

# Marketing Models in Increasing Human Resources Competitiveness

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**Abstract.** In recent decades marketing models have undergone a great development because of the “fight” for the market share. However in this “fight” the human resource is the major factor of influence that is why in this paper we explain a new concept: the human resources marketing, and why the use of marketing is necessary for human resources management in order to increase the competitiveness of the enterprise. We will also address the human resources marketing from two different perspectives: that of the employer and that of the candidate / employee.

**Keywords:** Marketing Models, Competitiveness, Human Resources Marketing.

## 1. Introduction

“The human capital is increasingly valued because it is a major performance factor of the enterprise” [1]. “By definition the manager has two roles: that of involving, motivating in the inside and that of attracting in the outside. This is the newest concept of human resources marketing – that of considering the employee client” [1]. The marketing models have a major impact both on the academic environment and the business one and that is why we propose to adapt the models used by the marketing professionals in human resources management.

“In order to cope with the pressure in the market the enterprises need to transform their behaviour, to create project teams, to promote to the employees issues such as initiative and individual responsibility, improving the quality of the employee development products and services” [1].

In the 70’s and 80’s the human resources departments that deal with employee mobility, continuous professional development, employees’ assessment and choosing the best candidates were developed [1].

The action of the human resources departments shifts from the technical, quantitative, normative area to the cultural, qualitative and individual under all the aspects of its function: recruiting, application management, communication with the employees; the human resources departments need a new approach: human resources marketing.

The use of marketing in human resources management has various advantages such as: access to specific group of people (the possible future employees), the human resources strategy becomes compatible with that of the enterprise, determines the needs of employees and focuses the recruiting efforts in the direction of the needed candidates, allows the human resources professionals to be more creative in achieving the objectives; marketing provides the human resources tools and techniques whose efficiency has already been tested; marketing offers a greater credibility to the role of the human resources department within the enterprise; marketing offers a the possibility of testing new techniques on the internal public of the enterprise; using the marketing mix in human resources management helps obtaining better results within the human resources department .

## 2. The Relationship between Marketing Models and Competitiveness

### 2.1. The Duality in Human Resources Marketing

There is a dual relationship in using marketing principles in human resources management, presented in Figure 1 by analysing the proposed model through the point of view of the “candidate supplier” who sells his/her “product”, represented by his/her own competences, for a benefits package as high as possible. In order to become employee the candidate must be able to assess himself/herself in an objective manner and to

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promote his/her strengths. If the self assessment is objective, the candidate is able to choose the type of job from which he/she can bring value to the enterprise and at the same time to obtain a set of benefits: economic such as: salary, payment raises, health and retirement insurances, bonuses, etc.; psychological such as: new competences, accomplishments, autonomy, promotion opportunities, challenges, feed-back, trainings, etc.; social such as: relationship with the peers and the management team, respect, trust, considering the colleagues as friends.

Analysing the model from the employer's point of view, the candidate becomes a supplier of competences for which the enterprise is willing to devote time and effort to shift the individual from candidate to employee for an equitable salary and investments in his/her professional development. In terms of "promotion" the enterprise has to position itself as a better employer than its competitors by creating an attractive brand; in other words a powerful and reliable brand will attract suitable candidates. The "place" in the traditional marketing mix (4P) is translated in the recruiting process which has three stages: defining the expectations – preparing the job descriptions, the employment terms and conditions are established; attracting new candidates – reviewing and assessing the alternate sources of candidates, within and outside the enterprise, the publicity and the use of agencies; selection of the candidates – sorting the candidates, interviewing, testing, assessing them, labour offer, obtaining references, preparing the employment contracts [1].

