

## Application of Staff Marketing in Educational Services Market

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**Abstract:** The article deals with the features of staff marketing as well as the key aspects of the effectiveness of its application under the conditions of the labor resources' transformation. The fact of the appearance, modification and transformation of the marketing systems of management in the face of strong interaction between the labor market and educational services of Russia is accentuated. The feasibility of the mechanism of introduction of staff marketing with specific functioning of educational institutions is revealed; the main directions of its improvement in the present economic environment are represented.

**Key words:** Staff marketing • Labor market • Educational services' market

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### INTRODUCTION

#### The Phenomenon of Staff Marketing in Modern Conditions of the Development of Economic Environment:

The transformation of the traditional foundations of the development of labor resources in the context of contemporary processes of integration and internationalization in all markets, including the labor market, [1] encourages companies interested in significantly improving their competitiveness to increase their requirements for potential employees. The current situation in the labor market in Russia and other countries reflects the high need for the implementation and the development of new management methods in organizations in various industrial branches [2]. The increase in the requirements for the quality and level of education of the labor force leads to the formation of modern mechanisms of interaction between the labor market and educational services [3], which is realized through the systems of staff marketing.

Both foreign and domestic economic literature lacks scientific papers dedicated to staff marketing. At the same time the formation of system of views on the current enterprise staff management is based on a large number of works of scientists and experts in various fields of

management and marketing. Problems of studying the role of staff marketing in the educational services' market are almost fully revealed in the works of some Russian and foreign scientists [4].

Currently, the fundamental task of staff marketing is the effective marketing management of an enterprise image as an employer, aimed at recruiting employees with optimal quantitative and qualitative parameters. Despite a certain narrowness of this approach, the effectiveness of the current implementation of this goal is often low because of insufficient analyses of methodical, methodological and organizational issues of building up an integrated system of staff marketing at the level of enterprises in various industries and sectors of economy.

The current situation, in which the organizational and economic motives in marketing activities concerning staff [5] do not have a clear definition, requires an immediate solution, which is seen in the construction of innovative marketing activities as the basis of modern enterprise management, where the development of the systems of staff marketing, in our opinion, should be used in order to align the interests of subjects of labor relations, to boost staff loyalty, to increase cost-effectiveness of human resources' management, to maintain a long-term availability of human resources to the organization.

However, the implementation of these measures is not possible without a thorough study of the theoretical and methodological aspects of the staff marketing and without the identification of target sets, problem areas and opportunities for achieving effective solutions, which is reflected in this article.

**Systems of Management of Staff Marketing in the Interaction of Labor Market and Educational Services' Market of Russia:** Currently on the way to the formation of the system of vocational education, effectively interacting with labor markets, an essential element is the use of marketing mechanisms. Thanks to the marketing aimed above all at the development of human resources, it is possible to maintain the coordination of education and relevant factor markets [6].

The specific character of educational institutions' marketing lies in the need for marketing analysis, which actually plays a crucial role in the marketing strategy of an educational institution. Effective management of marketing relies primarily on understanding of the specific character of educational service, its social mission, goals, objectives, peculiarities of development. Thus, one of the most important principles of management of marketing activities in education should be focused on the needs of society in educational services and on the formation of highly educated and highly skilled staff. In this connection, application of staff marketing should be an integral part of educational institutions' management [7].

Accordingly, educational institutions with regard to marketing infrastructure are beginning to play a dual role. Firstly, being an independent market entity, they realize an original marketing strategy, the key element of the latter being staff marketing, because it is the staff of an educational institution that can realize social and economic function and efficiency of business processes of educational institutions to a full extent, staff is the link between a training system and changing economic environment. Using (metaphorically) the terminology of financial markets, it can be said that the educational institutions have become a sort of "market makers" in labor markets and their staff - a full-fledged participant in the development and implementation of human resources' strategies by enterprises and organizations.

Moreover, the above-mentioned distribution of higher and secondary professional (tertiary) education in Russia, despite all the problematic features of this phenomenon, can be - with proper strategic management - used to overcome the stagnation processes in Russian economy. Indeed, since the majority of

working and socially active population is "reserved" by educational institutions, they begin, in the full sense of the word, form the supply in the markets of highly professional staff [8] and get an opportunity to influence the structure of this supply. And we are not talking just about the coordination of educational environment and economy, for example, through the development of response systems and through accounting the requirements of potential employers by educational organizations.

