

# Organizational Theories Within the Context of Human Resource Marketing

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## Abstract

Human Resource Marketing with all its sub-processes, sub-fields and research areas is subject to constant development and change. External circumstances like unemployment, lack of qualified and trained employees etc. force organizations to constantly rethink their approach to human Resource Marketing processes like e.g. recruiting. Organizational theories may hereby support the understanding of these complex and sometimes abstract procedures as they give guidance how to cope with this issue. The paper displays recent approaches to connect Human Resource Marketing and Organizational Theories in a way that can be used in different contexts. Hereby organizational Theories are one possibility to explain the need of change for Human Resource Marketing and its processes. The discussions about the different models of change and the variety of views of management and organization fortify - at the end of the paper - the difficult task to decide for only one model. It must be clear that Human Resource Marketing should be treated as a multidimensional concept. Nevertheless, Organizational Theories can be recommended as one approach to measure a company's organizational performance. Human Resource Marketing's integration into Organization Theory is not an easy to fulfill task and leaves way to further considerations in the area of Human Resource Management and its Marketing approach.

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**Keywords:** Human Resource Management, Human Resource Marketing, Organizational Theory, Recruiting

## Introduction

Human Resource Marketing as a sub-field of Human Resource Management is gaining more and more importance, especially in Germany, as the German labor market is one of the few labor markets in the Euro Zone which is still growing. Despite recession and bad economic development in the European Union it is solid – if not even progressive - and this development is expected to continue for the next years.

The ongoing downward trend of the German unemployment rate is an excellent indicator for this development. However, the low unemployment entails unexpected risks: There are not enough (highly) qualified professionals available on the German labor market to fill the demand of the employers. Especially the acquisition of graduates from universities (of applied science) is a difficult task for Human Resource managers and therefore improved strategies to win these rare assets are needed to abide the workforce of the companies (Pfeil, 2016).

These improved strategies require significant change in the organizations as well as a shifted view on the managerial and organizational approach to Human Resource Marketing and its recruiting processes.

### **Human Resource Marketing, organizational view and change**

Different theories of organizational views, change models and classification of change theories have a relevant linkage to Human Resource Management and therefore also to Human Resource Marketing and recruiting. Human Resource Marketing – as a subpart of Human Resource Management – does not exist just as an end in itself. The origin of the new debate about new Human Resource Marketing strategies is justified by the changing environment, which makes a new way of thinking – in the context of marketing and its impact on recruiting - necessary. Besides also the responsible Human Resource managers have understood that a new approach to the labor market is necessary to win the rare asset of (highly) qualified employees (Mokiy, 2019).

### **Human Resource Marketing**

The term „Human Resource Marketing“ was brought into the economical discussion by Schubert (1962) in 1962. Publications regarding this topic flourished but then decreased dramatically in the middle of the 70's. Since the end of the 80's the discussion intensified again (Bleis, 1992). Strutz (1992) stated that the strategic importance of Human Resource Marketing is– in the light of the increasing demand of employees on the labor market – beyond controversy.

Thereby the development of Human Resource Marketing must be seen in context of the generic sales marketing (Novotny, 2016). In Germany, the idea of Human Resource Marketing has its roots at the beginning of the 1970's, as - due to the beginning lack of employees on the labor market - a transmission of the generic sales marketing and its concepts and instruments into the human resource area took place (Rastetter, 1996).

Basic idea of this expansion of the marketing idea is that not only within the classical marketing range (the distribution of products and services by economical enterprises) tradeoffs exist - for which appropriate

methods should be used. In that line of thought Hempelmann (1995) stated that Marketing can be reasonable and essential with regard to other transaction initiators (e.g. Nonprofit enterprises), objects (e.g. opinions) and transaction partners (e.g. coworkers).

Such an expansion is Human Resource marketing: Objects are jobs, transaction partners are existing employees (resp. employers) and future employees. An exchange of work offer and work demand is caused by analog marketing strategies and instruments (Blickle, 2018). According to Simon (1995) this definition in the area of Human Resource Management includes the entire human resource strategy and defines Human Resource Marketing as a comprehensive thinking and action plan.

The concept of Human Resource Marketing was criticized for different reasons. Nevertheless, it was established as independent and important field in research and practice (Strutz, 1992).

### **Organizational view and change**

As stated Human Resource Marketing is gaining more and more importance in companies and thus demands a high compatibility to change within these organizations. Therefore, the paper outlines possibilities to define change in organizations and links these theories to the demands of Human Resource Marketing. Besides the organizational view on Human Resource Marketing is briefly touched to explain the different driving factors for the required change.

