

# MANAGING FOR OPERATIONAL EXCELLENCE IN AUTOMOTIVE COMPANIES IN ROMANIA. A QUALITATIVE RESEARCH

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**Abstract:** *The paper discusses the issue of operational excellence in automotive companies active in Romania. Operational excellence is the strategy for organizations striving to deliver a combination of quality, price and ease of purchase, and service, that no other organization in their market, or industry, can match. The paper discusses the degree of application in companies from automotive industry of the main seven principles of operational excellence and the main features of the process aimed to achieve operational excellence. Another topic discussed refers to key performance indicators (KPIs) of operational excellence that are used by companies. The research method is qualitative and uses the interview as instrument. The findings indicate that automotive companies in Romania are applying most of the seven principles, and that some just started the process of achieving operational excellence and therefore are applied only to some extent. The main tool for achieving operational excellence is Continuous Improvement used on all levels of the company. We found that companies use a KPI system with several layers of KPI's, such as cost improvement savings (increased efficiency, reduces waste,...), cost improvement savings on material (WIP reduction), GPPH (good pieces/hour/operator), IPPH (indirect labor overhead hours/ production volume, and others. Conclusions and recommendations are formulated.*

**Keywords:** *operational excellence, key performance indicators, management, automotive industry, Romania*

**JEL Classification:** D24 ; L23; L62; M11

## 1. Introduction

“Operational Excellence” concept has emerged from the 1982 book written by Tom Peters and Robert Waterman, titled “In Search of Excellence. Lessons from the best Run American Companies’. Their proposed model of excellence for companies was founded on the 7S model of organizations, advocating for excellence of organizations based on the internal fit of seven components (three hard subsystems: strategy, structure, and systems) and four soft components (shared values, staff, skills, style) and also one external fit of the whole organization to the business environment. The concept evolved mostly as an organizational change approach whose strategic goal would be the achievement of an end state of excellence of the company on several levels. It has also evolved into a pragmatical approach through various frameworks composed on specific and various methods and instruments aiming to operationalizing this concept (Carvalho et al., (2017).

## 2.Literature review

Operational Excellence (Op Ex) is defined as the “strategy for organizations striving to deliver a combination of quality, price and ease of purchase, and service, that no other organization in their market, or industry, can match” (Treacy & Wiersema, 1995, p. 65). This strategy is achieved through implementing a business model combining three “value discipline: operational excellence, product leadership and customer intimacy”.

In the same direction operational excellence is defined through four pillars under the acronym of “4P”: processes, products, people, and partnerships. Dahlgaard and Dahlgaard defined operational excellence “using `the 4Ps’: excellent people, who establish excellent partnerships (with suppliers, customers and society) in order to achieve excellent processes (key business processes and management processes) to produce excellent products, which are able to delight the customers” (Dahlgaard and Dahlgaard, 1999, apud Found et al., 2018, p. 1014).

Operational excellence has been defined by the Institute for Operational Excellence (2012) as “achieving a state where each and every employee can see the flow of value to the customer and fix that flow before it breaks down” (Institute for operational excellence, p.3) Their approach to Op Ex is that it is about “top line business growth, not waste elimination, about moving the company from point A to point B and not about getting better every day, being a journey with a destination that the company should reach within a year rather than an endless journey, and that it is achieved by applying principles and guidelines instead of through kaizen and facilitation.” (Institute for operational excellence, p.3)

Another important contribution to the field of organizational and operational excellence is done by the Shingo Institute which defines (2013, p. 9) as “a consequence of applying enterprise-wide practices based on principles classified in four dimensions: Culture, Continuous Process Improvement, Enterprise Alignment and Results”.

One of Shingo’s important contributions to the concept of Operational excellence was the recognition of the importance of the interrelationship of the foundational principles, organizational systems, and operational tools. The foundation of the Shingo approach is represented by the following three pillars: the first, is that “ideal results require ideal behaviors”, underlying the essential fact that the results of an organization depend on the way its people behave. The second pillar is that “purpose and systems drive behavior”, underlying that organizational purpose and beliefs, and organizational systems strongly impact people’s behavior. The impact of systems on employees’ work behaviours is a major contribution of the Shingo Institute, since this effect was largely ignored. The third pillar is that “principles inform ideal behavior” meaning that an employee better understands the principles of the organizations the better that employee understands the best behaviours, is more able to design appropriate systems to drive ideal work behaviors to achieve the desired results” (Shingo, 2013).

Shingo Institute has also listed in five key principles of the concept of operational excellence: 1. Focus on results and behaviours; 2. Behaviours flow from the principles that govern results; 3. Principles underlie the culture that supports the results long term; 4. Creating principle-based cultures requires alignment of the management system; and 5. The tools of Lean, TQM, JIT, SS, etc. are *enablers* and should be used strategically, appropriately and cautiously to better drive ideal behaviours and excellent results (Shingo, 2013).

