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International Business – Central European Business Realities

Appraisal of Transparency International in the Czech Republic

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Declaration:

I hereby declare that I am the sole author of the thesis entitled “Appraisal of Transparency International in the Czech Republic“. I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

In Prague on ....   Signature

Acknowledgement

I hereby wish to express my appreciation and gratitude to the supervisor of my thesis, prof. Ing. Zuzana Dvořáková, CSc.

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List of Abbreviations

CEO – Chief Executive Officer

CRM – Cause Related Marketing

CSR – Corporate Social Responsibility

CV – Curriculum Vitae

CZK – Czech Crowns

ESFCR – European Social Fund Czech Republic

EU – European Union

NGO – Non-Governmental Organization

TI – Transparency International

YMCA - Young Men's Christian Association

Introduction

The reason why I chose the topic connected with NGOs is that a non-profit organization is an important element in the society. The original aim of an enterprise is to gain profit, and when an enterprise gains high profit, it is considered to be a successful and well-known company. The level of knowledge of social needs of less lucky individuals or other unfair actions in the world is increasing. People care more and more about global issues and they increasingly want to engage and help to improve specific situations. The focus of this thesis is concentrated in the three following areas: environment, animals, and people including their living conditions.

Non-profit organizations started to develop after 1989 in the Czech Republic. The non-profit sector in the Czech Lands does not have a rich history, because its development was interrupted by the socialistic regime and it had to start over from the beginning. It is gaining more attention from the public and from the government as well during the last decades. People meet projects of non-profit organizations every day without realizing it. Thanks to the non-profit organizations, the society can engage in cultural activities, sport and education. Citizens have freedom of speech, which is considered by my generation as a natural thing, but it was not always like that. The non-profit sector gets the attention of politicians, as demonstrated by the legal reform made in 2014.

The aim of my master thesis is to delineate the marketing and personnel marketing strategies of the NGO, Transparency International (TI), and to propose improvements for their work in the Czech Republic. To figure out how TI does its marketing I interviewed representatives of Transparency International in the Czech Republic David Kotora; to evaluate its success, I created a questionnaire. The present master thesis is divided into the theoretical and the practical part. In the theoretical part, there are defined terms concerning my master thesis. The first chapter focuses generally on non-profit organizations, the definition of the third sector, why non-profit organizations are important, and the legal differentiation in the Czech Republic.

The second chapter of the present thesis focuses on the marketing side of non-profit organizations. It starts with the basic knowledge of marketing strategy, i.e. how to create the target group, SWOT analysis, and fundraising. The complementary role that marketing research plays is developed practically in the following part of the thesis. After discussing the basic principles of marketing, the framework of social marketing is introduced, which is important for Transparency International because of its goal to increase people's awareness of and resistance to corruption.

The last part of the theoretical background focuses on personnel marketing, and how to develop employer-branding as a crucial condition for the non-profit organizations to find suitable employees. The non-profit organizations cannot offer large financial benefits so they must attract employees through job satisfaction. The chapter describing personnel marketing is divided into two parts, external and internal personnel marketing.

The practical part introduces Transparency International and its functioning in the world at first. There are mentioned the conditions, which lead to the establishment of the organization, the meaning of corruption perception index and its calculation in the practical part. It also explains how the Czech Republic ranks compared to the average within the European Union is calculated. Lastly, the practical part describes the Czech branch of Transparency International and details how its activities are concentrated, the evaluation of the organization based on the results from questionnaire and the recommendation of improvements.

Theoretical part

1 Defining Non-profit Organizations

The sector of non-profit non-governmental organizations is known also as the third sector. Like profit organizations, the non-profit organizations need to have a mission, processes and satisfied customers. The difference between profit and non-profit organizations is that customers of non-profits usually are not able to pay for services, and so these organizations are not created for a financial profit. For this reason, the configuration in the society of non-profit organizations is very important. Where for-profit companies see problems, non-profit organizations see opportunities. Simultaneously, non-profits provide services which the state cannot or do not want to offer. Non-profits help local communities increase the quality of life, protect human rights and support democracy. Non-profit organizations can influence politics or create new working positions. They fill the gap between state, market and family. (Novotný & Lukeš, 2008)

To specify the non-profit sector it is important to define the word philanthropy. In translation from Greek word "*philantropos*" it means the love for humans. Openness and love are the main reasons that lead people to gather and to establish non-profit organizations. People´s basic needs are to integrate to different groups and to help someone. Philanthropy can be defined as the sum of all actions, during which people try to help others and as their behavior, which will fully support individuals, groups or organizations. The philanthropy of nowadays can be seen as physical help (volunteering), financial support or donation. (Bačuvčík, 2011)

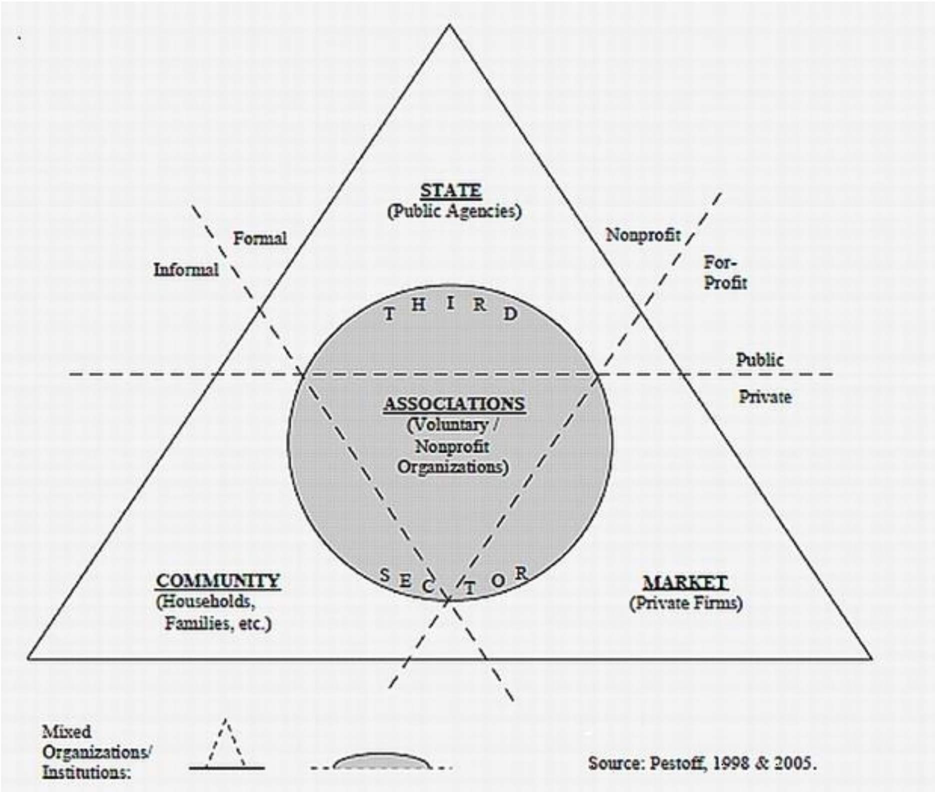
1.1 Non-profit Sector

Economy of non-profit sector can be divided into 3 groups, by Pestoff (Rektořík, 2010):

- Private versus public
- Non-profit versus profit
- Formal versus informal

The third sector is the penetration of other sectors and it is composed of organizations founded by a private individual or legal entity, self-government, or state. It is important to realize that the borders between sectors cannot be divided precisely; it is done as a model.

Picture 1: Third Sector



Retrieved from: Pestoff, 1998 & 2005

The non-profit sector is divided into non-profit public sector, non-profit non-governmental sector and sector of households. The non-profit public sector is founded by an executive body or a municipality or a city. All these entities have interest in such benefits as are not reachable in the profit sector. For this reason they put their resources into the non-profit sector without expecting any revenues. It is important to mention that state-funded institutions are part of the non-profit public sector. Non-profit non-governmental organizations are founded by private entities and the goal is the same as in the public sector, that is, to reach benefits without expecting any revenues. (Boukal, 2009)

The following paragraphs are based on Bačuvčík (2011). Non-profit organizations can be divided from many points of view. Diversifications can be considered by the law form of the organization and founders, by membership, by the character of the mission, by the activities or by the financing

From the first point of view – law form of the organizations and founders, it is possible to split non-profit organizations on statutory organizations, statutory institutions and private organizations. The statutory organizations are founded by a ministry, a region or a municipality. The statutory organizations can be kindergarten, municipal police or state-funded institutions for example museum. Statutory institutions are made by the law, for example Czech National Bank or public universities. Private organizations are founded by physical person or legal entity.

