

## **APPROACH OF THE LABOUR MARKET FROM THE HUMAN RESOURCES MARKETING PERSPECTIVE**

*Assistant Rodica Slutu (Bogdan), PhD student  
The Academy of Economic Studies of Moldova*

**Abstract:** Presently, marketing of human resources in the labour market has a special role to play. Employment is a primary task of economic policy that provides social and political stability. Over the past few years, employment, especially that of young people, remains one of the main problems that persist in the Republic of Moldova, emphasizing the process of transition to the market economy. Thus, in this article, we intend to analyse the occupational indicators of the labour market in the Republic of Moldova and to highlight the role of marketing human resources, which is a perspective for economic agencies to attract the best talents.

**Keywords:** marketing of human resource, labour demand, labour supply, labour migration, unemployment, employer's image.

**JEL Classification:** J01, J20.

**Introduction.** Acceleration of events leads to qualitative changes in society, politics, economy, and other areas of human life. The labour market is also subject to changes under the influence of globalization and free movement of people. In the case of a market economy, when the state is no longer a monopolist in the use of human resources, economic relations between employers and jobseekers have been intensified. Under the conditions of stimulating entrepreneurial activity and increasing competition, some less profitable businesses fail, leading to excess labour force on the market. In these circumstances, it is necessary to study the elements of the market mechanism as labour demand and supply and the factors that influence them. At present, the theoretical aspect of human resources marketing in the Republic of Moldova only begins to emerge. In practice, some methods of human resources marketing are already being applied. This is confirmed by the analysis of employment by the employment agencies, the analysis of labour migration and its consequences on the labour market.

**The purpose of the research** is to investigate the labour market issue through marketing in order to streamline the process of attracting qualified staff.

### **The degree of investigation of the topic**

Conceptual approaches to human resources marketing on the labour market have been attested since the 1970s, when Western companies used marketing methods in human resource management. In a broader sense, human resources marketing are a philosophy and strategy of the company's management. In this context, we

will present the human resources marketing approaches in relation to application on the labour market, selected from empirical studies:

Among the researchers concerned with the study of human resources marketing tools we quote: Wright P.M., McMahan G.C., Storey J., Schuler R.S., Schein E.H., Panczuk S., Point S., Birca A., being concerned about the problem of identifying and applying the marketing elements of human resources on the labour market.

Researchers Wright P. and McMahan G. point out those human resources marketing consists in having full labour market information to meet the most efficient staffing needs and to achieve the objectives proposed by the enterprise (Wright, McMahan, 2000).

According to the researcher Storey J., marketing of human resources is a complex function of the management with the personnel of the enterprise service, including the following aspects: thorough research of the labour market, labour force supply and demand, employer requirements, planning and forecasting of the required professions on the labour market, organizing events to meet labour demand, identifying rare professions on the labour market, researching the needs of human resources for vocational training, enhancing employee skills, communication with employment agencies, vocational education and higher training institutions, the establishment of its own image of the enterprise on the market (Storey, 1998).

Schuler R. highlights aspects of research on labour force supply and demand, planning and forecasting, human resource research for training and increasing employee qualification, communication of the enterprise with the external environment (employment agencies, educational institutions, etc.), company's image formation on the market (Schuler, 1992).

Researchers Panczuk S. and Point S. are of the opinion that the starting point of human resources marketing is the management of the remuneration of work at the enterprise, shaping the mix of staff. They argue that the general marketing is the foundation of human resources marketing, which involves market research, segmentation, and positioning and strategy development (Panczuk, Point, 2008).

In his researches, professor Birca A. attributes to human resources marketing the role of human resource management tool in the company's personnel management emphasizes the role of the employer brand in attracting the most qualitative human resources on the labour market (Bîrcă, 2012).

Analysing the approaches of human resources marketing by different authors, we can mention that all statements are interrelated. In all definitions, the aspect of marketing is presented in order to research human resources both within the enterprise and on the labour market.