In addition, other considers that Op Ex includes all the business improvement methodologies and represents a convergence of Operations Management (OM) and Human Resource (HR) philosophies. (Found et al., 2018).

Another important issue of operational excellence is related to the key performance indicators which can be used to measure the operational performance level. (Gólcher-Barguil et al, 2019) proposed various OEP Operational Excellence Profitability (OEP) indicators to measure precisely the impact of manufacturing and the results of implementing operational excellence through cost benefits of achieving higher efficiency. They proposed

the following “OEP indicators: OEP Energy Consumption, OEP(ECp); OEP Direct Labour Used, OEP(DLU); OEP Raw Material Loss Indicator, OEP(RML); OEP Packaging Material Loss Indicator, OEP(PML); OEP Maintenance Labour Extra Time Indicator, OEP(MLE); OEP Maintenance Spare Parts Indicator, OEP(SPC)” Gólcher-Barguil et al, 2019, p. 686). To show the economic improvement in operational excellence, the OEP indicators set for an evaluating period is compared to the OEP results for a base period. The periods could be any time interval such as weeks, months, or years.

The most important are improvement in productivity, improvement in quality, reduction in variation, reduction in lead-time, decreased inventory, increased customer satisfaction, reduction of operating costs and increased operating profits. Kaydos (2020) points out that quality and productivity are strongly related. However, there are four situations of changes in quality and productivity that have major consequences for the company. There are strong links between the strategy of the company, its operational performance, and its profits. Performance measures are only a tool for managers to use. Managers need to use them properly to achieve improvement of productivity, quality, and profits. (Tonelli et al., 2016) discussed value creation as a financial measure that was created when a business earns revenues that exceeds expenses or the cost capital. In today's company, value creation is characterized by intangible drivers like process improvements, innovation, knowledge, and people.

Also, Zhang & Huang (2023) found that cost management measures may focus too much on short-term benefits, such as reducing costs and increasing profits. Therefore, it is often ignoring measures of long-term business growth and sustainable development. customer satisfaction, product quality, employee engagement, etc.

### **The research methodology**

The researcher adopted a qualitative method, doing face to face and on line interviews with 5 top managers of automotive companies active in Romania. All companies are big size, 4 are multinational companies, and 1 is a Romanian owned company. The interviews were recorded, transcribed, validated by the respondents and analyzed by the authors of the paper.

Considering that there is no largely agreed definition of the concept “Operational Excellence” the researchers gave their definition “in use” for this concept at the beginning of the list of questions. They defined operational excellence as “the strategy for organizations striving to deliver a combination of quality, price and ease of purchase, and service, that no other organization in their market, or industry, can match”.

The list of questions included 15 questions. The first referred to the seven principles of OpEx, identified from the literature review. Managers were asked to indicate the degree of the application of each of the seven principles in their company, on a scale where 0- not applied, 1 - to some extent, 2 - to a large extent, 3 - fully applied. The 7 principles of OpEx are the following. The first, “the management of the company is focused on results”; the second, “the management of the company is focused on behaviours. The third principle of OpEx is “managers consider that behaviours flow from the principles that govern results” and the fourth principle is “managers consider that the above three principles underlie the organizational culture that supports the results in the long term”. The fifth principle is “managers consider that creating a principle-based organizational culture requires alignment of the company's management system”. The sixth principle of OpEx is “managers consider that the tools of Lean, TQM, Agile, JIT, 5S, Six Sigma, Operational Excellence Teams and others are enablers of increased performance” and the seventh is “Managers are using these tools strategically, appropriately and cautiously to better drive ideal behaviour and excellent results from employees”.

Other questions were about the key performance indicators of operational excellence in your company, the most important ways to increase the value – added in your company at work-

shop level and the key performance indicators used by their company using to plan and monitor the value-added at workshop level.

#### **4. Research findings**

The researcher analyzed the responses for the first questions regarding the degree of application of the seven principles of Operational Excellence in each of the 5 participating companies. Every principle was measured on a scale from 0 not applied to 3 fully applied.

Company A had a total average score of 2,41 points, with 3 principles fully applied and 4 principles applied to a large extent, indicating that they are well advanced towards fully achieving operational excellence. Company D, with the same total average score of 2,41 points, with 3 principles fully applied and 4 principles applied to a large extent, is also well advanced towards fully achieving operational excellence.

Company B had an average total score of 2,29 points, with 2 principles fully applied and 5 principles applied to a large extent. We appreciate that company B is also well advanced towards achieving operational excellence.

On the other hand, company E had an average score of 2,00, with only 1 principle fully applied, 5 principles applied to a large extent and with 1 principle applied only to some extent. This score indicates that company E is only in the middle of their road towards operational excellence. Company E went beyond the beginning stage and needs to continue its efforts to achieve a better level of operational excellence.

Company C has the lowest average total score 1,14, with 1 principle applied to a large extent and 6 principles applied to some extent, indicating that company C is just in the beginning stage of its road towards operational excellence.

