

The Macrotheme Review

A multidisciplinary journal of global macro trends

Employer Branding: The place good to be, the place good to work

Mónika Fodor*, Katalin Jäckel*, Judit Papp***, Ágnes Csiszárík-Kocsir**, András Medve**

*Faculty of International Management and Business, Hungary

**Óbuda University – Keleti Károly Faculty of Economics, Hungary

*** Budapest Business School

Abstract

Talent management has become a very important activity on the significantly altered labour market: it is essential to find, keep and motivate the most proper employees. On the other hand, the job seekers' expectations and preferences have also changed in the recent years. If the employers still want to keep their talent magnet function, they need to adapt to these processes. It is essential to get to know how a company can attract the best available players of the labour market; how to become well-known and highly reputed not only by their products and services but also as an employer. We consider HR, brand and image building as a combination which require the implementation of a special set of marketing activities. This study aims to find the answer for that questions like what the current talented employees expect from the employers. What tools the companies should use, what methods they should apply to meet these expectations. Besides the secondary data we show the results of a qualitative research and we also show our recommendations based on our survey.

Keywords: Employer Branding

1. Overview of literature

1.1. Generation differences in job seeking

Consumer trends, new consumer preferences such as the „individualistic consumer” or the „digital natives” - have their impact on the labour market trends, too. (Töröcsik, 2003) Labour market trends were also influenced by the global economic crisis which showed how defenceless the employees were among the critical circumstances of the global changes. (Csiszárík-Kocsir, 2012; Csiszárík-Kocsir – Medve, 2013) When analysing the labour market trends it is worth paying attention to the certain territorial-economic poles, as they often have a strong relationship with the labour market agglomeration. (Szabó, 2014, Koppány et. al., 2014). The capital absorbent capability also frequently depends on the elements of the labour market, such like the level of education, vocational education, general health status (Borzán et al. 2009). It is also important to see how much the investing companies in Hungary are willing to pay for the labour costs. Relevant researches show that at the end of the period of the financial crisis keeping the

payment level as low as possible was not the most important factor.¹ (Bereczk, 2014). Concerning the above mentioned issues, the job seeking methods have also changed. It is especially true for the Y and X generations which are the main target groups for the employers as far as age is considered to be the basis for segmentation. Many HR specialists and headhunter companies try to explore the types of challenges deriving from the special consumption characteristics of these generations.

Generation X: This is the generation in Hungary which was grown up in the Kádár regime and for whom anything coming from the west was a desire only. It is a transitional generation from many aspects, which was born after the "great" '68, but before the "hipermodern" Y/Z one. Among some other surveys which also aim to find out what kind of idealistic views, what kind of idols are in the focus of the future vision of this generation Pintér published one in 2013. In Hungary this generation has become adult paralell with the change of the regime when the rules of the childhood became pointless and invalid, but when the rules of the world were not clear and difficult to understand. As far as the digital world is concerned, they became familiar quite young, but compared to the next generation they mainly remained "digital immigrants" only. (Nevelem a kamaszom, 2013) Generation Y: they are the young adults and late teenagers. The most typical features of this generation are the following:

- They are special – or at least they can feel so, because they were pampered a lot in their childhood, a lot more than any other earlier generations.
- Protected – for the same reason. The "helicopter parent" phenomena is quite typical for many of them. The parents do not dare and/or do not want to let them go and become independent.
- Self confident² and optimistic.
- They are keen on teamwork.
- Ambitious, strongly motivated, rational and have long term plans – in a contrast with the former generations who were more interested in and attracted by arts, philosophy and Eastern religions.
- They are under big pressure as the economic circumstances are a lot less stabile and reliable than they used to be.
- Their values are a lot more conservative and traditional than the ones of the former two generations. (Tari, 2010.)