### **Investigation results and analysis**

The complexity and importance of addressing the issue of the need for a closer selection of staff in the various areas with the most attractive working conditions implies that at this point it is necessary to focus on staffing requirements, namely qualitative characteristics of the workforce. Excessive supply is logical to the demand for jobs in these branches. Thus, there is a direct relationship between employment conditions and staff requirements. As a result of the research, the author believes that marketing of human resources can be viewed both at macroeconomic and microeconomic level. The interest in the new concept of human resources marketing is becoming more and bigger, because it is an activity oriented towards the determination and satisfaction of the need for personnel at a macro- and microeconomic level. Lately, the market entrepreneur

approach is spreading, where work, working conditions, and jobs are seen as marketing products. At the microeconomic level, marketing of human resources can be defined as a function of the human resources department. This function is geared to identifying and covering the human resources needs within the enterprise (Peretti, 1999).

In order to achieve the stated objectives, it is necessary to:

- ✓ Research the structure of the labour market;
- ✓ Analyse the market situation and the modalities of employment;
- ✓ Segmentation of the labour market;
- ✓ Positioning of employment conditions at microeconomic level;
- ✓ Elaboration of the marketing complex;
- ✓ Making adjustment measures while making the established decisions.

The concept of human resources marketing at a macroeconomic level is based on market thinking, which is different from the traditional, classical concepts of staff management.

In this respect, Ph. Liger mentions that human resources marketing allow managers to better understand the following:

- ✓ the labour market and vocational training;
- ✓ laws, regulations, the evolution of society;
- ✓ direct or indirect competitors;
- ✓ customers, their needs and expectations (Liger, 2007).

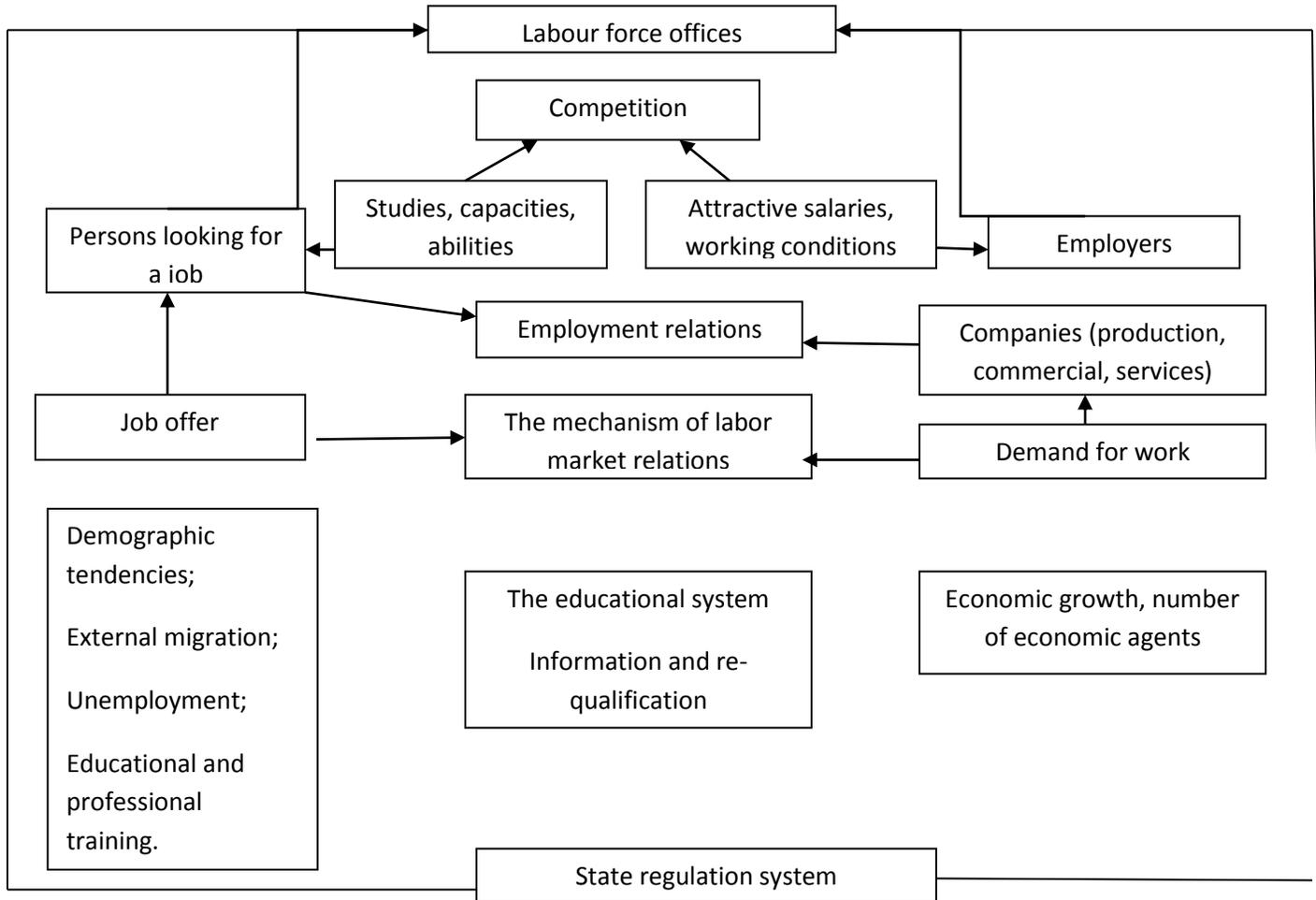
We consider that the marketing of human resources is an indispensable activity on the labour market, oriented towards obtaining information from the labour market in order to meet the labour needs of the subjects of labour relations.