The results for principle 1, "the management of the company is focused on results", indicated that 3 companies (A, B and D) fully achieved it and the other 2 (C and E) achieved it to a large extent. For this principle the average score is 2,6 (Score 13 out of maximum 15, divided by 5 number of companies)

The results for the second principle "the management of the company is focused on behaviours" indicated that only 2 companies (A and D) fully achieved it, company B achieved it to a large extent, while the other 2 companies (C and E) achieved it to some extent. For this principle the average score is 2,0 (Score 10 out of maximum 15, divided by 5 number of companies)

The results for the third principle of operational excellence "managers consider that behaviours flow from the principles that govern results" are the following: 4 companies (A, B, D and E) achieved it to a large extent and company C achieved it only to some extent. For this principle the average score is 1,80 (Score 9 out of maximum 15, divided by 5 number of companies)

The results for the fourth principle of operational excellence "managers consider that the above three principles underlie the organizational culture that supports the results in the long term" are the following: 4 companies (A, B, D and E) achieved it to a large extent and company C achieved it only to some extent. For this principle the average score is 1,80 (Score 9 out of maximum 15, divided by 5 number of companies).

The results for the fifth principle of operational excellence "managers consider that creating a principle-based organizational culture requires alignment of the company's management system". are the following: 1 company (B) fully achieved it, 3 companies (A, E and D) achieved it to a large extent and company C achieved it only to some extent. For this principle the average score is 2,0 (Score 10 out of maximum 15, divided by 5 number of companies).

The results for the sixth principle of operational excellence "managers consider that the tools of Lean, TQM, Agile, JIT, 5S, Six Sigma, Operational Excellence Teams and others are enablers of increased performance" are the following: 3 companies (A, D and E) fully achieved it, 1 company (B) achieved it to a large extent and 1 company (C) achieved it only

to some extent. For this principle the average score is 2,4 (Score 12 out of maximum 15, divided by 5 number of companies).

The results for the seventh principle of operational “Managers are using these tools strategically, appropriately, and cautiously to better drive ideal behaviour and excellent results from employees” are the following: 4 companies (A, B, D and E) achieved it to a large extent and company C achieved it only to some extent. For this principle the average score is 1,80 (Score 9 out of maximum 15, divided by 5 number of companies).

All the seven principles of operational excellence are connected between them, and it is very important for each company aiming to achieve maximum operational excellence to reach the maximum level. Analyzing the results for each of the 5 companies individually, we conclude that none of them has achieved this goal.

When analyzing which of these principles are the most towards the least applied by the participating companies, we find some interesting results. The most applied is the first principle with the maximum score 2,60 out of a maximum of 3,00, indicating that the companies are focused on achieving tangible, clearly defined and measurable results. All of them are manufacturing companies, privately owned, 4 of them are part of important multinational companies.

The second most applied principle of operational excellence is the sixth principle “managers consider that the tools of Lean, TQM, Agile, JIT, 5S, Six Sigma, Operational Excellence Teams and others are enablers of increased performance” with a score of 2,40. This principle is highly complex as structure and reflects the instrumental part of the operational excellence by considering various management instruments linked to various concepts of operational excellence as simple enabling factors of achieving operational excellence. The level of 2,40 indicates that participating companies are using a specific set of tools to achieve operational excellence and therefore are applying this principle to a large extent.

The third most applied principle with the score 2,0 are two principles: principle 2 and principle 5. The score level indicates that they are applied from some extent towards a large extent. Principle 2 “the management of the company is focused on behaviours” reflects the high importance of human resources, in fact human beings working in the company, for the process of achieving operational excellence. This principle is related to the human social subsystems of an organization, the so-called soft part of the 7S model. It reflects four subsystems linked to the role and contribution of people in the work processes of the organization, both in value-creating activities and support activities. These four subsystems are: staff, skills, style (management style) and shared values (organizational culture). However, the lower score of this principle indicates the difficulty of focusing the management of a company on work behaviours of employees at the same level of importance as results. Clearly define and measure human behaviours is more difficult and less precise and therefore, more difficult to implement a system of measuring them.

The fifth principle “managers consider that creating a principle-based organizational culture requires alignment of the company’s management system”, has also a score of 2,0. This principle reflects the importance of the systemic approach to a company and of the central role in its stability of the organizational culture.

This principle of Operational Excellence aims to create a cohesive organization aligned to its organizational culture. It is based on the socio-technical approach to organizations. It is also reflected by the very influential 7S organizational model of the McKinsey management consulting company, first presented in the best seller book “In Search of Excellence. Lessons from the best run American companies” written by two McKinsey consultants, Thomas Peters and Robert Waterman. Only an aligned organization, harmonized internally between all its subsystems: strategy, structure, systems, staff, Skills, Style, and Shared values (organizational culture) and externally with the business environment can achieve operational excellence, being simultaneously the most effective and efficient, as compared to its competitors.

