SEGMENTATION OF HUMAN RESOURCES IN CONDITIONS OF THE CZECH LABOUR MARKET

Václav Stříteský – Marek Stříteský – Martin John David Quigley

Abstract

The paper deals with consumer attitudes and perceptions of working life on the Czech labour market, and analyses the possibilities for the segmentation of the Czech labour market. The research is based on an analysis of the data supplied by the MML-TGI Median agency. This data source is highly regarded in targeted marketing. In the first part, the research focuses on the satisfaction of Czech people with their jobs, and remuneration, as well as the identification of prevailing attitudes to work and employee loyalty. The next section identifies the segments of the Czech labour market according to the perceived importance of selected aspects of working life. These segments are further characterized. Segmentation can be seen in marketing from different perspectives. In the field of human resources, segmentation is applicable primarily as psychographic and behavioural. Psychographic segmentation focuses on psychological or personality characteristics, attitudes and values of individuals in selected demographic groups. Both concepts are adequately reflected in this study. The research results provide a new perspective on the issues of employee recruitment, motivation and retention, which may be the real basis for the application of HR marketing in its complexity in organizations operating on the Czech labour market.

Key words: motivation, HR segmentation, job satisfaction, working life, Czech labour market

JEL Code: M31, M51, M54

Introduction

The concept of Human Resources segmentation belongs to the less emphasised in managerial practice, as well as to the less scientifically examined, phenomena. Yet it is even more frequently reflected in practice in relation to qualification types in the labour market, where there is a distinct excess of supply over demand. In this sense, it is necessary to mention the interconnection of marketing approaches to the field of human resources when there is a need

to approach the filling of vacant positions, and to stabilize labour forces in another way. This must be characterized by a well-thought marketing strategy, brand creation and control over the complex efficiency of all related processes within the organization (Dvořáková, & Langhamrová, 2013; Chimhanzi, & Morgan, 2006; Wimmers, 2009; Ritson, 2002). In order to achieve such control over the processes, predominantly in the area of human resources management, we must have an explicit idea of the nature of the factors determining labour force behaviour, which comes to the fore while the workers are engaged in the economic activity of the organization. To do this, it is necessary to observe the characteristic actions of the individual employees. This marketing concept issue of work satisfaction and motivation is part of the effort to identify related groups of key factors, and to segment the human capital on the internal and external labour market of the organization. This is done with a view to targeting the individual segments more efficiently, and thus to bring about a positive affect on the efficiency of the firm's HR system. This is to be achieved via the procedures amended in accordance with the characteristics of individual segments of workers (Waite, 2007). Approaches supporting a certain segmentation of employees are not considered a revolutionary idea in the human resource field. They have already been practiced to a large extent in the area of employee learning & development and talent management within the organization (see Bodreau, Ramstad, 2005; Legnerová, & Fučíková, 2014; Nolan, 2013). These methods have also been used in remuneration management (Durham, Charman, 2012). However, all the above-mentioned procedures point towards the internal environment of the organization first and foremost, and so generally towards the company's current workforce. Here, the emphasis is on the efficient management of processes in a single area, as well as on the relevant factors applied specifically for the purpose of the internal segmentation. Certain studies merely approach the issue of segmentation more from the point of view of marketing. These studies approach labour market segmentation with the aim of exploiting the cognate characteristics of recognized segments for purposes of HR Marketing in both its internal and external aspects (Waite, 2007).

The aim of this article is to identify the possibilities for the segmentation of the Czech labour market, to define the known segments and on the basis of the data gained, the article aims to more closely identify and formulate their description and behavioural attributes. The smaller aim is to analyse the declared position of Czech employees [participants in the Czech labour market] and on the basis of this analysis, define the factors influencing the job satisfaction of individual groups of employees. These groups are divided according to

demographic criteria and branches of the economy. These aims are met with the help of statistical analysis of the data gained, then by factoral and overall analysis [for more information, see the research methods].

1 Research Methods

The research is based on the analysis of the research project Market & Media & Lifestyle – TGI. The research was carried out by the Median company. It concerns extensive continuous research which was done using a panel of consumers, consisting of about 15,000 randomly chosen respondents in the 12-79 age group. The stratified random choice method was used. The data collection method is a combination of personal and written questions. The research followed consumption behaviour [over 300 types of products and services, and more than 3,000 individual brands], media behaviour [over 400 types of media] and lifestyle respondents.