Membership is divided in terms of who is a member and who is not. Non-member organizations provide a foundation in which the different employees are concentrated in an administrative body. The membership organizations are federations or unions. By the character of the mission are recognized two types of organizations – mutually or publicly beneficial. Mutually beneficial organizations provide the activities and services to the members of the organization, but the publicly beneficial organizations provide its services to everyone. Examples of publicly beneficial organizations can be social services or education. The types of activities are also distinguished in terms of service, interest and advocacy organizations. Service organizations provide service to everyone, not just to the members. The service can be in the area of education, social or health. On the other hand, common interest organizations provide different activities for the members, such as sports or leisure time activities. The advocacy organizations defend the interest of members - unions or the public interest – e.g., ecological organizations.

The last diversification of non-profit organizations is in how they finance activities. The next chapter will be dedicated to this topic. To outline the topic, it is possible to say that the non-profit organizations are financed from public sources, private sources, their own activity, or any combination of these methods. Organizations have the right to get a certain amount from a public budget, which may cover their expenditures in part or full. Private sources are donations, grants, sponsors etc. Financing from its own activities are the revenues from provided service.

On the international sphere of activity, there are two types of non-profit organizations. The first one is the inter-governmental organization created and controlled by states, whose members fall within international law authority. The second type is the international non-governmental organization, set up by citizens who fall within private law of the country in which services are provided. (Barnett, 2016)

1.2 Historical Development of Non-profit Organizations in the Czech Lands

The following paragraphs are based on Boukal (2009). People coming together to provide help to others has a long tradition in the Czech Lands. After the disintegration of the Roman Empire, helping was in the power of institutions: monarchy, aristocracy and church. It is crucial to mention that charity and the care of sick people were organized mostly by the church in the Middle Ages, as exemplified by the important figures of the Czech saints Agnes (1211 – 1282) and Lyudmila (866 – 921).

From the 12th century, hospitals played an important role; these were so-called shelters, which provided asylum for pilgrims on the way to the Holy Land and later served poor and sick people. In cooperation with the Emperor Rudolf II (1552 – 1612), an Italian congregation established an important shelter in the Czech lands. Its purpose first was as a shelter and hospital, and later became an orphanage. It also eventually served as a maternity hospital and educational center for future maternity doctors during the last phase of its existence.

From the 18th century the process called secularization began, meaning that entities other than the church became involved in community service. The second half of 18th century through the 19th century is characteristic for large amounts of federations. Increasing amounts of federations occur in all societies, and as unification occurs, it changes the character in which people unite. For example, it used to be obligatory, but with a change of emphasis on the individual and free will, guild membership became voluntary. The increase amount of federations was so significant it has to be set by law. The act about assembling became valid in 1867. The act was modern on that time the founder of federation had to specify the mission, its functionality and provide this information to the Empire council. The role of the church in the non-profit sector was weakened by proceed modernization and industrialization.

The First Czechoslovak Republic (1918 – 1938) can be evaluated as incredibly successful for the development and internationalization of non-profit organizations. From the western countries like England and the United Stated came international non-profit organizations such as "*Young Men´s Christian Association*" (YMCA). Most of the organizations were established with strong support of government and in property of municipalities. Core missions were oriented toward education and leisure time of youth, social problems and poverty. (Frič, Deverová, Pajas & Šilhánová, 1998)

The Second World War stopped the development of NGO sector. A lot of organizations were transformed to serve the purpose of fascist regime or completely forbidden. Some of these organizations survived and secretly functioned underground or in exile. After the war, the non-profit sector was restored but not for many years. The Communist party gained power in 1948 and so began 40 years of a totalitarian regime. The non-profit sector could not develop independently, because of censorship by the government, which prohibited all activities not aligned with socialistic ideology. (Frič, Deverová, Pajas & Šilhánová, 1998)

The regime suppressed democratic freedom and eliminated private property, including confiscation of the properties of non-profit organizations. Nevertheless, it is crucial to point out that the non-profit sector was not prohibited, but it had to comply with socialistic propaganda and to serve its purpose. Voluntary social organizations were established by the Communists to influence opinions of citizens. For example, "*Pioneer*" was an organization for young people created to influence their developing minds. Even though it was called voluntary, participation was expected and disobedience was viewed as resistance; lack of participation could lead to persecutions such as losing one's job or prohibiting children to study at a certain university. Socialistic volunteering differs from the term nowadays, but the reputation was harmed. (Frič, 2001)

After the Velvet Revolution, the society and economy were transforming, and the number of non-profit organizations was increasing. The non-profit sector gained back the trust of the public and two years after the revolution, the non-profit organizations were approximately 40 times higher. The new government helped the process by adoption of Act No. 83/1990 Coll., which enables entities to establish associations. The Council of Foundations was founded to help with procedures in reformation of the sector. The Foundation Investment Fund was established additionally, in order to financially help the organizations. Thanks to that, organizations are able to be independent of the government.

Two fundamental changes happened between the years 2000 – 2004. The reform of public administration dividing the Czech Republic into 14 territories resulted in decentralization of the public budget. And the Czech Republic entered the European Union, which has allowed access to raising funds. (Pospíšil, 2009)

There were 129 054 non-profit non-governmental organizations in December 2016 in the Czech Republic. Most are federations and its subsidiaries. (Neziskovky.cz, 2017)

1.3 Legal Differentiation in the Czech Republic

There exist many kinds of non-profit, non-governmental organizations in the Czech Republic. It is important to mention the reform of legal Act No. 89/ 2012 Coll. from 2014, which cancelled the existence of civil associations. These associations could have been transformed into federations or another law forms. (ESFCR, 2013)

The reform brings the change for charitable trust. It is not possible to establish a new one. The existing charitable trusts founded before 1. 1. 2014 can be transformed to another form or stay functional based on the old legal code. The same is applicable to associations of legal entities with common interest. (Vít, 2015)

In the Czech Republic non-profit organizations can be divided: (Vít, 2015)

- Corporations
    - Federation
    - Association of legal entities with common interest
    - Social co-operative
- "Fundace"
    - Foundation
    - Endowment funds
- Institutions
    - Institution
    - Charitable trust

1.3.1 Federations

A Federation is a group of at least 3 persons or legal entities based on protection and satisfaction of common interest. The law of clustering is in the Czech Constitution and The Charter of Fundamental rights. For that reason, the court does not like to intervene into federations. Legal adjustments of federations are non-mandatory provisions, which mean that it is possible to deflect from the law, for example to change the structure of bodies within a federation. This is a unique characteristic and it is impossible to find it within the other legal entity. It is mandatory to have statutory and the highest bodies. Other bodies such as controlling and arbitral committees are voluntary. The main activity cannot be entrepreneurship or other profit activities. (Vít, 2015)

1.3.2 Foundations and Endowment Funds

Foundations and Endowment funds are property associations established to reach the beneficial goal. The property is composed of money, real estate, securities or art objects. The value of a foundation´s property is determined by an expert and it has to comply with the conditions of permanent revenues. This condition creates a legal dispute regarding the exact interpretation. Some lawyers consider real estate like a carrier of permanent revenues, while others believe that a carrier of permanent revenues is the device as well.

From the beginning the mission defining why the foundation or the endowment fund has been created must be determined. It should be a social beneficial mission such as protection of human rights or the environment, education, or the development of science. It is about financial support to the other non-profit organizations. It has to be registered at the regional business courthouse. To register the foundation, it is necessary to show capital value of 500 000 CZK, otherwise the capital can be registered as an Endowment fund. It is mandatory for the Board of Governors to vote on the proposal for registration this Board is composed of three people and a/the Supervisory Board. (Vít, 2015)

The main difference between foundation and endowment fund is the obligatory value of property; an endowment fund does not have to register all of its capital but it has to put up a certain property deposit – the minimum is 500 CZK. The advantage of the foundation is that the profit of the foundation is released from taxation. The problem with a foundation can be availability of property for financing its purpose. It is usually a problem of smaller foundation when it fulfils the requirements of capital but this capital is in the ownership of foundation, it is not able to dispose of it.