If we analyse the job seeking habits of these generations, we can have the following statements. They are the employees who want to work at highly reputed companies. They are attracted by the bigger and more well-known company names. Paralell with this they also seek for a new position even when they have a stabile seat. It is a quite often mentioned feature that even if they are admired, they feel well at the current place, they upload their resumes to the different online interfaces and follow the relevant positions, they are constantly looking for the new possibilities. They do not consider the today, but always look for the new possibilities and

¹ In the years of the post crisis era one of the big questions was how much and if at all the labour market demand processes were significantly influenced by the dynamically growing industrial output. There were clear sectorial differences. (Bereczk, 2013)

² Borzán (2010) also emphasized in a study with finance and accounting degree young professionals that self-confidence, suitability and being assertive increased the chances of success on the labour market.

challenges of the tomorrow: they want to get promoted, build a fast career and these aims are a lot more important than loyalty. (<http://www.freshmindstalent.co.uk>. 2014.)

The new type of „consumer habits” are new challenges for the employers, too. Before the generation Y it was typical to stay with the same company for a long period of time; loyalty was obvious. This is not valid any longer in case of the "new job seekers". Since the beginning of the 1990s, recruitment has not been as difficult as recently. At that time it was relatively easy to find new people and make them loyal as well. Good reputation and internal communication of the open positions were enough. At that time nobody needed such advertisements like: the workplace of joy. Today it is expected to recruit with a clearly described brief of the position. Employers that is why seeking and recruiting with the job description document itself. (Pató, 2013, 2014.)

With other words: the new generation has a new concept as far as job is concerned. (Lazányi, 2014). The members of generation Y are the consumers of the joy of their jobs. It is an important aspect for them what the company means for the employee, how much they can fulfil their self-esteem expectations. This is the reason why the "super" brands attract people and ask them to apply, join and make a community. The typical feature of these generations is that they think globally: they want everything and immediately. This is the reason why the multinational environment is attractive for them, where they can have the opportunity of quick promotion and international career. (Libby S. - Mark S. 2010.) The job related subjective aspects have become so important for the new generation members that by now they have become part of the alternative complex life niveau indicators. (Szigeti et al. 2013; Szigeti 2015).

1.2. A profession specific group of job seekers: engineers

This study deals with a special segment of the labour market, the engineers. In case of this segments there are further challenges for the employers besides the already mentioned ones. The other reason for choosing them was the profile of the company in this study. It is a car industry supplier employing somewhat 6000 people in Hungary. They operate in six locations: besides Budapest, they have plants in, Vác, Makó, Nyíregyháza, Szeged and Veszprém. In Budapest and Budaörs they also have trade centers, too. The company is special for its holistic service portfolio as besides the car industry they also have interest in the rail and mining sectors, too. In the last two segments they are one of the market leading suppliers as well.

Considering the nature of the industry it is not surprising that innovation is part of their everyday life. They are known for the professionals for such world famous innovations such as the electronic system of the hybrid cars, the "Start-stop system" or the smart watch which also functions as an ignition key, or the "e-horizon" which provides the driver with a complex information system on the traffic and road conditions. They are leading in safety, comfort and environment protective technology innovations in traffic. The Hungarian engineers and developers have a major part in reaching these aims and successes. As the main drive of improvement is the human resource, for this company the challenge of finding the proper professionals is multiplied.

1.3. Engineers, "the ones out of stock"

If we talk about the lack of engineers phenomena, then we talk about a global problem.

Globally 36% of the employers strive of finding the proper applicants. There are around 1000 open positions in this category; the biggest shortage is at mechanical and electric engineers. Within the "other engineers" category the seek peak is at electro and process engineers. There is a significant undersupply of experienced general engineers and engineer assistants, too. (Mindenki őket keresi: magyarországi hiányszakmák, 2015.) The multinational companies in Hungary are especially looking for mechanic and electric engineers. With such a degree there are very good career opportunities at the fields of construction, process engineering, research and development, planning and we need to add that there is a high demand for sales engineers as well. (HVG,2013.)

Due to the technological development there have been more and more IT developer positions opened, so as a consequence, besides IT engineers, electric engineers with IT specialization are also very often looked for these days. In general we can state that most of them are wanted in production and within the category, the top four most wanted are: quality insurance engineers, test engineers, process engineers and electric engineers. (www.profession.hu, 2015.) Besides these tendencies, the other problem for those companies employing many engineers is that the most talented and hard working ones in many cases leave the country and take a job abroad. So, it is not enough to attract the domestic engineer supply, but the companies also need to have a look at the international labour market competition, too. These challenges require the very precise knowledge of the expectations of the future co-workers, which means that the HR and marketing activities of the employee seekers should be sharply targeted. Being able to do so, besides analyzing the secondary sources, we also need to collect and analyze the empirical data.