This situation would probably lead to only partially effective results. In this case, the system of education can and should, in our opinion, be considered in the light of foresight structures and forecasting and modeling functions predicting and shaping the long-term trends in the labor market and in economy as a whole. Only this way it is possible to switch the operation of educational institutions from "fulfilling" rather abstract state demand to a true market activity consistent with modern principles of "supply chains" and systemic involvement in the generation of added value. Thus, educational system gets a chance to conduct an institutional transformation, based on endogenous principles and opportunities that are not imposed from outside. Accordingly, abstract "social institution" education can become an active element of dynamics of socio-economic system.

In addition, private at first sight but essential in the interaction of education market and labor point should be taken into account: the functioning of modern enterprises oriented towards innovative ways of working is impossible without the use of various forms of research capacity of educational institutions (consulting, contractual works, development and implementation), therefore, the staff of educational institutions is "responsible" for the definition of technological progress, economic development of organizational systems and for ensuring human capital. In this case it is staff marketing of educational institutions that is a key element of not only educational organizations' management, but also of the staff-marketing strategies of specialized industries' enterprises and sectors of the economy [3].

Transforming the principles of marketing management of educational institutions, directing efforts primarily to the staff of educational institutions, that is, deliberately creating the factors that will determine the long-term trends in the development of human capital and of the development of economic activity of subjects, we provide not only a narrow operational coherence of agent interaction in labor markets, but also the institutional coherence of the relevant transactions sustainable in the

long term. Among other things, this will to some extent remove the difference in opportunities for small and large businesses, to reduce the differentiation in performance of enterprises of similar scale and type of activity. Evolutionary market processes of search and selection as the phenomena of social environment acquire an element of order [9].

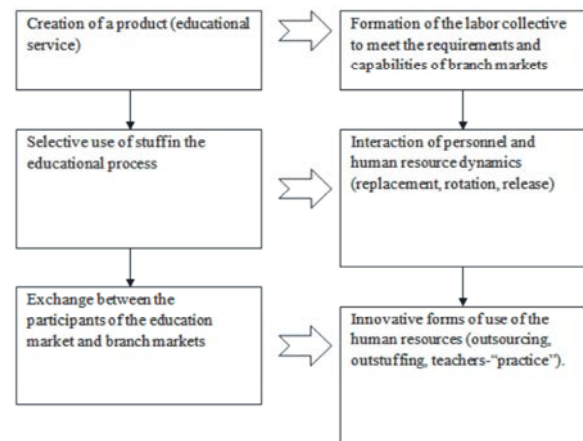
Thus, in this sense, strategies of staff marketing of educational institutions receive an extra dimension of development and are beyond traditionally supposed “intro-organizational” limits, transforming into the foundation for the formation of staff marketing systems of the sectors and industries of economy.

Educational institutions should not only provide the staff for the areas of economic activity in which they specialize, but also take into account the dynamics of individual sectors of the economy as a result of technological and social development in professional training along with the reducing the need for certain specialties and the emergence of the need for new professional directions. At the same time, staff marketing is supported by a wide range of agents of the environment and infrastructure. Accordingly, the task of staff marketing will also include the promotion of the balance between supply and demand in the labor market and educational services (functions of labor force marketing).

On the basis of the considered structure, the classic marketing scheme in relation to the staff of an educational institution can be represented as follows (Fig. 1).

The marketing conception [10] of human resource management shows that achieving the goals of an organization effectively depends on the availability of systematic approach to human resource management, on providing an enterprise with workforce, on the approach that takes into account the complex nature of a network of modern economic processes. The influence of the above-considered factors on the formation of staff marketing system of educational institutions is shown in Figure 2.

Assessing the activity of educational institutions in the context of the implementation of marketing activities' foundations, we note that staff marketing is aimed at providing the process of interaction between labor market and educational services with specific development objectives and at creating a mutual interest for those who offer work force and those who have a demand for it. Scientific research conducted in the field of education should be the basis for the training of employees who will



Source: made by the author

Fig. 1: Staff marketing of an educational institution

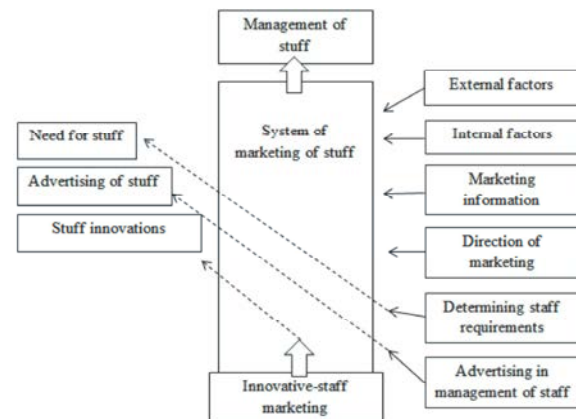


Fig. 2: The influence of factors on the formation of the staff marketing system of educational institution [11].

be in demand in the labor market [7]. In connection with this, research universities whose staff essentially supports the promotion of innovative ideas in modern scientific community, not only create and spread scientific knowledge but also form staff, technological and corporate positions in production in a particular industry or sector of economy.

