HR DIVERSITY DEVELOPMENT AND EMPLOYER BRANDING

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Abstract

Depending on globalization and internationalization, workplace diversity in all forms of organizations becomes a reality and a long-term trend. HR diversity seems to be a significant success factor for organizations. However, HR diversity management builds on a pragmatic approach and uses the corporate marketing mix. The integration of HRM with other business processes leverages the potential of global teams and can utilize the creativity of diverse human resources. A combination of HRM with participative leadership has the potential to support employees from different backgrounds to creativity and innovations. Employers are under increasing pressure to be competitive as well as to behave in socially responsible ways. The paper aims at the latest trends in HR diversity management in the context of CSR and analyzing the significant trends in brand management that improves employers` position in the labor market. In connection with marketing concepts and employer branding, we suggest a new approach to the employer branding that focuses on HR diversity development. The research methodology covers the desk research, semi-structured interviews held from July to October 2019, and authors` observations. Findings include an analysis of situational cases and recommendations for an employer branding framework that can promote HR diversity.

Key words: HR diversity, corporate marketing, employer branding

JEL Code: J11, M12, M37

Introduction

Corporate social responsibility (CSR) covers all aspects of corporate activities – economic, social, and environmental sides of the business. Based on facts about sources granted to various social projects, Du and Bhattacharya (2010, 1) characterize the current global situation and the corporate approaches to CSR in communication and managing people. They argue that CSR becomes a prominent area of corporate agenda due to the socially conscious market environment monitored by the media. However, corporates have the potentials to maximize benefits from their CSR activities. Based on research done by the authors mentioned above, we identify a framework for building employer branding with positive effects for critical stakeholders, i.e., employers, employees, and consumers.

A critical factor in reaching the high productivity of employees is an organization-wide diversity climate, best described as employees' shared perceptions of an organization's diversity-related policies, practices, and procedures. Marketing concepts strongly affect HR marketing incl. information about corporate HR diversity, as it gives opportunities to inform the current and potential employees about the credibility and culture of the company. In the broader context, CSR may influence practices used by employer branding. Employees like customers have their needs, and corporations must satisfy these needs comprehensively if they want to prosper. Based on research (Alshuaibi, 2016; Maxwell, Knox, 2009; Lievens, Highhouse, 2003), it is evident that the employer branding focuses on PR and communication at the internal and external labor markets knowing that the socially responsible attitude of the employer influences employee expectations and behaviors.

The paper aims at a theoretical ground applicable for managing HR diversity and utilizes interconnections between corporate marketing and employer branding. Based on the in-depth analysis of secondary sources, the employer branding in the Czech environment is identified and analyzed as a starting point for recommendations on how to increase the effectiveness of an employer branding in favor of HR diversity development.

1   Theoretical ground for HR diversity development and employer branding

The institutional theory provides a theoretical explanation for usefulness to implement HR diversity management because an organization with diverse teams expects creativity, innovations, and in the broader sense, organizational development. Dobbin, Kim, and Kaley (2011) believe that employers with diverse human resources intend to develop HR diversity programs that encourage business innovativeness as pre-conditions for long-term business competitiveness. However, the barriers for utilizing business potentials stemming from diverse people, mainly different intellectual capital, exist in practices that evoke or deepen inequality and discrimination (Shen et al., 2009). For example, a preference to recruit people with high digital literacy with limited future investment into their training or glass ceiling recorded by more men than women in senior and top positions. Dreher (2003) argues that the number of senior managerial women increases when employers implement work-life balance programs that belong to the HR practice reducing gender discrimination.

Kalev, Dobbin, and Kelly (2006) identify three approaches with the potential to effectively develop HR diversity, it means:

- to include organizational responsibility for diversity in the HR strategy, e.g., the gender quotas for selection and promotion,
- to moderate managerial bias through training and feedback,
- to reduce the social isolation of women and minority workers by encouraging internal communication and events.

They recommend the best practice: diversity training, networking, and mentoring/coaching. The open question in research remains – how employer branding affects HR diversity development, mainly recruitment, employee engagement, and retention of high potential talents. The theoretical ground for employer branding comes from marketing mix concepts.

The marketing mix originates from the 4Ps concept introduced in the sixties of the 20th century (price, place, product, promotion) and Booms, & Bitner (1992) added to this concept three additional components (process, physical evidence, and participants) and created 7Ps framework. Concerning corporate communication, Berry (1981) accepts employees like customers and incorporates marketing as a tool for managing human resources. He argues firstly, both groups have their needs, which should be satisfied, and secondly, the higher the level of satisfaction exists in the company, the more comfortable satisfaction the company achieves in favor of external customers. In 1997, Riel and Balmer defined the 11Ps of the corporate marketing mix, insisting on 11 components: product, price, place, performance, positioning, personality, promotion, people, perception, promise, and philosophy. From the perspective of brand management, the concept deals with the brand promise and social responsibility. Balmer et al. (2006) reduce the 11Ps concept to the 6Cs of corporate marketing (character, culture, communication, constituencies, conceptualization, and covenant).

