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OPINION OF HR EXPERTS ABOUT THE LOYALTY INCREASING SOLUTIONS AND EMPLOYER BRANDING CAMPAIGNS IN CASE OF Z GENERATION

Abstract:

Soon, we will find ourselves facing the problem of generation differences in all workplaces, which means we better prepare ourselves for dealing with them.

During my primary research, I focused on the Z generation, and my goal was to introduce how we can separate young people beginning their careers according to their preferences for choosing a job, and how we can strengthen their loyalty.

The Z generation was born into the world of information technology, therefore, they use such tools much faster, and on an instinctual level. Student labour, or volunteer community service make them meet their employers early on, and enter the world of labour much earlier, when compared to prior generations. From the perspective of workplace loyalty as well, this generation differs significantly from other generations: they don't consider skipping to another job a problem at all, if they don't like their current job for some reason. In light of this, preparing for the new generation is advised, like getting to know what attributes they have related to employment, and what techniques can be used to increase their loyalty. The results of my primary research will aid experts in finding answers to these questions.

Keywords:

primary research, Z generation, employee loyalty

JEL Classification: J24, J23

1 Introduction

The labour market is on a worldwide scale transformation. Perspectives like the balance between work and private life, stress-free work environment, and inspirational labour conditions are becoming more and more important.

HR experts report that the actual quality and/or quantity deficiencies of the labour force are becoming more of a problem. Therefore, it's no surprise that for employers, a hard question is presented in how they can find and keep good labour force. One of the reasons for the lacking numbers is that there are less and less new entrants to the domestic labour market: whereas 15 years before today, nearly 189.000 youths around the age of 24 entered the labour market, their numbers dwindled below 128.000 by 2015, according to the data of the HCSO. The other main reason is that they migrated to abroad, in hopes of better wages, and continue to do so. The success of recruiting is further worsened by the fact that in many cases, employers mostly want to obtain those of good qualifications, but also having prior experience. (hrportal.hu, 2017)

Lack of labour force doesn't negatively impact sectors, it has a detrimental effect on the entire economy. There are professions with a huge demand of workforce. These are the so-called 'lacking fields of expertise', such as engineers, information technicians, and medical doctors. However, the problem of lack of labour force can also be seen in blue collar areas nowadays (f. e. welders, tractor drivers). Physical labour also often needs headhunting methods to find labour force. Seeing all this, it's no surprise that both the perspective and practice of HR has transformed: it's not the enterprises that rummage through candidates, but the experts are the ones who have the luxury of choosing between offers which cater to them. (24ora.eu, 2017)

A competitive wage isn't enough, and multiple other not so motivational factors may come up in a company, like the over-regulated enterprise bureaucracy, the incorrect temperature of the office, the lack of further learning, etc. Extra income is more often integrated into the baseline wage nowadays. Direct headhunting methods are gaining ground, whereas online data upload is pushed to the back. Wage pressure is becoming more widespread, as people have to be employed with higher and higher wages, which causes stress between new entrants, and those already with a history in the company (Kópházi, 2007, Kovach, 1999)

Apart from hardships during recruitment and actually keeping employees, the hardships of different generations working together is also causing further friction, which HR experts have to deal with. This is due to age difference negatively influencing cooperation, where both the younger and older people find it hard to cooperate. (Boyett-Boyett, 2000)

The two extremes, namely the youths entering the world of working adults, and the most senior 'veterans' usually coming back from retirement may be the most notable challenges in the work environment. An interesting fact is that those below 30 have more hardships while working with colleagues above 50, compared to how older employees have less problems - at least, according to them - finding the common tone with their younger colleagues. (Kissné, 2014)