Foundation and endowment funds can finance their purposes from a certain percentage of their revenues from foundation property; for example, rent from real estate, donations, or the value of registered capital to December 31 each corresponding year. Financing from donations is the less certain option because donations can be variable and decreasing. The most stable option is to draw money from the capital each year. It is prohibited to run a business except under certain circumstances, e.g., cultural activities, education, sports, profit from lottery, public collections and rent of properties. (Boukal, 2009)

1.3.3 Charitable Trusts

As was mentioned above, since January 1 2014 is not possible to create new charitable trusts, but those which were created before the above mentioned date, can be still operate. By law, a charitable trust can be changed into an institution, a foundation or an endowment fund. (Vít, 2015)

A charitable trust is a legal entity which provides generally beneficial services to the public. Bylaw, the nature of the beneficial service to the public is not dictated, and any dispute is resolved by the court. It is crucial that the founder determines the mission of the charitable trust in a memorandum of association to prevent any dispute. Usually, the charitable trust provides services in education, culture, health care and social care. Fundamental capital is not required but it is recommended to put up at least 1 000 CZK. It is necessary to set up the administrative board and the supervisory board. It is required to publish an annual report for transparency. (Boukal, 2009)

1.3.4 Associations of Legal Entities with Common Interest

As was mentioned above, since 1 .1. 2014 is not possible to create new associations of legal entities with common interest, but those created before this date can still function. Bye law, these also can be changed to federations. (Vít, 2015)

Associations of legal entities with common interest can be established just by a legal entity. This association is a corporate type of legal entity. The mission is to protect its interest or to reach other goals. It is evident that the legal guidelines about the mission are broad. It is possible to say it is a mix between foundation and business companies. Other goals can be entrepreneurial actions as well. As an example, a municipality can be an association of legal entities with common interest. (Pospíšil, 2012)

1.4 Financing of Non-profit Organizations

Non-profit organizations need financial sources to fulfill their mission. The responsibility for acquiring financial resource falls to the management of the organization or to someone who specializes in fundraising. Financial stability is the key for success. It is necessary to develop a long-term strategy for financing. This entails approaching entities, whose are not customers of non-profit organization but would like to partner based on the mission. The entities have to understand the mission and share a goal for a long-term relationship, because of the increasing competition in the market for finances. (Boukal, 2009)

Non-profit organizations have variety of options how to gain the resources. For sustainability it is crucial to use a specific type of financing – multisource financing. Multisource financing is a combination of public and private funds. The stability of an organization increases with growing numbers of sources. Significant is not only the amount of sources but also the percentage of representation of individual sources. (Šedivý & Medlíková, 2011)

To operate on the market successfully, non-profit organizations need material and technical facilities and services. They can buy these services or get them from their sources. Human resources are an important part of non-profit organizations; people provide the functionality of the organization. Tangible property can be purchased with specified grants, under conditions of co-financing or covered solely by the grant. (Růžičková, 2007)

Non-profit organizations can gain from these types of sources: (Růžičková, 2007)

- Revenues from own activities (sale of services and products)
- Individual donors and volunteers
- Membership fees
- Company donors (enterprises and corporations)
- Public sources (ministries, regions, European Union, European statutory and autonomy sources, United Nations, institutions established by state)
- Foundations and endowment funds
- Public collection
- Other entities (embassies, other non-profit organizations, Rotary clubs, chambers of commerce, foreign organizations and associations)
- Tax and fee concessions

It follows that to gain financial or other sources for long-term operations is not simple. It requires the fundraiser or responsible management to dedicate significant amounts of time and to maintain a good relationship with donors, sponsors and volunteers. Very important are skills of the fundraiser, who has to complete the financial documents, applications for grants, and other allowances. For this reasons it is important to employ someone with long-time experience or one who has participated in special courses, workshops dedicated to this problem.

1.4.1 Financing from Public Sources

Financial public sources provide resources for the institutions of state administration – ministries and self-government. Non-profit organizations can make a proposal for grant if their mission fulfills some of the core areas of state donation politics. (Boukal, 2009)

The Government of the Czech Republic adjusts the priority areas by resolution every year. For 2017 it is covered by the resolution No. 593 from 27th July 2016 ´Hlavní oblasti státní dotační politiky vůči nestátním neziskovým organizacím pro rok 2017´. This resolution points out which ministry supports defined areas. Cultural programs are supported mostly by the Ministry of Culture of the Czech Republic, but some of the missions of non-profit organizations can meet the requirements of other ministries. For example, physical education and sports are supported by the Ministry of Education, Youth and Sports, and the Ministry of the Interior of the Czech Republic; environment and sustainable development are supported by the Ministry of Regional Development, the Ministry of Agriculture and Ministry of the Environment; social services are supported by the Ministry of Labor and Social Affairs, and the Ministry of Defense (Vláda ČR, 2016).

In addition to funding from the Government of the Czech Republic, non-profit organizations can ask for financial support from a region or a municipality where they are established. These autonomous areas often announce grant opportunities in the area of culture. Other options for receiving finance from public sources exist, for example, by assignment of public contract or sources following from contracts about providing services. (Boukal, 2009)

1.4.2 Financing from Private Sources

Non-profit organizations can directly contact individuals or company donors. For some donors, contributing to a non-profit organization is a marketing strategy – advertisement, publicity, building an image or tax concession. (Tošner, 1999) On the other hand, there are companies that would like to be helpful to society without any benefits or publicity.

Individual Donors

Non-profit organizations can directly approach individuals or individuals can find the sympathetic organization by themselves. Donors can decide from three options how to help the organization: (Boukal, 2009)

- Financial donation

- Non-financial donation
- Volunteering

It has to identify potential donors and determine an appropriate approach, whether individually or through media directed at the general population. This opens other possibilities for contributions such as: (Boukal, 2009)

- On a one-time basis
- Repetitively
- Periodically by standing payment order
- Donation text message
- Testament

Company Donors and Sponsoring

Company donations are supported by the so-called Corporate Social Responsibility from the 90´s in the Czech Republic. It was considered as a completely voluntary initiative of the entrepreneur before, but with the economic globalization and using the less developed regions, pressure on the companies with the core intention of voluntary donation changed the legal intention. This is not the only intention that leads to cooperation between a company and a non-profit organization. The manager or fundraiser has to recognize the incentives of the potential company donor, to determine whether it is positive for non-profit organization. For most of the companies, the cooperation with the organization is the advertisement or tax concession. Fortunately, companies exist, that fulfill the philosophy of the employees or the donation is traditional. For the successful cooperation, it is recommended to non-profit organizations not to be just a passive recipient, but to put emphasis on the relationship. (Boukal, 2009)

1.4.3 Fundraising

Fundraising is an activity to gain the sources for a non-profit organization. The fundraiser actively approaches the potential donors on its own initiative. Not only are the performance and the presentation of the fundraiser critical to success, but also the history, reputation, popularity and activity of the organization he represents. Even when all these variables are maximally aligned, there is no certainty that the approached company will be interested in donation. Unfortunately, the charity activities in the company are the result of many internal processes and managed by norms. The outcome is often unsuccessful for the fundraiser. (Boukal & Vávrová, 2007)

To reach the highest probability of successful fundraising activities, it is important to follow certain principles. The presentation of the fundraiser has to be time effective, the presentation has to be clear, accurate and brief. The fundraiser has to be able to communicate clearly the information about activities, goals and mission, and to be able to explain the usage of potential donation. It is matter of course to follow social norms and codes of ethical behavior. The fundraiser has to offer verified and true information and be careful to not conceal potentially important facts. Ethical dilemmas may also present as to whether to accept a donation from certain types of companies, for example from cigarette or alcohol manufacturers.

The best outcome of fundraising activities is to secure a long-term relationship with donors. When this relationship is secured, the activity does not end. It is important to create a database of donors and repetitively approach the companies. (Novotný, 2004)

2 Marketing in Non-profit Organizations

Nowadays marketing is an inseparable part of entrepreneurship in profit and non-profit organizations. Society is literally overloaded with advertisements on television, radio or the internet and it is important to realize that even though sales or advertisements are very important functions of marketing, it is not all that makes up marketing. It is crucial to this these to define marketing. There are many definitions to choose from, because every author looks at this discipline from a different angle. The simplest definition is by Kotler & Armstrong (2004, p. 855): *"Marketing is satisfaction of needs of customers on one hand, and creation of profit on the other hand. The goal of marketing is to search for new customers by promising to gain exceptional value and to keep current customers by satisfying their needs, and to create profit."*

Another definition comes from the author Hannagan (1996, p. 205): *"Marketing is part of the management process that focuses on identifying, foreseeing, and satisfying the requirements of the customer with the goal to create profit."* Both definitions mentioned above understand marketing as the activity with the goal to satisfy the needs and desires of the customers.

The last definition to be mentioned is slightly different from previous two. Godin (2006, p. 73) explains marketing like this: *"Marketing is the tool to spread ideas and spreading ideas is the most significant product of our civilization. I am convinced that marketing is the most powerful force which people, who would like to reach change, can use."* Godin sees marketing as a powerful tool which can change the thinking of the society.

