

## Making the employer attractive on the job market, talent management, HR strategy

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It is a well-known fact amongst HR professionals that – especially in the long run – putting effort into making employees feel good about their place of work, and making their company look attractive on the job market is a worthwhile investment.

The employers' problem in the near future might be the lack of a skilled workforce on the Hungarian job market to ensure further growth and profitability. To discover and keep the more talented workers, there needs to be a more effective method than the one currently in place. This is especially true when analyzing generation X and Y.

Today in Hungary just a few companies measure and track their reputation. Only every second of the biggest employers come up with a well-organised and communicated employment strategy, and only every fifth uses constant communication via mass media to improve the reputation of the employers' brand.<sup>[3]</sup>

According to Mark Schumann and Libby Sartain, the companies in today's globalised world need 3 different types of branding:<sup>[4]</sup>

- *Product brand*: To attract customers a business needs a compelling brand as a place to buy
- *Employer brand*: To attract employees a business needs a compelling brand as a place to work
- *To become a magnet* for talent a business needs to market its brand as a place to work

This study will not only discuss specifics of the Y and Z generations employment finding strategy, but will shine light upon how to attain, and keep talents through HR strategies.

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[3] Schumann, Mark – Sartain, Libby (2010): *Tehetségmágnesek. A kiválóakat vonzó munkáltatói márka felépítése*. HVG Kiadó, Budapest. 269–270.

[4] Schumann, M. – Sartain, L. (2010): op. cit. 15.

## THE SPECIFICS OF FINDING SUITABLE WORK FOR GENERATIONS X AND Y

Fitting everyone in a generation in a group brings the dangers of stereotyping. The different generations' traits are then all generalised, so the aforementioned traits do not fit each and every individual. Despite this fact, it is still vital to study these traits, even if only in relation to the job market.

Members of generation Y are the first to be a “digital generation”, people who use the Internet every day for their personal life. The employment market faces a huge challenge with this generation, mainly because they go against the long-standing norms with never before seen courage and self esteem. They grew up with technology, are especially practical and use the Internet extremely well. Employees from generation Y want to enjoy their workplace: it needs to be modern, with huge open spaces, which break from the norm, and a kitchen to eat and socialise in.

This new generation greatly appreciates working in groups to achieve common goals. They feel right at home in the big world, they cherish freedom, and a democratic, informal work environment. These people want to do several things at the same time, not at a desk if possible, but from various places using laptops and mobiles. Personal freedom is important to them, they are anything but conformists, and they tend not to follow rules very well. The world has changed around them: consumerism is now on top, new values, a completely new world altogether. Members of generation Y have high expectations towards their employer, they wish to build their work life around their personal life instead of the other way around.<sup>[5]</sup>

Employees of generation Y are not an “obedient workforce”, but more often than not rebelling characters, whose workplace is just one of many, which can be changed whenever they want.<sup>[6]</sup>

Their parents have become accustomed to the changes in the job market, they have given up their previous lifestyle and have got used to the ever-increasing demands of the employer, giving up their personal wishes, because if they wanted to keep their jobs, they needed to act accordingly. Members of generation Y think differently; they want to live differently from their parents. They are conscious in the job market, “and they no longer have the subsuming attitude their parents had towards the company management. This was so self-explanatory back then people didn't even realize in the daily routine.”<sup>[7]</sup> They prefer partnerships instead of being underlings, they raise their expectations according to the trade they are in. If the job doesn't live up to their expectations, they simply go and find another one.

[5] Novak, Milan (2010): *People You May Know – Innovatív toborzási megoldások*. Personal Hungary, Budapest. [www.personalhungary.com](http://www.personalhungary.com); Toldi, Gábor (2010): *Toborzás új lehetőségekkel*. Personal Hungary, Budapest. [www.personalhungary.com](http://www.personalhungary.com).

[6] Tari, Annamária (2010): *Y generáció. Klinikai pszichológiai jelenségek és társadalomlélektani összefüggések az információs korban*. Jaffa Kiadó, Budapest. 23.

[7] Tari, A. (2010): op. cit.

This generation searches for jobs like others search for consumable products. Generation Y consumes jobs, they are conscious, collect information, have clear preferences, compare and make a verdict even before they meet the employer. Career building and continuous progress are basic expectations in this age group, but as of now not many employers can react satisfactorily.