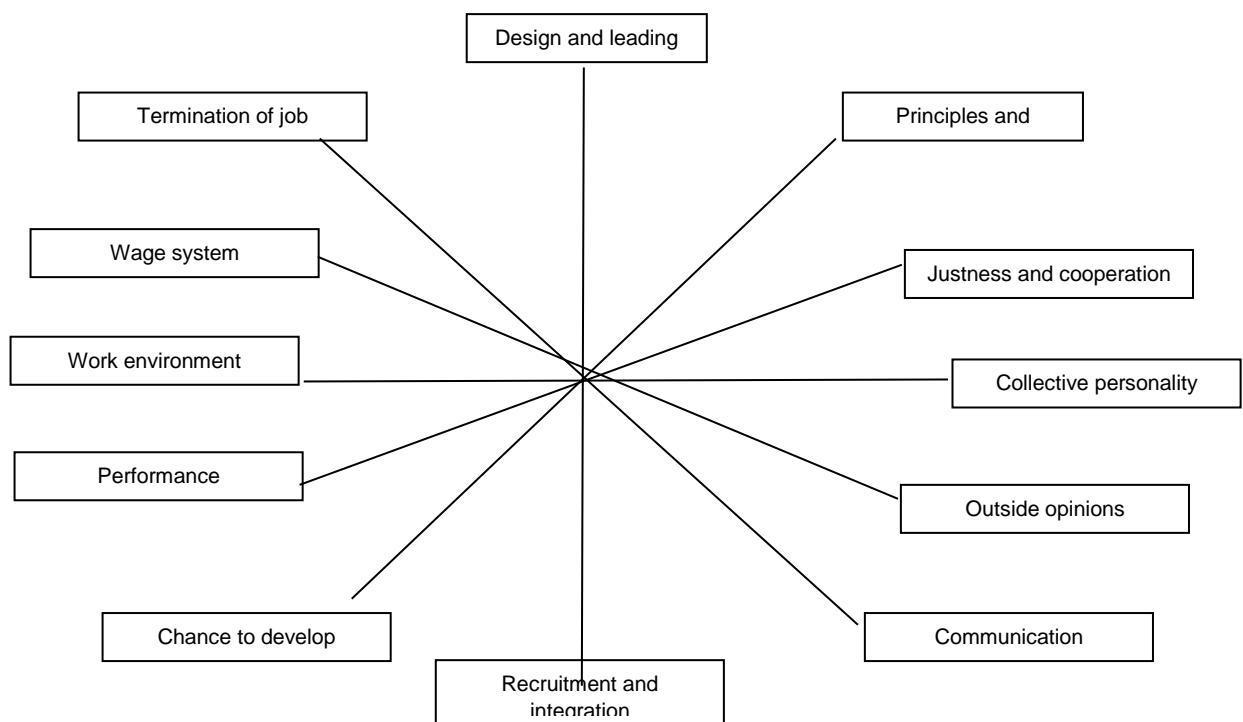
According to the results of an online survey, older employees find respect more important than younger ones, and think it has more weight in human relationships. However, factors which may positively influence respect also come up, such as: professional expertise, work experience, performance, creativity, life experience, charisma, uniqueness. An important difference can be seen when we take a look at the Y generation's thoughts on respect. Position, status and financial situation have double the weight for them, compared to older generations, meaning that they feel more respect towards these. (Kissné, 2010)

Labor market challenges, generational differences, have appreciated the role of HR and HR communication. There are many examples of successful responses to well-designed, targeted employer branding activities - whether recruiting or retaining workforce.

The employee brand is the face of the company, made by the company. Every institution has this, and it has an effect on the structure of the applicants and employees, and their education. This may be a strong, and well-built employer brand, which is an obvious edge in competition for the company when contending for talented labour, however, often times, it only has effect on the recruitment processes and internal communications. The employee brand is a much more complex thing than this, defined as the company and the employee having a strong cooperation with the organisation, sharing both hardships and successes either directly, or indirectly. For organizations, it is crucial to develop an image that takes into account the needs of talented workers, provides experience and gives beginner opportunities for development. This is always a strategic issue

Based on this, it's important to formulate a proper Employer Brand strategy, which communicates well towards new employees, about both the company and its employees. This will cause the potential employee to see a realistic picture, drawing them toward the company best for them, thereby easing the decision of choosing a job. On the other hand, companies can find valuable labour, and keep them as colleagues longer.

