

Employer Branding from the Perspective of a Growing Family Business

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Abstract The problems of human resource management of SMEs are examined in this study. Imbalances between labour supply and demand are making it increasingly difficult for companies to find suitable labour. While large companies have already recognised this problem and invested considerable effort in developing their recruitment and employer branding strategies, undercapitalised family businesses with poorly developed corporate structures but growing size are facing serious difficulties in retaining employees and recruiting new staff. In our study, the focus is on family businesses and the impact of the labour market situation on these businesses is examined. Based on the literature reviewed, on the one hand, an in-depth interview with the owners was conducted with the aim of identifying the critical factors affecting the competitiveness and sustainability of the business. On the other hand, based on an analysis of the results of a structured interview of the company's employees, we propose solutions to the problem and identify key efficiency indicators that can be used to monitor the success of the measures. The aim of the study is to assess the perception of the employer brand (Mosley, 2014) and to propose solutions for family business managers to improve the employer brand of the business.

Keywords Family business, employer branding; SMEs; human resource management;

1 Introduction

Family businesses play an important role in the economy (Vágány et al., 2016). In terms of size, most of them can be classified as SMEs and thus their contribution to GDP and their role in employment are significant (Wieszt - Drótos, 2018). The internal factors of economic competitiveness and competitiveness based on resources and capabilities undoubtedly have a significant impact on the success of a company (Barney, 1991).

Domestic firms are facing increasing problems in attracting and retaining the right quantity and quality of labour. Large companies have already recognised this problem and have tried to respond to it in a timely manner. Companies that are consciously planning for the future and have the right strategy are investing considerable energy in developing their recruitment and employer branding strategies. However, family businesses, which are undercapitalised and have poorly developed corporate structures but are growing in size, face serious difficulties in retaining employees and recruiting new staff.

In our study we focus on family businesses and examine the impact of the labour market situation on these businesses.

2 Literature Review

By reviewing the literature, the concept and purpose of employer branding, the specific characteristics of family businesses, and possible means of influencing employer branding are presented.

2.1 Concept and objectives of the employer

Employer branding is the activity of companies that can largely determine the public perception of the organisation among its employees and external stakeholders. By building a successful employer brand, the employer can experience, among other things, improved performance and reduced turnover (Dajnoki - Héder-Rima, 2020). (Dajnoki - Héder-Rima, 2020) The concept of employer branding was first formulated by Ambler and Barrow (1996), who defined employer branding as a tool that can help when a company is suffering from a shortage of staff. (Ambler - Barrow, 1996) Barrow and Mosley (2005) formulate the relationship between the concept of employer brand and brand as follows: 'Employer brands are also based on functional benefits and performance promises. For example, pay for work provided, a safe working environment, the provision of tools for roles and responsibilities. These elements can be taken for granted, but they can also be an important part of the employer brand' (Barrow-Mosley, 2005 p. 58.)

According to Orsody and László (2003), the employer brand can be compared to a product for which the company tries to find the best buyer (in this case the ideal employee). This idea also illustrates the changes in employee behaviour and attitudes and the impact of labour shortages on labour market trends and processes. The concept of personnel marketing has evolved from a market-oriented conception (Bálint, 2014). In definition of Uglyai, personnel marketing is "a combination of measures that encourage employees of a company to stay with the company and to perform at a high level through motivation, and also encourages external applicants from clearly defined target groups to seek jobs offered by the company and gives

them a preference over competing companies" (Uglyai, 2005, p. 27) The definition succinctly summarises the main benefits and objectives of employer brand building. Beamery (2017) in his definition, in addition to what has already been mentioned, draws attention to the importance of differentiation. According to this formulation, employer branding is an endless process whereby a company successfully differentiates itself from its competitors and then, by successfully promoting its defined identity, is able to attract and engage potential employees (Beamery, 2017).

2.2 Specific characteristics of family businesses

The economic importance of family businesses is demonstrated by the fact that family businesses account for around 70-90% of global GDP; in most countries, more than half of the workforce is employed by family businesses. In Europe, the share of family businesses is around 70-80%, but their role in North America is even more important, with a share of between 80-90% (Vágány - Fenyvesi - Kárpátiné, 2016).