The fourth score is 1,80 and it reflects the least applied principles of operational excellence: principle 3, 4, and 7. However, we point out that the score level of 1,80 (the mean score is 1,50) is still reflecting that the participating companies have already transitioned towards a more advanced level of applying these principles in their activity.

Principle 3 refers to “managers consider that behaviours flow from the principles that govern results”, and it is influenced by the degree of implementation of principle 1 (2,60 score) and principle 2 with a score of 2,0. The score indicates that managers of automotive companies understand that the human resources behaviours are influenced by the results orientation of their companies (principle 1), however companies did not achieve the full potential of linking the first 2 principles of operational excellence to the actual behaviour of their employees. Consequently, the organizational culture which is linking values and principles to actual desired behavior of employees at work, their attitudes towards operational excellence is still not developed and shared by most employees. This situation is indicated by the score level (1,80) of principle 4 “managers consider that the above three principles underlie the organizational culture that supports the results in the long term”.

Finally, the lowest score of 1,80 is also for principle 7 “Managers are using these tools strategically, appropriately and cautiously to better drive ideal behaviour and excellent results from employees”. This indicates that although various tools such Lean, TQM, Agile, JIT, 5S, Six Sigma, Operational Excellence Teams and others, are well known and implemented in various combinations to achieve operational excellence, their use is mostly operational and not yet as tools for the coherent organizational strategy aiming to achieving operational excellence.

Managers were also asked about the key performance indicators of operational excellence in their company and the ways in which the company acts to achieve operational excellence. The top manager of company A stated that There are several layers of KPI's: the upper level, “Cost Improvement CI Savings” such as increased efficiency, reduced waste, the next level consists of cost improvement (CI) savings on material (Work in Process WIP reduction), next level consists of “Good pieces/hour/operator” indicator (GPPH), and “Indirect labor overhead hours/ production volume” (IPPH) indicator. Another level is referring to “6 Sigma” projects (calculated as target of projects/department/year). The company uses continuous improvement too, at every level of the company.

The process was described by the respondent “We started by aligning the expectations and knowledge among management team. We did that by putting all management team together in Lean training /workshops, educating and giving them tasks – as workshop improvement, waste observation and elimination, and others. Second, we created a Lean structure under the coordination of a Lean officer. We developed a regular meeting pattern with management and created a “Lean roadmap” to be implemented and followed up. It basically included the following components: a) Time observations & re-balancing per each part number (PN); b) Single-Minute Exchange of Die (SMED) activities; c) Connections (delivery routes/Kanban, racking); d) Indirect structure measurement and balancing (Production, Logistics, Maintenance, Quality, others.); e) Six Sigma projects; and f) Benchmark results/practice recorded as “standard” and shared among sites/plants of the company group. The company uses lean workshops, lean teams, and benchmarking as tools.

In the case of company B, the key performance indicators of operational excellence are the following: Productivity, On Time delivery, Absenteeism Rate, Overtime Hours, Employee Satisfaction, Value of Inventory, Net Profit Margin, Safety situation. The indicators are referring to employees operational performance, to customers (on time delivery) and to financial indicators (value of inventory, net profit margin, and to social issues (safety situation). The manager of the company stated, “Our company produces special cables in “low volumes and high mixed parts”. To be able to do that our operation excellence is up. Our culture of excellence was initiated 20 years ago when our company started and now is improved with the new process organization in place and with support from external

specialized companies in operation excellences. Continuous improvement teams are functional in our company.”

The manager of company C, scor1 1,14, stated “The company is very much in the start of the operational excellence journey, there is a strong desire within the company top management to introduce the elements of operational excellence.” He has identified that the main difficulty into starting to implement this strategy “has historically been a lack of knowledgeable personnel within the company at plant level”. The current management approach to mitigate this situation is “using a mixture of both internal and external resources and building a team of capable people and the necessary training material to roll out various aspects of operational excellence over the next year on one of the production facilities”. Thus, we conclude that the company is using a phased approach to the implementation process, using the pilot project approach. The next step is to create a group wide standard for operational excellence that can be rolled out using the experience and training material developed during the initial introduction. Manager of company C declared “the final goal of the activity is the achievement of operational excellence in all companies of the group”.

The current key performance indicators (KPIs) for operational excellence used by company C, at line level are productivity and FTT. There are other higher level KPIs such as: “output / operator / day, and “efficiency, planned versus actual that can also monitor operational excellence”, stated the manager of company C.

