

Marketing and Management Support for Region Innovations within Human Resource Management

UDK 005.591.6
332.14(437.6)

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Continual changes of regional global and local environment demand that new appropriate methods of area directing be found. Implementation of regional, even trendy, policy within the Slovak republic requires not only a space for innovation activities, but also the marketing support and suitable managerial access for their implementation. The reform of inflexible and old-fashioned system of management is truly inevitable. Regional marketing and management represent a new approach to the implementation of regional policy completely supporting the European model which is necessary for the human resource management and the real evaluation of human capital within the region in order to see its benefit for the regional innovations and development.

Prologue

In relation to the fulfillment of Lisbon strategy goals by 2010, the Slovak Republic has set the human resources sector development and education as one of the four most important priorities of the national policy. The increase of economic competition ability of the whole country as well as its single regions, even the backward ones, in the human capital may help create a market economy based on state support by creating appropriate conditions for development of knowledge, science, research and innovation potential. It is obvious that the knowledge economy is a challenge for the present system and contents of education and therefore any help of appropriate managerial skills and marketing promotion would be needed in its implementation into Slovak regions. The human capital is the most important one among the organizations capital sources, even the key one, in providing for the regional development. The real use of innovation capital of human resources is related not only to their identification or development but also to the regional potentials and the strategic marketing and management structure.

Based on the decision No 1672/2006/EC of the European Parliament and the Council of October 2006, the Community Program for Employment and Social Solidarity — Progress was enacted. The Lisbon European Council of 23 and 24 March 2000 incorporated the promotion of employment and social inclusion as an integral part of the overall strategy of the Union in order to achieve its strategic goal for the next decade, to become a most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth, with more and higher quality jobs and a greater social cohesion. It set ambitious objectives and goals to the Union in order to create the conditions for full employment, to improve quality and productivity at work, and to promote social cohesion and an inclusive labor market. Furthermore, the strategy was focused upon again by the Brussels European Council of 22 and 23 March 2005. Moreover, the Community created the

Action program to promote organizations working at the European level in the field of equality between men and women was created, as well as the activities undertaken at the Community level in relation to working conditions.

1. Current Status of Regional Management and Marketing in Slovakia

Planning is a typical feature of effective human work. The regional planning was part of the national planning process and its purpose was to provide a planned and proportional development of local infrastructure of the national economy. The regional planning presented activities related to an appropriate use of natural and social resources created and gained within the area in order to provide for an appropriate development of material environment for the social life. These activities were provided and guaranteed by national and local governments and national planning committees.

Regional management might be characterized as a process of cooperation among regional actors and personalities in order to promote the development concepts and create the conditions appropriate for a successful position of the region among its competitors. The practice has shown that the regional management presents the board of practical tools, experiences and recommendations as well as theoretical attitudes, opinions and methods used to manage specific activities directed to the fulfillment of a hierarchy of objectives. The objective of regional management is to eliminate the generality of planning system and its low flexibility by 1990.

Regional marketing is a tool of planning, management and decision-making and it means the social managerial and change oriented process which enables the region to bring into harmony the demand and the offer in the local area using the specific methods and tools based on commercially oriented marketing, respecting the significant features of regional development. Classical, economic view presents the regional marketing as the busi-

ness style of thinking oriented towards the market and defined by three main features: commitment to the market needs within all decisions, efforts of creation of preferences and gaining competitive advantage, systematic decision-making using modern methods in which marketing is to be a method, not a tool. However, this view of marketing is being modernized. Within the process of change, a lot of ideas and services enter the marketing processes and therefore it stems from the basic idea that the success cannot be achieved without satisfying the needs of final target groups.

Regional policy has changed a lot since the 1990's. It was firstly devoted to the monitoring of regional disparities and the causes of them as well as outlining the problem regions. The precautions implied were selective and not effective at all. The regional policy carried out in the Slovak republic was inappropriate to the EU standards mainly because of partial realization of the agreements set on the government level, not creating the regional development fund, failing to adopt system measures and ignoring the current status. However, the central management of the regional policy was later delegated as individual competences and responsibilities of the local regional actors and the development trend has been put forward.