According to the specialized literature, the role of marketing on the labour market is manifested in the following moments:

- ✓ studying the market situation;
- ✓ information on the number of staff and the structure of professions and specialists;
- ✓ regulating the training and distribution processes of staff;
- ✓ increasing the requirements for professional competence;
- ✓ action on people's visions and lifestyle (Peretti, 1999).

According to figure 1, the labour market reflects the mutual links between the demographic realities that determine labour supply and those of the economic and social development that generate the demand for labour.

Figure 1. The relational structures of the labour market



Source: Developed by the author.

Regional demand for employment represents the need for employees in different professions in a certain space and time. Demand for labour force represents the labour market requirements expressed by economic agents. In our opinion, labour demand depends on the economic growth of the region and the number of economic agents on the market.

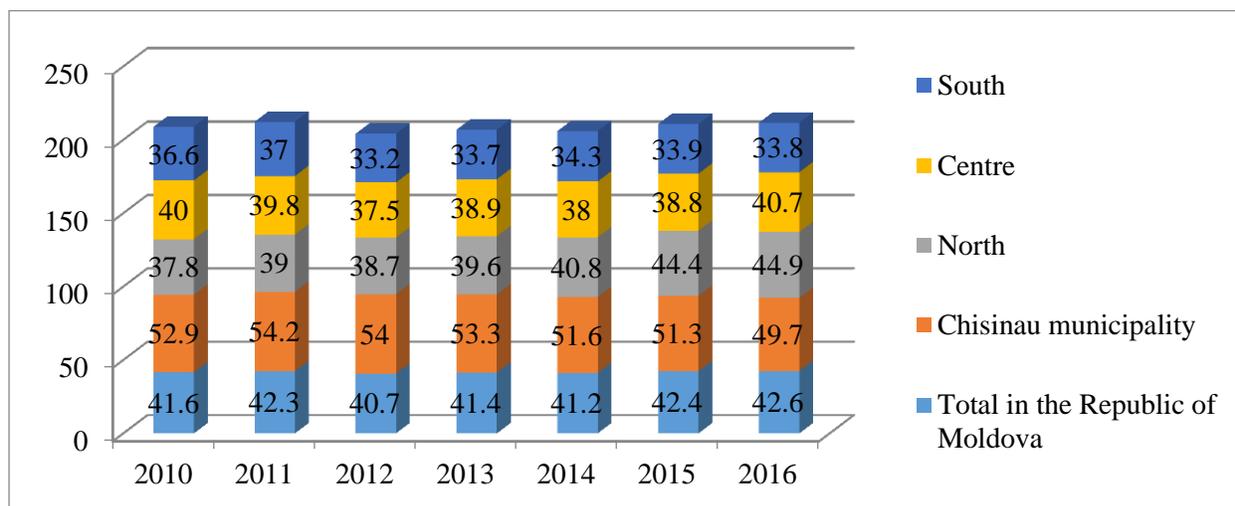
### Issues addressed

In the view of the Buciuceanu-Vrabie M. and Gagauz O. researchers, the demographic aging and massive decline of the population that the Republic of Moldova is facing for the second decade affects the size and structure of working-age population, having negative economic and social effects (Buciuceanu-Vrabie, Gagauz, 2017).