The ones who are just starting their life in the world of jobs can find themselves in a difficult situation, since they are affected by age discrimination. The young who have just finished their studies start their search optimistically, but after the first failures this enthusiasm lowers. Even getting into an interview is a challenge, the majority of the ads say one, or even two-three years experience is essential. There are always some possibilities though; there are companies who see the future entrepreneurs in them. The ones who just start conform more easily, they don't have bad habits, and they become accustomed to the company's culture easily. The majority of youngsters don't have an established independent life, so they want to achieve one in the first two-three years, this makes them endure more, they are more enthusiastic and they want to prove themselves more than their more experienced colleagues. They are motivated by the job itself, personal growth and the chance of a career.<sup>[8]</sup>

Table 1: Generation Z's demands towards employers in the light of generational differences

distinctiveness of Generation Z	expectations towards employers
Social	<ul style="list-style-type: none"> <li>• Personal relationships in the workplace</li> <li>• Direct contact with the boss</li> <li>• Chatter and common breaks with the others</li> <li>• Time off with others</li> </ul>
immediate	<ul style="list-style-type: none"> <li>• Boss can be reached instantly</li> <li>• They need to be in when everyone else needed for the job, in case some unexpected trouble comes up they can help with</li> </ul>
Involvement, experience	<ul style="list-style-type: none"> <li>• work needs to flow</li> <li>• no need to be bored, something always needs to happen. If nothing else, let them use Facebook</li> <li>• they want to experience more in the workplace</li> </ul>
Experimental	<ul style="list-style-type: none"> <li>• They need to face a challenge, let them unfold their potential</li> <li>• The boss should just check on the finished work, not in-between fazes</li> </ul>
Need for a structure	<ul style="list-style-type: none"> <li>• Let there be limiting conditions</li> <li>• A set table is asked for</li> <li>• Need for an office</li> </ul>

[8] Kissné András, Klára (2010): Hogyan motiválhatóak a különböző generáció tagjai? [www.hrportal.hu/index.phtml?page=article&id=84579](http://www.hrportal.hu/index.phtml?page=article&id=84579).

distinctiveness of Generation Z	expectations towards employers
Values: Coommunity	<ul style="list-style-type: none"> <li>• Need for personal relations</li> <li>• Wants to be a part of a community –work community</li> </ul>
Well-being	<ul style="list-style-type: none"> <li>• Boss needs to have a high emotional intelligence</li> <li>• Good relations with co-workers</li> <li>• Self harmony, personal-work life balance</li> <li>• “I love my job”</li> </ul>

Source: Ferincz (2015): op. cit.

Employees of the generation Z want to enter the job market in a management position from the start, though they don't have the relevant experience. Moreover, they want to progress as fast as possible; to achieve this, they are willing to learn, and prefer practical knowledge over theoretical. They believe in themselves, that they can get the practical knowledge needed for their jobs throughout their capabilities. They accept leader roles with confidence. The tempo of the older generation is too slow for them. They have a higher expectation of their wages from the start, they simply want to earn a lot of money at the same time as keeping their personal freedom. Working in a group motivates them.

Generation Z is just starting to get into the job market actively. The organizations need to adapt, and change accordingly to the people who grew up with internet-based knowledge. In the study of Adrienn Ferincz, which revolves around the attitude of members of generation Z when it comes to work, her conclusion was that the new generation's demands could be broken into 2 separate dimensions: The need for a structure, and the need for flexibility.<sup>[9]</sup>

The structure involves the organization of the job's rules and terms. Fixed working hours are just as important to them as a fixed place to work and a serried job role. In between the borders and the fixed rules, they wish for freedom and flexibility. They deny procedure control; they feel that it will rob them of their creativity. Total and borderless freedom means anarchy to them; they don't like to live without restrictions.

A good leader's trait is that he or she can balance these two points, so a positive relationship is made possible between employee and employer

Generation Y and Z can be categorised by their lifestyle, but their expectations towards their employees are similar. These are the following:

- New values and different motivational systems
- A work environment which enhances their effectiveness
- Work enjoyment (this is more and more common amongst age groups)
- Personal differentiation, the importance of individuality
- Growing of immaterial values
- Balance between work and personal life
- Training availability

[9] Ferincz, Adrienn (2015): *Az új generáció elvárásai a munkahelyekkel szemben*. [www.irisro.org](http://www.irisro.org).