2. Performance of Regional Policy of EU within Slovak Conditions and Challenges

At the end of the 1990's, the Ministry of regional development and building was given the power to control and guide the regional policy in the Slovak republic and its regions. The Integrated plan of regional and social development of the country has been processed, which will later be called the National Development Plan. These documents were proposed in terms of EU methodology and were based on strategic planning and long-term evaluation of the present sources and sustainable development possibilities. Strategic planning is concerned with the target policy a respective performer wishes to achieve in the future by creation of conditions to respond to the risks and uncertainties. The regional development has become more and more dependable on the activities of the regional actors, the ability to learn and any innovation perspectives because of the continual dynamic changes of the regional macro-environment as well as of the business environment of the region. Therefore the regional management has become the tool of regional planning and a general means of access to current and future tasks of planning, the whole philosophy and management concept.

Regional Management in Relation to Human Resource Sector Innovations and Challenges

Regional management is related to:

- innovations and management of sector and inter-sector processes by qualified human resources on the basis of regional performers ideas having in mind the regional conditions,

- planning and managing of development intentions and processes,
- providing of regional interaction in order to increase the interregional identity and competition,
- activation, strengthening and use of human sources,
- interaction and coordination of regional sources from the aspect of quality, personal and organizational improvement.

Regional management therefore might provide information necessary for regional development concerning new technologies and development trends. It might also bring applications of concrete plans and projects by personal project management and carry out a continual evaluation of self-responsibility and self-management tools. This way it is also activated within project organized regional development and policy. All cooperating subjects must interact through information sources and they must be delegated competences. The regional management is defined as the process of cooperation of all regional actors the purpose of which is to provide a suitable environment for devising development concepts, new project ideas and a successful positioning of "business area" and its products within the global competition.

Regional Marketing in Relation to European Regional Standards

In relation to regional management, it is necessary to present the regional marketing as a managerial method, a tool, enabling effective realization of good ideas in the market in order to maximize the satisfaction of the final customer needs and wishes through the process of change as well as to minimize the risk of failure and provide prosperity. Regional marketing is a tool of planning, management and decision-making. It presents a continual social management and a change oriented process, which provides a chance for a more effective influence on the region development by creating interaction between the demand on the market and the offer of the region on the basis of implementation of specific methods and tools, which are based on the commercially oriented marketing having in mind the specific features of development and management of regions.

Regional marketing involves those activities that are devoted to the creation and change of attitudes or behavior in the region. It offers methods and tools to ensure the development of the area and gain prosperity. It defines products and perspectives of the development and evaluates the optimal use of its sources and the overall potential. Therefore it requires that the needs of the area be satisfied, emphasizing the social concern. Considering the entrance of the Slovak republic into the EU as well as the need of learning new market access trends we may put the methodology and skills of creating the program documents and their realization into the status of management and marketing structure.

Management and marketing of a region as a tool of innovation and integration may allow for the Slovak regions to quickly adapt to the EU conditions. The human and financial capital seems to be the key factor of regional development and innovation potential if supported by appropriate management and marketing strategy in the Slovak Republic.

The European discussions since 70ties have mainly been concerned with the issue of general use of marketing in the communal area. However, we may say that marketing can be used in the areas such as commercial and business development, tourism support, education and culture area, public relations within the regional policy or the city image building and creation. However, uncoordinated activities devoted to elimination of risk cannot be called regional marketing. There is no unique definition of the term at all. However, only a complete satisfaction of the needs of customers can ensure the region a good name and image, a unique profile. The profile includes the development of the leader region image, which might answer the questions of its future steps, future planning and the ideas of the region. The creation of regional offer within marketing philosophy stems from four principles based on the business vision:

1. Philosophy, so that regional marketing claims to be devoted directly to the regional inhabitants and businesses as its target customers.
2. Thinking in target groups. According to the target market segmentation, the regional marketing requires evaluation of different target groups – SMEs, businessmen, cultural workers, social groups, etc.
3. Information. The target group orientation requires information about their needs and problems, the so called systematic market research and expectation analysis.
4. Strategy. Regional marketing requires systematic and long-term planning of the marketing mix.

In order to achieve such perspective, the institution – holder of regional marketing approach – must create appropriate and flexible organizational consumption. Marketing must follow the needs of all regional levels and communities. The communities should be viewed as holders of functions, but also as service providing businesses. The regional market requires the region to be the subject of offer of the product, the company which promotes and enters the market and the locality and centre of the market penetration.