This used highly acceptable sources of information in the area of targeted marketing, advertising and media planning. For the purposes of this research, the research project workers were supplied with data for 2012. The data were analysed with the aid of the programme Data Analyser [version 4.70d].

Because the research was aimed at the positions and perceptions of working life and employment, the analysis was limited only to the working population. Specifically, it was aimed at those respondents who are either employees or self employed business people. Overall, it concerns a group of 8,686 respondents, representing 4.69 million inhabitants of the CR. The data are, basically, presented with the help of column percentage points. In some cases, the index affinity is used for the orientation evaluation of the connection between two changeable states [values lower than 100 mean below average appearance of phenomena; values greater than 100 mean above average appearance of phenomena in the given category as opposed to the overall group]. The statistical significance of the differences was proven for selected changes with the help of the equilibrium of medium values test. Specifically it concerns tests for independent selections. The medium values here represented the relative plenitude of the phenomena examined in the defined population [target group]. The homogeneity binomical division test was used.

For identifying the main aspects of the attractiveness of employment, factoral analysis was used. This method has as its main component the setting 'rotation factor method Varimax. The number of factors was set according to their own number [the so called Kaiser

rule]. The resulting factors further entered, as variables, the overall analysis, which helped to reveal the framework segments of the working population of the CR, according to the perceived importance of the chosen characteristics of the employment and work.

2 Important Aspects of Work and Employment

Into the research was included a lot of statements for finding out the perceptions of the meanings of the most varied aspects of work. In total it concerned 14 statements. Figure 1 clearly shows the examined aspects of work according to their perceived importance.

Fig. 1: Perceived Importance of Selected Aspects of Work/Employment [It is Important for me…, in %]
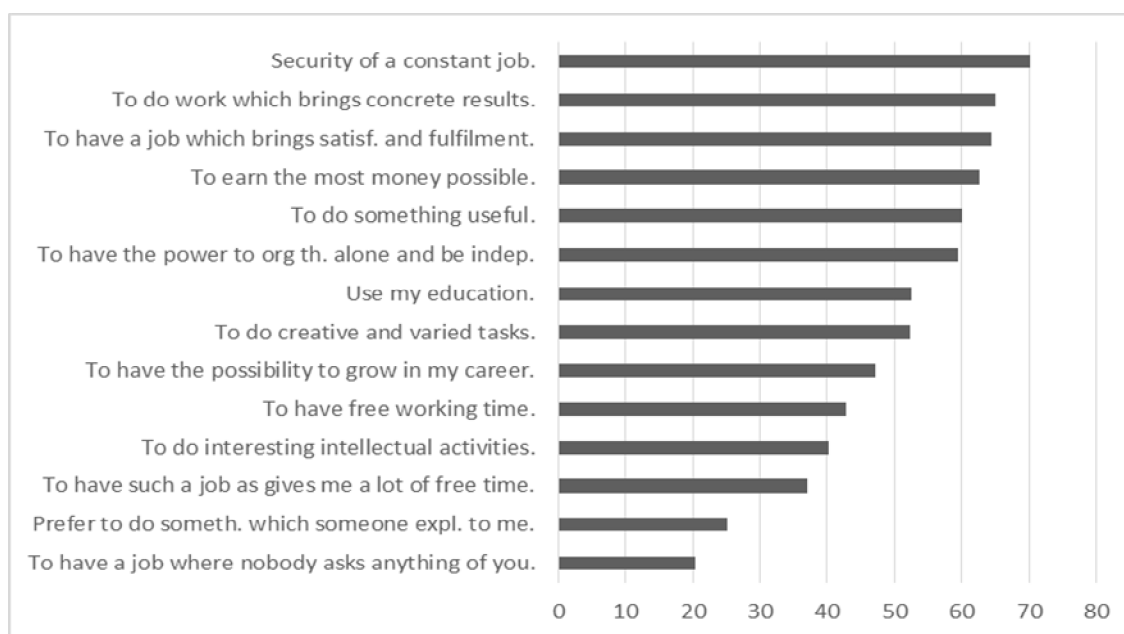
Source: Taken from the data of MML – TGI, 2012, N = 8 686

For Czechs the most important aspect is certainty of employment [70.1%], then work which brings concrete results [65.0%], and work which brings satisfaction and feelings of life's fulfilment [64.5%]. On the contrary, the least important thing is to have work where not much is expected from people [20.4%]; doing activities which has either explained to them or assigned to them [25.2%] and to have work where one has a lot of free time [37.0%].