In this respect, the analysis of the occupational indicators on the labour market of the Republic of Moldova was carried out. According to the NBS information, "the activity rate of the population aged 15 and over (the proportion of the active population aged 15 years and over in the total population aged 15 and over) constituted 40.1%, increasing by 1.5 p.p. compared to the same quarter of the previous year (38.6%). This indicator reached higher values among men - 43.1%, compared to the estimated rate for women - 37.5%. Activity rates on environments were 44.9% in urban areas and 36.3% in rural areas. In the 15-29 years age group, this indicator was 30.1%, and in the age group 15-64 years (working age in EU countries according to Eurostat methodology) - 44.6%. The activity rate of the working age population according to national legislation (16-56 years for women and 16-61 years for men) was about 47.6%" ([http://www. Statistica.md](http://www.Statistica.md)).

The analysis of the data showed that the labour market activity rate in the Republic of Moldova was 41.6% in 2010 and in 2015 reached 42.4%. From 2010 to 2015, this indicator increases insignificantly by 0.8% (Figure 2).

Figure 2. Total labour market activity in the Republic of Moldova and by regions



Source: developed by the author based on NBS data

In the Northern region, this indicator has an increase of 6.6 p.p. over the period 2010-2015 compared to other regions of the country, for example the Southern region is declining by 2.7% and the center by -1.2%.

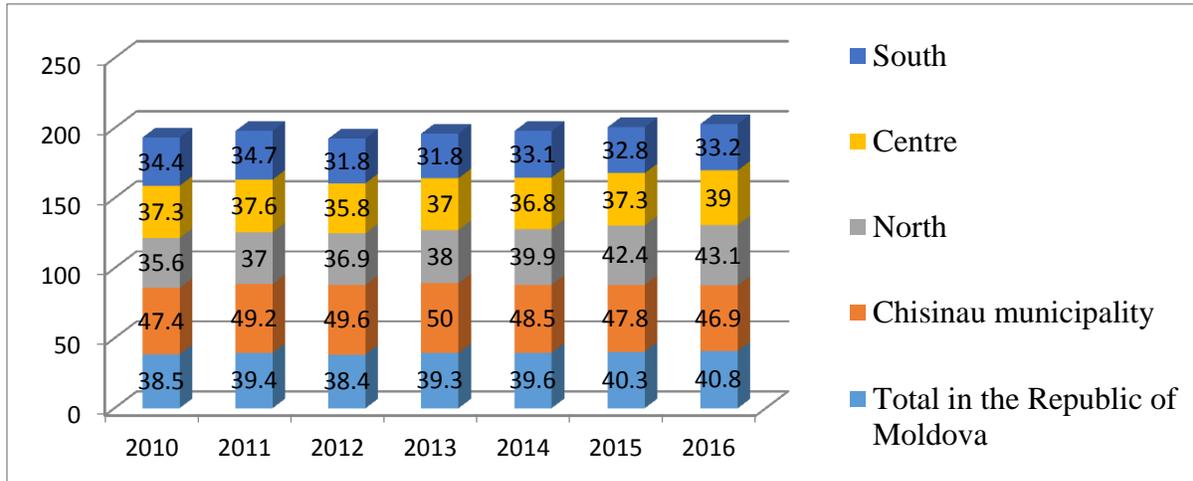
According to information from the National Bureau of Statistics (NBS), from the total number of active persons, higher rates were observed in persons aged 35-44 years, with a rate of activity of 94.8% in 2015 and, respectively, 91.7%.