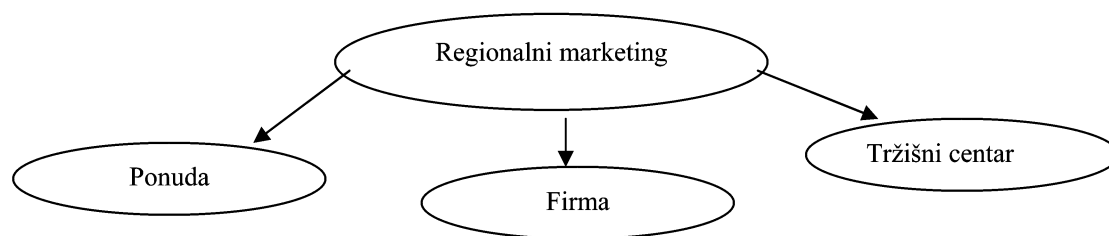


Figure 1: Regional marketing in three dimensions

Source: own concept

The need for regional marketing implementation into the regional policy performance is undoubtedly set by social and business megatrends which were created by higher needs and expectations of the target groups as well as by globalization trends such as technological innovations, demographic changes, economic structure challenges or value orientation changes.

3. Innovation Potential as a Tool of Regional Social Disparities Elimination

Regional development is primarily related to the effectiveness of economy affected by the local conditions such as employment possibilities, investors' income, the use of state and European funds, the will to take the risk when entering the private sector, the mobility, etc. The increase of region competition power is not possible to achieve without identification and support to the development of those dimensions that might lead to labor effectiveness and concern. The innovation potential of the

region but also of an individual must be taken into consideration when talking about a long-time perspective. Innovation policy involves innovation systems understood as science centers, universities, tools of innovation support and innovation potential use. The economic innovations are based on the creativity of individuals. Within the innovation strategy of the EU a standardized system of indicators has been approved and incorporated into the practices of all states. The list of indicators includes: innovation level of human resources, knowledge creation, transfer and application of the knowledge, financial support to the knowledge and their application to the market. The regions that lack the innovation potential show common features such as inappropriate physical infrastructure, lack of access to the free capital sources, low structure of supporting institutions, regional isolation and individuality, lack of skills and possibilities to gain the education required.

Regions of Slovakia and Their Potential for Innovation Activities

According to the specific conditions of regional development within the Slovak regions, considering the Slovak economy, their competitive power will be formed by development of inhabiting and cultivation of human capital based on its appropriate use and restructuring, followed by infrastructure changes and innova-

tive approach to the system of governing the regions. The Slovak regions are typical for their specific development conditioned by their history and different ways of access to the European economy market because of their different positions though all being set in the middle of Europe. This historical division set the trends of economical development especially in the area of human resources use and qualification.

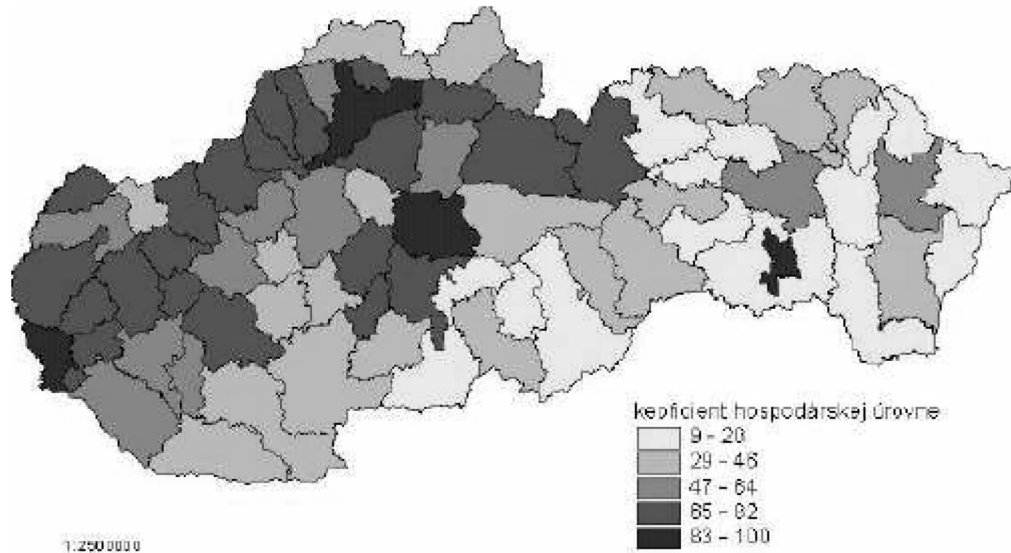


Figure 2: Slovak regions divided according to the economy status (31.12.2001)