Men and women differ in their perceptions of what is important. For men, the following are the most important:

1. certainty of a constant job (68,3 %),

2.   to do work which brings concrete results (65,0 %),

3.   to earn the most money possible (64,6 %),

4.   to have work which brings me satisfaction and the feeling of life fulfilment (62,5 %),

5.   the power to organise things alone and to be independent (61,3 %).

Women's declared ranking of importance of the aspects of working life are in a different order. Here are the top five :

1.   security of a constant job (72,7 %),

2.   to have a job which brings me satisfaction and the feeling of life fulfilment (67,2 %),

3.   to have a job which brings concrete results (64,9 %),

4.   to do a job which is useful (62,9 %),

5.   to earn the most money possible (59,9 %).

The abovementioned comparison comes from the agreeing answers of men and women. If we are talking about the greatest differences in perceived importance of employment aspects, a good number on the index affinity can serve to show the typical male and typical female attitudes, which are always the least found among the second gender.

In the case of men, they score highest on the affinity index where it is important to have a job where nobody wants much from you [affinity index 105.8]; to earn the most money possible [affinity index 103.1%] and having the power to organise things alone and to be independent [affinity index 103.0]. On the fringes it is still necessary to put promotion and career building [affinity index 101.6]. We can find with women more decided needs at work with higher values on the affinity indices. Unlike men, for women is is much more important to do rather a job which someone has explained to them, or assigned to them [affinity index 112.2]; to have such work as gives them a lot of free time affinity index 108.0]; to do interesting intellectual work [affinity index 107.1]; to do useful and socially contributing work [affinity index 104.9] and to have a job which brings satisfaction and the feeling of life fulfilment [affinity index 104.2]. Again, unlike for the men, for women it is also more important to have the security of a constant job [affinity index 103.6]; to use their education [affinity index 101.3] and to have free working time [affinity index 101.1]

For the identification of common groups of perceived aspects of work, further factoral analysis was carried out, which helped us to narrow the number of 14 examined variables down to 4 common factors. Table 4 illustrates the rotated factor nuts (Varimax method).

Tab. 1: Rotated Factoral Nuts

	Factor 1	Factor 2	Factor 3	Factor 4
To do interesting intellectual activities	0,822	-0,128		
To do creative and varied tasks	0,753		0,103	
To have the possibility to grow in one's career	0,585	0,196		0,220
To use one's education	0,542	0,307		-0,131
To have the power to organise things oneself and to be independent	0,452	0,340		-0,159
To earn the most money		0,711		0,112
Security of a constant job		0,675		0,161
It is important to do work which brings concrete results	0,290	0,617		-0,193
To do useful and contributory work	0,370	0,612		-0,172
To have a job which brings me satisfaction and the feeling of life's fulfilment	0,283	0,548	0,309	-0,227
To have such a job which gives me a lot of free time			0,847	0,155
To have free working time	0,191		0,779	
Rather to do something which someone explained to me or assigned to me				0,805
To have a job in which nobody asks too much of me		-0,113	0,287	0,727

Source: Authors, MML – TGI, 2012, N = 8 686 (remark: factoral burden less than 0.1 are hidden)

On the basis of the rotated factoral nuts [see Table 1], we offer the following interpretation of the factors gained:

Factor 1 – Self-realisation (aspects of work which help people with self-realisation).

Factor 2 – Utility (aspects of work which bring people something, whether money or results, or the feelings of certainty, satisfaction and life's fulfilment).

Factor 3 – Free time (aspects of employment concerning flexible working time and sufficient free time).

Factor 4 – Non-demanding nature of the job (aspects of employment which are connected with low, or no, demands on the worker, and passivity).

