

Analysis of internal personnel marketing in selected mechanical engineering company in Slovakia

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Suggested Citation:

Gogolova, M., Ponisciakova, O. & Sedlakova, I. (2016). Analysis of internal personnel marketing in selected mechanical engineering company in Slovakia. *Global Journal of Business, Economics and Management: Current Issues*. 6(2), 97-106.

Received July 20, 2016; revised September 10, 2016; accepted November 7, 2016;

Selection and peer review under responsibility of Prof. Dr. Andreea Iluzia IACOB, Bucharest Academy of Economic Studies, Romania.

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Abstract

The paper deals with the significance and analysis of internal personnel marketing in a given enterprise in Slovakia. The analyses arose from the internal documentation of the company, from the company results of projects realised within the field of personnel management and from the survey results. The target group comprises of the company staff themselves, therefore the key role of the internal personnel marketing is to ensure stabilisation of qualified and highly motivated employees, their advancement and correct leadership. In the analysis of various occupations in the analysed company, we focus on the application of marketing mix (product, price, place, and promotion) in the process of personnel management. In the conclusion we suggest some measures, based on individual analyses results, to improve internal personnel marketing of an enterprise.

Keywords: internal personnel marketing, management, employees, marketing mix.

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1. Introduction

An effective personnel marketing is one of the significant ways to improve quality of a company's human capital, giving it a competitive advantage on the market. The core of personnel marketing is in the use of basic marketing tools (product, price, place, promotion) in the field of human resources (Antosova, 2005). The mentioned tools enter, either individually or jointly, the communication process between a company and the labor market and its subjects (employees, graduates of secondary schools, university graduates, economically non-active people) who are in search for a suitable job. The subject of personnel marketing is formed by job positions and work force (Kachanakova, 2003).

Instead of goods and services market, we talk about the labor market where the offer and demand for work meet. We consider applicants to be customers (Styblo, 2008) and employers to be job bidders. The other communication tools applicable in the personnel marketing, such as advertising, job sales support, public relations and direct communication on the offer and sale of work posts. The target group of the internal personnel marketing comprises of company according to Sagaidak (2013) staff themselves (S. It aims to ensure stabilization of qualified and highly motivated employees, their advancement and correct leadership). It may well provide fulfilling of employees' expectations by means of HR activities. As a result, employees may better identify themselves with a company and its targets; they may be more engaged in its activities and finally feel more satisfied. These general goals are later broken into sub-goals. Such may include for instance increasing of employees' satisfaction, their loyalty towards an enterprise or decreasing the fluctuation rate of work force. All goals and target of the personnel marketing should be set in accordance with the overall strategy of a company (Borsikova, 2005).

2. Material and methods

We provide an analysis of the internal personnel marketing of a mid-size enterprise in the field of mechanical engineering which has been operating in the Slovak market for over 60 years and which belongs to the largest employers in Slovakia. The analysis arose from the internal documentation of the company, from the company results of projects realized within the field of personnel management and from the survey conducted among the enterprise's employees. In the analysis process we try to focus our attention on the application of marketing mix elements in the realization of human resource activities. The organization directive 06.b-OS-01 forms the basis of human resource activities of the enterprise; it describes in details all activities relating to recruitment, introductory training and follow-up education and motivation.

3. Analysis of internal personnel marketing of an enterprise

Significant element of internal personnel marketing of the analyzed enterprise is the level at which the human resource activities are carried out. The company's management can apply mechanical approach in the HR management; however, if they become aware of the irreplaceable contribution of the effective management within their CCLAS philosophy, they should try to realize the HR activities precisely and with the approach to employees copying "customer approach". Employees are one of the key factors in the implementation of personnel marketing; as they are really difficult to influence, the approach to them often includes motivation and stimulation in order to achieve common goals. Recruitment and follow-up employee approach in the enterprise are realized by means of CCLAS philosophy:

1. C – committed
2. C – creative
3. L – loyal

4. A – ambitious
5. S – skilled

3.1 Product – job post

At present, the analysed enterprise employs 613 employees at more than 40 different positions. Over the years, the number of employed staff changed radically only in the period of economic depression. In 2008, total number of employees decreased from 912 to 559, representing almost 40 % decline. The situation has continually been stabilised; however, there was some staff reduction in 2009. Since then, number of staff has been slowly increasing.

The analysis of internal documentation has shown that employees without successfully completed elementary level of education are not employed in the company and that they are not even registered as potential employees. The enterprise employs only a low number of employees who have reached elementary level of education (5.5 %); however, the register of job applicants shows that the enterprise has no interest in employing such people in the future. Employees who successfully managed to finish secondary vocational schools (52 %) belong to the second category of the company staff; they play an important role in the production process. Professional competence forms the basic criterion in the hiring process but mainly in the work performance. Staff graduated from secondary technical schools represent 33.5 % of all the employees.