The manager of company D indicated that KPIs are linked to Operational Excellence Profitability (OEP) various indicators OEP such as Direct Labour Used (DLU); Raw Material Loss (RML); Maintenance Labour Extra Time (MLET); Maintenance Spare Parts Indicator (SPC). He stated “we are using these indicators to precisely measure the impact of manufacturing and the results of implementing operational excellence through achieving higher efficiency by aiming for cost reduction. We compare the results for these KPI on a monthly basis because we want to track the economic improvement in Operational excellence”. The company is also measuring KPIs related to customer satisfaction, products quality and net profitability. About the process of implementation, it started three years ago, following the successful implementation in other companies, members of the group of companies. The manager of company D stated “we benefited from the experience of the group which gave support in organizing the process and training the members of the management team and the members of the operational excellence project team. We trained employees and developed their awareness and skills related to tools of agile manufacturing”. The manager of company E, score 2,0, stated that they use three main key performance indicators of operational excellence: customer satisfaction, quality and sales efficiency, and that at line level they use “the degree of occupancy of the machines (percentage); analysis of the non-compliant product (monthly, establishment of preventive and corrective measures and capitalization of the non-compliant product). Another group of KPIs is referring to employees such as: “absenteeism rate, medical leaves, work accidents, proposals and ideas from employees to improve processes and/or solve problems”.

About their approach to operational excellence, the manager stated, “we are committed to deliver quality products, satisfy the requirements of our customer exceed their expectations by continuously improving processes and adapting them to the company's business strategy and objectives.” The company began its journey towards operational excellence two years and applied the principles to a large extent by employing the services of a consulting firm specialized in TQM and kaizen, training its employees and developing operational excellence teams.

## **Conclusions**

The first conclusion is that no Romanian automotive company has achieved full operational excellence, based on their managers opinions about the level of implementation in their daily activities of the seven principles of operational excellence.

The second conclusion is that those companies which began the process of achieving operational excellence are quite advanced (A, D and B), one company (E) is at the middle of their road towards operational excellence and one (company C) is just in the beginning stage of its road towards operational excellence. Another conclusion is that there is a progression based on the implementation of fundamental principles such as principle 1 and 2, relating to the focus of the company's activities (results and people).

However, the third principle (score 1,80), the fourth (score ,80) and the fifth (score 2,0) have a lower level of adoption by the participating companies. We conclude that this is caused by the fact that all these three principles are referring to the human behavior and the organizational culture orientation towards results achieved through adhering to principles related to the work behaviours of employees, both managers and workers. Employees work behaviors are more difficult to change since this process requires acceptance and internalization of values, principles, and behaviours fundamental to achieving operational excellence,

Here, intervene also the results about the fifth principle (score 2,0) which refers to the need for managers to align the management systems to support the creation of the company culture based on the principles of operational excellence. The level of the score indicates that companies have not fully applied this principle, although they are thriving to achieve it. Another conclusion is that various tools specific to Lean management, Agile management, TQM (total Quality Management), Just in Time (JIT), 5S, Six Sigma, Operational Excellence Teams (OET) are used in various combinations by each company. However, their use is largely at operational level and less at strategic level to achieve operational excellence.

Finally, we recommend approaching the process aimed to achieve operational excellence as a major transformation process of the whole system of the organization, at every level of company, implying the change of the organizational culture into a supportive one and the alignment of the managements systems to support operational excellence

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## THE ROLE OF SELF-MARKETING IN CREATING OPPORTUNITIES FOR ROMA EMPLOYMENT

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**Abstract:** *The role of different groups in society in the labour market is of vital importance for the functioning of a nation's economy. Equal access to employment is a fundamental condition for tackling social exclusion and is closely linked to reducing and combating poverty. Research on discrimination in the labour market goes back several decades and is primarily based on perceptions of discrimination. The Roma population is one of the most disadvantaged groups in Hungary, with the most severe labour market tensions and the largest number of underprivileged groups. Roma are considered a social group with below average labour market opportunities. The unfavourable social and economic situation of the Roma population in Hungary and their resulting marginalisation has become a platitude in public discourse and academic work. The importance of the issue is undoubtful, as it is estimated that the Roma population, which constitutes a significant proportion of the population, is the poorest, most excluded and, overall, the most vulnerable group in society. The gap between the Roma population and the majority society has been steadily increasing for decades, mainly due to the residential segregation and economic decline of the Roma. Negative discrimination in the labour market plays a crucial role in shaping the employment prospects of Roma people. On the one hand, this is due to the negative discrimination they face, and on the other hand, to the low level of knowledge acquired by these people compared to the average in society. In our study, we examine the factors determining self-marketing and the labour market chances of Roma in the context of the background factors, economic and social effects of unemployment, which particularly affect this precariat group. We make an attempt to prove that self-marketing has a right to exist among the Roma working population. In researching this topic, it is essential to address the issue of the conscious career management competences of members of the emerging generation and the crucial role of inclusive workplaces.*

**Keywords:** *Roma; lifestyle; equal opportunities; discrimination; labour market; self-marketing*

**JEL Classification:** R23; O15

### Introduction

The Roma population in Hungary is an ethnic group that can be most characterised by disadvantage and, among other things, as a result of this, their chances and opportunities in the labour market are negligible compared to the majority society, or can be described as highly hectic. The health, social and economic situation of the Roma population in Hungary can be typified by a significant degree of underdevelopment and backwardness (Törő et al., 2017; Sárvány et al., 2019). They are a vulnerable and exposed group who face various forms of exclusion in many areas of daily life. Their economic disadvantages, weakness and low presence are also the cause of their segregation, which affects several areas. The Roma can also be described as a precariat group, as their volatile, fluctuating and precarious labour

market situation means that their employment prospects and income are characterised by imbalances. Their quality of life is the major determinant of their employment potential (R. Fedor, 2021). The Roma population is weak and inefficient in terms of parameters of their educational and labour market status, which results in a temporary inability to escape from poverty, immobility, and even the risk of further decline as an outcome. The disadvantaged situation of the Roma is further exacerbated by factors that are a projection of discrimination, rejection and prejudice shown by the majority society.