The employment rate is the ratio between the employed population aged 15 and over and the total population of the same age group, expressed in percents.

The employment rate of the population aged 15 and over was 35.6% in 2010 in the Northern region, and in 2015 it accounted for 42.4%, recording an increase of 6.8. According to the NBS data, the employment rate for males (43.2%) was higher than for women (41.6%).

The employment rate of the population in the Northern region (45-54 years) was 61.8%, and of 35-44 years old - 61.0% in 2015 (Figure 3) ([http://www. Statistica.md](http://www.Statistica.md)).

Figure 3. Employment rate on the total labour market of the Republic of Moldova and by regions

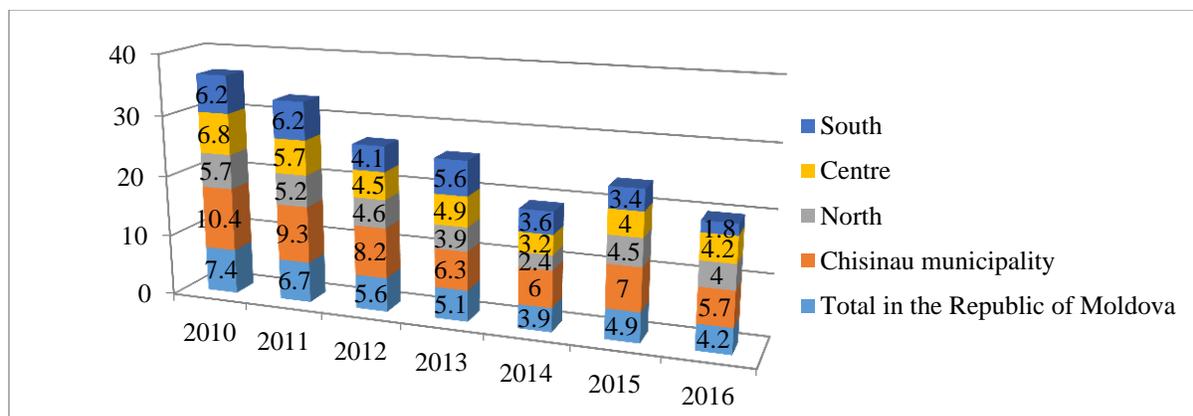


Source: developed by the author based on NBS data

According to the NBS data, in the Northern development region the employment rate according to the level of education is the following: higher education - 57.2%, specialized studies - 50.3% and professional secondary education - 48.6%. The employment rate among young people is the lowest: 15.9% for the 15-24 years age group, 17.9% in 2015 with 0.2% higher than in 2014.

The *unemployment rate* is the ratio of the number of unemployed people defined according to International Labour Office (ILO) criteria and the total active population, expressed as a percentage.

Figure 4. Total unemployment rate in the Republic of Moldova and by regions



Source: developed by the author based on NBS data

The unemployment rate at the national level was 4.9% in 2015, rising by one unit compared to 2014; during 2010-2015 the highest unemployment rate in the Republic of Moldova was registered in 2010 – 7.4%. During this period, an increase in the unemployment rate was also registered in the Northern region - 10.4% in 2010 (Figure 4).

The unemployment rate in the Northern region is the highest among young people aged 15-24 years - 14.2% in 2015, with 7.2% higher than in 2014.

