
Development Issues and Demand for HR-branding in Modern Business

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Abstract:

This article contains research on significance and demand for tools used in intra-organizational marketing and recruitment marketing, as well as HR-branding development.

It reveals the relevance of positioning employment and favorable working atmosphere advantages in the course of working mission fulfilment and company's HR-brand strengthening.

The increased role of HR-branding impact on the company's strategic growth is demonstrated and HR-branding development in the framework of recruitment marketing, intra-organizational marketing and general marketing management evolution is shown in this paper.

Keywords: *Internal marketing, marketing management, HR-branding, companies, human resources, interaction model.*

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1. Introduction

At the contemporary stage, the success of a company's functioning is largely determined by qualitative characteristics of teams underlying not only professional competences and work experience, but also the level of engagement in strategic goals and prospects for entity's development.

Due to the increased mobility of staff in the context of the developed information and communication environment, professional networking communities present on the labor market and intensive communication between specialists, the recruitment and retention of specialists with necessary competences are becoming more difficult. Marketing incentives to attract and retain human resources in various organizations are poorly differentiated and easily adopted by competitive companies in case the activity of a certain entity is successful (Vasin *et al.*, 2017).

Under the current conditions, the tools of intra-organizational marketing and recruitment marketing became in demand, mediating attitude towards employees as internal customers of the company. At the present stage, such a toolkit is the process of creating and strengthening the company's HR brand. Positioning the benefits of employment and a favorable working atmosphere in the course of the working mission fulfillment by recruited staff becomes an effective tool to influence the potential employees needed to a company in the specified period.

The outlined problem aspects demonstrate the relevance of the study of the influence of HR-branding on company's strategic development and mediate the need for scientific understanding in the use of recruitment marketing tools and intra-organizational marketing in the framework of the overall evolution of marketing management (Mysova *et al.*, 2016).

2. Objectification of interest in HR-branding

One of key issues for high performance of firms is the proper functioning of internal staff. In this regard, attention is focused on the new direction HR-branding, which was born for practical reasons at the intersection of theory and practice. To understand the dialectics of the formation of this direction and forecast its further development, it seems necessary to analyze the issues of the genesis and relevance of HR branding (Criveanu and Iordache, 2015).

The modern economy is characterized by a decrease in the share of manual labor of employees, the intellectual component of companies employees' activity is increasing along with the personalization of product and service offers to their customers. All this mediates the growth of human resources' role in the success of doing business. At the same time, the role of each personnel unit increases due to the growth of employees' "brain mobility" resulted from the development of IT technologies, their extensive communication opportunities and the impact on other

employees. Due to the well-known effect of business processes globalization and the interconnection of national economic systems, any innovations in the management of the company's staff become public. Along with this, the increased mobility of employees often changing several companies during their personal careers, as well as regions of residence and even states, sharply increases the notional value of individual representatives of companies' staff.

Taking into account the alignment of working conditions in terms of a salary and the proposed social package, the material conditions alone are not enough to motivate valuable employees to get employed in a certain company and retain them there. At the same time, practice shows that creating individual conditions for especially valuable workers is not a sufficient measure for their successful motivation. The most successful measure is the creation of a good working, family-like atmosphere, with extensive internal communications among employees, where employees aim at doing their job as full as possible, helping their colleagues, and when all are focused on the high result of the company. Creating such an atmosphere is the best factor in motivating valuable team members who, usually due to the special personal qualities and upbringing, are not able to work successfully when they only have the opportunity for creative development and a good salary, while others have to work in fear of punishment and fines. In addition, the number of persons with high professional competences is always present in the team, respect and recognition of their merits being more significant than purely material incentives for them. Some agree to a lower salary, with a demonstration of greater respect for them. Therefore, the main manifestations of the demonstrated trends include:

- increasing the value of separate employees for the success of the company;
- the growth of staff mobility both within the region and within state entities;
- development of IT and communication technologies allowing employees and potential employers interested in them to communicate freely;
- the need to ensure conditions for productive work of forming a favorable personal environment in the form of creative and working teams; the need in its turn led to the creation of new principles and tools for managing teams, namely, to HR-branding.

HR branding has a definite dialectic path of development initiated by increased competition between companies at inter-country level. Again, the current realities of economic development impose strict requirements on the functioning of firms in the market, since they have to enter into severe competition with other business associations for the final customer demand. One of the significant competitive advantages in this struggle may be an intangible asset – high professional competences of the firm's staff and management of the brand through effective cooperation with employees in terms of attracting consumers.

It should be noted that recently branding was associated mainly with the promotion of goods and services. In case of studying the qualities and skills of employees at organizations, it was customary to talk about their professional competences.

Employers in their turn competed with each other by payment conditions offered to employees and additional preferences in the form of various rewards.

Nowadays, such a trend as HR-branding has become popular, when organizations compete by attracting the best employees. It also implies differentiation of an entity from competitors by means of high professional and reputational rating of employees. It is important that they continue to maintain positive relations even with their former employees, who maintain close formal and informal contacts with the former employer and are ready to cooperate with the employee in the new format. All this initiates an interest in the study of HR-branding.

