capital that makes a great difference, the enterprises have to offer jobs, career opportunities, benefits, discipline and experience that make the difference.

The human resources and the marketing are tightly connected on two levels. First of all there is a concern for the employer brand and employees relationship management. The marketing tools and techniques can

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help in talent development, offering benefits, creating an equilibrium between professional and personal life and using them in attracting, retaining and entertaining talents. Furthermore human resources management started to have an increased impact on marketing and sales. Human resources strategies and their implementing can create an energetic workforce which can confirm the promises made by the managers.

As in marketing, in human resources management there is firstly a need of creating a relationship. This relationship is based on an efficient segmentation of the workforce, the human resources marketing activities should be oriented towards a certain target (a certain profile of the employee) and to place the organization in the top choices of the candidates. A significant role in establishing the work relations belongs to the marketing mix adapted to the human resources management. The employees' and employer's expectations contribute to keeping and developing this relationship, with the result of satisfied and devoted employees and low employee fluctuation. In other words we can state that the result of human resources marketing is an employee – employer relationship that brings economic, social and psychological benefits to all the parties. This relation implies investments from all the parties. Fig. 1 shows the importance of marketing in human resources marketing:

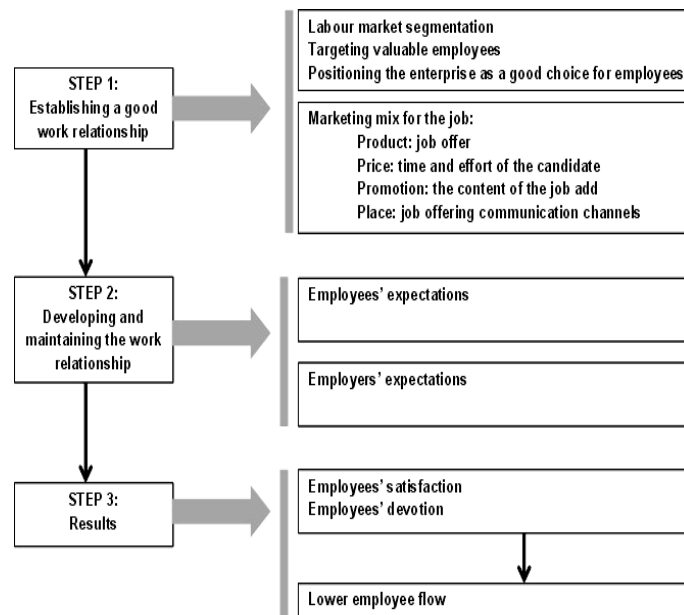


Fig. 1: Marketing in human resources management.

A powerful employer brand is more than a label. In order to attract the most talented employees the job offer of the enterprise should be aligned to the benefits, culture and available opportunities. Only by building a relationship based on trust the enterprise can obtain the desired results. First of all branding means trust. The clients, shareholders, partners and employees must trust the enterprise; they must be convinced that it can reach the proposed objectives for both short and long term. For HR, marketing is aimed at creating, maintaining and benefiting from high-value relationships with its 'customers' (employees). Employee relationship management works exactly like customer relationship management [2].

The first step in transforming human resources management in human resources marketing considers the traditional marketing activities. A first starting step could be answering the following questions: which market segment is important for the organization? (Segmentation); what kind of people the enterprise needs? (Targeting); how does the enterprise presents itself? (Positioning, brand values, employee value proposition, employer brand). A professional can answer these questions through an external and internal analysis of the workforce market. It is important for the human resources marketing professional to analyse both the quality and the quantity of the possible employees, what influences them in choosing a certain employer, which competitors target the same candidates.

In most of the organization marketing, communications and human resources are separated departments, have different managers and there rarely are mixt teams. The purpose of all the marketing activities is to send a message to the clients, public, competition, employees and possible employees. For example a recruiting

advertisement may have a great impact on the image of the enterprise and the image of the enterprise may influence the success of a recruiting campaign, it may influence the number of applications for the vacancy.

Human resources marketing also presuppose employer branding, i.e. promotion by taking part in activities in universities, students' forums, scholarships, Erasmus programs, presence in Social Media, team-buildings, etc.