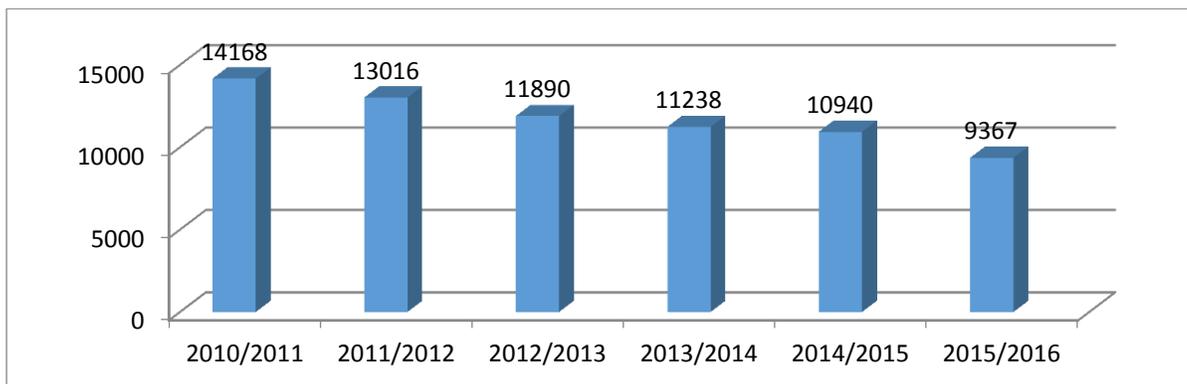
Of the total number of unemployed registered in 2015 in the North Development Region, 5.6% are people with higher education, 4% are people with specialized secondary education, 4.8% have secondary vocational studies and 2.3% - with high school and general education.

Of the total number of unemployed registered in the country, 62% are from rural areas and most of the jobs are in urban areas.

According to NALFE, an insignificant growth trend in 2015 was registered in the number of vacancies registered, increasing by 1.1% compared to 2014. Out of the total number of vacancies registered, 72% are destined for the workers and only 28% are for people with higher education. Higher-educated people are less likely to address to employment agencies, as they are more likely to have a job.

We can also see that young people's demands for studies during 2010-2016 are declining both in vocational schools and in higher education institutions. Young people aged 15-29 years represent about a quarter of the population (25.3%).

Figure 5. Dynamics of pupils enrolled in vocational schools, total in the Republic of Moldova



*Source: Developed by the author based on statistical data*

Figure 5 shows a reduction in the number of pupils in professional schools in the Republic of Moldova by 33.9% during the period 2010 to 2016, while in the Northern region the number of students in vocational schools decreased by 39%. We believe that although the labour market requires professions for graduates of vocational schools, high school graduates are not in a hurry to study at vocational schools. We notice that more and more young people choose faculties such as dentistry (medicine), legal sciences, economics, which can not be adjusted to the requirements of the labour market both in the regions and in the Republic of Moldova, in general.

According to the statistical data, the most demanded fields of study in the Republic of Moldova are: economic sciences, education sciences, engineering and engineering activities, law, architecture and construction (Table 1).

Table 1. The dynamics of human personnel formation in the university system, cycle I, total in the Republic of Moldova, people, 2010-2016

Nr. d/o		2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016
1.	Economic sciences	21 942	21 024	20 737	19 118	17 643	15 533
2.	Education sciences	15 186	13 860	12 906	12 418	11 228	9 491
3.	Engineering and engineering activities	11 451	10 753	10 377	9 542	8 627	7 743
4.	Law	11 081	10 859	11 506	11 923	11 024	10 383
5.	Architecture and construction	5 147	4 518	3 993	3 536	3 252	2 776
6.	Medicine and pharmacy	4 186	4 173	4 184	4 138	3 940	3 854

*Source: Developed by the author based on statistical data*

As can be seen from the content of Table 1, during the years 2010-2016, we are witnessing a decrease in the number of students in the field of economic sciences by 30%, education sciences - by 37.6%, engineering and engineering activities - by 32.4 %, architecture and construction - by 46.1%. An insignificant decrease is observed in the faculties of law with only 7% and in medicine and pharmacy - by 8%.

Social and economic phenomena, such as active population migration, increase of unemployment and natural decline in the population, have led to major changes in various sectors of the economy, hence increasing distortions in the labour market.

Based on the analysis of the statistics on labour supply and demand, we consider that one of the factors that make it difficult to fill vacancies in a shorter time is the low level of qualification of the potential employees and the inadequacy between the level of education and the occupied work place.

We can also mention that youth on the labour market is the most difficult engaging segment in the labour field.

According to the data of the Ministry of Labour, Social Protection and Family, the reasons for the high unemployment rate among young people and difficulties encountered in employment are classified into four groups:

1. Employer's unwillingness to hire young graduates;
2. Low information for young people about labour market opportunities;
3. Lack of sufficient jobs and low attractiveness of existing job vacancies;
4. Unwillingness of youth to get employed.