Defining the exact number and economic importance of family businesses is problematic because there is no single agreed definition (Vágány - Fenyvesi - Kárpátiné, 2016) Kása, Radácsi and Csákné in their 2019 study draw a wide range of definitions, of which Laczkó's definition perhaps best captures the unique functioning of family businesses. (Kása - Radácsi - Csákné, 2019) In Laczkó's (1997) formulation, "Family businesses are run from the family's savings, using the working experience and expertise of family members, with the decisive contribution of family members in the day-to-day work. Strategic decisions are taken by the family. As the decision affects the fate of generations, their vision is generally positive and more optimistic, and their plans cover a longer period than those of non-family businesses." (Laczkó, 1997, p.9.) This definition shows that these businesses often operate on family resources, and therefore their budgets are obviously tight. The definition also highlights the dominant role of family members. In their 2016 study, Vágány, Fenyvesi and Kárpátiné summarise the advantages of running a family business, the most important of which are relevant for this research:

- flexibility;
- adaptability to changes in market conditions;
- openness to new solutions and innovation;
- planning for the long term;
- meeting local needs and playing an important role in local trade (Vágány - Fenyvesi - Kárpátiné, 2016).

2.3 Possible means of influencing the employer brand

The perception of the employer brand can be influenced by the company, but no organisation can completely determine it. A company's employer brand is primarily

determined by what its existing and prospective employees think of it. (Dajnoki - Héder-Rima, 2020) It is therefore worthwhile to assess the perception of the brand before influencing it. (Mosley, 2014) The four basic elements for intervention, depending on the results of the survey, proposed by the authors Dajnoki - Héder are:

- Developing a career page that communicates in detail why it is worthwhile to work for the company.
- By improving the application experience and shortening the process, the drop-out rate among potential applicants can be significantly reduced.
- A presence on social media and continuous communication can raise awareness among prospective employees.
- By sharing positive opinions of the company's employees, they can attract new applicants and potential candidates (Dajnoki - Héder-Rima, 2020)

2.4 Introducing of the business

The company analysed in this study is located in Győr. The main activity of the company is photocopying and other paperwork. The business was founded in 2004 by a young couple.

The main motivation of the founders was to leave the status of employees. One of the founders used to edit a column in the daily newspaper Kisalföld, and his partner worked for a company servicing photocopiers. Both felt that they were more creative than to be satisfied with their positions in companies and the remuneration they received. Both of them were close to the printing industry and had gained a lot of expertise in this field during their years of employment.

Győr experienced rapid development in the early 2000s. The Széchenyi István University of Győr was expanding, and as a result, more and more students were studying in the city. This trend continues to this day. At the time of its foundation, it was not so common for people to have all the tools in their homes to produce and print the documents they needed for their studies or work. In any case, university studies have a high overhead cost, so most university students did not have a printer in their rented accommodation. Smart devices didn't make their lives any easier. Notes could not simply be photographed with their phones and stored in their memories, but had to be either written by hand or photocopied from borrowed notes. The founders recognised and took advantage of the rapid development of the university and the increase in the number of students when they started their business. The needs of the students in Győr were well assessed by the founders, and a company was created to provide a service that was in short supply in the area at the time.

As the business has evolved, it has added many new services. In addition to printing and photocopying, the first business was diploma binding. Meanwhile, the town continued to grow and the university expanded with a large technical wing. More and more construction and industrial expansion started, and design copying and folding quickly became part of the business. The range of potential customers was widened, as from then on they were able to serve not only students but also construction companies.

3 Methods

The primary research method was an in-depth interview and a questionnaire survey.

In the depth interview was conducted with the owners of the business. The aim was to explore the philosophy and communication of the business, the elements of the employer brand communicated to employees and potential employees.

The interview was processed through content analysis, and the information obtained was then organised using McKinsey's 7S model tool. The 7S model, based on the responses, was used to identify the main negative trends experienced by employers.

A questionnaire survey was conducted among employees to assess their current perception of the employer brand. Employees were asked to rate their workplace on a scale of one to ten (1= least agree; 10= strongly agree) according to the questions provided.

The Barrow and Mosley wheel dimension measures individual employees' perceptions of 12 essential elements of their employer brand.

Respondents were asked to rate each of the 12 elements on a scale of one to five, with 5 being the most positive and 1 being the most negative. The items are then arranged in a radius shape, with the scores assigned to the radii. The points of the given values are connected to draw an area inside the circle. A larger area indicates higher employee satisfaction (Kajos - Bálint, 2014). Employee satisfaction and loyalty were measured by calculating the Net Promoter Score (NPS). The method, developed by Fred Reichheld, consists of asking respondents to answer a question on a scale of one to ten about how much they would recommend the company to their friends. Based on the answers given, three groups can be distinguished: supporters (score 9 to 10); indifferent (score 7 to 8) and detractors (score 0 to 6) (Chovan, 2017)

The results were also used to plot the wheel dimension diagrams of each employee. The diagrams can be used to identify the putative causes of employee dissatisfaction.