From the point of view of marketing, job may be considered products. As the marketing professionals analyse the consumers' needs and the behaviour, in the same way the human resources professionals analyse the employees' motivations, needs and behaviour and try to offer satisfying jobs in order to attract the employees who meet the employment criteria and who will be loyal to the enterprise and will help it in achieving its objectives.

The employer is the supplier of this product, and the employee the consumer. By adopting this point of view the human resources professionals will have access to a strategic framework for the human resources management. The human resources marketing involves the desire to understand the need of the employee and to satisfy them. The basis marketing principles can be used to establish human resources management procedures. The market research techniques can be used to analyse the expectations and needs of the workforce. Marketing is not selling, but the desire to understand the consumer's needs and hard work to satisfy them.

Using marketing in human resources management is not a task free of risk, but the results of using it are worth the risks. Fig. 2 shows some of the strengths, weaknesses, opportunities and threats of using marketing in managing the human resources within an enterprise.

STRENGTHS	WEAKNESSES
-new approach	-small number of
-closer employee – employer relationship	specialists in human resources marketing
-helps the enterprise in better using its human resources	-it cannot be measured, yet its results are visible on medium and long term
-identifies the people who can satisfy the market needs	
-helps in increasing the human resources competitiveness within the enterprise and in increasing the productivity	
-helps in a better orientations of the efforts of the human resources department	
-better orientation towards objectives	
OPPORTUNITIES	THREATS
-social media	-a more commercial approach of the human resources
-the marketing is already well developed and adapting it to human resources is an easy task	

Fig. 2: SWOT analysis for human resources marketing

3. Human resources marketing and competitiveness

Human resources management affects competitive advantage in any enterprise. Competitive advantage is the heart of a firm's performance in competitive markets and it could easily be achieved through human resources marketing. Human resources marketing offer competitive advantage in the following areas: cost and differentiation [3]. In the 21st century it comes true, that competitiveness of the firm is - to a considerable level - influenced by its participation in the chain of suppliers, customers and partners and by the way how the subject cooperates in the chain [4].

Cost advantage is vital when it comes to human resources. The main source of motivation for employees is the money. Managers recognize the importance of cost and that it is why many strategic plans include objectives such as "cost reduction" or "cost leadership". Most cost studies address narrow issues and take a short-term view, but when it comes to human resources cost advantage is on long term. It is important to remember that assigning cost and assets does not require the precision needed for financial reporting purposes.

A good human resources marketing plan can reduce the costs related to hiring, maintenance, development and flow. If the employee profile is well established the recruiting process is shorter thus reducing costs, a shorter recruiting process also means that the new employee can start his/her activity sooner bringing value to the enterprise. If the recruiting process was efficient the employee fluctuation is reduced. If at the end of the recruiting process the selected candidate is a valuable one, then the integration of the employee in the new system is easier and the training costs are saved.

Human resources marketing is a way of differentiating the enterprise from its competitors. By using marketing principles in human resources management the enterprise can differentiate through the quality of its employee reflected in the products it sells and productivity. The stock of intellectual capital in an enterprise comes from its employees' selection, development and use. Of course it is very important not to fall in the extreme of being too differentiated. An enterprise, whose employees are too different, will have difficulties in coordinating them and of course in finding them.

Generally the competitiveness can be increased through a thorough market research, marketing mix, cost reductions, quality and staff training. If we report this statement to human resources we can state that by using human resources marketing human resources professionals increase the competitiveness of the enterprise they are working for.

Human resources competitiveness is defined as a function of three main factors, as presented in Fig. 3: mastery, costs, internal factors and external factors. In short, mastery / perfection / power is an external measure indicating the employee's successes compared to his/her competitors (colleagues, potential colleagues, etc.) in terms of generating value for the organization and for themselves. A high mastery score vis-à-vis competitors implies that the employee performed better and also that the enterprise (represented by the human resources professionals) performed good in using the marketing procedures. Having realized a good level of mastery / perfection / power, however, may not alone be sufficient to guarantee immediate and continuous success in the search for a competitive position, against the competitors on the workforce market. In other words if the employee asks for a salary higher than what the market offers for the same job he will eventually erode. In this run the competitive advantage is a priority for both the enterprise and the employee, so in order to have competitive advantage due to cost the enterprise must enjoy some cost advantages with respect to its inputs, and one of these costs is related to the human resources. On the other hand if an employee asks for a higher salary than the market is willing to pay he will lose the cost competition, in other words no matter how good he or she is he or she will not be attractive on the workforce market.