### **Discrimination in the precariat group of Roma**

A number of international conventions and documents of international scope and legal force include a prohibition of discrimination. The prohibition of discrimination can be seen as a variable concept the message and meaning of which has been permanently enriched and expanded over the years and decades. Regarding fundamental human rights, the Charter of Fundamental Rights of the European Union has a binding legal force in the Union, since it guarantees and ensures the recognition of and respect for the different nationalities, cultures and traditions of the Member States as well. Article 21 of the Charter summarises all the characteristics, descriptive features, traits and criteria based on which discrimination is prohibited. The adoption and acknowledgement of EU Community law has played a decisive role in the development and modernisation of protection, security and guarantees against discrimination, as it has made the Member States subject to an obligation to transpose it. Of particular importance are Directive 2000/43/EC implementing the principle of equal treatment between persons irrespective of racial or ethnic origin and Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation (Pap, 2021). Hungary's fundamental law (constitution) also contains a prohibition of discrimination, and our Equal Opportunities Act and certain sectoral laws also cover and affect this area. The modern mentality and way of thinking have made it essential that the dilemma of equal opportunities and discrimination become a significant phenomenon. However, there is a difference in the conceptual framework and definition of equality and equal treatment. Equality of opportunity is one of the fundamental human rights that creates and establishes equivalent, equal opportunities for all people, so that everyone can enjoy the rights granted to all in the same way and in the same proportion as others. Equal treatment, on the other hand, is defined as the right of all to equal treatment, which means that no one can be discriminated against on the basis of their membership of a particular group or their characteristics (Dajnoki & Balázs-Földi, 2016). Discrimination is a complex and multifaceted phenomenon that plays a prominent role in the reproduction of inequalities among disadvantaged social groups (Tardos, 2015).

### **Discrimination at work**

Discrimination at work is a recurrent form of discrimination. Discrimination at work occurs when, for example, a job advertisement mentions certain characteristics that are expected of employees as a kind of necessary criteria or excludes them because of a particular characteristic. It also includes denying employees certain rights at work, perhaps not recognising their achievements, or prohibiting the use of certain equipment or premises. Employers have a duty, responsibility and obligation to respect the requirements of equal treatment. However, it is the employer's actions that make it most difficult to recognise and identify discrimination at work, as it has a wide discretionary right. However, in employer decision-making, it is essential to exclude factors and components that would result in an adverse impact or consequence related to a protected characteristic (Halmos, 2018; Bene & Salamon, 2016).

Babusik distinguishes between two forms of formal discrimination: actual and statistical discrimination. Formal discrimination occurs, for example, when an employer refuses to

employ a Roma worker or applies reduced wages. In the case of statistical discrimination, the employer's decision to hire is based on a lack of information. Roma often face a phenomenon of rejection, which plays a decisive role in the development of their employment indicators. Technocratic management styles and attitudes play a role in the emergence and presence of discriminatory businesses. These managers are characterised by their distancing and avoidance of workers whom they despise, since for them the excellence and impeccability of the workforce are paramount. The results of the studies and research on willingness to employ suggest that the employers surveyed employ Roma to a negligible extent and would not employ them even if they were qualified for the job. When examining the employment of Roma, it is also worth looking at the types of jobs that employers contract them to do. Most companies do not employ even highly qualified Roma with higher education in managerial positions. This may also be evidence that for the Roma population, even a good level of education is not a guarantee for a white-collar job or even a blue-collar job. This is due to discrimination in the open labour market, which is a phenomenon of prejudice and racism against Roma (Babusik, 2008).

### **Discrimination in the labour market**

The employment indicators in Hungary are affected by the labour market situation of the Roma population, therefore a thorough knowledge of the Roma labour market participation is essential to achieve equal opportunities and improve economic indicators (Varga, 2020). There is a cumulative discrimination in the labour market for Roma workers. In their case, discrimination may be present in selection, classification, promotion or even dismissal. When examining the equal opportunities of Roma, it is of particular importance to look at the chances of Roma workers to successfully fill certain positions and jobs (Suhajda, 2018). The labour market failure of this socially precarious group is fuelled by a number of factors (e.g. under-education, inherited disadvantages, discrimination, early school leaving, segregated living conditions, etc.) that hinder their integration into employment (R.Fedor & Balla, 2019). The Roma population in Hungary is faced with a rejection that is now widespread, rooted in stereotypes, and these negative prejudices create unfavourable and hostile conditions that do not contribute in the slightest to the development and regeneration of the role of the Roma in society and economy, and to a positive shift in the general perception of them (Olasz, 2020).