The disadvantage of young people in employment is related to the natural processes of the market economy and the discrepancy between education and the labour market. Young people have neither work experience in order to acquire practical skills, either the potential to make a network of knowledge. Economic agents are mindful in hiring young people, not knowing their productivity. Young people are not aware of the

need to be informed during their studies, do not know how to look for a job, how to present themselves in an interview, to write a curriculum vitae and have no opportunities to promote themselves. Youth migration and remittances contribute to the disinterest of young people in seeking work in the Republic of Moldova.

## **Conclusions**

1. The labour market is subject to continuous changes, due to which it must be permanently monitored. Also, the labour market is influenced by the demand and supply of certain specialties, professions, which sometimes are in vogue, sometimes in decline or even disappear. In this context, the government, ministries and professional training institutions need to be prepared to cope with market demand. The labour market is constantly changing so that the active population should follow lifelong learning programs.
2. Introduction of the subject "Marketing of human resources" in the study plans for the students who are doing their master studies in the field of business would increase the training of the specialists in the field, arguing the forecast of decisions on the labour market.
3. Organization by the educational institutions of training courses for professional development of human resources managers from large enterprises and managers of small enterprises in order to implement marketing tools in order to attract the best candidates from the labour market.
4. Involvement of employers in the process of elaborating the content of study programs, so that the skills and knowledge of the graduates correspond to the employers' requirements. Understanding by domestic business managers that human resources within the enterprise have the most important role in comparison to other resources, this will lead to its competitiveness on the national and international market.
5. Promoting the image of the company's employer on the labour market that would attract the best human resources from the labour market within the enterprise. Just as employees consider themselves the first clients in the internal marketing, it is necessary to treat them according to the highest moral principles.
6. Applying human resources marketing by business managers, which would require a permanent research of the employees of the company and of the labour market, in order to identify their needs and necessities in working conditions, motivation, communication, etc.
7. Permanent change in human resources policies due to changes in the enterprise's internal and external environment so that they should be as real as possible and should capitalize the changes in the culture of the organization.

## **References**

- BÎRCĂ, A., 2013, *Employer Brand - an important element for ensuring the efficiency of recruiting staff*, *Economica*, Chişinău, nr.3 (85). p. 53-58.
- BÎRCĂ, A., 2006, *Employment of Rural Areas in the Republic of Moldova*, *Economica*, Chişinău, 2006, nr.1(53). P.35-39.
- BUCIUCEANU-VRABIE, M., GAGAUZ, O., 2017, *Young people on the labor market of the Republic of Moldova: skills and aspirations*. INCE. Chişinău, p.36, ISBN 978-9975-89-0786

- LIGER, Ph., 2007, *Le marketing des ressources humaines*. 2<sup>ème</sup> édition. Paris: Dunod, 203 p. ISBN 978-2-10-050887-7
- PANCZUK, S., POINT, S., 2008, *Enjeux et outils du marketing RH*. Paris: Édition d'Organisation Groupe Eyrolles. 239 p.
- PERETTI, J.M., 1999, *Fonction personnel et management des ressources humain*. Paris: Edition Vuibert – Gestion, 205 p.
- SCHEIN, E.H., 2001, *Increasing organizational effectiveness trough better human resource planning and development. The Art of Managing Human Resources*. Oxford University Press. New-York, pp.25-45.
- SCHULER, R.S., 1992, *Strategic Human Resources Management: Linking the People with the Statigic Needs of the Business*. Organizational Dynamics. Vol.21, no.1, pp 18-32
- STOREY, J. Introduction from personnel management to human resource management. New Perspectiv on Human Resources, Routledge. London,1998, pp. 1-18
- WRIGHT, P.M., McMAHAN, G.C., 2000, *Theoretical Perspectiv for Strategie Human Resource Management*. Journal of Management, vol.18, no.2, pp 295-320
- [http://www. Statistica.md/ pageview. php?l=ro&idc=302&id=2255](http://www.Statistica.md/pageview.php?l=ro&idc=302&id=2255)