Even though the marketing process in non-profit organizations does not have to differ from profit organizations, it is more difficult in non-profit organizations. The reason for this is that non-profit organizations are striving to approach many different types of customers. The customers are not just the users of specific services but also the public, state administration, donors etc. (Bačuvčík, 2011)

In the past, marketing was not a common activity of non-profit organizations, but with the increasing level of competition for funding, organizations have realized the necessity to appeal to satisfying the requirements of their customers. The customers are the ones who determine which products are demanded. Another reason why marketing is important in non-profit organizations is the fact that many profit organizations are interested in the same or similar activities nowadays. (Hannagan, 1996)

2.1 Marketing Strategy Planning

The following chapter is based on Boučková (2003). Nowadays, most of the companies consider planning a waste of time because the trends are changing quickly making it difficult to plan the development of the market. The necessity of planning increases with the size of the company because bigger companies have higher risk. Small companies should know their environment and adapt their plan for the following year. In planning, it is instrumental to systematically consider the past, present and the future. The planning process has to be systematic and use the sources to fulfill the goals in the set time line. Marketing planning helps to coordinate future actions within the departments by focusing on the market and the customer. To satisfy the customer it is important to harmonize the interests of potential customers with interests of society.

The planning process follows these steps:

- Marketing situation analysis
- Defining marketing goals
- Formulation of marketing strategy
- Composition of marketing plan

The marketing situation analysis is a systematic, precise, critical and objective examination and evaluation of the internal situation of the company with emphasis on marketing action, and the external environment with stress on analysis of the market and competition. The analysis is made in three time lines, which explore the past development, current situation and the prediction of future development. The outcomes allow the company to influence the possibilities of satisfying the needs on the market.

SWOT analysis helps to identify the strengths and weaknesses of the company and threats and opportunities on the market. It will not be explained in detail here because SWOT is described in the following chapter. This analysis is usually the last part of the marketing situation analysis because it summarizes the analysis. The outcome influences the formulation of the marketing strategy.

The next step of marketing planning is to concentrate on the future to by setting goals connected with previous analysis. The marketing goals should be compatible with the situation analysis and the goals set by the company.

Key rules for defining the marketing goals:

- Definition based on known needs of customers
- Clear and concrete specification
- Comprehensible, available and acceptable
- Quantifiable and measurable
- Harmonious and hierarchical arrangement

After the company sets the marketing goals, it needs to focus on the strategy fulfill it. Making the right choice of strategy is the key factor for success. These are many alternatives ways to pick the correct strategy and it is up to the managers to find the most suitable one for the organization. Determination of marketing strategy serves to fulfill the goals in the specific time line in specific segments of the market.

During the creation of the marketing strategy the company has to understand its strengths and compare those with opportunities in the environment. This is the assumption for a reliable marketing strategy. The weaknesses and threats of the organization cannot be forgotten and have to be expected. The strategy has to respect the targeted markets and choose the suitable marketing mix to satisfy the targeted segments.

It is important to pay attention to the typology of strategy. Because the strategy is connected with tools of a marketing mix, most organizations base their strategic concepts on strategy of product, distribution, price and communication.

Also the diversification can be:

- By trends on the market (growth, maintenance and back down strategy)
- Based on behavior to the external environment (cooperative or conflicting strategy)
- By the attitude to the market and the segments of the market (offensive and defensive strategy)
- Based on the life cycle of the market (strategy for the growing market or saturated market)

The strategic interest of the organization is to increase the synergy between product or service and the market. Products, its markets, marketing sources and competencies have to complement each other to make the marketing performance of the organization higher than without the strategy.

The marketing plan points out where the organization would like to be in the future and how it will achieve this goal. The marketing plan is in written form and these documents serve as initial material to determine the responsibility for fulfilling the set goals. It is a tool of management and in order to coordinate the company, it has to be functional and effective. It connects skills, abilities and sources of the organization with desires and needs of customers.

The content of the marketing plan is mostly created based on the outcomes of the situation analysis, presenting strengths and weaknesses of the company in relation with opportunities and threats on the market. It serves as a tool for identification of goals, plans, formulating the strategy and building the program and budget. The plan is the condition for the right communication inside and outside of the company.

2.2 Segmentation and Target Groups

The segmentation of the customers is important for successful planning and future marketing activities. It is a method of marketing management, which divides the customers into homogenous groups differentiated by behavior, needs, interests etc. Marketing campaigns often fail because of wrong determination of the target group. Every segment needs a different approach and a different marketing mix. The key success is in the most accurate diversification of the market into the segments with the goal to satisfy every defined group. The most useful diversification in marketing is demographic segmentation (by gender, age, education, religion, profession) and behavioral segmentation (by attitudes, habits and desires). After the segmentation of the market, it is important to pick the segments on which the organization will focus. This process is one of the most crucial parts of marketing decision for the future success of the organization. The segments are chosen by the business attractiveness. (Havlíček & Kašík, 2005)

2.3 SWOT Analysis

The following chapter is based on Hannagan (1996). SWOT analysis contains four parts, which are divided in two groups: internal and external. The internal group includes Strengths and Weaknesses of the company. The external group includes Opportunities and Threats on the market. For the organization and its marketing plan it is really important to know deeply the analysis. It helps the organization to focus on key areas and to uncover mistakes, which are possible to fix if they are recognized in time. Preparing the analysis itself can help to realize important facts about the organization, which could be overlooked. The organization should actively use SWOT analysis in the marketing strategy, to eliminate weak parts of the organization, strengthen its strong parts, get over threats and use the opportunities.

The strengths of organizations are image or reputation, but also it can be assets such as skills of employees, convenient location of organization, design of the building, specialized knowledge etc. Every organization should identify its weaknesses and focus on elimination or ways to tolerate them until it is possible to remove them. The weaknesses of the organization can be a bad reputation, location which is hard to reach (for example just by car), inappropriate communication between members, incorrect organization of the services etc.

To uncover the opportunities on the market is the assignment of marketing research. Marketing research can reveal a weak part of the market, which can be used as an opportunity to develop. As an example, a bad connection with an educational organization opens the opportunity for special transportation of clients. The most common threat is the competition, which is why it is important to identify competitive organizations.

2.4 Marketing Research

Information gathering and its analysis is an often underestimated part of the procedures within the company. Organizations often focus on financial sources, materials and quality of employees. It is forgotten to gather actual and exact information about the market environment, competition, customers and other economic or demographic factors that can significantly influence the organization. To gather this information it is important to create a functional information system that allows collection, classification, analysis and assessment of the data. This platform serves as a basis to make the strategic decisions. Marketing research is an activity that gathers the needed information to make a decision. It helps to evaluate the project, improve it and direct it. It also points out new opportunities for the project and which inefficient ones to end. The marketing research is important for positive outcomes in this process so that the right opportunities or problems are targeted. The method of execution differs based on the size of the organization. The process of marketing research has several steps: (Kotler & Keller, 2007)

- Definition of the problems and the target of the research
- Preparation of the plan and methodology

- Realization of research – gathering, processing and analyzing data
- Processing and presentation of outcomes

Defining the problems and goals of the research is the most difficult part of the whole research process. If the organization defines incorrect problems or goals, it results in gathering the wrong information and failure of the project. There are three types of marketing research: explorative, descriptive and causal. The explorative research concentrates on preliminary information which helps to define the problem and estimate the hypothesis. Descriptive research aims to define qualified marketing problems and the market situation, and can describe the market potential for a certain product or service, or demographic characteristics or opinions of the customers. Causal research tests the hypothesis about causal and consequent relationships. (Kotler & Armstrong, 2004)

After the definition of the problems and goals of the marketing research, the necessary information is determined as well as a method for gathering it. The research plan draws from the knowledge of existing data and specifies in detail the concrete procedures and instruments to be used. It has to define the source of information, which can be primary or secondary. Primary information is non-existing information that has to be gathered for the specific purpose determined for the marketing research. Secondary information is what already has been gathered for another purpose. For that reason, secondary information is cheaper and more easily accessible. Another advantage of secondary information is the longer period of time over which it was gathered, which provides a broader knowledge of trend development. Every organization also has an internal accounting system which provides information. (Hannagan, 1996)

The realization of research can be made by employees of the organization or by an external company. This part of marketing research is the most expensive one and also potentially the source of the most mistakes.

The first step is to find out which secondary information will be useful. Secondary information sources include internal databases or easily accessible external information (free of charge or purchased) such as the databases of statistics offices, government agencies, in press or on the internet. The secondary data can be outdated or non-existent, in which case the organization has to gather its own information. The methods of primary research are many, for example observation of behavior, questioning, experimental research, group interview, online research or composition of selective population. Observation is suitable for explorative research, questioning for descriptive research and the best option for causal research is experimental method. (Kotler & Armstrong, 2004)

The last step of marketing research is to evaluate and present the outcomes. There is a huge amount of gathered information and it is crucial to pick the significant determining data for the organization. The right interpretation and presentation has fundamental value in that if it is done incorrectly, the research can be devaluated. (Stehlík, 1999)

2.5 Branding

Branding is the process of differentiating the product or service from other products or services which satisfy the same needs. The brand is an added value to a certain product. It is a natural behavior of humans to recognize brand items more readily, and they will pay more for brand names even though the same goods may be available without a brand name. This behavior is not a coincidence; it is an outcome of marketing departments and managers of the company effort. This awareness is created partly emotionally and partly based on the experience with the product that is made by the brand.