One of the main questions arising by talking about the need for improved Human Resource Marketing strategies is if “organizational life is determined by intractable environmental constraints, or if it is actively created through strategic managerial choices” (Van de Ven & Astley, 1983). This leads to the debate if Human Resource Management strategies – and therefore of course also the subpart of Human Resource Marketing and its recruiting strategies – is determined by a voluntaristic orientation within which social constructions define the environment. Another approach could be that it is determined by a deterministic orientation which focuses not on individuals, but on the structural properties of the context. Hereby, individual behavior is seen as determined by structural constraints (Van de Ven & Astley, 1983). Van de Ven and Astley (1983) describe a possible linkage between the voluntaristic and deterministic approach to organization analysis as by all means possible.

For Human Resource Marketing this means that on the one hand conditions should be accepted as pre-determined: The development on the German labor market is still progressive and growing. In times when unemployment rates in other EU countries are stuck around 8 – 9 percent or even higher and the German GDP plummeted, joblessness only rose

minimalistically before resuming once again a downward trend. In February 2019, the standardized unemployment rate in Germany was at about 3.1 percent, the lowest since the post-reunification boom of 20 years ago. Meaning that Germany is suffering from an increasing lack of (highly) qualified employees on the labor market (Statista, 2019).

On the other hand Human Resource managers and employees in a company create the organizational environment themselves, which is - according to Van de Ven and Astley (1983) - a very voluntaristic approach to the Human Resource Marketing process: Once, the workplace was characterized by long-term, mutually loyal, employer - employee relationship. It contained age-diverse workers and produced work through command and control management. That labor force is now rapidly changing and moving towards a 21st century workplace (Johns, 2003). There, everything is different from the old approach: the workers no longer expect long-term rewards, but instead negotiate each new job. They are seeking the best overall working environment - including opportunities for training and especially a concerted work-life balance (Tulgan, 2004).

Therefore, a clear classification concerning the organization and management of Human Resource Marketing as given by Van de Ven and Astley (1983) cannot be made. On the one hand the environment forces the organizations to change into a more active role in addressing employees (Havemann, 2019). On the other hand managers themselves have understood that “competition and competitive strategy have been dominated by what goes on inside companies” (Porter, 1998) and therefore see the clear need of a changed approach to potential personnel.

The debate if change in the context of Human Resource Management and Marketing are more deterministically or voluntaristically molded seems to be an ongoing process.

Nevertheless, models of organization change apply also for the change in the perception of Human Resource Marketing. Van de Ven and Poole (1995) give a thorough basis for explaining development and change in organizations by introducing four basic theories that may serve as building blocks for explaining processes of change in organizations: lifecycle, teleology, dialectic and evolution..

For Human Resource Marketing the theory suiting best in the area of organizational change is the evolutionary approach. The aim of Human Resource Marketing is to achieve a competitive advantage compared to other companies in the same environmental context: Meaning to acquire employees in a more efficient and successful way than competitors. Porter defines a company as successful if it possesses competitive advantage relative to the best competitors. (Dong-Sung & Hwy-Chang, 2002).

According to Van de Ven and Poole a process of variation, selection and retention leads to the required change. For Human Resource Marketing the best performance is reached if the Human Resource Management strategies are diversified according to the environmental requirements, after that adapted to the company's needs, proven or refused by the efficiency of reaching the strategy's aim and finally rewarded by improved recruiting strategies compared to the company's competitors. Thereby Pfeffer (1982) noted that variations stimulated the selection of new organizational forms, but retention maintained previous forms and practices.

Human Resource Marketing and its subfield of recruiting are a conglomerate of constant processes, triggered by the competition for the scarce human resources on the German labor market to ensure the competitive survival of the company. Van den Ven and Poole (1995) state that macropopulation characteristics set the parameters for microlevel variation, selection and retention mechanisms. However, as stated before, also voluntaristic views can be in the focus of this process. Internal forces (e.g. the need for specially qualified and trained employees as a result of a new technical development) and personal views (e.g. new Human Resource Management approaches that give employees a higher matter of consequences in the value-added chain of a company) are receiving a growing importance.

### **Recommendations and conclusion**

The (rare) asset of Human Resources is gaining more and more importance in the competitive environment in which companies agitate. Therefore, Human Resource Management is one of the most significant areas in a company which must improve or even totally change its strategies to survive in the challenging economical environment. However, measuring the organizational performance of Human Resource Management and Marketing is still a very complex exercise. As stated in the beginning of this paper a need for an improved human resource marketing strategy is evident, but how can one explain this need of change?

Organizational Theory is one possibility to explain the need of change for Human Resource Marketing and its recruiting processes. However, as stated in the paper, organizational theories can be only one aspect of approaching the complex issue of Human Resource Marketing. The discussions about the different models of change and the variety of views of management and organization fortify the difficult task to decide for only one model. Considering all these aspects one should be clear that Human Resource Marketing is treated as a multidimensional concept and its integration into Organization Theory is not as an easy task as it a priori might have seem.

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