Source: Regional development of Slovakia (2004)

From all possible descriptions, we would like to consider especially the human resource potential. Human capital of the regions of the Slovak republic was set according to the amount of educated population and ed-

ucation structure and following groups were formed: very good situation, appropriate situation, average situation, inappropriate situation, very inappropriate situation.

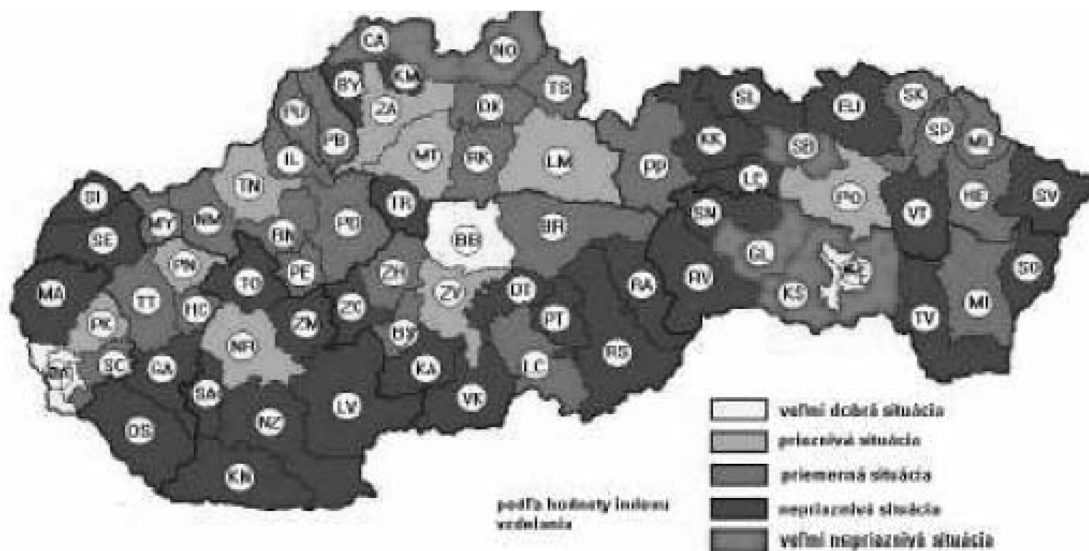


Figure 3: Human potential within Slovak regions according to knowledge structure

Source: Regional development of Slovakia (2004)

The process of implementation of the innovations within the human resources sector depends upon many factors including education level and qualifications necessary to perform the work offered. European policy within the social sphere is based on the principle of taking into consideration each factor and feature, without discriminating anyone.

4. Human Resource Sector and Regional Policy of EU - General European Framework

Non-discrimination has become a fundamental principle of the European Union. Article 13 of the Treaty provides that action be taken to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Non-discrimination is also enshrined in Article 21 of the Charter of Fundamental Rights of the European Union. The specific features of the diverse forms of discrimination should be accommodated, and appropriate action developed in parallel to prevent and combat discrimination on one or more grounds. Therefore, when considering the accessibility and results of the Program, the particular needs of people with disabilities should be taken into account in terms of ensuring their full and equal access to the activities funded by this Program and the results and evaluation of those activities, including the compensation of additional costs that they incur as a result of their disability. Experience gained over many years of combating certain forms of discrimination, including discrimination based on sex, may be useful in combating other kinds of discrimination. The establishment of a general framework for equal treatment in employment and occupation which prohibits discrimination in employment and occupation on the grounds of religion or belief, disability, age and sexual orientation, and implementation of the principle of equal treatment between men and women have become the principal standards for European employment policy.