Protection against discrimination can be given by an inclusive, welcoming society where the workplace environment is not a breeding ground for prejudice. Reducing disadvantage for Roma workers in the labour market is a complex task requiring support from a complex background, closely linked to ensuring equal access and cooperation between support services. At present, the disadvantaged, often cumulatively disadvantaged situation of the Roma population has a negative impact and acts as a risk factor for the development of their talents (Visztenvelt et al., 2014).

### **The role of self-marketing in enhancing labour market opportunities**

Today, self-marketing is becoming increasingly important in terms of increasing labour market opportunities. For most people, the concept of marketing is a corporate activity that includes product development, pricing, distribution and communication. These activities have been developed for companies in order to maximise their effectiveness and profits. However, these activities should not be applied only in a corporate context, but nowadays they are much more than that, as they can also be applied to individuals (Kotler-Levy, 1969). There are books and websites on the subject, and even consultancy firms can help you in the world of employment. There is no doubt that there is a consensus among professionals in the field that in order to fill certain positions, it is necessary to have a well-designed

personal brand. In general, self-marketing is useful for career building (Kitchen, 1989), but we believe that it can also be used as a tool for the reintegration of Roma into the labour market.

The experience of employers, companies and enterprises shows that the chances of Roma workers to find a job are further weakened by the fact that they often do not appear at the interview. This can be due to delays caused by financial constraints, but also to a lack of self-confidence. Their lack of motivation to enter the labour market may also stem from discrimination, which further contributes to their lack of self-confidence. Roma workers with lower educational attainment tend to have confused CVs (if any), with major gaps, uncovered or passive periods. In the absence of accurate background information, these factors may make employers suspicious, although it is possible that a very honest, dedicated and hard-working worker may have had previously undeclared work that he or she is afraid to mention on his or her CV.

Studies show that the Roma are dominated by unemployed people with low educational qualifications and economic disadvantages. Of course, there are also smaller groups in Roma society who already have a secondary or higher education. But they also face difficulties in reducing their disadvantages. Even if they have excellent professional skills, they may lack in professional contacts. For those Roma workers who are more educated than their peers, we believe that a certain degree of self-marketing could greatly improve their chances in the labour market. The justification of self-marketing among the Roma working population is underlined by the problem of mismatch between labour market supply and demand. The reason for this can also be found in the attitudes of young Roma people, who 'typically' take the easy way out, often opting for the simplest solution, lacking a vision of the future, not sufficiently goal-oriented and not sufficiently informed about their job opportunities in good time. The vast majority of the Roma population is under-educated, with primary education, although the number of young people with secondary education is slightly on the rise. However, this is the 21st century, where jobs requiring secondary education are often filled by college graduates. Young people in Roma society, like young college graduates starting their careers, have too high expectations of the world of work and low work motivation and morale. Most young Roma people are completely uncertain about the field of work in which they see their future (Dávid, 2009).

Members of the emerging generation need conscious career planning if they want to increase their chances in the labour market. Short- and long-term thinking are essential. This awareness should start during the period of study, choosing a profession or school that matches the demand of the labour market. Unfortunately, this kind of awareness is often completely absent in Roma society. Students need to plan ahead, assess their labour market opportunities and qualifications and set realistic expectations of themselves. Regrettably, we sometimes feel that society no longer has any expectations of young Roma people, and that they have no expectations of themselves. We believe that the first level, the first step in self-marketing is to develop this kind of awareness. There is little or no awareness of the labour market among prospective and current Roma workers. An increasingly fast-paced labour marketplaces demands on its workers (e.g. language skills, work experience) that a disadvantaged Roma worker with low educational qualifications is unable to meet. Roma workers almost completely lack the self-awareness that would make them stand out from the crowd. Personal branding is also important, as prospective employers often "check" the applicant in the online space and the information they gather there influences the selection process.

A Roma student who consciously plans and decides what field he/she would like to work in in the future, and collects information on labour market opportunities, accordingly, develops himself/herself accordingly, and increases his/her chances in the labour market. The essence of the self-marketing process is that the individual is constantly marketing him/herself. The object of this marketing is the individual. Self-marketing is the process of creating a professional self-image of oneself in order to get a lucrative job. This activity must