Figure 1. Employer Brand „strategic elements



Sources: Own editing based on Török (2016)

2 Methodology

In this study, we introduce partial results of a research project, which was supported by the New National Excellence Programme (ÚNKP-17-4) of the Ministry of Human Resources of Hungary.

In our research project, we analysed the factors influencing the career and workplace choices of the Z generation using both qualitative and quantitative techniques, by asking both consumers and experts.

Our goal was to identify cornerstones (also) focusing on the Z generation, which help employers in their initiative to outline an employer branding strategy oriented for target groups exclusively.

In the first phase of the research project, we conducted a qualitative analysis, which encompassed thirty short focus-interviews, using semi-structured interview baseline. The participants were recruited using the snowball logic, with a single filter condition: the participant has to be a member of the Z generation, based on their age. The maximum number of participants in a focus group was six, and in all cases, we constructed heterogeneous groups (by gender). This was done in order to compare opinions. The interviews were recorded (sound only). The results were analysed with traditional content analysis.

The goal of the qualitative phase was general understanding, and outlining hypotheses, while simultaneously preparing for the second step, the quantitative research phase.

The most notable research questions of the first phase can be summarised as follows:

- What are the generation's ideas on career and success, and what are preferred and non-preferred workplaces?
- How does the generation interpret career and success in their work, and which factors aid them in realising their personal goals?
- What does the generation expect of a good workplace? Which employer activities, programmes are the most specific for their target group?
- What generation problems does the generation see and understand? How open are they to working with other generations? What advantages and disadvantages do they feel in doing so?

In the second phase, we conducted the quantitative research. We also did our sampling using the non-representative snowball logic in this case, and we recruited participants while having the age restriction filter requirement remain. We used a standardised questionnaire, based on the results of the qualitative research. Using the CAPI method, we received 1178 usable answers at the end of the research.

In this phase, we were searching for answers for the following research questions:

- Which preferences are characteristic of the participants' while looking for a workplace??
- How efficient may the motivational factors we research in influencing this generation's increase in labour performance be?
- What preference of information channels does this generation have, related to workplaces and career in general?
- In what form, and with what conditions would this generation apply for the "mentor's aid for career", resulting from the qualitative research? With what services would they find it actually useful?

In this study, we wish to introduce partial results of the quantitative phase, while stressing the introduction of motivational tools specific for the generation.

The results of the above mentioned part of this research project can be seen in earlier studies (Fodor et al., 2017).

In this research, as part of the qualitative analysis, we conducted semi-structured interviews with the members of the employer side.

Our goal was to understand what challenges and hardships experts in practice perceive on the labour market, and what they experienced concerning generation gaps. What methods do they employ, in order to connect with the Z generation?

Do they have any HR, or HR communication techniques, activities, campaigns which they believe to be more effective, based on their empirical experiences? Would they recommend them to other employers wishing to connect with the Z generation?

During the research, we asked vehicle sector procurers, producing and development companies, large and international enterprises' HR experts, and searched for HR specialists dealing in recruitment, in order to talk to them. Recruiting the participants was done with the snowball logic. Each of the five enterprises has Hungarian branches, but are foreign companies. As for locations, two are in the capital Budapest, and the remaining three are situated in Békés, Csongrád and Veszprém Counties respectively. Among the companies taking part in the research, the smallest one employed 300 personnel, whereas the largest one had 3700 employees.

3 Results

3.1. The situation of the labour market - challenges, solutions, successful answers

An important aspect, in light of the current domestic market situation, is that experts reported complex challenges. Many stressed that the trends on the consumer market - individualism, acceleration, the shortening of product lifecycles, the dynamic changes of technological solutions, the intensity of competition increasing, and the importance of environmental protection and sustainability gaining ground - are all macro-environmental trends which need complex solutions. Nowadays, we can't separate, and separately handle management areas. "We have to operate while cooperating, harmonising with each other, as we can only present efficient alternatives this way."