Thus, in modern marketing management and marketing of intra-firm staff, the issues of motivation and building productive relationships with employees are of great importance. Nevertheless, despite the perception of employees as a valuable resource for organizing and perceiving the qualities of personnel as “human capital” requiring funds investment, there is a lack of corresponding staff motivation or insufficient motivation of employees, despite the stimulating measures.

3. Discussion

As is known, there are two approaches to the formation of economic dependence of employees in the organization of their work mediating their labor efforts for the benefit of the organization: dependence arises at the level of ensuring the vital needs of the employee; dependence is above the level of survival, earnings are used to raise one’s own standard of living, increase image attractiveness and others. These approaches have been used many times in various configurations in the business practice of companies (Bondarenko, 2013; Bondarenko and Demyanchenko, 2017).

The first and quite effective theory in terms of employees motivation can be considered the theory of F. Taylor. Classically, the content of this concept was the division of a single labor process into small operations, each of which was entrusted to one employee. At the same time, constant timekeeping and strict control over the implementation of these operations were implemented. Accordingly, the labor behavior of employees was positively stimulated by a salary increase in its various variants (Kostoglodov and Sarkisyan, 2015).

The consideration of employees’ functional responsibilities organization is presented in the literature and reflected in practice as a tool to achieve the goals of the employer and the company. In this aspect, the organization is considered as an open system, then options of the influence of external factors on its structure are studied. The following idea was formulated. There is no single universal best way of organization, and depending on the environmental conditions there may be different rational management organizations (Roethlisberger, 1964). This idea is a methodological premise of the “situational” approach to management.

This stage can be considered the beginning of the emergence of future HR-branding technologies, when the best motivation for some employees is the opportunity to get into the “right” team, company that allows you to gain experience, valuable professional skills, working relationships, become successful in your business and move further, already realizing the goals of their organization employing them.

An important element in understanding the role of HR-branding is theories about the intra-group behavior of an individual, striving for formal and informal leadership in a group and organization as a whole (Bennis, 1973). Their main content is the idea of the informal structure of an organization, which has an important and sometimes decisive role in management (Parsons, 1960). Such an approach is commonly referred to as “human relations” in a company when the goal is not to follow the principles of formalism, but the effectiveness of the decisions made and implemented.

As is known, the practical recommendation of the school of “human relations” was the establishment of democratic relations in the working team. High importance is given to this circumstance in modern concepts of personnel management and motivation (Bondarenko, 2006; Bondarenko and Demyanchenko, 2017). Within the framework of the school of “human relations”, an “organic model” of intra-company relations has been formed. According to this model, the basis for the functioning of any organization should be problem groups created around problems that need to be solved. The head of the company becomes a link between various problem groups (Bondarenko, 2006). In the framework of these theories, the idea of “participatory management” developing in two directions was elaborated (Bondarenko, 2006):

1. involvement of employees in the decision-making process within the framework of relations between the head and the subordinate;
2. involvement of representatives of various groups of employees of organizations in decision-making.

In this regard, it can be noted that the lack of effectiveness of both hierarchical management systems with strict subordination of employees and participatory management models with the participation of lower members of the organization led to the development of situationism, which is an eclectic practical guide to effective personnel management in the company (Kostoglodov and Sarkisyan, 2015). The “situational” approach also envisages rigid hierarchical structures built in accordance with ideal bureaucracy, and for various participative models of lower members participation in decision-making (Bondarenko, 2013).

It should be emphasized that employees in the creative sphere work better in the absence of strict control and constant monitoring; they should be given the appearance of their uncontrolled activity, controlling them implicitly and periodically. Workers, in whose activities the share of creativity is small, should be kept in constant tension under constant supervision and the threat of immediate

punishment. They work much more efficiently in such conditions (Kostoglodov and Sarkisyan, 2015). All methods of managing individuals and labor teams in the practice of foreign marketing management are aimed at obtaining, on the one hand, an employee under strict management who is not able to harm the company, and, on the other hand, to achieve loyalty and using employee's talent for the benefit of this company voluntarily and with enthusiasm. This tendency is also manifested to some extent in Russian business, mainly in those areas that enable fast creative growth of employees, career advancement and decent material remuneration.

Since the evolution of marketing was in the direction of an attempt of increasing satisfaction of individual customer needs and maintaining long-term relationships with the client, this has led to a manifestation of the tendency to form stable relationships in the pre-sale period, the sales period and the post-sales period. It should be noted that in relation to practical marketing, this trend is manifested in the formation and development of partner relations with customers in various service and product markets. These facts are analyzed in the works of domestic and foreign marketing specialists who proposed a number of viable models of companies' functioning based on long-term mutually beneficial relationships with the consumer audience (Webster, 1992; Golubkov, 2004; Bondarenko and Semernikova, 2015; Tadajewski, 2009; Bondarenko and Demyanchenko, 2017).