By Kotler (2001) the value of the brand depends on the customer, and has three basic ingredients:

- Value of the brand is created by the different reaction of the consumers
- Different reactions are caused by consumers' knowledge of the brand. Knowledge of the brand is comprised of the thoughts, feelings, ideas, experiences and convictions associated with the brand.
- The different reactions of the consumers, which create the value of the brand, are reflected in their perceptions, preferences and behavior and this phenomenon relates to all aspects of brand marketing.

Brand is the promise of expected performance of the product or the service. The elements of brand should fulfill certain criteria, such as memorability, meaningfulness and attractiveness. These criteria are creating the brand. Also the brand should comply with defense criteria as transferability, adaptability, and protectionist. It is necessary to strengthen the brand constantly. It requires the innovation of new products on the market and new marketing activities to completely satisfy the market. (Kotler, 2001)

2.6 Social Marketing

Social marketing is defined by Bačuvčík (2011, p. 25) as a "*specific tool to implement certain thoughts, change of opinions, attitudes, prejudices, values and in the final consequence of change in behavior of people"*.

In Bačuvčík (2011, p. 27) is mentioned the definition by Peter Borchardt of socio-marketing, which says "*it is focused on spreading or changing the social attitudes while commercial or non-commercial marketing is focused on more interests of individual organizations*".

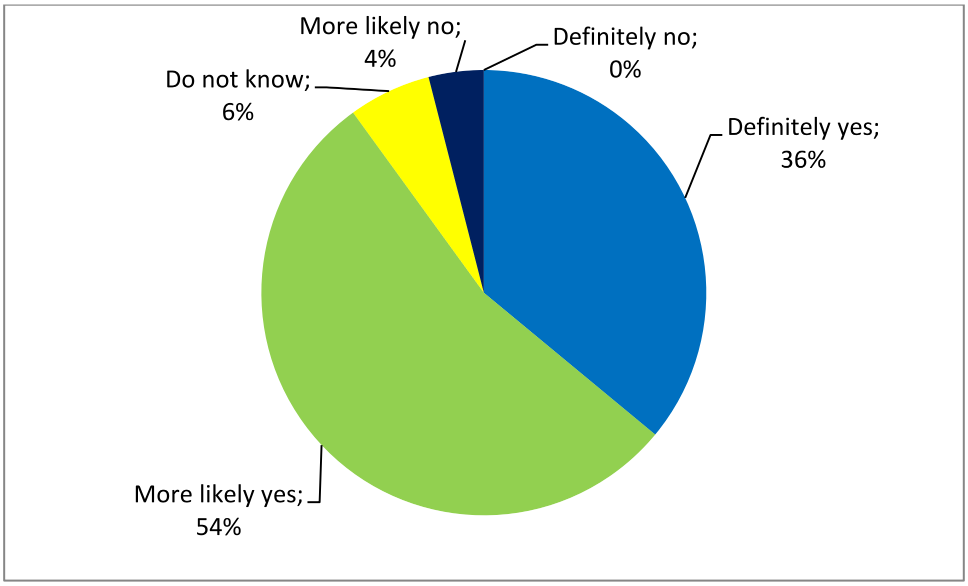
Social marketing is used as a tool of marketing by non-profit organizations as well as commercial companies. Companies can gain profit through a campaign or advertisement which points out asocial problem in the society. On the other hand, the non-profit organization can influence the public to seek a society-wide, long-term benefit.

Social marketing campaigns can be published by media or in more selective ways. For example, specific individuals who are not just passive receivers may be targeted.

2.7 Cause Related Marketing

The following chapter is based on the article from journal Trend Marketing (2007). Pokorná (9/2007, p.41) defined cause related marketing (CRM) as marketing activity which combines business processes and social needs. Non-profit organizations often consider CRM as an exclusive commercial marketing tool which uses the principles of corporate social responsibility (CSR). The goal is to increase the turnover and profit of the company or branding and image of the company. Nevertheless, non-profit organizations should not defend themselves against CRM. It has a significant potential for sourcing in needed areas, such as the visibility of the organization and approachability of new clients, donors or volunteers. On the end, both sides gain profit.

Graph 1: Rate of Interest in the Product Supporting Good Faith (N=456%)



Retrieved from: Trend Marketing journal (9/2007), p.41

The agency Faktum Invenio made a statistical research on May 2006 about the importance of CRM. 36% (graph n.1) of the Czech population definitely prefers products which are connected with good faith than products of the same price without the principles of CSR, and 54% of the population more likely prefers the product connected to good faith. The consumers supporting products with CSR principles consider this connection a requirement. They are usually from the young generation and university students.

Benefits of CRM for the company:

- Gaining competitive advantage in differentiation
- Broadening the circle of customers (preferences for products supporting good faith)
- Increasing loyalty of current customers
- Increasing trustworthiness
- Strengthening the value of the brand
- Contributing to financial and non-financial aspects of organization
- Motivating employees and strengthening the culture of the company
- Achieving better relationships with the state administration and society
- Increasing turnover and profit

Benefits for non-profit organizations:

- Spreading awareness about non-profit organization and its beneficial effect

- Increasing amount of clients, employees, donors and volunteers
- Increasing trustworthiness
- Expanding activities
- Providing financial source

For the company is the most important moment to choose the right non-profit organization. The project should correspond to the needs of organization, be in compliance with the needs of the company, and derive from the company´s vision and marketing strategy. It is necessary to make regular research about opinions of the customers, employees and public. The same research should be part of the activities of non-profit organizations with regard to who might be the potential donor, how to communicate with donors, and what kinds of projects might be supported.

2.8 Digital Marketing

Nowadays, the most influential media in society is the internet. It is a revolutionary technology of the new millennium, which requires managers to adapt their strategies to the new environment. Most companies use net connections in their communications. Companies use the internet to create web pages where they introduce its products and the company, while employees use the intranet for the communication.

In the Czech Republic digital marketing is underdeveloped compared to western countries. The reason is the smaller market size and underdeveloped infrastructure, which does not allow use of all the techniques. The users are mostly young people, students and people with a university education. In the Czech Republic, the number of households with internet connection is increasing; nowadays it is more than one third of households that have internet.

People use the internet for searching information or communication mostly via e-mail. When the user stays in front of the decision, usually search for information about it, the example is to buy a new car, to choose the school, and he relies on this information. Popular use of the internet includes online shopping, communication via “instant messaging” (e.g., Messenger), downloading programs or movies, or writing a blog, which is an internet diary concerning a specific topic. (Trend Marketing, 8/2007)

High-quality webpages should be visible, accessible, understandable, memorable and differentiated from other organizations. The information on websites should be clear and regularly updated so that they are interesting for the user. (Líbal, 1/2006)

The possibilities of digital marketing: (Líbal, 1/2006)

- Analysis of the webpages – creating concepts and solutions
- Internet presentation, web design – creativity, creation, administration
- Flash presentation, microsite – creative solution for the campaign, competition
- Creation of applications, programming – extranet, intranet, specialized applications
- Competitions and games – surveys and questionnaires
- E-mail marketing – one-time or regular communication, creating communities
- Advertising campaigns – media planning, banners, e-mails, text advertisement
- Advertisement in search engines – analysis of attendance, operation and administration of applications and servers
- Research, user testing – researches and surveys

Digital marketing makes marketing easier. It is important to not underestimate it. However, other tools of marketing are also important in gathering information and satisfying needs.