Section 1: Employment shall support the implementation of the European Employment Strategy by improving the understanding of the employment situation and prospects, in particular through analysis and studies and the development of statistics and common indicators within the framework, monitoring and evaluating the implementation of the European Employment Guidelines and Recommendations and their impact, notably through the Joint Employment Report, and analyzing the interaction between the EES and general economic and social policy and other policy areas, organizing exchanges on policies, good practice and innovative approaches, and promoting mutual learning, raising awareness, disseminating information and promoting the debate about employment challenges and policy and the implementation of national reform programs, including among the social partners, regional and local actors and other stakeholders.

Section 2: Social protection and inclusion shall support the implementation of the open method of coordination in the field of social protection and inclusion by improving the understanding of social exclusion and poverty issues, social protection and inclusion policies, in particular through analysis and studies and the development of statistics and common indicators, within the framework in the field of social protection and inclusion, monitoring and evaluating the implementation of the Program in the field of social protection and inclusion and its impact at national and Community level as well as analyzing the interaction between this Program and other policy areas, organizing exchanges on policies, good practice and innovative approaches and promoting mutual learning in the context of the social protection and inclusion strategy, raising awareness, disseminating information and promoting the debate about the key challenges and policy issues raised in the context of the Community coordination process in the field of social protection and inclusion, including among the social partners, regional and local actors other stakeholders, developing the capacity of key European level networks to support and further develop Community policy goals and strategies on social protection and inclusion.

Section 3: Working conditions shall support the improvement of the working environment and working conditions, including health and safety at work and reconciling work and family life, by improving the understanding of the situation in relation to working conditions, in particular through analysis and studies and, where appropriate, the development of statistics and indicators, as well as assessing the effectiveness and impact of existing legislation, policies and practices, supporting the implementation of Community labor law through effective monitoring, the holding of seminars for those working in the field, the development of guides and networking amongst specialized bodies, including the social partners, initiating preventive actions and fostering the prevention culture in the field of health and safety at work, raising awareness, disseminating information and promoting the debate about the key challenges and policy issues in relation to working conditions, including among the social partners and other stakeholders.

Section 4: Antidiscrimination and diversity shall support the effective implementation of the principle of non-discrimination and promote its incorporation in all Community policies by improving the understanding of the situation in relation to discrimination, in particular through analysis and studies and, where appropriate, the development of statistics and indicators as well as by assessing the effectiveness and impact of existing legislation, policies and practices, supporting the implementation of Community antidiscrimination legislation through effective monitoring, the holding of seminars for those working in the field and networking amongst

specialized bodies dealing with antidiscrimination, raising awareness, disseminating information and promoting the debate about the key challenges and policy issues in relation to discrimination and the incorporation of antidiscrimination in all Community policies, including among the social partners and other stakeholders, developing the capacity of key European level networks to promote and further develop Community policy goals and strategies in the field of combating discrimination.

Section 5: Gender equality shall support the effective implementation of the principle of gender equality and promote gender to be incorporated into all Community policies by improving the understanding of the situation in relation to gender issues and incorporating gender, in particular through analysis and studies and the development of statistics and, where appropriate, indicators, as well as assessing the effectiveness and impact of existing legislation, policies and practices, supporting the implementation of Community gender equality legislation through effective monitoring, holding seminars for those working in the field and networking amongst specialized equality bodies, raising awareness, disseminating information and promoting the debate about the key challenges and policy issues in relation to gender equality and gender aspect, developing the capacity of key European level networks to support and further develop Community policy goals and strategies on gender equality.

An ex-post evaluation covering the whole Program shall be carried out, by 31 December 2015, by the Commission with the assistance of external experts, in order to measure the impact of the Program objectives and its European added value. The Commission shall submit the expert evaluation to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. The implementation of the individual sections of the Program, including the presentation of results and dialogue on future priorities, shall also be discussed within the framework of the Forum on the implementation of the Social Agenda. The outcome of the Program expected within its future benefits may be seen in a completely equal social society.

Conclusion

The importance of implementation of marketing and management into the process of regional innovations is definitely proven. Human resource sector does need a continuous reform based on knowledge and innovations

in order to be equal to European standards, which is also claimed within the European general framework policy – a document based on the social policy priorities within the regional innovations and changes. However, Slovak regions still lack appropriate skills and human capital to achieve the goals set by the EU as for the education and its support by suitable marketing tools and managerial methods.

This study was processed within VEGA No. 1/4638/07.

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