continue once a job is obtained, as successful career development also depends on self-marketing. This is where Roma workers are currently performing very poorly. Given their disadvantaged situation, it is a real success if their efforts to find a job are positively assessed. Roma workers who lack self-marketing have very poor job retention skills. Retention characteristics are less present in their work ethic and in their work socialisation toolbox. With adequate self-marketing, they would have the possibility to fill a job for a long period of time, in contrast to the current general picture, which shows that Roma workers are employed by an employer for a short period of time. Shuker (2010) defines self-marketing as an exchange of resources. Individuals market themselves in order to obtain a job and thus receive a salary in return for their work, and later continue this activity in order to possibly be promoted and thus receive an even higher salary for a more responsible job. In self-marketing, the product is the individual who "sells" his/her qualities to the labour market. The employee should also think about what skills, qualities and characteristics are important when looking for a job. The individual should focus on the needs of the labour market. The main motivation for Roma participation in the labour market is to earn an income. The working age Roma working population is not yet able to focus on labour demands due to a lack of self-marketing and multiple social disadvantages. There is also a growing recognition among workers today that we are no longer living in an era of lifelong jobs, and it is rare for someone to spend decades with an employer and still manage to retire. With career changes becoming more common throughout our lives, workers are increasingly taking personal responsibility for shaping their careers. Personal branding can also help to increase employability. Competition in the labour market, the changing economic environment and periods of crisis have led to a downward trend in employment opportunities, especially if the individual is a Roma worker. In order to increase the opportunities for prosperity and employment, workers need to pay more and more attention to their personal brand. Everyone has a personal brand (Wee, 2010). A personal brand is the image that we project of ourselves to the outside world and which includes our behaviour, our appearance, our manifestations. In personal branding, the individual, the employee, seeks to emphasise his or her uniqueness. In this case, the focus is not on making the individual, the employee, better than the competition, but on highlighting his or her true difference and authentic competencies.

### **The role of inclusive workplaces as a marketing tool**

Increasing the number of diverse and inclusive jobs also increases the chances of Roma workers to find a job. This approach, which is mostly typical of larger multinationals, possibly global players, but is also increasingly common in medium-sized enterprises, is not only beneficial for the social responsibility of companies but is also increasingly required by business interests. Creating inclusive workplaces is a marketing tool to enable companies to organise diverse teams of employees who can respond to complex tasks. In a competitive business environment, employers have a responsibility to create a safe working environment for their employees. More and more companies are making efforts to make their employment practices inclusive and are using marketing tools to communicate their successful performance and progress to the public (Bene,2016). Inclusive workplaces help to combat social exclusion, which is also responsible for discrimination in employment. This kind of change in approach and employment practices and ideas contributes to improving equal opportunities in the workplace by managing diversity effectively. Diversity employment programmes value the diverse backgrounds of workers and seek to develop employment policies that, through their human resource management, retain the best people from all cultures and backgrounds. Inclusive workplaces are also a marketing and management tool to help companies increase their productivity and efficiency. As for inclusive workplaces, vulnerable groups often appear in the communication campaigns of large companies, but it is observed that advocacy for more "unpopular" social groups (such as Roma) is less

frequent. There are companies that support NGOs working with Roma communities, but these are rarely given a central role in company communications. We believe that an increase in inclusive jobs could have a positive impact on the employment prospects of skilled Roma workers. The employment of Roma workers does not impose any particular infrastructural burden on companies, e.g. no need to initiate adaptations for wheelchair access, etc. The majority of Roma workers come to the company from disadvantaged economic and social backgrounds. The majority of these companies already have tools (e.g. housing support, commuting support, clothing support, mentoring) to facilitate the integration of Roma workers.

The majority of Roma workers often face discrimination because of their origin. With inclusive workplaces, it is possible to ensure that companies really only consider what is relevant to them in the selection process, e.g. personality, skills, hidden potential (Kelemen et al., 2018).

## **Summary**

In terms of labour market opportunities, the Roma society can be seen as disadvantaged in several ways. Concerted efforts are needed to overcome this disadvantage, increase job opportunities and reduce poverty and deprivation. Economic crises always hit the most vulnerable groups first, jeopardising the modest progress made in implementing national Roma inclusion strategies. Genuine Roma inclusion means that Roma have equal opportunities with non-Roma, not vice versa. In addition to income poverty, they are characterised by a multifaceted deprivation that is present in their education, employment and many other dimensions that determine their quality of life. Roma society is disadvantaged in multiple ways in terms of labour market opportunities. The problems faced by Roma are complex and require an integrated approach and coordinated, mutually reinforcing measures. The evidence of the past decades shows that progress can only be made if active labour market incentives are combined with an active and inclusive Roma society. The biggest problem in the labour market is that jobseekers do not have the right skills to fill vacancies. Identifying the education and labour market challenges and defining development pathways is essential to achieve a balanced labour market. There is a strong demand from employers for skilled labour. However, for change to take place, there is a need for cooperation between the relevant labour market players, such as the representative bodies of the disadvantaged target group concerned, minority nationality self-governments, municipal and county self-governments, vocational training and adult education institutions, and labour market organisations. Self-marketing, personal branding and an increase in the number of inclusive jobs can have a positive impact on increasing the employment opportunities of the Roma population. Increasing employment, reducing unemployment and labour shortages, improving the employment of disadvantaged people and reducing regional disparities can only be achieved through cooperation.

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