Analyzing concepts of marketing mix mentioned above, we believe that corporations apply similar practices in attracting customers, recruiting people, and influencing employees. Punjaisri, & Wilson (2017) discuss their findings that corporate branding relies on employees' attitudes and behaviors to the client need satisfaction and build on delivering the brand promise to external stakeholders. It involves interacting with staff in multiple departments across an organization (Maxwell and Knox, 2009) and leads to relationship marketing (Gronroos, 1992).

Employer branding builds the image of an organization perceived by employees and communicated at the external labor market. The brand allows a unique differentiation of the employer from competitors and supports recruitment. Employer branding covers a promise given to employees and job seekers. Therefore, managers must understand why, when, and how employee's values and expectations align with brand desired values. The employer must

motivate employees who add their value to the company value and incorporate them into the company's brand promise (Moroko, Uncles, 2005).

2 Research about employer branding and HR diversity development

2.1 Research methodology

The methodology insists on several methods that enable a triangular analysis. The research combines state-of-the-art knowledge identified by in-depth-analysis in secondary sources with primary data collected by semi-structured interviews, and authors` observations. The reasoning for these methods is that the topic deals with social phenomena, i.e., culture, values, behaviors, which are influenced by personal understanding and prejudices. Therefore, research collects and analyses data by an interpretative group of methods that disclose the meaning-making practices of human subjects to get a basis for generating observable outcomes and developing reasonable recommendations. The semi-structured interviews include top and senior managers, HR managers, and employees.

The semi-structured interviews held in the period from July to November 2019. It provides pilot research about the attitudes to HR diversity development in the Czech environment and challenges for employer branding. The number of respondents was thirteen and work at corporations located in Prague and Central Bohemia. The selection focused on high-tech and consultancy firms because we assume that these businesses always fight for talents and tend to design new approaches and HR practices to attract talents. The respondents` structure accepts the existence of different values and attitudes to the employer branding depended on gender and age. The sample characterizes the following:

– Seven women and six men,
– Respondents are aged 25 to 30: one, 31 to 40: two, aged 41 to 50: two, aged 51 to 55: five, and aged 56 to 62: three.
– All respondents have university degrees,
– Five respondents occupy the top and senior positions; three respondents work as HR managers and five employees.

The questions for the semi-structured interviews use research findings achieved by Lievens and Highhouse (2003), Maxwell and Knox (2009), and (Alshuaibi, 2016). The questions reflect

long-term authors` experience in the field of HRM and marketing in the Czech context and include the following:

–   Does your employer have a proactive policy of its brand in the labor market?
–   Does this policy include opportunities for HR diversity?
–   What are employee groups the content of HR marketing?
–   Is corporate HR diversity policy effective? Have you recommended, or would you recommend your employer to your friends?
–   Why would you recommend it?
–   What do you think is the most attractive employer brand in the labor market?
–   What makes the employer brand the most attractive in the labor market?
–   How does a business success of the corporate affect the employer brand?
–   How does CSR activities of the corporation influence on the employer brand?
–   Do you think that the corporate brand and its employer brand are in line?
–   What elements of the employer's brand do you consider to be healthy, and what is the weakness in communication?
–   How are HR marketers to use brand corporations to reach the most demanded groups of job seekers?
–   What is the identity with the employer when they know their name from the offer of their products/services?
–   How does the brand look for employees? Are they willing to stay or leave? When they leave, does it affect the brand of the competitor?

2.2 Research findings

Interviews identify that the main topics for developing or re-designing HR practices cover: 1) how to interconnect an employer branding and employee engagement, and 2) to measure the influence of the employer branding on employee retention. It is noticeable that collected data describe the Czech labor market in times when employers are under high pressure, and their business limits a significant lack of qualified people. However, the theme has the potential for further research because findings provide a little insight into opinions about the employer branding aimed at HR diversity development.