3 Personnel Marketing

Personnel marketing represents a different point of view on human resources management' in terms of using theoretical schemes and practical tools of marketing. The goal is to make the company attractive for the candidates and employees. The employees should perceive the company and its goals as attractive so they are not motivated to look for another employer or to create their own enterprise. A personnel marketing is oriented on three main parts: personnel research, external labor market, and internal labor market. It is a process in which one side offers something that other side desires, and so creates a satisfying relationship between of both sides. Personnel marketing apply marketing approaches in human resources management for creating a reputation for the organization as a good employer. (Petzold, 2001)

In the magazine Human Resources Management, the personnel marketing is defined as personnel activity connected with gaining and stabilizing the employees based on an analysis of the labor market, presentation of the organization on the market and creation of a good employees reputation. It consists of media politics about the company on the labor market, personnel advertising, sponsoring, methods to adopt new employees, and cooperation with the institutions on the market. The broad approach includes a benefit system, employee´s advantages and work relationships, communication with employees, social care and work environment. (Human Resources Management, 2010)

It is important to capture the potential candidates' and employees' attention on qualitative level. This is happening thanks to the orientation on the quality of work life of employees, their development and positive reputation among the public. For effective personnel marketing, it is important to analyze the conditions on the labor market that influence the personnel situation in the organization. The goal is to find and gain a quality work force, its stability in the organization and its identification with the company. This approach has to be implemented in all phases of the personnel process, beginning with recruitment, adaptation and fully employed individuals. A satisfied employee is the best advertisement for the company. On the market, most organizations are focused on external personnel marketing but the internal personnel marketing are often forgotten. The organization is risking the fluctuation of the employees who enter based on the reputation of the organization and they will be disappointed. (Žák et al. 1999)

Personnel marketing can be understood as a solution for getting the employees that the organization needs, in terms of both hiring and keeping the best employees. The job proposal can be taken as a product, and potential employees are the future customers; maintaining employees is considered a repetitive purchase based on their experience with the company. Equally as purchase and its daily using, in the case of employment, the person finds out if the promises and the image are the same as reality. Marketing communication is not everything; the product is also important. If the image does not correspond to the promise, then the customer (in this case employee) will seek to fulfill needs in competitors' offer. So it is impossible to focus just on external personnel marketing, even though it is necessary for success at the beginning of the process. The organization should be able to create an offer that attracts the desired candidates. Human resources managers should know about the needs and motivations of the talents. This information should provide the research as in marketing. The rule in recruitment is that the organization cannot hire people who did not apply. The goal of personnel marketing is to find the most effective approach to interest people who correspond to the required profile. Classic and personnel marketing have the same goal – to create the value and generate the profit. (Sehnalová, 2010)

Current society is well educated and the services predominate on agriculture and industry. The demand for unqualified manual work force is decreasing. The content of position within the organization is often changing and is too complex for intense supervising of every individual in the organization. The need to trust in the abilities and capabilities of the individuals is increasing. The best employees are the smartest ones who are able to compare the conditions in different organizations and know its value. If they are not treated well, they know the power of media and their rights. An employee is more satisfied if he can partly influence the way of fulfilling the goals and he is in trusting environment. The best employee can motivate himself and his colleagues.

A very important part of personnel marketing is work-life balance. Overloading and a lot of stress can lead to employee dissatisfaction and absenteeism because of illness. A new concept, work-work balance, is used in connection with part-time employees. The employee should have the flexibility to engage in other economic activity in his free time.

The question is whether the best qualified people see themselves in the role of employee as a long term solution. Often, a position in big, well-known organizations is just a springboard for creating a person’s own business. The competitors are not just other organizations but also the desire for independence. (Barrow & Mosley, 2005)

3.1 Internal Personnel Marketing

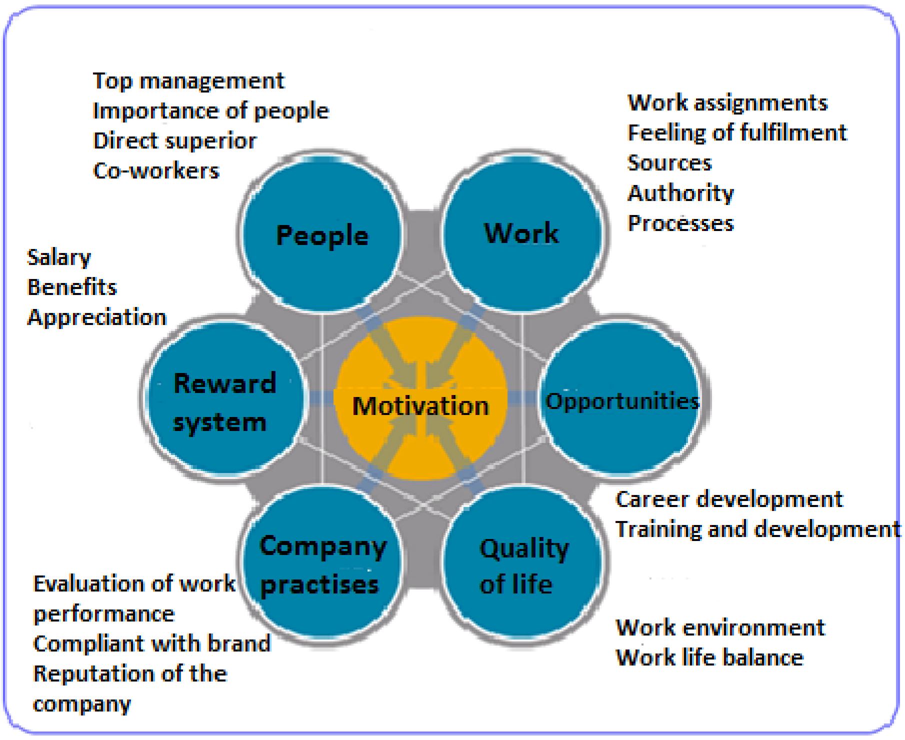
Internal personnel marketing focuses on sustainability, motivation and development of current employees who are a valuable resource for the organization. The importance of this source is confirmed by the fact that more than half of the organizations occupied its new positions by the current employees. (ManpowerGroup, 2016) These employees know well the organization and its culture; they have entrance training and usually are motivated to advance professionally within the organization. The research made by LinkedIn (2016) shows that 44% of respondents choose their organization because of professional development opportunities and 45% base selection on potential financial valuation. Human resources comprise one of an organization’s competitive advantages because of the high value of intellectual property. In this era of globalization, employees are the key to meeting the increasing demands of customers and investors through. The value of the organization and relationship with society are increased through the employees’ skills, abilities, and knowledge, which they bring to the organization and further develop as employees. (Kociánová, 2010)

An internal personnel marketing lays emphasis on care and motivation - financial and non-financial. Like in external personnel marketing the system of benefits, remuneration and options of development have to be communicated externally and internally. The employees should be aware of opportunities for career development and other benefits offered by the company.

It is necessary to properly lead, motivate, supervise and evaluate. The organization should support employees and help them with personal development; this will communicate caring and improve the relationships between colleagues and with leadership. Through formal evaluative interviews, questionnaires, or informal conversations, the organization can understand employee motivations, analyze their needs, and try to satisfy these as much as possible. (Ulrich, Younger, Brockbank & Ulrich, 2012) Meeting employee needs results in higher satisfaction of the employees, which leads to higher performance and better results for the company. If the employee is demotivated there is not only a possibility of decreasing performance but also demotivation of others, creating a functional problem within the department, and extra costs to the organization connected to hiring a replacement, should the employee leave the organization.

The research done by Aon Hewitt (2014) shows the most influencing factors of motivation for the Czech employees, which can be seen on picture No. 2.

Picture 2: 19 Factors of Motivation



Retrieved from: Aon Hewitt (2014)

Among the primary tools and activities of development within internal personnel marketing, belongs a system of education, workshops, trainings, managerial academy and seminars. Additionally there are tools or activities to control and improve the work environment and conditions, for example through building the culture of the organization, information-sharing, informal team building creating a sense of belonging, providing opportunities for internal growth and promotion, and actively forming an organizational hierarchy which allows and supports growth and promotion. It is necessary to promote these opportunities to employees, and superiors play a role of recommending appropriate candidates given knowledge of the skills and needs of their subordinates. Superiors should make a “pipeline creation”, which involve educating their subordinates so that they will assume more advanced positions.

Other tools that are publicly accessible to all employees include notice boards, intranet, advertisements about open positions, or a portal for international mobility if the organization has the possibility to provide connection with supranational organizations. (Koubek, 2015)

Internal personnel marketing has can create difficulties when it actively supports internal development. There can be missing impulses to or from the labor market to hire new employees, inappropriate rivalry across teams, or "operational blindness" when employees from key and heavily occupied positions would like to pass abroad or to a different department. It always depends on the individual case and its specifics. It points out the dilemma of losing talent due to mobility versus losing talent due to leaving of the company. The dilemma is often a dispute between departments or between organizations. (Kociánová, 2010)

3.2 External Personnel Marketing

External personnel marketing is an interaction between the organization and labor market, or more precisely between the managers and potential employees. The main task of external personnel marketing is to approach and gain new workers.

