



HOW COULD THE TRADITIONAL TEXTILE INDUSTRY BE MORE ATTRACTIVE TO ITS EMPLOYEES?

ABSTRACT

An organisation managed with competent employees can propel any organisation to greater heights through the retention of valuable employees and the development of a good employer brand. This case study analyses the human resource management challenges faced in a selected company operating in the carpet production of the textile industry. The case study is aimed at proposing practical tools and strategies to aid in the minimisation of employee turnover, ultimately bettering the status of the company as an employer of choice.

Besides proposing tools and strategies, the paper also examines the importance of building a strong employer brand as a tool to increase loyalty and reduce the turnover rate. Based on an analysis of the company's needs, we created a short, structured set of questions to be used as a part of the exit interview process. A proposal for exit interview process was created for the purpose of improving the employer brand, employee loyalty and to provide a benchmark to ensure continued improvement.

INTRODUCTION OF THE LIBEREC REGION IN THE CZECH REPUBLIC

Located in the northern part of the Czech Republic, Liberec region is one of the four districts of Jablonec nad Nisou, Česká Lípa and Semily, bordering the Republic of Germany and Poland. Currently, the region hosts approximately 442,356 inhabitants (ČSÚ, 2019). Liberec region has always had an industrial character that is continually been preserved to date. However, due to the transformation process at the beginning of the 1990s, accompanied by industrialisation and globalisation trends, the textile industry has undergone a major transformation. The traditional textile industry has lost its dominance and has since redirected its focus towards progressive materials and technologies (Strategie rozvoje Libereckého kraje 2021+, 2018).

The main threat to the textile industry was and still is the availability of cheap Chinese production materials, which especially threatened the traditional textile market. This drove out many traditional manufacturers and limited the industry to special manufacturers who could afford to compete in the industry. Currently, an important factor for the textile industry in the region is the collaborative work in intensive research and development with the Technical University of Liberec on Nanomaterials and technology and material engineering. In a recent





publication of the University the Rector Assoc.Prof. RNDr. Brzezina. CSC. commented on the expected return of the textile industry in a slow but steady way due to the increasing costs associated with transportation and high production costs from China (Liberecké zprávy, 2019).

INTRODUCTION OF THE COMPANY

The company was established in 1964 with its Headquarters in Ronse, Belgium. It is one of the biggest producers of tufted broadloom carpets in Europe. From the beginning the company has focused on expansion. In its quest to increase its market in Europe, the company opened sales offices in Germany and the United Kingdom and later expanded to the Czech Republic in 1997 through the takeover of the Czech Factory INTEX s. r. o located in Vratislavice nad Nisou, Liberec region (Source: company's sites).

The mother company in Belgium is responsible for providing the materials used in the carpet production process that occurs in the Czech factory. This branch is responsible for sewing, packaging and deliveries. It mainly supplies carpets to hotels and industrial companies and a selection for small-scale clients who then supply to individual customers. The branch of the company in Liberec currently has around 100 employees with approximately 70 in the production line comprised of planning, sampling, expenditure and maintenance. Since 2010, the company has been a part of the Belgotex International Group. The entire company has about 600 employees and a turnover of 172 million EUR. It currently exports to over 55 countries located in Europe, Asia and Africa (Source: company's sites).

THE HUMAN RESOURCE PROCESS IN ASSOCIATED WEAVERS

The company has an HR department, which has been in existence for a little over a year with one HR manager and an HR assistant. As expected, the HR manager conducts all administrative duties in human resource management as well as the recruitment process, employer branding and development and personnel planning. The reward management, personnel planning and creation of personnel strategy are conducted by the head of the Czech branch in collaboration with the HR manager.

The aim of the company's job advertisement is to attract both skilled and unskilled workers. For the recruitment process, the company uses the labour office, recruitment agencies, internet job portals such as jobs.cz and referrals from current employees. Their advertisements are mostly placed in newspapers, municipality publications, and public transport systems. One of



the long-term objectives of the company is to incorporate the use of social media tools as a way to attract and recruit new talent.