The resulting factors, therefore, include the main areas of employment characteristics, which Czechs perceive as important. This begs the question of which profile of the workers is typical for the Czech Republic; whether we can, on the basis of these variables, segment the Czech labour market. The framework answer to this question is provided by the results of the analysis which was carried out. The rising variables were the above mentioned factors. With the help of the analysis, we could reveal 4 segments of workers. According to the discovered profiles, the following titles for the segments were chosen:

1.   Money and security.

2.   The motivated.

3.   The dreamers.

4.   The burnt out.

Figure 2 shows a percentual rise in the individual segments of the Czech working population. The segments here on display are fairly even with the greatest rise seen in the segments „the motivated" and „money and security".

Fig. 2: Representing the revealed segments in the Czech working population
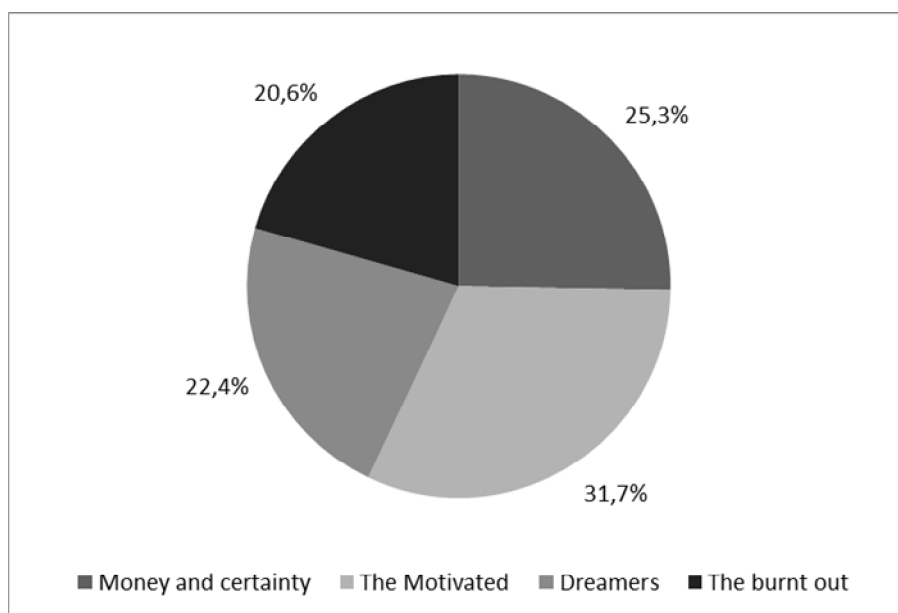
Source: Authors, MML – TGI, 2012, N = 8 686

From the point of view of perceived importance of selected aspects of work and employment, these segments fairly unambiguously profile themselves. There now follows a brief characteristic of the revealed segments.

The segment „money and security" is made up of roughly a quarter of workers. Unlike the others they are more convinced that it is most important to earn as much money as possible [affinity index 136.6] and to have the security of a constant job [affinity index 124]. On the contrary, they are not interested at all in the chance to do creative and varied activities [affinity index 279.4], or contributory and useful activities [147.0]. They are not interested in

career and promotion [affinity index 203.6]. They approach employment purely as a means to live, without greater ambitions for self-realisation. For them it is not important to use their education at work [affinity index 207.0]. This is accounted for by the fact that they are usually people with a low level of education.

The segment „Motivated" is rising relatively high [31.7%]. These people have high expectations from their employment. More than money, they are interested in the character of the work itself, which should enable them to self-realisation.To a greater degree they are anxious to do interesting intellectual work [affinity index 159.3]; to be independent at work [affinity index 145.4]; to do creative and varied work [affinity index 153.9] and also to do useful contributory work [affinity index 147.0]. They want to use their education at work [affinity index 149.8]. They do not want to do work which was assigned to them or which someone explained to them [affinity index 195.1]. They have a negative attitude to work where nobody wants much from them [affinity index 191.5]. The segment has a lot of university educated people.

The segment called „Dreamers" consists of 22.4% of the workforce. Dreamers have fairly high expectations concerning the utility and principles involved in the employment but not terribly enthusiastic workers themselves. For the dreamer, the ideal job is one where nobody expects too much from him/her [affinity index 250.1]; work that someone has explained or assigned to him/her [affinity index 265.0] and where they will have a lot of free time [affinity index 168.0]. On the other hand they long for a career and promotion [affinity index 171.9]; interesting intellectual activities [affinity index 159.4]; to use their education at work [affinity index 134.5] and to receive maximum earnings [affinity index 134.0]. It comes as no surprise that they are mostly young people just before the start of their career. They have mostly a secondary education.