The result of multi-layered changes is a new category of workers, the “creative or new-type worker”, who has exact expectations towards their employers, but in return, the employer should have the same.

The “new type worker” is a result of historical progress. In the 1950s workers in groups were the norm, while in the 1980s it was time for the more skilled, achievement-striving workforce.

The biggest losers of the economic crisis since 2008 are the young and well trained job seekers. In Spain, the unemployment rate amongst fresh university graduates is 50%. In Germany, there is a certain generation whose members go from training to training, but never actually find work. This means that being well trained and knowledgeable isn’t always a guarantee to get hired.

Table 2: Expectations of the employer and employee

Employers expectations towards “Creative Workers”	The “Creative Workers” expectations towards employers
To be susceptible for innovation	New values
The ability to improvise	Weighted priorities
Flexibility	Autonomy, to be self-sufficient
Creativity	Sustainability and computability

Source: www.hrportal.hu.

The “Creative Worker” wishes to work in an environment that focuses on the specialities. This imposes a huge challenge for the organizations.

People in their 20s are distinctly different in Hungary as well compared to the older generations.

Aon Hewitt has been conducting studies of the “Best place to work” for more than a decade. According to the Hewitt benchmarks’ data of 2009-2010, with almost 56000 questioned, the following conclusion has been reached of employees of generation Y in Hungary:<sup>[10]</sup>

- Every tenth fresh college graduate has foreign experience
- Only a quarter thinks working for more than 3 years is plausible
- Less then every third thinks they are capable of literal and verbal communication in English, and only every tenth in German.
- A career is a vital part in their decision (for three-quarters in the trade, the rest are CEOs)
- Company culture and company values are more and more vital.

What differentiates them the most from the average is self-realization, success, ambition, creativity, innovation, and constant learning. Besides all these they

[10] Schumann, M. – Sartain, L. (2010): op. cit. 279-281.

find humour, well-being, the balance between personal and work life, globalization and environmental awareness.

## FINDING AND KEEPING TALENTS, HR STRATEGY

Elements of HR strategy: achieve, seduce, make it committed. These are the vital steps for employer brand building and communication.

### *Employers for keeping talents*

Reaching out to members of generation Y can only be successful if the employer is made visible on channels people actually visit. In the past, newspaper ads were sufficient enough, but nowadays social media has the top spot. Information needs to be trustworthy and fast: the biggest organizations make appointments with the top talented found in trade shows; they keep in contact with them online, and following the interview a decision is made in one or two days. Reaching out to those who don't think they want to change is important; this requires an aggressive strategy.

Now we know what channels the talented can be reached upon, and what their preferences are. Yet, for many companies, it's not clear where they stand when it comes to their judgement amongst jobseekers, and compared to other companies.

According to Jack Murphy CEO of Dresser Industries *“our people vote with their feet. they walk in, or they don't. This makes our judgement continuous”*<sup>[1]</sup>

So, seducing the workforce is not enough, keeping them is important as well. Today's employees don't think they'll only work for one company their whole lives. They think at least two to three, but in reality it's seven or eight.

According to Hewitt's Hungarian and foreign studies, the promises an employer makes has a direct effect on employee loyalty. Amongst the Hungarian workforce only less than half think their company's reputation is in line with their personal experiences.

More often than not though, employees won't get what they expect. Employees' commitment lowers along with the trust they put in their employers. This makes keeping talents just as important as finding them.

In the early 2000s job seekers were not only motivated by career and salary, but self-realization in the workplace and well-kept company policies. Since then, company reputation and well-kept promises towards the employee has become a priority.

Employers are more likely to become attached to a company, if the expectations below are met:

- Sufficient chance of progress

[1] Schumann, M. - Sartain, L. (2010): op. cit. 48.