Related to this notion, the HR managers of multiple companies stated that they aim to make their members cooperative partners of expert organisations, taking up an active role in the development of domestic education, and increasing the efficiency of communication between education and their sector. They considered the strategic partnerships as high-profile areas, as their initiatives to use these cooperative relationships to aid the education of experts that can answer the ever-changing industrial challenges which may come up. And these forums aren't explicitly usable for introducing an enterprise in a way that it seems attractive to younger generations.

As part of this, they have places for those who want experience, and actual jobs for earning experience, they finance diploma programmes, they hold expert discussions, and take part in the practical execution of projects.

There are companies which made their own courses in universities, where they can personally meet their students every day, they can mentor and develop them according to the requirements of their personal advancement and the corporate needs.

"Our company's domestic branches all have internship programmes, where we offer the chance to students for widening their theoretical horizons, but also gaining practical experience as well. We offer topics for diploma theses, and take part in being opponents for Student Scientific Conferences, and we're also judges for Student Scientific Conferences, and the National Student Scientific Summit. Furthermore, we offer workplaces for students to gather experience."

"The experts on the field regularly hold presentations about the quickly developing sector trends, by which they help educational institutions in receiving timely information for their own courses. Apart from this, we also offer late and higher education facilities demonstrational tools and objects usable for practical sessions."

3.2. The internal toolset of employer branding - efficient answer to market challenges

The experts we asked thought that among the current conditions of the labour market, the most important and hardest task, apart from finding employees, is to keep them, and keep them motivated. Keeping employees is also an essential question for employer branding, as smaller fluctuations are the most notable recruitments as well. Since it's more enticing for the new entrant, if the job he aims to get has already satisfied colleagues around it. It's no coincidence that more prepared employees also have their own questions for job interviews: how's the migration of labour force, how many sick days are provided, etc., as these are good indicators for how long a term one should plan for a certain job, and how much the work impacts the employees.

Experts clearly stressed that among current labour market conditions, the harmony between internal and external communication is worth more than ever, and that we may not forget properly motivating current employees either, while recruiting for new ones. Therefore, we separated an entire topic for researching what they do for their current employees, and to create a better employee-employer relationship.

Without any exceptions, they all mentioned family days as company events, which are an exceptional opportunity to show the family members of the employees what they do, and where the wife, husband, mom or dad actually works. Some companies invite not only their currently active workforce, but also send invitation for soon-to-be mothers on a vacation as well, with the goal of keeping a connection between them and their workplace.

Many companies also invite their retired colleagues to such events, since they can report their experiences during their working days with relative assurance to their younger successors, and offer perspective and examples to the current workforce.

As all brands, the employer brand also constructs itself from the inside, and nourishes itself from the inside, which is the essence of its credibility. The current employees are the best ambassadors of a company, if handled properly. It's much more credible if an actual employee talks about a workplace in a positive light, compared to when the executive of the workplace does the same, as his goal is to have people working there.

Regarding company events, there were multiple mentions of not only family days, but Christmas galas, recurring team building events, which are held in order to strengthen the community, improve teamwork, and lighten internal friction.

As for initiatives to improve the coordination of internal communication and internal processes, some participants mentioned organisational development, and their efforts to further optimise company processes. These are complex and long-term processes, projects needing large funding, long time and strenuous efforts, but according to HR experts, they may aid simplification and efficiency of the company's internal systems by a lot. However, the importance, and expected advantages of such development processes always have to be precisely explained to the employees. Without the necessary education, such projects will yield less optimal results, and internal acceptance and support are also key factors for such process development measures.

There were four HR managers among the participants, who had the focus on physical workforce. They collectively stated that within the toolset of internal communication, not only generation gaps, but the different information needs of the physical and theoretical workforce also has to be taken into consideration, not to mention what differences in opportunities a physical worker and an office worker has in reading internal news of the company.