The segment called „burnt out" are the least common group in the working population. It consists of a fifth of workers. The segment is marked out by the fact that many factors are not decisive for them and so they do not have a single attitude towards the factors. Rather, they take them neutrally. A typical characteristic of this group is that they do not see the importance of a secure job (affinity index 319,5). At work they do not feel that it is at all important to do a job which brings satisfaction and the feeling of life fulfilment [affinity index 346.9], or to do useful contributory things [294.4].Essentially, they do not want work that

brings concrete results [affinity index 276.8]. These people never had any great expectations from their work. This segment is made up primarily of secondary school educated people, often without a school leaving certificate.

Conclusion

The results of the research, which was carried out with the aim of examining the Czech attitude to work and employment, show that for Czechs, work is very important. A large part of the research was devoted to identifying the great motivators; those aspects which Czechs consider to be the most important part of their employment. Generally it concerns constant jobs, in particular, after that it is work which brings concrete results but also satisfaction and feelings of life fulfilment. Among the most important aspects belong even the possibility to earn the most money possible. On the basis of the factoral analysis, we idendified four main motivators of employees on the Czech labour market. These are: opportunity for self-realisation, utility, free time and ease of the work.

The resulting main motivators were further used as segmentation variables of the Czech working population. With the aid of the inclusive analysis, there were revealed four segments of the working population which differ from each other in their attitudes to work and employment. The profiles we discovered of the segments provide a useful view of the Czech working population, which will be the subject of further research. The approaches taken in the research are useful for the area of human resources, and also for marketing, namely for the current linking of these two disciplines to form 'Human Resource Marketing'.

References

Beck, W.,(2014). Employers' views of learning and training for an ageing workforce. MANAGEMENT LEARNING, 45 (2), 200 – 215. DOI: 10.1177/1350507612468421.

Boudreau, JW., & Ramstad, PM. (2005). Talentship, Talent Segmentation, and Sustainability: A New HR Decision Science Paradigm for a New Strategy Definition. HUMAN RESOURCE MANAGEMENT, 44 (2), 129-136. DOI: 10.1002/hrm.20054.

Durham, G., & Charman, C. (2012). All Together Now? Strategic Segmentation in Talent and Reward. STRATEGIC HR REVIEW, 11 (4), 211-216. ISSN 1475-4398.

Dvořáková, Z., & Langhamrová, J. (2013). POPULATION AGEING AND ITS HUMAN RESOURCE MANAGEMENT CONSEQUENCES. In 7TH INTERNATIONAL DAYS OF STATISTICS AND ECONOMICS. Slaný: Melandrium.

Chimhanzi, J., & Morgan, R. (2006). Explanations from the marketing/human resources dyad for marketing strategy implementation effectiveness in service firms. JOURNAL OF BUSINESS RESEARCH, 58(6), 787-796. doi:10.1016/j.jbusres.2003.11.003

Legnerová, K., & Fučíková, J. (2014). MANAGEMENT DIVERZITY. In 8TH INTERNATIONAL DAYS OF STATISTICS AND ECONOMICS. Slaný: Melandrium.

Nolan, S. (2013). Talent Management. STRATEGIC HR REVIEW, 12 (4). 175-176. ISSN 1475-4398.

Ritson, M. (2002). MARKETING AND HR COLLABORATE TO HARNESS EMPLOYER BRAND POWER. London: Haymarket Business Publications Ltd.

Waite, A. (2007). HR's Role in Audience Segmentation. STRATEGIC HR REVIEW, 6 (2). 16-19. ISSN 1475-4398.

Wimmers, J. (2009). HR MARKETING FROM JOB ADVERTISING TO EMPLOYER BRANDING: SCHOLARLY RESEARCH PAPER. München: GRIN Verlag. ISBN 978-3-640-44934-7.

Contact

Václav Stříteský

University of Economics, Prague

W. Churchill Sq. 4, Prague

vaclav.stritesky@vse.cz

Marek Stříteský

University of Economics, Prague

W. Churchill Sq. 4, Prague

marek.stritesky@vse.cz

Martin John David Quigley

University of Economics, Prague

W. Churchill Sq. 4, Prague

martin.quigley@vse.cz