2. The results of our primary research

2.1. The aim and the circumstances of the research

One of the main aims of our research was to get to know the expectations of the engineer students in the sample towards their future employers. We wanted to know which the relevant factors in the decision making process were when planning their careers and we were also interested in the sources and methods of the young professionals on getting information about the labour possibilities. As it is quite typical that engineers prefer foreign positions to the Hungarian ones, we also had a section on this sub-topic to find out the main motives. We started the research with qualitative technique, there were mini focus group interviews: we asked HR specialists about the challenging aspects of recruiting, motivating and keeping the engineers at the companies. On the other hand, we asked engineer students, especially electric, mechanic, car, quality insurance and IT ones with the help of a semi structured interview. There were 10 interviews with 4-5 participants and snowball sampling technique was used. For the data analysis there was the traditional content analysis used. The aim of this research phase was to make the basis for the quantitative etap and to prepare the standardized questionnaire.

2.2. The results of the research

2.2.1. The aspects of choosing the employer

In the first part of the interview we asked the participants about the aspects of choosing their future workplace. The answers were reinforcing the findings of the secondary sources as these days the young professionals are very conscious. The most important aspects were:

- The company should have a solid financial status: „it is not equal if I get or not my salary”.
- The good reputation of the company was also mentioned among the first ones „it should look well in my resume”.

The engineer students also found it important that the company should be innovative and they should spend enough attention on research and development: „there should be possibilities for self development and promotion”; „I would like to learn something new”. These are very important aspects as to our experiences many of the young engineers go abroad to work because there are not so challenging innovations and developments in Hungary than abroad. Not because there is a lack of intellectual capital or the knowledge of the Hungarian engineers is not high enough, but because there are not enough financial and other possibilities as a source of innovation. After all it is not surprising that „is there a possibility for international cooperation?”; many respondents mentioned that "having international relations" was a very important aspect for them. Many also mentioned that it was good if there was possible to spend a shorter or longer period abroad within the company as for the importance of the native language environment. „If I come home, I will have much better possibilities on the labour market with some foreign experience”. On the other hand we need to add that reality does not always reflect the relevance of these answers. The HR specialists told that there were many internal internship and cross-culture programme opportunities for especially the junior and senior managers, but it was impossible to send the possible maximum number of participants.

They explained that in case of the Roumanian engineers mobility is not an issue, but the Hungarian ones are not really keen on living and working abroad, not even for a contemporary period.

Probably the next generation will be more mobile, but according to the HR specialists, the international work environment, the available foreign internship and industrial placement are not at all the most inspiring factors for the Hungarian engineers.

2.2.2. The specialities of getting information

We asked the engineer students to inform us how they obtain the relevant information on their future labour market opportunities. Considering employer branding we found it very important to get to know which the most relevant channels and sources of information to find the future professionals were. It turned out that online interfaces (online job database portals) and the traditional communication channels in the society (such as friends, acquaintances, family members and alumni) are the most important ones.

The guest lectures at the universities also played an important role, but they rather grabbed the interest of the students than influencing the decision making process. The industrial placements were also important where the students could have a first hand direct experience about the future employer and about the world of labour in general, so they were very much interested in these opportunities. But they also had very specific expectations, too: when deciding about the industrial placement workplace they considered where they could earn more, where they could stay after their placement period, which company has a higher reputation and where they could improve and learn more.

The last one – practice oriented knowledge – is a key issue. The HR specialists quite often complained about the not useful enough, not practical enough knowledge of the young professionals. Probably the dual education programmes might be one of the good solutions where the future employer might have the possibility to take part in the curriculum development process and doing so, finally, at the end of the education period, they can obtain the most complex, tailor made and suitable employees. At the moment the problem is that in Hungary there is no tradition and therefore experience for these types of study programmes; the possibilities at the company side are very restricted. The number of the possible suitable training companies are very much limited, so integrating hundreds of engineer students into such dual education programmes is highly impossible.