As the students leaving education do not feel skilled for the work performance and they are not able to apply the acquired knowledge in practice, the company management cooperates with the nearby secondary technical school. The management allows students to take practical experience in the company premises so that they have a chance to become acquainted with the company processes and mechanical technologies. In case students prove themselves responsible and they show interest, they are granted a prior job opportunity in the enterprise.

University graduates form the last category, representing 9 % of the company staff; they mostly work in leading posts requiring applicants to have certain personal skills such as professional approach, reliability, self-activity, communication and managerial skills. University students have the opportunity of the professional internship in the analysed enterprise either during their studies or after their graduation, e.g. by means of the Labour Office in the form of “graduate practice” not only in the field of production but also in economy or any other sectors. Potential university graduates who were involved in the enterprise’s internship and who are interested in working in the enterprise have the prior claim to apply for work posts.

3.2 Price – motivation and remuneration for work done

3.2.1. Remuneration and benefits

When comparing wage development in the enterprise with the wage development in the region (Statistical Office), we can observe that the average wage in the company at all posts is always above the average wage in the region. If the staff comprises of people who draw attention to the waste of resources or to work overload and who comes up with an idea how to save company sources while improving work atmosphere, they become a welcome company’s asset whose potential will be developed.

3.2.2. Assessment of work performance

Elaboration and application of an evaluation system is a process understood as a salary, wage or various benefits provision; however, this fact is just the final effect comprising of many partial steps

essential in personnel marketing in order to encourage human potential to the continuous development and improvement of their work performance. Methods used in work performance assessment include according to Vojtovic and coll. (2008):

- *Assessment Based on Stated Objectives (Management by Objectives method)*
- *Assessment Based on Performance Standards*
- *Free Description*
- *Method of Critical Cases*
- *Scale-based Assessment*
- *Check list – „Questionnaire“*
- *Behaviourally Anchored Rating Scales Method*
- *Assessment Centre*
- *Self-assessment methods*
- *360° Feedback Method.*

Regular and equitable assessment may be the personnel marketing tool for stimulating, soothing a positive evaluation of employees with the aim of maintaining qualified workforce. Otherwise it may lead to demotivation, dissatisfaction and fluctuation; whatever evaluation method a company management goes for, the fact is that the employees who feel their judgments and opinions are significant and that they are equitably assessed treat the company as their own asset. Therefore the improvement system supports the personnel loyalty, their ability and to come up with new ideas and, last but not least, it becomes a personnel marketing constituent in all steps of HR policy.

The analysed company's assessment manual defines the assessment process as : *„the process of creating shared understanding of what is to be achieved, how it should be achieved through effective motivation and overall work with human potential of the company staff .“* The aim of the assessment in the enterprise is to:

- guide staff – to provide information on work performance in terms of meeting the objectives and requirements for a job,
- and choose talents and key staff – so-called perspective and productive staff,
- motivate staff – to identify their personal and development goals,
- integrate staff –, to achieve the interconnection of corporate goals with personal goals,
- build a corporate culture of higher type – partnership in which common values are shared.

In assessing work performance and improving work process, it is important to comment that if a question on providing qualified workforce is raised, it is necessary to focus the attention to creativity support of current employees.

3.3 Place – corporate culture in the analysed enterprise

3.3.1 Training and staff development

Qualification training means that there is a continuous staff training provided in accordance with the company's needs accomplishment. We shall therefore mention the formation of the composition and abilities of workforce, management of quantitative and qualitative features, so-called „staffing“,

which relate just to the topic of personnel marketing. According to Armstrong (2007), formation of corporate work force means ensuing that the enterprise knows what it wants and it accomplishes that as regards the number, qualification and skills of human resources it needs for their activities. In doing so, we arise from the initial analysis of strategic objectives of an enterprise and we continue with the analyses of human resources need to achieve those objectives. Antosova (2005) states that the term “staffing” is the international term that monitors the optimal performance of the workforce, its development, competitiveness, flexibility, and effectiveness. It has two points of view:

- *quantitative* –result of the mutual relationship between the company' s staff input and output (external mobility) as well as of the number of individual staff mobility inside the company (internal mobility),
- *qualitative* –professional-qualification structure of employees coming to the company and leaving it as well as building of staff professional skills.