To reach the goals of organization, there needs to be employees with corresponding knowledge and skills. To gain and select appropriate employees requires cooperation between the HR department and lower-level management. It is a continuous process to search the most suitable candidates. It is necessary to analyze the target position and from this develop a job description and prerequisites of desirable candidates. (Poláková & Hauser, 8/2003) During the definition of the work position it is important to pay an attention to:

- Correct name of the position
- Primary and secondary tasks
- Organizational integration of position
- Skills requirement
- Hiring process
- Responsibilities and connections with other positions
- Working conditions

The sources for new candidates are divided into two groups: external and internal. Internal sources are the employees of the organization who can be promoted or people coming back from maternity leave. External sources are candidates on the labor market. In practice, there exist multiple methods catching candidate attention:

- Advertisement
- Written or personal offer
- Recommendation of employees
- Notice board
- Cooperation with employment office
- Cooperation with agencies
- On-line information

The most common form for announcement is the advertisement. It should be interesting and provide the description of the position. The advertisement should inform about the employer and how to apply for the position. Correctly compiled advertisements should help the organization to narrow the circle of qualified candidates in the fastest and cheapest way. The advertisement should offer something interesting to the candidate not just inform about the requirements. The effective and low cost advertisement should contain details regarding the place of employment, description of the position, educational requirements, required knowledge and skills, and when and how the candidate should apply. Also, it can contain the information about the characteristics of the company, working regime, conditions of remuneration, employee benefits and possibilities of employee education. (Stýblo, 2003)

The selection process of suitable candidates should be divided into at least three steps: the first interview, the second interview or assessment center process, and the decision. Based on the curriculum vitae, the organization invites the best candidates for an interview. The interviewer should prepare the questions for the candidate and an accurate description of the position. The interview is the formal exchange of information, particularly in reference to candidate experience and abilities. The organization does not just choose the candidate, but also the candidate chooses whether he would like to work for the organization. The candidate creates an opinion about the organization, so it is very important to make a good first impression. An inappropriate environment, confused interviewer, or interruptions during the interview can make a bad impression. At the end of the interview, it is important to leave time for questions, and explain the selection process and its time line.

For the second interview, the organization invites chosen candidates based on the results from the first interview. This interview is managed by a low-level manager or superiors. The interview can be structured or unstructured. Structured interviews are questions that are prepared in advance and all the candidates answer the same questions. This is more effective and reliable than unstructured interviews because it decreases the differences in evaluation and increases objectivity. On the other hand, unstructured interviews allow interviewers to find out more interesting facts about the candidate and also his personality. However, it can be less reliable because it is a subjective approach and decreases the comparability of information across candidates. It can happen that the interviewer prefers the candidate who is sympathetic to him. The assessment center can replace the second interview or it can follow it. (Janišová & Křivánek, 2013)

The assessment center is a well-known method for selecting employees. It does not consider knowledge of the individual but it focuses on evaluation of competencies necessary for the position. The assessment center combines testing methods with exercises in model situations, which simulate the future working conditions. It provides information about the behavior of the candidates in different situations, but also about their experience and attitudes. Exercises mostly involve:

- Role playing – dialog with inferior or customer
- Personal presentation – career planning, self-education, motivation
- Professional presentation – based on the information in case study
- Group discussion focused on team work

After the second round of interview, it should be decided who is the best candidate, and the manager discusses the conditions of the contract with that candidate. In the case of disagreement, it is appropriate to have prepared a second most suitable candidate. (Janišová & Křivánek, 2013)

3.3 Employer Branding

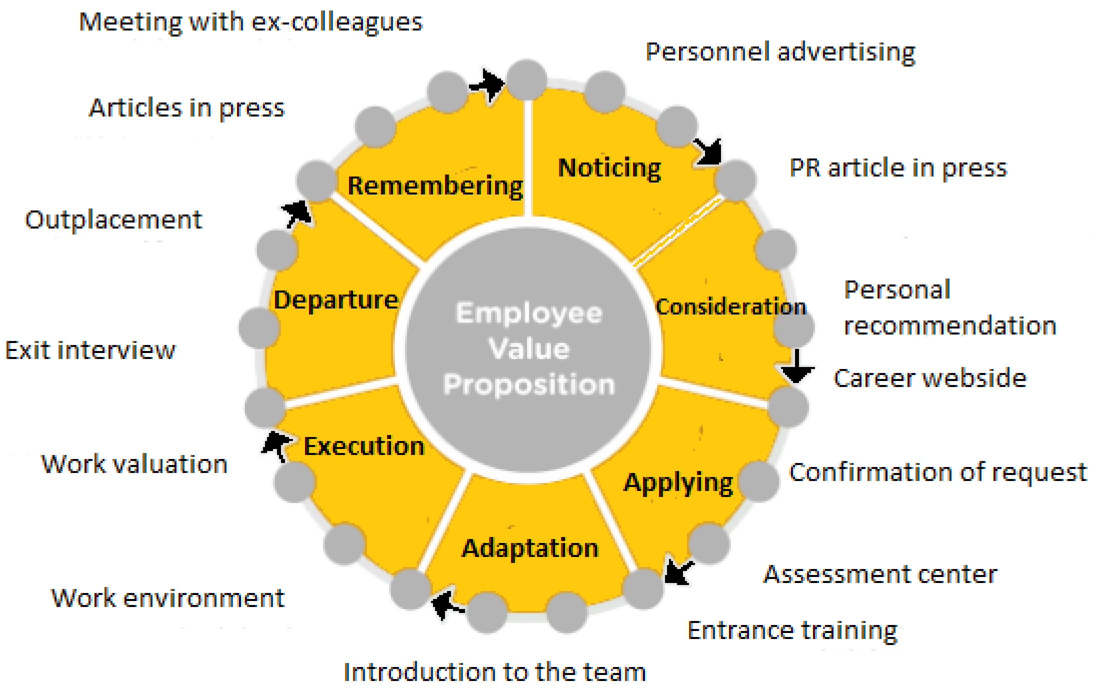
This chapter is based on the article of Menšík (2015). Personnel marketing is often confused with employer branding, but these terms are different. Personnel marketing is the activities which create the relationships with future and current employees, for example advertisements in the press, on the internet, acceptance and adaptation of the employees, and team building. These are the marketing tools that the organization uses to communicate its activities and hiring needs. The employer brand contains much more.

Employer branding is about mutual understanding of the organization and the market, how the organization communicates its mission and vision, and the purpose for being. It provides the factors in which the organization differs from the competition and points out the reasons why applicants should decide to work in the organization. The organization should put the emphasis not just on content, but also on the visual part of the information, for example on its logo and color scheme. The first experience with a brand is with the logo and later during recruitment the applicant recreates the image subconsciously.

In effective building and managing of the brand, the employee value proposition must be clear. This is integral to all activities connected with building the brand. It is important to bothparties, employer and employee; the employee has to know what the brand promises and expresses, how it will be to work for the organization, and the organization has to know what it got from the employees in return.

Employer branding requires consistent identification of all the experience points and application of the marketing approach that it can be seen on the picture No. 3 with the value proposition.

Picture 3: Examples of Experience Points and Value Proposition



Retrieved from: Menšík (2015)

The main characteristics of employer branding and differences with personnel marketing are:

- Employer branding is a tool of personnel marketing focused on managing and building the brand
- Simplified, employer brand creation starts with the first published job advertisement
- Image and identity are different terms. Image presents the perspective of the organization from the applicants or employees. Identity of the organization is the vision how the organization would like to be perceived.
- Proposition of the brand shows how the organization would like to be perceived as an employer. Clearly defined proposition is the basis for successful creation of the employer brand.
- The employee value proposition expresses what the employee gains for his work in the organization in relation to what he gives.
- The employee goes through the cycle of experience points in the relationship to the organization: reaction to the advertisement, interview, acceptance and adaptation. Planning and coordination of these points provide successful creation of the employer brand.

Personnel marketing contains all the activities that the organization communicates with the candidates and current employees. Employer branding is one of its important tools. The primary function for the organization is to influence the image and perception of the brand by systematic approach. If the organization can manage these points, it can manage its employer brand. For the organization, it is important to realize why it exists, what is the purpose why the organization exists, its aims, what it expects from the labor market, and what it is willing to offer to its employees.

4 Methodology

The methodology of the present master thesis can be divided into two parts, into qualitative and quantitative research. Firstly, the anonymous questionnaire, which was made to evaluate citizen awareness, an online questionnaire to find out how many people know about Transparency International´s work and what is their opinion on the impact of the organization´s work for the Czech society (Please see Appendix No. 1 to verify the questionnaire).

The questionnaire was made during the period of three months 2017, from January till March, and reached 120 respondents. Most of the respondents filled in the questionnaire online, but to reach the age balance, people 65 years old plus were visited in person. People who filled it online were approached via Facebook and email.

One of the goals was to find out how the awareness depends on gender, age group and the highest level of education. People were asked six multi-choice questions and two open questions. First three multi-choice questions focus on diversification of the responding people the following ones were about the awareness about TI of the respondents and the opinion about TI´s usefulness. The goal of open questions was to find out whether people declaring they know the organization if they would know some projects as well. Based on the experience, people often know the name of the organization but they do not have the precise idea what the organization does in detail. The aim was to prove or disprove the hypothesis. Also, the questionnaire helped to create the questions for the qualitative research – interview (Please see Appendix No. 2 to verify the interview).