4 Results

Employee satisfaction results are preceded by a description of the external and internal environment of the company. The results are summarised on the basis of an interview with the founders of the company.

4.1 The external and internal environment of the business

The external macro-environment of the company was analysed using the STEEP analysis, the micro-environment using Porter's five forces model and the internal environment using McKinsey's 7S model. In this paper, only the SWOT analysis summarising the results of all three analyses is presented (Figure 1).

Strengths: - family atmosphere - wide range of products - competitive prices - proximity to the university - punctuality, reliability	Weaknesses: - low capacity - high turnover of staff - procurement difficulties - long-term return on investment - lack of a corporate governance system
Opportunities: - EU tenders offer the opportunity to upgrade their machinery at a more favourable price - the proximity of the university and the exemption from income tax for under-25s make it possible to employ students on favourable terms	Threats: - Competitors entering the market - digitalisation - rising prices due to inflation and strong bargaining power of suppliers - environmental trends - labour market trends

Figure 1
SWOT analysis of the enterprise
Source: Based on primary research own editing

4.2 Results of employee satisfaction survey

Results of employee satisfaction survey

To measure employee satisfaction, a full questionnaire survey was conducted among the company's employees. A total of 6 subordinates employed by the company were interviewed. In order to evaluate the overall picture and to formulate

recommendations, a chart was prepared from the average of the responses using Barrow and Mosley's wheel dimension.

Using the average chart (Figure 2), it can be concluded that employees are mainly dissatisfied with the internal communication of the company. In addition, the area of the reward system and the quality of the working environment were identified as critical areas for improvement.



Figure 2
Employee satisfaction (average of responses)
Source: Based on primary research own editing

Performance management and opportunities for development scored medium, so improving these factors could also increase overall satisfaction levels.

The calculation of the NPS (real customer support system) indicator could also be a suitable tool to measure employee loyalty and satisfaction. The overall NPS indicator of the company is illustrated in the Figure 3.

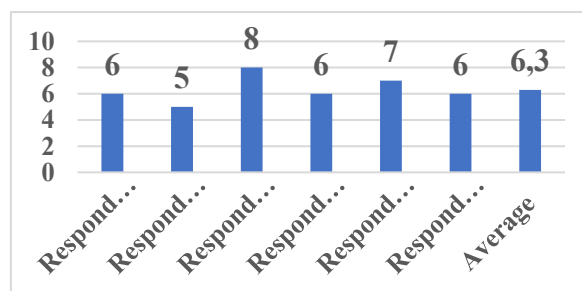


Figure 3
Employee satisfaction (average of responses)
Source: Based on primary research own editing

The NPS indicator has taken a value of 6.3, which shows that the majority of reviewers are in the company. Two employees belong to the indifferent category,

while unfortunately none belong to the satisfied group. However, it is reassuring that no employee is extremely dissatisfied.

The questionnaire survey also showed that the owners perceived the benefits of working for them well. Flexible working hours, a family-friendly attitude and employee benefits were highlighted by employees as positive aspects of working for the company.

5 Discussion

The results of the research show that employees of the company currently have a critical attitude towards their employer. The main causes of employee dissatisfaction are the quality of communication within the company, the inadequacy of the reward system and the inadequacy of the working environment. These are the first areas where owners are advised to take corrective action. Various ad hoc services are available to improve internal communication (e.g. involvement of a communication specialist in processes, participation in team-building training), which can help to remedy the problems. Monitoring of competitors and market research are recommended to improve the reward system. If the same or slightly higher rewards than competitors are available in the company, overall satisfaction may increase. Improving the working environment is perhaps the easiest and quickest measure to implement. It is important for owners to find out about the needs of their employees before doing so, and then to adapt the business premises accordingly. By improving these three factors, satisfaction in other areas is likely to reduce turnover and increase employee referrals.

Conclusions

The research examined the impact of the labour market situation on the competitiveness of an expanding family business. After a brief overview of the concept of employer brand and the tools to influence it, the current situation of the employer brand of the enterprise was examined. An in-depth interview with the owners was used to analyse the 7 S model of the enterprise and to identify the main negative trends experienced by employers. A questionnaire survey of employees the NPS indicator of the company was calculated and the Barrow-Mosley wheel diagram was drawn based on the wheel dimension diagrams of each employee. The diagram was used to identify the likely causes of employee dissatisfaction and to suggest ways to improve them. The survey of employees in this research can be

used as a starting point and as a model for measuring the success of improvement measures.

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