At the same time, there are researchers who believe that the marketing of partner relations is not a new marketing paradigm in modern business, but rather a semantic rethinking of the marketing concept (Tadajewski, 2009). Further, researchers are shifting their attention from individual exchanges to networks emphasizing the importance of interaction between consumers and companies and to the importance of internal marketing as a way to generate value.

In many respects, HR-branding and organization's development strategy overlap in such a direction as marketing management, internal marketing in the framework of the concept of partner relations, which is a reserve for building constructive, strong relations between an employer and the team. It is known that filling the marketing management of a company in terms of targeting at its own human resources is to create a constructive atmosphere in which most employees are proud of their work, enjoy it and trust management and their colleagues. Thus, the American Marketing Association defines marketing management as a process of planning and implementing the concepts of pricing, promotion and distribution of ideas, goods and services aimed at exchanging, satisfying both individual and organizational goals (Marketing Management, 2006; Bondarenko, 2013). Managing exchange processes requires considerable efforts and definite skills. Marketing management occurs when at least one of the parties to a potential exchange develops and uses means to achieve the desired counterparty response.

Gronroos (1990) in his turn notes that the main idea of internal marketing lies in the motivation of the company's employees for meaningful customer service using a

marketing approach to the employees' internal market. According to the opinion presented in the professional literature Rafiq and Ahmed (1993), the essence of internal marketing is overcoming the natural resistance of internal staff to changes by increasing the loyalty of the latter to effectively implement corporate strategy. The following opinions are of note in terms of private issues of introducing internal marketing into the daily practice of firms. Ballantyne (1998) notes the existence of double morality in top management activities – ideas of staff and management synergy from the point of view of internal marketing are declared, and management practice is abundant in examples of nepotism and neglecting marketing principles in matters of recruitment and rotation of staff.

Foreman and Money (1995) emphasize the exceptional importance of driving (conducting) the ideas of internal marketing and, in this regard, the need of an authoritative person in charge of these issues. According to Lings' views (1999) presented in the scientific literature, the organization's staff should be segmented in accordance with market ideas. In this case, the process of creating favorable conditions in the internal activity of the staff consists in managing relationships between internal suppliers and domestic consumers to meet the needs of the latter. However, the same employee or department can perform the functions of both a supplier and an internal consumer.

It turns out that when conducting a comprehensive review of the above opinions, the object of internal marketing will be the process of providing services. This process presupposes that each department of the company views any other department using the result of the first department as an internal consumer and tries to satisfy it to the maximum extent by providing it with a quality service. Regular practice and monitoring of internal marketing in companies prove that the success of the company's external marketing largely depends on the degree of satisfaction and motivation of the intra-firm staff.

4. Results

At the current moment, the application of the principles of internal marketing and proposals of the school of "human relations" in the Russian conditions is also only partially in demand. Perhaps this is due to the remnants of the management psychologies of the planned economy period, as well as the strong dependence of subordinates on the employer due to the relatively low wages and difficulty in finding employment in Russia due to business qualities and not as a result of patronage.

Despite information on the widespread introduction of internal marketing procedures in foreign companies, in fact, much of what is declared is being implemented only on a formal level. That is, the external signs of democratization of relations are obvious: the head of the company greets the workers at the lower level by the hand, calls everyone by name, demonstrates his friendliness at corporate events. However,

as a rule, total surveillance of employees is flourishing in these companies with video equipment and control of employees' internet traffic during working hours. If employees do not show enthusiasm, then they risk hearing about their dismissal. Moreover, even if the recommendations of the school of "human relations" and participative management were introduced in some companies, then due to the natural aging of the carriers who introduced these procedures into practice, relations in the team sought to restore hierarchical management.

At the present stage, the processes of changing the world perception by most of the humans of new economic and social relations and awareness of their position in modern society have a significant impact on labor relations within teams, and therefore on the methods of personnel management and tools to increase employees' loyalty. The social mode of behavior becomes not only the search for profitable work with an adequate social package, but also the search for such a group in employment, where a person feels comfortable when communicating with colleagues and management.

Such changes in attitudes among the staff were monitored by staff psychologists of companies, and this made it possible to formulate an important advantage in the work of teams. This advantage is the desire to form healthy comfortable relationships within teams, in which employees do their work with pleasure, communicate with their fellow workers actively and spend their leisure time together.

5. Conclusion

Thus, the environment for the emergence of HR-branding is not only the trend in the economy of developed countries shown above (population life growth, staff mobility, increase in the value of each employee of the intellectual sphere, simplification of employees communications both among themselves within the same company and with other colleagues and employers). It is also changing in the public perception of the world and the unreadiness of many members of staff, especially highly intellectual employees, to put up with uncomfortable psychological manifestations in the working team and aiming at justice in labor relations.

If we talk about the manifestation of global trends in the field of personnel management, we can summarize that HR-branding technologies are playing their role in using the situational approach to cooperation with their own staff. If this approach succeeds, the entire staff is involved in solving the company's goals, devoting free time to solving creative and complex professional tasks, and the HR-branding technologies allow the company to be competitive.

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