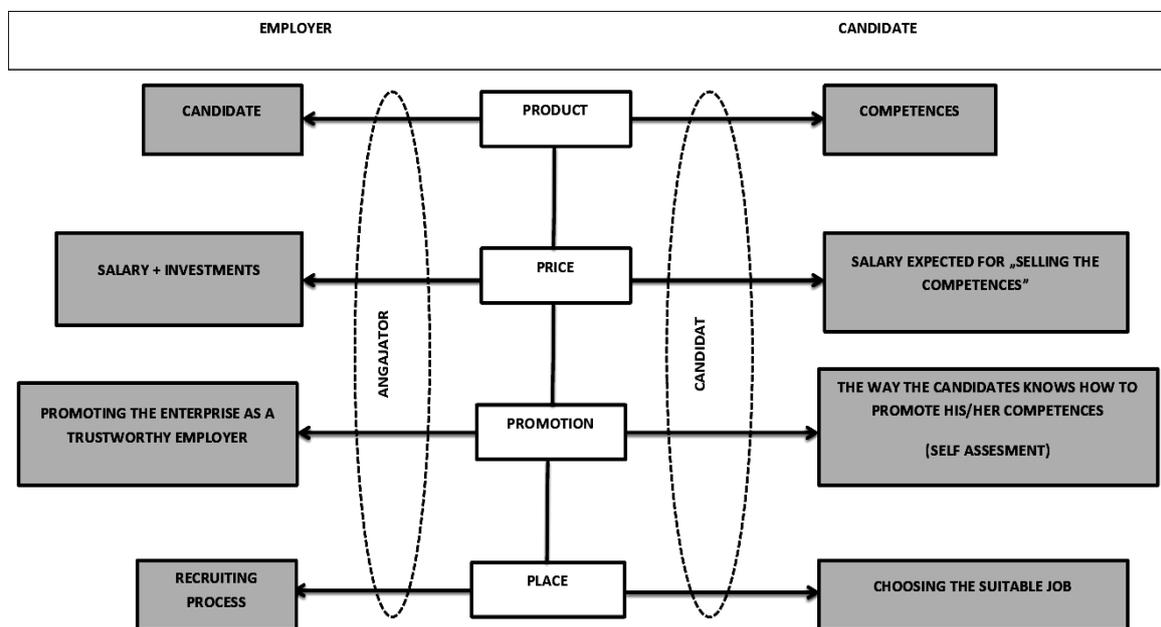


Fig.1 The duality in human resources marketing (4P)

## 2.2. Marketing for the Candidate

Probably one of the most known marketing models is the marketing mix also known as 4P, from which other models developed: 7P, 15 P, 30P, etc. The 7P make reference to: Product, Price, Place, Promotion, Process, Personnel and Proof (evidence). Figure 2 summarises the marketing mix as the 7P in human resources.

Traditional marketing mix was developed for the consumer goods sector, but as the enterprises became more and more aware of the importance of the marketing and professional tried to develop a complete marketing mix, that is 7P.

The candidate, as a "supplier" must satisfy the needs of the enterprise through his/her competences "sold" to the employer for a salary and other investments (expenditures with trainings and professional development) made by the employer for the welfare of the employee. The salary is the price traded for the amount of requested work. "Promotion" represents the efforts of the candidate to sell his/her competences; to be efficient promotion needs to be correlated with all the elements of the marketing mix. The cycle of the

traditional marketing mix (4P) ends with placing the candidate in the enterprise and making him employee; and from now on, marketing strategies will be applied.

The additional elements of the marketing mix were added because the enterprises started to focus more on the needs of the employees, and the human resource became a key competitiveness factor for the enterprise. “Personnel” (people), in this case “workforce market”, is determined by the number of workers able to engage in a gainful occupation, age structure of the active population, quality of human capital (given by the type and degree of qualification, the compatibility with the newest developments in the field of activity, the state policy of developing certain fields and thus directing the training of the workforce towards certain fields), human capital migration.

The characteristics of this market are: it is an imperfect market (caused by: the supply – demand imbalance in that there is a large number of supplier of labour and a small number of buyers; partial information of the individuals/enterprises on the supply and demand of jobs, union salary pressures), it is a contractual market (both rights and obligations of the parties are established by contract) , it is an administrated market (salaries depends on legislation and enterprise strategies), it has a high degree of disparity.

Recruiting the suitable people and training them are essential in creating the necessary competitive advantage. The “process” represents the procedures, mechanism and activities flow from which de product is consumed, i.e. the employee is used by the enterprise, the procedure leading to the vacancy reaching the “final consumer”; in other words the entire recruiting and selection process.

The last element of this model is the “proof” (physical evidence). The proof is the element that allows the final consumer to make judgements about the enterprise [2] and includes both the marketing strategy and the employment contract. As previously presented the contract governs the labour relations between the employee and the employer. The employment contract “is involved” only when the candidate passes to the next status that of “employee”.

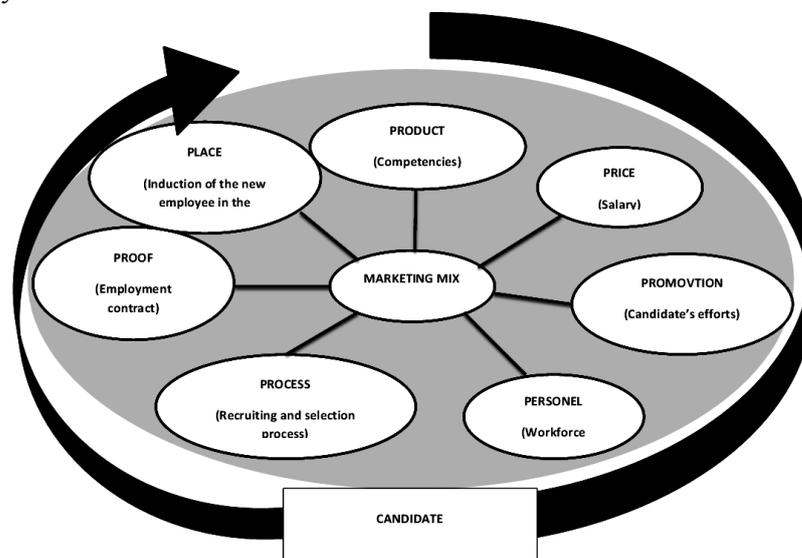


Fig.2 Marketing mix for human resources marketing

The employer needs to identify those issues that make him unique in the eyes of the employees and those of the prospects; also the employee needs to identify what makes him/her better than the competitors, than other candidates and what can the enterprise offer to make him/her indispensable.