2.2.3. The motivations for working abroad

Concerning working abroad there were varied opinions. There were many respondents who would like to work abroad for a short period of time and later they would move home. For them the main motivations were financial improvement and learning a foreign language on a professional level. There were some other students who would like to work and live only abroad, because they do not feel the Hungarian atmosphere inspiring enough and they have also heard some good examples and success stories. The good financial possibilities and the language knowledge were the main motivations for the young generation.

The HR specialists reported the same. Mainly learning the foreign language, improving the linguistic skills were the main aims as the typical Hungarian employee is still having insufficiency in these skills and engineers are no exemptions at all. The other motive is the international professional career improvement. In this case it is very rare that the engineer comes back as talents are welcome everywhere. According to the HR specialists, this is the reason why the companies try to do their best in offering such career opportunities which are able to serve their individual motivations and help to improve their personal development, which finally helps the companies to keep these professionals. That is the reason why companies consider good-will and brand building so important as these two activities help the most to grant the next generations of professionals and to keep the current one, too.

3. Summary and conclusions

According to the results of the survey, the most important findings are the following. It is typical also for the engineer students that they are aware of the fact that their profession is in a massive undersupply at the moment. Therefore their expectations are very high towards the companies. This phenomena is especially true for the already graduated and experienced engineers. It is an outstanding challenge in Hungary to find the proper employees for a geographically diversified company holding as mobility is highly refused by the workers. It is especially difficult to find the properly qualified candidates for territories in disadvantageous position such as Makó or Nyíregyháza. The always changing economic environment also means another new challenge as if there is a new factory in a region it makes recruiting even more complicated and difficult.

As an additional difficulty it is worth repeating the already mentioned generational difference which means that these new generations are anyway not that much loyal to their employers, they are not that much keen on working at the same company during their whole career. It also helps to change workplace and on the other hand it makes more difficult for the companies to keep their workforce. This is also the reason why we think it was important to take care of conscious and systematic employers' brand-building. It is not enough to act ad hoc and using the traditional HR tools and activities (job advertisements, participating at career expos, etc.) are not sufficient enough any longer, too. Using a similar type of reputation management set of tools as if we were building a traditional consumer brand is a good idea.

It is a common shared set of marketing communication, PR and HR tools where the classical image building advertisements are mixed with advertisements, with recruiting and talent managing HR activities and with PR activities communicating the company image in an authentic way. Besides all these tools there is a need to fulfill the needs and expectations of the target group: the current and future employees should be involved into the image building process. It is also necessary to cooperate with such institutions (universities, colleges, secondary vocational schools) which might be able to help to integrate theory and practice. Dual study programmes, supporting the R&D activities of the universities, introducing students' competitions, organising factory visits and outdoor on-the-spot classes are all such good examples which might efficiently help the companies in successful employers' brand-building.

It also turned out from the results of the survey that at the earlier stage the main motive of foreign job placement is mainly financial, but later on they take place due to experience gaining reasons. That is the reason why employers should consider the foreign exchange programmes as a motivation tool and offer them as a solution for the always new challenge seeking employees. To improve the popularity of these programmes one possible solution might be to connect promotion and participation. Using the proper set of tools of employer branding, cooperating and having common projects, keeping and motivating the talents could be possible even in such a challenging business environment and case of undersupply as well.

References:

1. Bereczk, Á. (2014): Feldolgozóipari beruházások Európában és Magyarországon, Konferenciakötet: IX. KHEOPS Tudományos Konferencia 2014, Mór, 45-52. o.