Proceeding from the current situation in the market of professional education, it should be noted that universities are interested in the creating the areas of scientific and production cycle on their basis which ensure the commercialization of their scientific research. Undoubtedly, they will need to possess not only a scientific and innovative potential but also the staff-marketing technologies that will ensure the generation of scientific product and will encourage the subjects of business community to cooperate.

This is especially true for innovation-driven economy, as well as for production sector, where staff marketing, implemented on the basis of the system of vocational education, is beginning to play a crucial role in ensuring the competitiveness of enterprises due to the research intensity of their activity and long-term nature of adaptation processes [12].

Staff marketing, in the light of this approach, appears to be a valid part of general labor force marketing processes, i.e. it is no longer viewed in isolation, as the activity of a single company or a group of companies, but performs as a system element aimed at attaining an overall economic balance [13]. Thus, it is appropriate to talk about the creation of staff marketing systems integrating learning and research activities with a marketing component, which provides a correlation with the production and economic environment.

**The Mechanism of the Introduction of Staff Marketing (Taking into Account the Capabilities of Russian Educational Institutions):** The modern field of vocational education, due to staff training at various levels of education and professions, provides workforce for various segments of the labor market. However, despite its importance, a certain discrepancy in the activities of agents of labor relations should be mentioned.

It is, therefore, necessary to overcome, first of all, the mismatch of interests of educational vs. labor fields' workers, which seems possible by developing a mechanism for the implementation of staff marketing systems taking into account the capabilities of educational institutions, which must ensure the level of training of graduates, meeting a demand in the labor market. In general, the model of interaction of subjects of the labor market in the aspect of mutual agreement can be summarized as follows (Fig 3).

The model is a pyramid of the requirements for the workplace (SD), society (SS), natural and ecological environment (SP) and have an impact on the organizational system (OS) coherent with the capabilities of educational environment that allows us to overcome the mismatch of the interests of workers in educational and labor fields through the introduction of staff marketing system that provides the level of training of graduates meeting the demands of the labor market.

Thus, staff marketing system can coordinate individual requirements, society requirements and production at an appropriate level. This model defines the requirements and configuration restrictions to the mechanism of the implementation of the staff marketing in the activities of Russian enterprises.