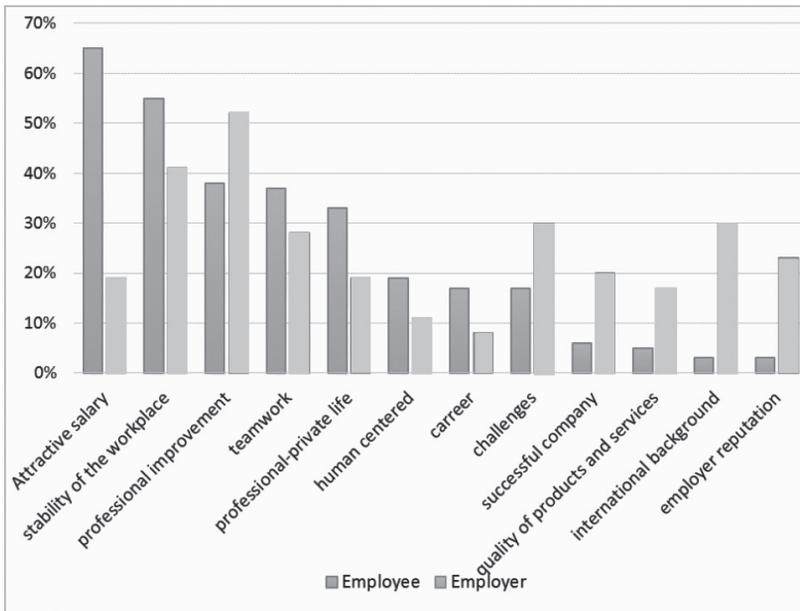
- The employees are paid and respected for the amount of work they do
- Leadership is human-centric, which sees the employee as the most valued resource
- The company is attractive and trustworthy, this makes keeping talents easier

The best traits of companies since 2001 remain the same: these organizations can keep the most talented, they're appealing, have a good reputation and a human and trustworthy leadership.<sup>[12]</sup> In the past couple of years HR, the performance-focus company culture and sustainable development have been growing in importance as well.

*Employees and employers point of view*

When analysing the points of views of employers and employees, it's clear that the demands of jobseekers are not, or not fully met, by employers. See Figure 1. below for explanation.

Figure 1: Employer and employee point of view



Source: Schumann – Sartain (2010): op. cit. 271.

[12] Kik a legjobb munkahelyek? – Tizedszer! A Legjobb Munkahely Felmérés 10 éve Magyarországon. <http://was2.hewitt.com>.

This chart clearly shows that at first the salary is greatly appealing. This can be higher or lower in between age groups. Employers don't think informing employees about salary is important, most of the advertisements promise a "competitive salary", from which the jobseeker can't really find out anything useful. The candidates more often than not only hear a full offer at the last stage of their interviews.

The biggest expectations are the same amongst employers and employees. These are professional advancements in specific field, and emphasize company stability and credibility.

The companies find their most valued and distinctive traits are their success, the quality of their products and services, and international background. This message falls on deaf ears amongst jobseekers, even though from quarter to a third of the companies do advertise themselves in this topic.

Companies in Hungary still see the classical traits and advantages as a vital part of their employer image. They tend to become more appealing, if more and more talented people take notice, and if company values are clearly communicated towards the segments of the job market. The practice of the biggest companies clearly shows that an all-around talent and workforce management aspect needs to be in place. Messages need to be communicated not only inwards, but outwards as well; these all add to the credibility of the employer. Employer's promises need to be in line with human practices and resource systems, which can make the employers more motivated and strengthen their loyalty.<sup>[13]</sup>

#### *Employer brand building, talent magnets in HR strategy*

The first step in achieving business goals is to define a company strategy, which provides a framework for the operation of the HR department. According to Magdolna Csath, "*HR is a functional strategy, and needs to serve the company's' overall strategy. HR needs to -with its own tools - support the improvement of competitiveness.*"<sup>[14]</sup>

In the opinion of higher managements HR's current strengths are training and development, and the importance of improvement.<sup>[15]</sup> They also mentioned evolvement of company culture, effectiveness-evaluating systems as a well working HR activity.

Amongst the leaders asked, the view on HR's effectiveness is thought to be low, only every tenth manager said that career building is a thing at their companies. Obtaining and keeping talents will be HR's biggest challenge of the next 3-5 years. This is followed by the motivation of employees, strengthening their loyalty, and maintaining a system which rewards effectiveness.

[13] Schumann, M. - Sartain, L. (2010): op. cit. 272.

[14] Csath, Magdolna (2010): *Versenyképesség - menedzsment*. Nemzeti Tankönyvkiadó, Budapest. 270.

[15] *A topvezetők dicsérik a HR-t*. <http://www.vg.hu/vallalatok/karrierklub/a-topvezetok-dicserik-a-hr-t-333145#>.