### 2.3. Marketing for Employee

Once the candidate becomes employee we talk about human resources strategic marketing; all the marketing actions are directed towards the “internal client”: the employee. The strategic marketing has a starting point the analysis of the needs of the “employee client” in relation to those of the enterprise, and the role of the employer is that of satisfying the needs of the employee.

A model often used in strategic marketing is the Boston Consulting Group Matrix, which distinguishes between the products function of their evolution in the market: stars, cash cows, dogs and dilemmas. Figure 3 briefly summarises how this matrix can be translated in terms of human resources, under the condition that the employee is considered a product. This matrix places the employee on two dimensions: the investments made by the employer in the relation with the employee and the growth rhythm of the employee's value. The employees "stars" are those who bring the greatest value to the enterprise, but they also need high investments to sustain their performances, the value of the "dilemma" employees increases low as compared to the investments made to keep them within the enterprise, the employees "cash cows" are the most desirable for the enterprise because they bring value to the enterprise with low costs, the "dogs" employees are that type of employees who do not bring any benefits to the enterprise.

Once the type of employee is established the enterprise needs to adopt strategies to increase its profits by using the competences of the employees and make the employees competitive in relation with the workforce market. The enterprise will adopt the following strategies for the employees: maintenance strategies for "star" employees, development strategies for "dilemma" employees who have potential, operating and motivation strategies for "cash cows" employees and withdrawal strategies for "dogs" employees.

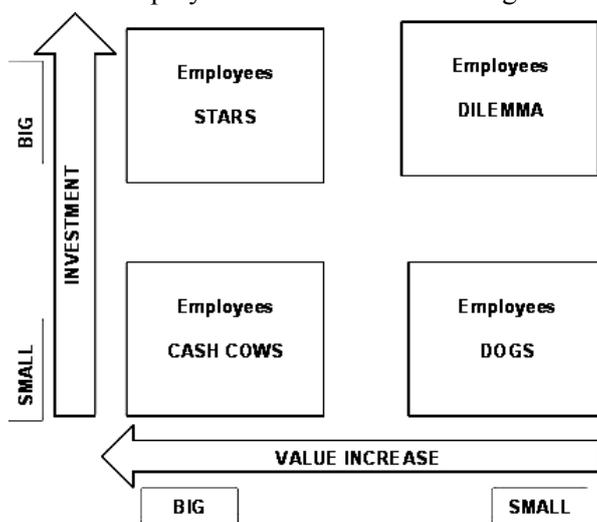


Fig. 3 BCG Matrix for human resources

## 2.4. Increasing Human Resources Competitiveness Through Marketing Models

Aligning the human resources objectives with those of the enterprise represents one of the key factors for increasing the enterprise competitiveness, and using the marketing principle in managing the human resources represents the main tool in this endeavour. Below we briefly explain why we support this assertion.

It is clear that a competitive environment will require that human resource goals become clearly linked to business strategies. In fact, when a matrix of rankings from the worldwide participants is examined, the highest ranked goal of ensuring productivity, quality, and customer satisfaction is the highest ranked goal in virtually every country. Similarly, the second highest goal is ensuring the linkage of HR strategies to business strategies and objectives [3].

No matter how much capital and land businesses had and no matter how successful they once were, without the abilities to initiate, adapt, and deliver, they can fail to deliver for shareholders. Such strategic capabilities come from a firm's employees. In these categories, people are unlimited in their potential, which can only be unleashed through the strategic management of HR [4].

The better the established marketing models are used, the more the enterprise is able to attract competent individuals, and the more it benefits from competent human resources the more competitive it gets.

In this paper we have identified the usefulness of marketing in creating beneficial labour relations both for the employee and the employer. Addressing human resource management from a marketing perspective highlights previously unidentified similarities at the conceptual level between the two disciplines and provides a basis for strategic considerations.

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].

### **3. Conclusions**

Human resources marketing is a strength in assessing the competitiveness of an enterprise. An enterprise needs to make “products” as “profitable” as possible in order to achieve the established objectives, by attracting talented individuals who represent a key factor in registering long term success. So the enterprises start to understand that the simple publicity of a vacancy is no longer enough to attract competent people. The enterprises who want to remain active in the business and to expand need to explore different recruiting alternatives and retention strategies for the competent individual, in order to stay competitive.

If the enterprise is more attractive from the human resources point of view, then it is able to attract high quality individuals who hope to identify themselves with the objectives of the enterprise.

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