Most of the interviewed employees see communication about the corporate as a pyramid where, on the top, they see the statements about a vision or a mission of the employer, in the middle a corporate brand and business processes, and on its bottom used HR practices, incl —

an employer branding. Employees have difficulties in characterizing HR strategy, HR policies, or even what is behind the core values of their employers and how to interconnect core values with day-to-day matters. Respondents aged less than 40 perceive that their feelings about belonging with the employer rapidly undergo changes because they receive from headhunters, recruitment agencies, and other companies' job offers, or they search for job opportunities at the labor market. A slightly weak relation to the employer and low proudness on the employer brand negatively affects long-term employee retention. These employees see the situation at the labor market as their unique challenges to change the employer, to utilize an opportunity, and to increase their wages and get new experience. They often have a lower willingness to share with other positive stories about the employer, but they tend to describe what and how to get new benefits (financial and non-financial ones). The HR managers aged 50 + are skeptical about the credibility of information obtained from official (formal) communication channels, real benefits for HR stemming from CSR activities, or PR policies as useful tools for building the employer branding. They tend to rely mainly on informal channels, interpersonal relations, and recommendations by word-of-mouth.

Both top and senior managers see in an employer branding a prospective practice useful in several areas, like:

– To attract and recruit talents regardless of their culture and national background,
– To boost HRM innovations based on robots, Internet of things (IoT), and artificial intelligence (AI) in favor of employee engagement,
– To decrease the hiring cost and lessen fluctuation rates,
– To create an open and fair corporate climate.

Based on expectations about an employer branding, top managers intend to support in the future the implementation of proactive HR practices, like:

– Individualized training and development for highly qualified staff,
– Mentoring and coaching,
– Work self-scheduling,
– Work-life balance schemes,
– Management of HR diversity mainly focused on gender and age issues,
– Decentralization of operational and tactical HR processes on operational/line managers,
– People analytics with an accent on HR diversity.

Two of the top managers would like to establish a brand manager position. Its job description will be broader than traditional personnel/HR marketing and aimed at a good

reputation. A brand manager should control a career page, job listings, "Your website and blog," culture and corporate values, candidate communications, and have a direct influence on employee stories and advocacy, social media activity, company reviews, and public perception and awards.

2.3 Discussions and Recommendations

Employer branding becomes one of the strategic HR policies. It requires to design its management framework and in some cases, to establish a brand manager position. The employer branding is not only the sale of the employer but can support the development of long-term relationships with stakeholders known from CSR concepts. Personnel/HR marketing uses traditional tools like career websites, advertisements in the newspapers, social media, internal communication, and alumni programs. For communication, it is necessary to respect the consistency of all messages and use them in combination with more sophisticated channels, mainly informal and individualized ones, that accept Generation Y and Z.

Employer brand management must begin with monitoring and analyzing all touchpoints where an employee (potential, current, former) is in contact with the brand. The achieved results highlight factors that are necessary for respect in building a favorable employer reputation. Based on brand values, the employer must define his value proposition, which means to offer employees benefits in return for their experiences so that to satisfy their expectations and needs. Mastering the employer value proposition, i.e., to be clear and well communicated, is the critical factor in talent management and a people acquisition.

Managing the employer brand is a continual process and must be consistent with the business strategy. A brand manager needs to define the brand purpose (brand believes), the brand vision (main ideas behind the brand which inspire employees, customers, and other stakeholders to stay and live with the brand), and brand values (a corporate DNA). The most important precondition for a successful employer branding represents good relationships with the employees because they can act as ambassadors of the brand.

Conclusion

The workforce in the Czech labor market will gradually increase their diversity. The most sensitive issues at the macro- and microeconomic levels become the aging population and gender discrimination, mainly glass-ceiling and glass-wall.

HR diversity development applying employer branding can be beneficial for theory and practice. Research about managing four generations that cover people from baby boomers to Generation Y provides discussions about personnel/HR marketing as a tool for attracting and recruiting high-qualified people. However, robots and artificial intelligence in HRM, e.g., today`s chatbots in recruitment and online psychometrics in the selection, change job requirements and increase possibilities to work regardless of their age, gender, disabilities, place of work, and time. On the one site, Jobs 4.0 will increase opportunities for the development of HR diversity at work; on the other side, people will get a broader overview of a job supply.

In the paper, we investigate a theoretical ground applicable for managing HR diversity and utilize interconnections between corporate marketing and employer branding. Based on pilot research, employer branding, and employee retention in the Czech environment is analyzed. Semi-structured interviews with line managers, HR managers, and employees help identify topics for further research about the following: 1) the influence of an employer branding on recruitment and employee engagement, and 2) relationships between employer branding and employee retention. Recommendations on how to increase the effectiveness of an employer branding in favor of HR diversity development characterize corporate branding principles aimed at the communication of an employer value proposition.

In the view of research and the subsequent evolution in employer brand management practice, a strong employer brand requires the development of a set of tools in a single conceptual framework. Getting more experience with the employer creates the image and position of the employer brand that can result in an improvement in the employers` position in the labor market and strengthen the brand in general.

Acknowledgment

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