The third basic determinant is the external environment represented by the competitors, technology and political – economic environment. One should always pay attention to the peers in order to keep up with their development and to try to be as good or better. The technology has a double effect on the employee's competitiveness on one hand it can simply replace the employee in the work process and on the other hand if the employee is capable of handling a certain technology he or she will have an advantage over the competitors in the workforce market. The political – economic environment is characterized by interest rates, taxes, infrastructure, national educational system, agreements between governments and enterprises, communication networks, trade unions demands, etc.

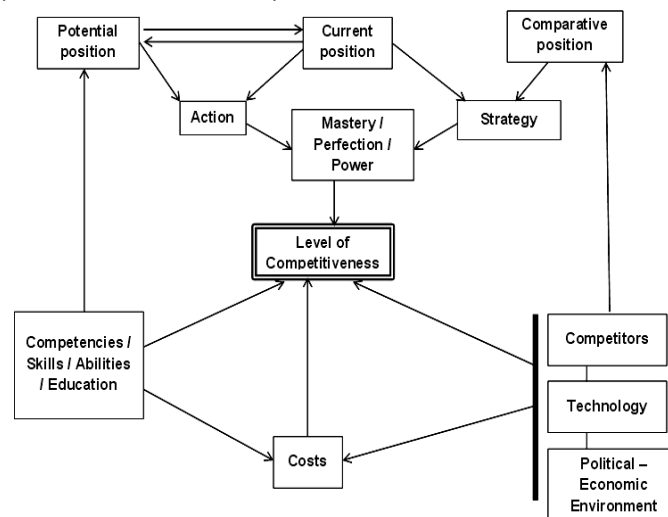


Fig. 3: Factors that determine human resources competitiveness.

After establishing the level of human resources competitiveness we shall now briefly define the concept of position. As in the case of industrial competitiveness, in the case of human resources competitiveness, we consider three types of competitive positions: comparative, current and potential.

The comparative position is an indicator of the employee's optimal output. The concept of comparative position is important because the competitive environment is important in formulating competitive strategies. The potential position is of interest because it shows the employee the maximum optimal output that he/ she could have produced if he/she used all the resources fully and most efficiently, and because the human resources professional should know the full potential of the employee. The current position is the optimal output that the employee is currently capable to produce.

Application of new technologies in all aspects of business require that companies and employees continuously acquire new knowledge and skills, where building of a learning organization is the key of long-term market success [5] and that is why marketing plays a crucial in human resources.

Competition forces all suppliers to become more efficient and cost effective and that is why, in order to increase their competitiveness, enterprises need to attract the best resources, based on the HR pillars Recruitment and Staffing, Compensation / Payroll, Employee Benefits, Talent Management / Employee Relations, Training and Development and Compliance [6].

4. Conclusions

This paper underlines the fact that the link between the human resources department and the marketing professionals must develop more if the enterprises want to have access a competitive human resource. The employees are not the clients/products of the enterprise in the commercial meaning of these terms that is why there is a need of paying a greater attention in using the marketing tools in human resources management and the difference between the relation buyer – seller and employee – employer.

The current competition environment enforced the professional to consider the human resource a client whose needs, recruiting, communication, and integration expectations they have to meet. The tag “work force” is already known and acknowledged, and it already works as a real market in the sense imposed by marketing.

The clients of the human resources department are not only the employees and the managers of the enterprise, but also those interested in buying the products offered by it or investing in it. It is also very important for the human resources professionals to be in touch with the market tendencies, demographic trends, technological development and political choices that can affect the well-functioning of the enterprise.

5. Acknowledgements

This work was partially supported by the strategic grant POSDRU 107/1.5/s/77265, inside POSDRU Romania 2007-2013 co-financed by the European social fund – investing in people.

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