Staff selection methods used in the company are mainly: a personal interview with the candidate, psychometric tests for management positions, knowledge and skills tests for manual positions, and sometimes an assessment centre is used.

In the fourth quarter of 2018, the average gross pay in the Liberec region was 29,725 CZK, i.e. approximately 1,160 EUR (ČSÚ, 2019). The company pays production workers a gross wage of 16,000 CZK (640 EUR) or 95 CZK per hour with an extra 15 CZK for weekend shifts. As mentioned above, salaries are not as high as the average gross pay in the region. As a result, the company would usually resort to incorporating nonfinancial benefits to aid employee satisfaction.

THE OBJECTIVE OF THE CASE STUDY

After analysing the company structure and their strategic goals in relation to the human resource management process, the main objective of this case study is to devise strategies and tools that the HR team can apply in order to improve their recruitment process and improve their employer brand. Subsequently, the improvement of these two factors will aid in increasing the loyalty of the employees of the company.

LITERATURE REVIEW

Employer branding can be defined as a strategic human resource management concept derived from marketing. It mainly relies on internal and external communication activities of the company (Burke, 2011). According to Chartered Institute of Personnel and Development (2018): “*Employer branding is a useful tool to help organisations differentiate what they offer in the labour market, and recruit, retain and engage the people they need to succeed*”.

Employer branding is also a process of creating a great place to work and then promoting it to candidates whose skills and knowledge are needed by the company to achieve its objectives and concrete business goals (Mosley, 2017). Another definition of employer branding describes it as the creation of a brand image of the company for its potential employees. The illustration below shows how a company can approach employer branding (Armstrong, 2017).

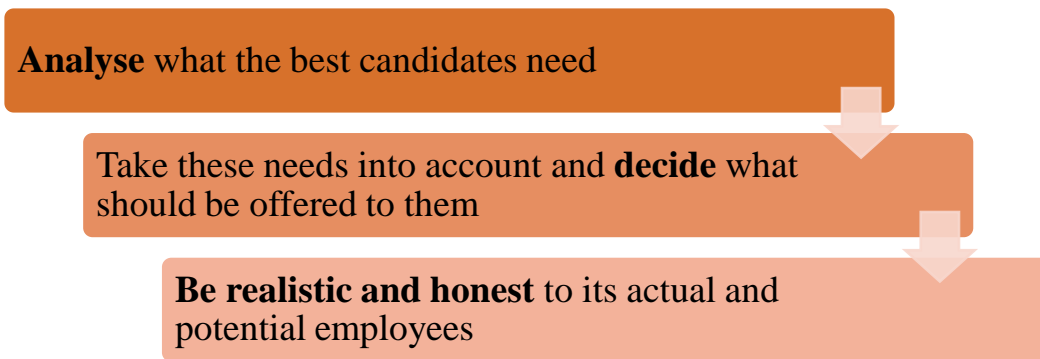


Figure 1 - Activities in employer branding

Source: Armstrong 2017, own elaboration

When applying employer branding, an organisation should promote the instrumental and symbolic attributes of the organisation. Applying instrumental attributes involves describing the company or job position in terms of concrete and objective aspects such as company benefits, training, development possibilities and pay. The concept of symbolic attributes involves an understanding of employees' need to enhance their self-image or express themselves. (Burke, 2011).

Employer branding could have a positive impact on the following aspects (Mosley, 2017):