2. Berecz, k Á. (2013): Létszámváltozás és meghatározó tényezői a magyar Gazdaság Négy Ágazatában. E-CONOM 2: (1) pp. 2-15. (2013)
3. Borzán, A. - Krajcsóné Kraszkó, I. – Kovács, M. – Simon, I. - Szabóné Bohus, M. (2009): A vállalkozások versenyképességi helyzetének, innovációs és tőkevonzó képességének térségi különbségei Békés megyében. Körös Tanulmányok, Szent István Egyetem Gazdasági Kar, Békéscsaba, pp. 24-49.
4. Borzán, A. (2010): A pénzügyi főiskolai, valamint a pénzügy és számvitel alapszakos képzés megítélése a hallgatói vélemények tükrében. Körös Tanulmányok, Szent István Egyetem Gazdasági Kar, pp. 6-13.
5. Csiszárík-Kocsir, Á. – Medve, A. (2013): Were the workplaces in danger after the crisis – answers based on a questionnaire research, MEB 2013– 11th International Conference on Management, Enterprise and Benchmarking, Budapest, 2013. május 31. – június 1., Óbudai Egyetem, 195.-207. pp.
6. Csiszárík-Kocsir, Á. (2012): A gazdasági válság hatására kialakult recesszió érzékelése egy kérdőíves kutatás eredményeinek tükrében, Humánpolitikai Szemle, 2012. március, 52.-60.old.,
7. Koppány, K. – Kovács, N. – Szabó, D.R. (2014) A Győri Járműipar Körzet hozzáadott értékének becslése, Tanulmánykötet, Felelős társadalom, fenntartható gazdaság: Social responsibility, sustainable economy. Nyugat-Magyarországi Egyetem, Közgazdaságtudományi Kar, Sopron, pp. 561-570
8. Lazányi, K. (2014): An Employer of My Liking. In: Michelberger Pál MEB 2014: Management, Enterprise and Benchmarking in the 21st Century. pp. 211-220.
9. Pató, G. Sz. B. (2013): Munkaköri leírások SWOT elemzése, Munkaügyi szemle, 57. évf. II. sz. pp. 46-53.
10. Pató, G. Sz. B. (2014): The 7 Most Important Criteria of Job Descriptions, International Journal of Business Insights and Transformation Volume 7 / Issue 1, October 2013 – March, 2014pp.68-73. ISSN: 0974-5874
11. Pintér, T (2013): Az európai integráció emberképe. In: Róbert Péter (szerk.): Gazdaság és morál, tiszta társadalom, tiszta gazdaság. Széchenyi István Egyetem, Kautz Gyula Gazdaságtudományi Kar, Győr. pp. 239-252.
12. Tari, A. (2010): Y generáció, Jaffa Kiadó és Kereskedelmi Kft., 2010 Budapest
13. Töröcsik, M. (2003): Fogyasztói magatartás trendek KJK, 2011. Budapest
14. Sartain, L. – Schuman, M. (2010) , Tehetségmágnesek: A kiválókat vonzó munkáltatói márka felépítése, HVG Kiadó Zrt, 2010., 106. oldal.
15. Szabó, D. R. (2014): Policentricity in Europe and Hungary. 2nd International Scientific Correspondence Conference 2014, Nitra, Slovak University of Agriculture in Nitra, 8 p.
16. Szigeti, C. (2015): Az ökolábnyom és egyéb fenntarthatósági indikátorok mérési tartományának értelmezése. Journal Of Central European Green Innovation (3: (1) p. 49.
17. Szigeti, C.; Farkas Sz.; Borzán A. (2013): Fejlődés latin-amerikai útja néhány alternatív indikátor alapján. A jövő farmja. Az LV. Georgikon Napok publikációi (online). pp. 245-256

Internet sources:

18. HVG (2013.) http://hvg.hu/karrier/20131216_gepeszmernok_karrier [2015.02.23, 21:14]
19. <http://www.freshmindtalent.co.uk/resources/blog/fresh-fridays-the-future-retail-augmented-reality-smart-changing-rooms-a/> letöltés: 2014.11.10.
20. Magyarországi hiányszakmák (2015) <http://www.profession.hu/cikk/20120625/mindenki-oket-keresi-a-magyarorszag-i-hianyszakmak/1073>: 2015. 02. 20.
21. Nevelem a kamaszom (2013) <https://nevelemekamaszom.wordpress.com/2013/03/05/x-y-z-generacio-mik-ezek/> 2013. 03.05.
22. [9]http://themostwanted.blog.hu/2014/06/03/hianyszakmak_magyarorszagon_kutatás 2015.02.21.