Qualified, skilled and creative staff is the company's strength. Latest modern technologies would not be a good and exploited investment without its long-lasting experience, commitment and hard work. There are more directions that the company's management tries in order to evaluate human potential; they therefore focus on more projects. Such projects include for example „Talent academy“, which is defined as „the summary of activities and actions that lead to the identification of talents in the company (so-called qualified and skilled professionals). It takes four semesters in a way that each of them has its own characteristic intention:

- 1. Personal development of a man – a manager, oriented to oneself** - time management, managerial communication, team work, and the use of assertive techniques when coping with difficult and confrontational situations
- 2. Development of skills of an effective human resource management** – issues of effective team-mates motivation, situationally contingent feedback, team confidence building and development, and a focus on the high-quality leadership oriented towards achieving required results, which means understanding and mastering of the situational leadership issue.
- 3. Improvement of processes, planning and management** – oriented towards the improvement of processes, planning and management, and towards the acquirement of skills and a measure of detachment. It deals with the management of changes and alterations, strategic planning, marketing orientation, and the client value creation.
- 4. Six Sigma methodologies training** – level Green Belt – implementation of all participants into other improvement project with the use of skills acquired in the previous semesters.

Talent group is created by proving responsibility and knowledge, cooperation within rationalisation proposals, involvement in the increase of qualitative indicators and other activities; this all is supplemented with a questionnaire survey which helps in the selection process of 13 employees participating in 2-years accredited development programme. Each participant is supposed to write a final thesis at the end of each semester on the successes or failures within the programme and to give workshops where his/her advances are presented to team-mates.

Other training programme designated for the company's staff working in the posts requiring general overview on the methods of industrial engineering and process advancement is realised via consultancy-training institute IPA. Top-management representatives participate in it. Other development and training programmes for employees include: professional trainings for productive workers and the English language courses for the employees that need it for their work performance.

3.3.2 Staff treatment

Internal personnel marketing of the enterprise includes also staff treatment, involving a number of duties that follow from the legislation. It influences areas such as:

- work safety protection and decrease of absence as a result of injuries and illnesses (Sukalova & Ceniga, 2013),
- following company's ethic codex valid for all employees who are obliged to follow ethic norms and who, in case of breaking them, have to face consequences of their behavior.

At first glance, it may seem that working conditions and personnel marketing do not have much in common; however, the opposite is the case. The main activity for a company's goodwill is to treat its staff as the most valuable capital. In order to build relationships between an employer and an employee, it is necessary to adhere to the conditions (working time and regime, working environment, OSH, social services). According to Koubek (2006) the number of options and tools that business can use in this area include:

- compliance with laws and respect for staff interests and needs,
- care of working conditions and working environment,
- remuneration system and correct wage policy,
- social policy and a social programme of a company,
- employee participation in the management,
- and harmonic relationships in a company,
- presentation and media policy,
- evidence and processing of data about staff, places, wages, and social issues.

If management is able to take steps beyond legislation in the field of employee care, it builds loyalty support of employees, and at the same time it appears in public as a company that is socially oriented and with the management that has a sense of social conscience. The index of injury and absence may predicate how these areas are ensured. Within personnel policy, the enterprise provides its employees with the following benefits:

- self-adapting programme for new hired staff,
- constant improvement of working conditions and level of safety at work,
- preventive medical examinations beyond the statutory period,
- convalescent stays for hazardous workplaces,
- flexible remuneration and motivation programme,
- over standard contribution for catering,
- drinks in unlimited quantities,
- coffee vending machines with the contribution from social fund,
- employee benefits (thermal swimming pool),
- financial contributions on the days of jubilees and work anniversaries, contributions to blood donors, to women on the Mother's Day.

3.3.3. Company's goodwill in terms of employer-employee relationship

Motivation to maintain and improve the image inside the company focuses on its own employees in the company (Bielikova & Misankova, 2014). Such motivation tools according to Urban (2006) include:

- public praise and recognition of staff who have reached success,
- staff criticism behind the closed door (never in public),
- allocation of projects that are „important in the eyes of others“,
- emphasizing of public prestige some type of work brings.

It is necessary to inform firstly own employees, only then the public; anyway, or the stabilization of employees, it is necessary to teach people how to perceive company identity so that they are fully aware that „everyone in the company are in the same boat“. Koubek (2006) introduces the indicator of staff fluctuation under the name company's working attractiveness index:

$$I^S = \frac{I - E}{I + E} \times 100 = \frac{S}{O} \times 100 \quad (1)$$

Where:

I - number of staff coming to a company during a certain period,

E - number of staff leaving the company during a certain period,

S - increase in the number of staff,

O - turnover of inputs and outputs.