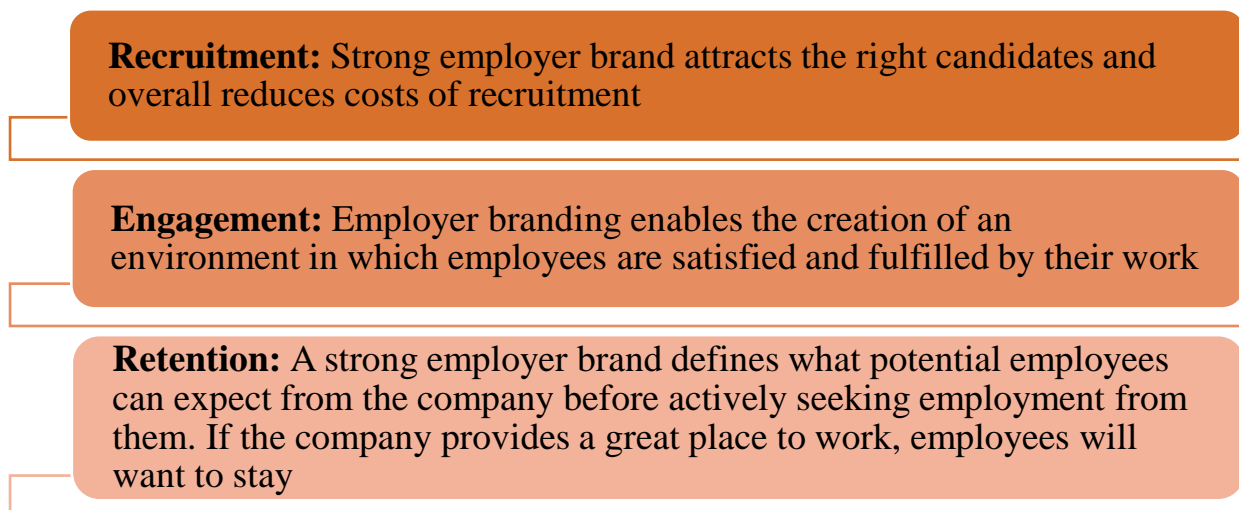


Figure 2 – The aspects influencing employer branding.

Source: Mosley 2017, own elaboration

Two other important aspects of employer branding drawn from the three mentioned above are the creation of competitive advantage for the company, enabling a clear distinction from its competitors and the creation of an Employee Value Proposition (EVP). EVP can be defined as

a set of values that are offered by an employer to its employees. It can be used as a “magnet” for attracting new candidates. In addition, it helps in the process of engagement and retention of employees of any company (Sharma, 2018).

The presentation of the company’s unique EVP gives an opportunity for the company to trigger its perfect candidate’s interest and differentiate itself from the competitors. EVP encompasses elements that employees receive in return for the time and effort they invest in their work. However, it is also important to mention that EVP is more than compensation and benefits. A great EVP delivers a perfect balance between tangible rewards such as pay and benefits and intangible rewards, which could be a great organisational culture, work-life balance, family-friendly feeling and many other benefits an employee can enjoy from being part of an organisation. (TalentLyft, 2019).

To create the appropriate EVP for a company, the following aspects of an employee’s ideal should be considered (Mercer LLC Research, 2019):



Figure 3 - Aspects of EVP

Source: Mercer LLC Research, 2019, own elaboration

At the bottom of the figure, the tangible elements, namely benefits and compensation of the deal, are presented. Another level represents the less-tangible elements of well-being and career. At the top of the framework there is purpose, which must be clear and should correspond



with the company's values. A unique proposition with a purpose should connect employees with the company's mission and vision, provide meaningful work and help the employee to feel good in the workplace. EVP should also differentiate employees' work experience, and the company should provide an interesting career journey, together with good financial and emotional well-being benefits.

METHODOLOGY OF THE CASE STUDY

Through the use of in-depth interviews and observation of the company, the researchers were able to gain an understanding of the company's employer branding and recruitment process.

In suggesting the appropriate tools for the company, several aspects were discussed and analysed. The case study is explanatory and descriptive in nature and it is based on primary data obtained from the company's HR department and secondary data from books, journals, and other research materials related to the study. A structured exit interview was created. It was of great importance to the HR manager and the researchers that all factors affecting employer branding, recruitment, and loyalty were reviewed. The tools used for the exit interview were Google Forms and Survey Monkey. It was imperative that the interview was appropriate for the level of employees it was administered to, hence, it only consisted of five questions.