"We take careful consideration to use both online and offline communication channels, so that information reaches both the physical and the theoretical workforce of our company. Furthermore, we also offer personal consultation opportunities to our colleagues (HR hours in office, colleague news, one to one meetings).

3.3. Connecting to the Z generation is also an efficient employer branding tool

With recruitment, and calling out to potential labour force changing due to generation gaps, many previously well-working tools have to re-defined, according to the participants' opinions.

The messages and functions of job recruitments and recruitment events have to be synchronised with the different media- and information consumption of the younger generation.

As for calling out to future employees, the efficiency of traditional recruitment events can't be said to be completely positive, according to HR experts. There were those who thought that these forums are good, by offering personal connection, and have a good prestige. The opportunity to meet face to face with youngsters, possible future colleagues is indeed nice. However, a more pressing question is how to entice the younger, potential employees to a stall, what extras should those that have stalls offer, with which they can differentiate themselves from others, and make them more interesting for younger people. This is due to how we can clearly see that classical elements are insufficient nowadays. Youngsters like and demand interactivity, the usage of modern technological solutions. A good example for this is the so-called "magic view glasses" mentioned by one of the HR experts, which can be used to take a virtual stroll in the company: "These are panoramic pictures spanning 360 degrees, which can be downloaded using an online application, and by equipping the glasses, the visitor enters the virtual stage of the company.

Another similar "trendy" solution was when tablets were used to offer the experience of gamification, where those interested can go along the routes of career, as if in a game. These are all good examples of how we can call out to, and motivate youngsters using the tools of employer branding.

Gamification, meaning translating something to games, was also proven to be an efficient choice of style for giving experiences and job recruitments - similar to other communication instances aimed at younger people.

If we're recruiting among the Z generation's members, not only for theoretical, but for physical labour force as well, so-called 'job description' styled recruitments had more success, as these aim to involve, to game, and to experience instead of the traditional, descriptive, non-dialogue and non-interaction communication.

"When an employee personally talks about why they work at the company, what they do, and why they chose this company, it's much more credible, filled with emotions and interesting, compared to when we ourselves list what we demand of our future colleague, and what we can offer them in terms of wages and extras."

Naturally, we also have to remember that when we recruit physical workforce, the contents of the motivational toolset will be different when compared to theoretical workforce. In the case of the latter, the career path, and the possibility of realising their personal successes dominates completely, but the physical workforce clearly stress the importance of wages, the stability of wages, and the possible extras. In their case, personal goals and career paths are less motivational, but we also have to state that for the younger generation - even in the case of physical workforce - we can clearly see that personal goals gain the edge, when compared to the older employees.

4 Discussion&Conclusion

The companies taking part in our primary research were clear on how one of the cornerstones of their success is human resources. They named successful recruitment and keeping employees as key factors in keeping their competitiveness. An important conclusion is that the experts believe that the successful solution for market challenges is cooperation. As part of this, they named the necessity of synchronising education institutions, expert organisations, and the interests of the companies on the employer side. As another important pillar, they stressed the importance of taking part in education: in a technological environment which develops quickly, and becomes more specialised each day, companies also have to take part in education. Due to the sector's trends, actual job descriptions will transform in the future, and they also have to prepare their colleagues for this. An excellent opportunity for this is internal courses, advanced courses, and the option of specialisation.

Generation gaps are also challenges, both in recruitment and in keeping qualified, talented personnel. On the side of the employer, this demands an adaptation initiative and flexibility when facing a generation's needs. This makes it necessary to realise that HR and HR communication tools have to be tailored to the employee ranks in question.

While in the case of the Z generation, individual goals, individualism in general, and the possibility of realising personal career and path of life clearly gained an increase in importance, older generations believe that trustworthiness, stability and transparency are more important. This is why we need the long-known differentiation of marketing to be adapted to HR as well: identification of the needs of target groups, in this case, employees, and solutions tailored specifically to these needs. Therefore, highly standardised solutions will lose their efficiency in calling out to the employees having more and more heterogeneous demands, and will have less of an effect on keeping them.

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