Because of the changes in the job market HR can't be the same as it used to be: HR's role is to acquire and keep the talents. These talents make up the values the management and owners require. To acquire said talents, an employee brand needs to be in place. Besides this, three other groups are essential:

- *HR specialists*, who create policies to support the employer brand, the company culture, improving on talents and corporate initiative
- *HR recruiters*, or generalists, who bring in, build up or borrow talents
- *HR leaders*, who enforce and manage policies and processes

HR strategy's first and foremost issue: building a group out of competent employees, which can make the companies' goals happen. Strategic planning is one of the basics in survival in the world of business. Its vital part is system management: connecting departments, quality and knowledge management, change management, and inserting HR strategies into the strategic leadership systems. A balance needs to be made between business goals and the HR strategy, the business culture and separate human resource systems. Furthermore, employees have to be directed to a clear goal, and they need to be made loyal so these goals can be achieved.

It's a common practice in companies to hire leaders from outside as well as training out the most talented ones. Combining these two methods is surely effective, since people from the outside freshen up the organization, but by keeping the more valuable inside workforce they can not only benefit the company, but improve their own knowledge and skills for themselves as well. Even though a talent management program costs time and money, it's still cheaper to find someone internally for any vacancies, rather than to pay headhunter fees and train the new employee. A talent-training program that works well can withhold fluctuation, and this lowers the costs even more for any organization.

When introducing these talent-training programs, clear and honest communication is the key. Employees need to be informed in several ways (company newspaper, group and personal meetings, intranet) about the goals of this program, what it is all about, what it takes to get in and how many people will be selected.

Roughly 5-10% of the employees are considered to be the real talents. Actually picking these people out is a multi-phased process. First, objective aspects can be used in the choosing process (i.e.: higher education, advanced knowledge of a foreign language, etc.). In the next step, the supervisors and leaders are asked about the workforce, whose efficiency they find extraordinary, or who has specialised knowledge needed for the department in question.

Most companies use slightly different "talent measuring" tests. It's worth bringing a consulting agency on board when it comes to picking this talent. Their opinion is much more objective. Most organizations even pay to establish so-called appraising centres (AC).

These ACs are open, candidates can see each other's performance, and they accept the results more easily.

More often than not the last stage is a structured interview, where bringing in someone from the outside is providential. The HR department can try as they

might, even if the talent management program is well communicated, a perfect introduction is almost never feasible. Informal channels can't be blocked out altogether, and someone, or several others might hold information back.

For the chosen, extra labour awaits. Since their effectiveness can be measured on an objective level, the ones who have not lived up to expectations get expelled from the group.

In conclusion, it can be said that finding and keeping talent can't be done like it has been in the past. Everything changes, even the growing new generation, whose demands need to be met by HR management. This needs to be taken into account in every company when planning and executing HR strategies, and this of course imposes a great challenge for skilled workers and management alike.

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## HUNGARIAN SUMMARY

A HR-el foglalkozó szakemberek számára már régóta ismert tény, hogy a vállalatok/vállalkozások számára hosszú távon megéri, ha erőfeszítéseket tesznek arra, hogy a munkavállalók jól érezzék magukat a munkahelyükön, valamint a cégük vonzó legyen a munkaerőpiacon. A munkaadók nagy problémája a közeljövőben az lehet, hogy nem képesek elég szakembert felvenni a hazai piacaikról a további növekedés fenntartásához és a jövedelmezőség megtartásához. Így a tehetségek felkutatásában és megtartásában az eddigieknél hatékonyabb módszerek használatára kényszerülnek. Különösen érvényes ez a megállapítás az Y és a Z generációkat illetően. Ma Magyarországon kevés cég fordít figyelmet munkáltatói hírnevének mérésére és nyomon követésére. A legismertebb munkáltatók közül csupán minden második szervezet jelenik meg egységesen összeállított és kommunikált toborzási arculattal, és minden ötödik biztosítja folyamatos kommunikációs kampánnyal a vállalat munkáltatói minőségének hangsúlyozását a tömegkommunikációs eszközökben. A tanulmányunkban egyrészt felvázoljuk az Y és a Z generációk munkahely-választásának sajátosságait, másrészt a munkáltatóknak a tehetségek megszerzésének és megtartásának lehetőségeit a HR stratégián keresztül.