FINDINGS AND ANALYSIS OF THE HR PROCESS AT ASSOCIATED WEAVERS

Based on the review of the literature and the analysis of the company, the researchers identified the need to focus on the factors affecting employee loyalty, branding and recruitment. Two main proposals were created: an exit interview to aid a deeper understanding of employee turnover within the company, and the creation of the personal stories of the employees to increase the employer brand and subsequently attract more talent into the company. The researchers also suggested the revision of the job recruitment posting provided on the job search platforms. This would help the potential candidate in identifying the main characteristics of the job and its expectations.

From several meetings with HR personnel, the potential for building an employer brand was identified mainly because the company is facing high employee turnover and a lack of loyalty. Other challenges deduced were a low level of employer branding and the non-extensive use of social media, especially the recruitment process for candidates from the Liberec region.

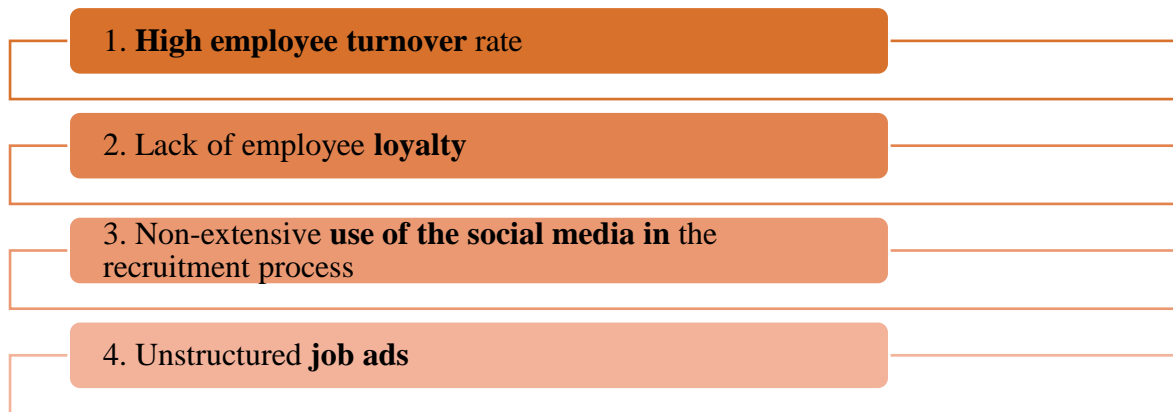


Figure 4 - Main HR challenges faced by the company

Source: Own elaboration

Hiring staff for the production line is an all year-round process and most of the employees who leave the company do so within the probation period of 3 months, or within their first year of work. For the HR manager, it is very demanding to find new employees on a regular basis and consecutively conduct the onboarding process for every new employee. The production line in particular requires intense training that sometimes takes longer than the probation period. Because the attraction and retention of employees are important activities for the company, it was necessary that the tools suggested were financially feasible.

STEP-BY-STEP EXIT INTERVIEW GUIDE CREATED FOR ASSOCIATED WEAVERS

Based on the reviewed literature and the study findings, the creation of an exit interview for the purpose of understanding why employees are leaving the company was created. In order for the HR Manager and team to effectively use the supplied exit interview, they should implement the following process:

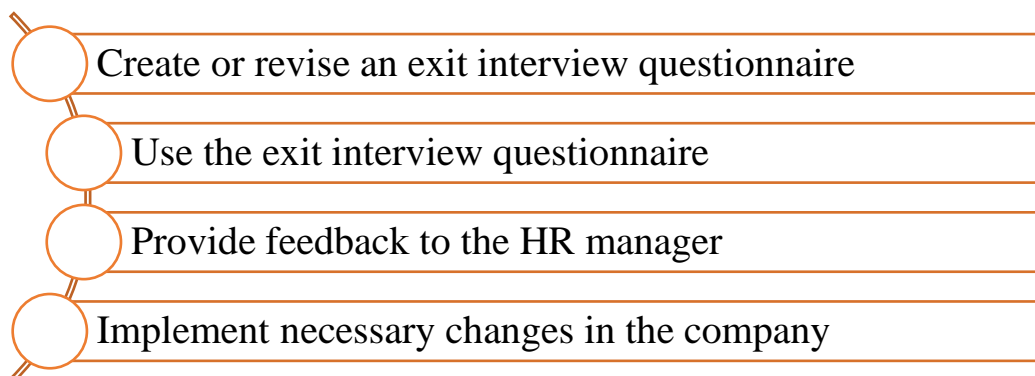


Figure 5 - The proposal for the use of an exit interview

Source: Own elaboration



The exit questionnaire is provided to employees that decided to quit the company. It should be recognised that the intention of this interview or questionnaire is not to reverse the decision of the employee to leave the company. However, it will serve as a means of diminishing future employee turnover by establishing what is causing the employees to leave.

CONCLUSION AND RECOMMENDATION FOR THE HR PROCESS AT ASSOCIATED WEAVERS

The main objective of the company and thus this case study project was to devise strategies and tools that the HR team can apply in order to improve their recruitment process and increase their employer branding. Subsequently, the improvement of these two factors will aid in increasing the loyalty of the employees. As discussed in the findings and analysis of the study, an exit interview was created to help the HR manager gain a better understanding of the reasons why employees are leaving the company at a regular rate.

Many factors could possibly affect the level of employee loyalty and turnover, such as the nature of work, employee benefits and performance reward, career advancement opportunities and recognition. These are among many other factors could warrant further investigation to enhance employee loyalty.

As a recommendation, the company could incorporate a Czech sub-section of career opportunities on its main website and provide this link on the job advertisement for anyone with access to the company website. In order to attract more millennials, the use of social media tools such as Facebook (which the company already has an account with) is recommended. This would be especially useful for the purposes of placing job advertisements and attracting prospective employees.

In order to obtain a deeper understanding or more direct solutions from the employees about their professional well-being, the management team need to employ more simple methods. These could include observing employee behaviour or attitudes towards certain aspects of their work, or initiating direct interviews in a relaxed environment, enabling them to collect opinions and suggestions regarding the things employees would like improved or changed.



APPENDICES

Appendix No. 1 – Exit interview for production-line workers

EXIT INTERVIEW

This survey is created for the purpose of improving employee retention, workplace environment, increasing productivity and providing a benchmark to measure continued improvement.

Please give your assessment of Associated Weavers against the following questions. Circle ONE of the options given, otherwise elaborate.

1. How well did your supervisor treat you?

- Extremely well
- Very well
- Not so well
- Not at all well

2. How well were you paid for the work that you did at AW?

- Extremely well
- Very well
- Not so well
- Not at all well

3. How realistic were the expectations set out for you?

- Extremely realistic
- Very realistic
- Not so realistic
- Not at all realistic

4. What is your reason(s) for leaving the company?

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5. What actions can the employer take to build a better workplace?

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Appendix No. 2 – Exit interview for office workers

EXIT INTERVIEW

This survey is created for the purpose of improving employee retention, workplace environment, increasing productivity and providing a benchmark to measure continued improvement.

Please give your assessment of Associated Weavers against the following questions. Circle ONE of the options given, otherwise elaborate.

1. How effectively did you feel your skills were put to use at the company?

- Extremely effectively
- Very effectively
- Not so effectively
- Not at all effectively

2. How well did your supervisor treat you?

- Extremely well
- Very well
- Not so well
- Not at all well

3. How well were you paid for the work that you did at the company?

- Extremely well
- Very well
- Not so well
- Not at all well

4. How realistic were the expectations set out for you?

- Extremely realistic
- Very realistic
- Not so realistic
- Not at all realistic

5. How clear were your work duties?

- Extremely clear
- Very clear
- Not so clear
- Not at all clear



6. How often did you get feedback on your work?

- Extremely often
- Very often
- Not so often
- Not at all often

7. In a typical week, how often did you feel stressed at work?

- Extremely often
- Very often
- Not so often
- Not at all often

8. While working at the company, how challenging was it for you to balance your work and personal life?

- Extremely challenging
- Very challenging
- Not so challenging
- Not at all challenging

9. What is your reason(s) for leaving the company?

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10. What actions can the employer take to build a better workplace?

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