Interpretation of indicators depends on whether the company wants to increase or decrease the number of its employees. In increasing the number of staff the positive indicator is needed, in the latter case, the negative one. Negative factors of fluctuation, which often indicates the staff satisfaction, include such issues as the loss of trained staff, information leak and sometimes even the loss of customers leaving together with an employee. On the other hand, it has its positives as well such as inflow of new experiences, information and ideas from the new hired staff. There is a general advice from various sources and professionals to keep the fluctuation at the level of 5-7%. The analysed enterprise shows fluctuation level of 5%, therefore we may state that the company staff are satisfied and they have no interest in changing the employer.

The company has been annually involved in the project called „Best Employers“ since 2012, conducted under the auspices of the international consulting firm Aon Hewitt. The aim of the participation is to observe the satisfaction and motivation of staff, to state strengths and weaknesses of the company and to compare the enterprise with the market in order to find out how „the best“ do it. The main goal of the project is to compare the impact of taken measures on the basis of previous results and to analyse the causes of drawbacks or to choose suitable measures for the improvement in the following period.

Table no. 1 Results: Best Employers – past state

Sustainable business results	Motivation Rate	Leadership index	Performance index	Employer activity index	Sustainability index
Sustainable business results	21%	13%	16%	19%	25%
Sustainable business results	48%	52%	53%	61%	62%
Sustainable business results	69%	71%	73%	80%	81%

Source: enterprise's internal documentation

Table no. 2 Results: Best Employers - present state

Sustainable business results	Motivation Rate	Leadership index	Performance index	Employer activity index	Sustainability index
Sustainable business results	31%	13%	21%	23%	28%
Sustainable business results	48%	50%	52%	59%	60%
Sustainable business results	69%	72%	74%	82%	83%

Source: enterprise's internal documentation

3.3.4. Company communication

Based on the internal documentation analysis, company management makes great effort to ensure communication in all directions; however, this does not correspond to the results of questionnaire filled in by the company staff in the reporting period. The questionnaire results show that the employees see the company communication as well as the new procedures in order to make work more effective negative. The main issue is the provision of communication between the line management and employees; the management should realise that the communication and delivery of basic information to employees is of the highest proportion in the process of change implementation and success of a company.

3.4 Promotion – presentation of a job offer

Questioning of where to look for the right people, we should realise that the most suitable thing is to exploit the available human capital. Therefore many authors usually state that before acquiring new applicants it is necessary to look into own ranks, i.e. „in house“. Professional approach is to look for the right people in the right places. Not to search people for jobs – the advantage is to search and find people for a particular company (Borsikova, 2005).

Internal sources of workforce in the analysed enterprise include:

- professionals skilled for the performance of more demanding job than they currently perform and personnel reserves within the frame of their career management,

- employees who show interest in the release or in new job,
- Employees released due to organisational changes, e.g. labour savings as result of technological development.

The company usually informs about new job offers by means of bulletin boards, internal press, alternatively, it has been recently using the intranet communication network. Number of principles need to be ensured when using this system (Antosova, 2005):

- disclose all possibilities for the promotion or transfer to different job;
- inform employees on the offered job at least one week before the beginning of external recruitment process;
- clearly formulate requirements for applicants;
- publish the job description and provide the job application form;
- inform the staff on the recruitment procedure and the selected applicant.

The analysed company uses the following tools in the internal recruitment:

- Inventory capabilities – staff catalogue with the characteristics, talent, skills and knowledge in relation to the job opportunity.
- Succession plan – the system of staff assessment ensuring that there is a suitable „successor“ for each post in the organisational structure.
- Superiors' nominations and mentoring – a superior cooperates with an employee, provides him/her with advice and expects feedback for the development. If an employee proactively asks for the promotion, we talk about the nomination from the employee himself/herself.

4. Conclusion

Based on the analysis of the internal personnel marketing, we can state that the company actively uses the marketing mix tools. The positive factors include the assessment and remuneration of staff, further training and education and employee care. The negative ones include the management distrust as employees do not understand the importance of effort and innovative steps of the top management. The questionnaire survey showed negative statements of current staff in relation to company management, which proves that they do not clearly understand company strategy, although they consider company to be stable. On the other hand, we need to point out that the Best Employers project has indicated improved results in the values of attractiveness and motivation index. Therefore we propose constant assuring of employees on the fact that new procedures are realised in order to make work more effective, not in order to make working process more complicated, i.e. to improve the communication inside the company.

The result of this process is the fact that investors, joining our market or firms with foreign participation insist on such a managing which brings them added value. In this logic, an available tool is controlling. Controlling is a specific management system, which exploits especially accounting, expenses and cost calculation system of a company and company's budgets. At first, companies have to rethink its expenses, accounting and cost calculation system. This article discusses the first two mentioned elements.

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