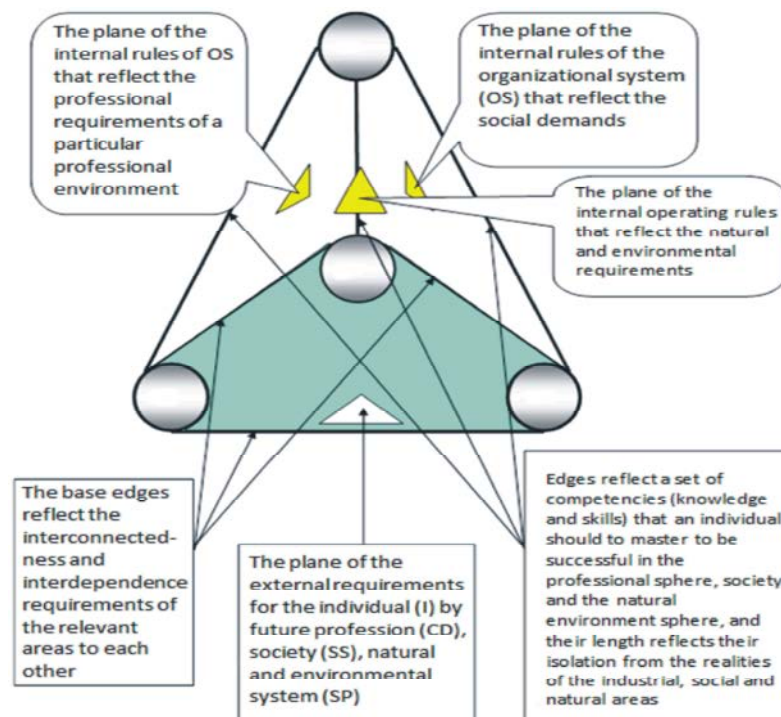


Fig. 3: The model of interaction of subjects of the labor market

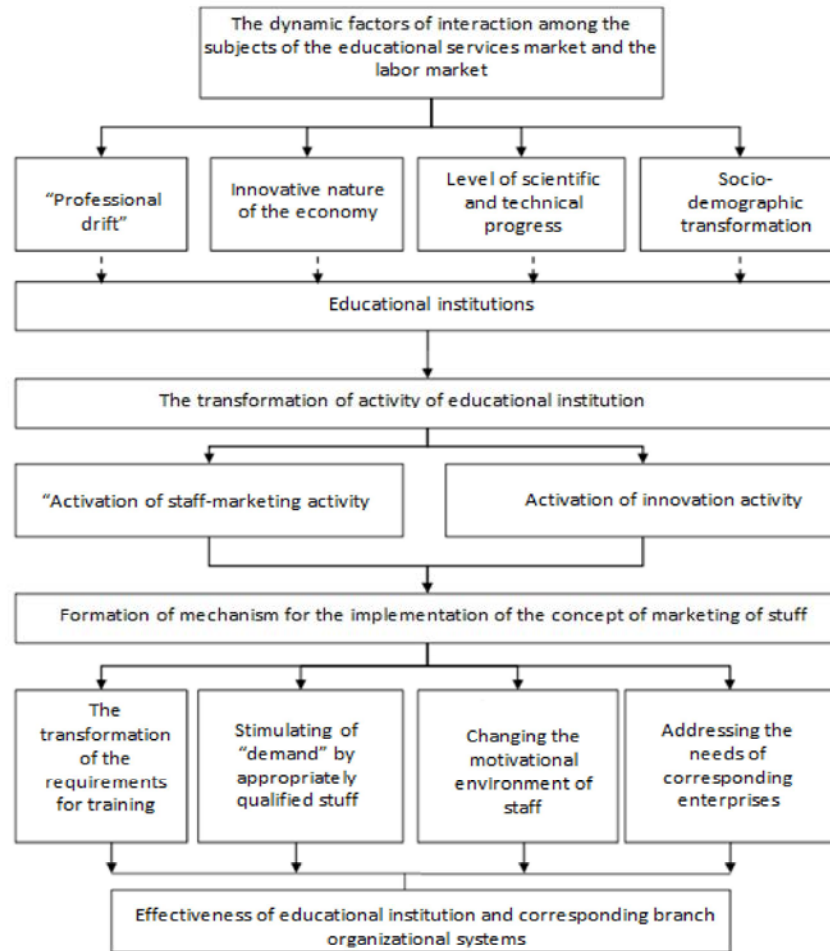


Fig. 4: The role of educational institution in the development of staff marketing systems

The indicator of the effectiveness of an integrated mechanism for the development of staff marketing systems can be represented by graduate employment rate, the effectiveness of which is maintained by the interaction of all the subjects of studied markets.

Practical implementation of elements of the interaction model of vocational education and labor market is impossible without real structural and content changes - primarily in the vocational education system as a whole.

The sufficient maintenance of consumers' needs may be the result of coherent marketing activities of education market and labor market within the framework of the mechanism of their interaction.

This mechanism of interaction is a part of the market infrastructure operating in the following way. Labor market, as a factor market, depends on the processes occurring in markets of goods and services. Changing of market conditions, of course, affects the demand for

goods and services, which, in its turn, affects the parameters of the interaction of economic agents in factor markets. However, the effect of this mechanism is rather spontaneous and requires additional regulation.

The directions of improving the marketing mechanism of the interaction are strengthening the coordinating role of educational system in the process of production, reproduction and allocation of human capital.

We emphasize once more that this specific role of vocational education (staff marketing management of an educational institution) in ensuring the effective interaction of the agents in the labor market is conditioned by the fact that the staff of educational institutions is "responsible" for the formation of not only modern human capital, but also, in many ways, for general trends in the development of economic systems. Accordingly, staff marketing strategies of enterprises in various industries and segments of Russian economy (primarily in the sphere of actual production and innovative venture

projects) should be developed and implemented in close cooperation with the relevant structures of educational institutions. This approach has a great potential to provide effective tools for economic development in the long term.

Thus, the study of the educational services' market in cooperation with Russian labor market led to an objective conclusion about the need for a mechanism for the implementation of staff marketing systems that will lead to the achievement of the interrelated development of the two mentioned markets and will enhance the effectiveness of both the activity of educational institutions in the country and enterprises in different industries and sectors of the economy.

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