The assessment of the responses was divided in to following steps. Firstly, the respondents who answered the do not know Transparency International were filtrated and not counted into results. After the filtration, the comparison based on specific indicators (age, gender, highest level of education) was created.

The second part of the chapter is formed by s half-structured interview with David Kotora, the specialist in fundraising and the representative of Transparency International in the Czech Republic on the marketing strategy on Wednesday 12nd April in his office. The interview took one and half hour and it was mainly focused on how TI approaches its clients and public; e.g., if it targets specific groups or works globally. The original attempt of the questionnaire was to find out which projects are well-known by population and focus on it more precisely during the interview, but based on the questionnaire results it was asked if Transparency International is aware that people do not know its projects and what they think it is the cause of it. What they do to improve the awareness in the society and how the international basis is helpful with it.

The second part of interview with Mr. Kotora is about HR management in Transparency International. The questions were mainly about his job satisfaction in the organization, and his reasons for deciding to work in the non-profit sector. The interview responses to several questions, for example, describe the structure of the organization, the internal communication, the possibility of career development, and benefits of work in Transparency International.

The unprepared questions were mostly about the marketing strategy and its diversification on experts and wide public, followed by many questions about the fundraising strategy and the risks behind the financing of transparent organization. Also, very interesting was to talk about the reaction of friends of Mr. Kotora when he explains he works for non-profit organization and how it is perceived by public. It pointed out on the Czech issue with perception of non-profit sector.

The received information about TI´s targeting was compared with the results from the questionnaire to evaluate the success rate. The comparison is very important part of the methodology because based on that it is obvious what it is needed to be improved and the recommendations are created. The results from the interview point out on issues of HR management.

Practical part

5 Transparency International

Transparency International was established in 1993 by retired World Bank official, Peter Eigen, and his nine allies. In the early 1990s corruption was a taboo topic. (Transparency International, 2016a) At the end of the 20th century and beginning of the 21st century, transparency in the politic sphere became the top priority for countries, because corruption showed up as the serious political and international problem. Based on this impulse, many non-governmental organizations were established and Transparency International became one of the most important ones that distinctively contributed to decreased tolerance of corruption. Transparency International defines corruption as a systemic deformation rather than an ethical issue, which undermines the functionality of market relations and democracy. Corruption influences the economic sphere and in political sphere gives opportunity for organized crime.

Transparency International is one of the few non-governmental organizations that were established based on professional work of project managers instead of mobilized activists. The goal is not to confront senior officials but to cooperate with them and use their status. It is an elite organization. (Císař, 2004)

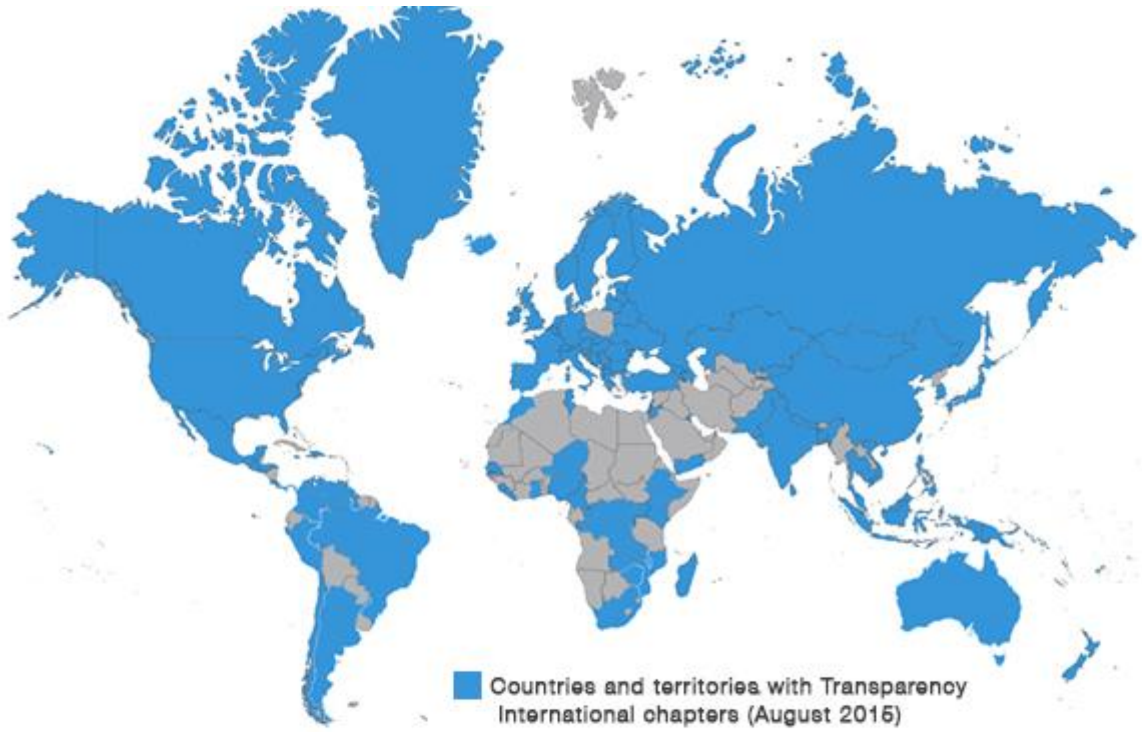
At the end of 20th century, the leading factors for anticorruption movement described by Fredrik Galtung are concluded in the book of Císař (2004). The fall of communism and consequent building the market society in Eastern Europe opened opportunities for new international transactions. The spread of new informational technologies that allowed the exchange of information globally was helpful. The most important factor was the end of Cold war. Galtung does not deny the importance of Transparency International, and he points out other factors that allowed the development of anticorruption campaigns.

The book mentions the skeptical opinion of Ivan Krastev, who saw the anticorruption campaign as the interest of big American companies. In 1977, bribing was prohibited abroad in the USA. American companies were pushing through ministry of foreign affairs a prohibition of bribing in other countries, so their competitors would not have the advantage of bribing. Other groups interested in anticorruption campaigns were transnational corporations. It was easier for them to do business by unified rules in a transparency environment than to adapt to local conditions.

It is obvious that the promotion of anticorruption politics is not just the merit of Transparency International, but there are many other players and factors. However, Transparency International was a very important player thanks to its contacts in the global political sphere and international organizations with whom it cooperated.

The goal of Transparency International is to eliminate corruption from governments, politics, business and common life of people. Currently, it has more than 100 primarily independent chapters around the world on every continent. (Picture 4) The Secretariat is located in Berlin and provides the leadership and support of local chapters through sharing knowledge and creating coalitions. In the case of intimidation or pressure it provides necessary support. The main goal of Transparency International is to spread the awareness about corruption, not to investigate it. (Transparency International, 2016b)

Picture 4: Map of Transparency International Chapters



Retrieved from: Transparency International (2016c)

5.1 Corruption Perceptions Index

Transparency International has published a Corruption Perceptions Index since 1995. The index does not measure the real index of corruption in the country, but it analyzes the perception of corruption as real issue in the public sector. The most important marketing tool is to increase the awareness of corruption. Simultaneously, it is the most reliable tool, because corruption is hard to reveal, i.e., it is discovered mostly only during scandals or trials. In practice, the number of bribes or trials cannot be taken as statistically correct.

Since 2012, the index was measured on the scale 0 – 10, with zero meaning very corrupted country. This scale was extended on 0 – 100 so the results would be more precise. (Transparency International, 2016d) Transparency International evaluated 176 countries or territories in 2016. No country reached 100 points, and two thirds of countries were less than 50 points. The best rated countries were Denmark and New Zealand with 90 points (Please see Appendix No. 1 to verify Corruption Perception Index). The Czech Republic reached 55 points, which put it at 47th place together with Malta and Cyprus. In comparison to the previous year, this index represented a deterioration of about 10 places; in comparison with the European average of 65 points, this index is substandard. (Transparency International Česká republika, 2017a)

The Corruption Perception Index includes the countries or territories where there is a sufficient amount of partial researches from which it can be derived. A country should be involved at least in three different partial researches the partial researches are the Global Corruption Barometer, the Bribe Payers Index, the Global Corruption Report, the National Integrity System assessment and Transparency in Corporate Reporting. The data sources are independent organizations specializing in governance. The information for each report is gathered across 24 months. (Transparency International, 2016d)

5.2 Transparency International in the Czech Republic

The Czech branch was founded as a charitable trust in 1998. The director is David Ondráčka. It provides a law advisory center for people who were witnesses or victims of corruption. An individual gets information on how to proceed in defense against corruption and to which institution for help. In some cases, it is possible to obtain longer legal advice and analysis from Transparency International. The law advisory center is connected with whistleblowing, which is a campaign from 2015 to improve the legal system so that whistleblowers would not be considered as snitches, but as people who save lives or public money, lessening the worry about announcing corruption.

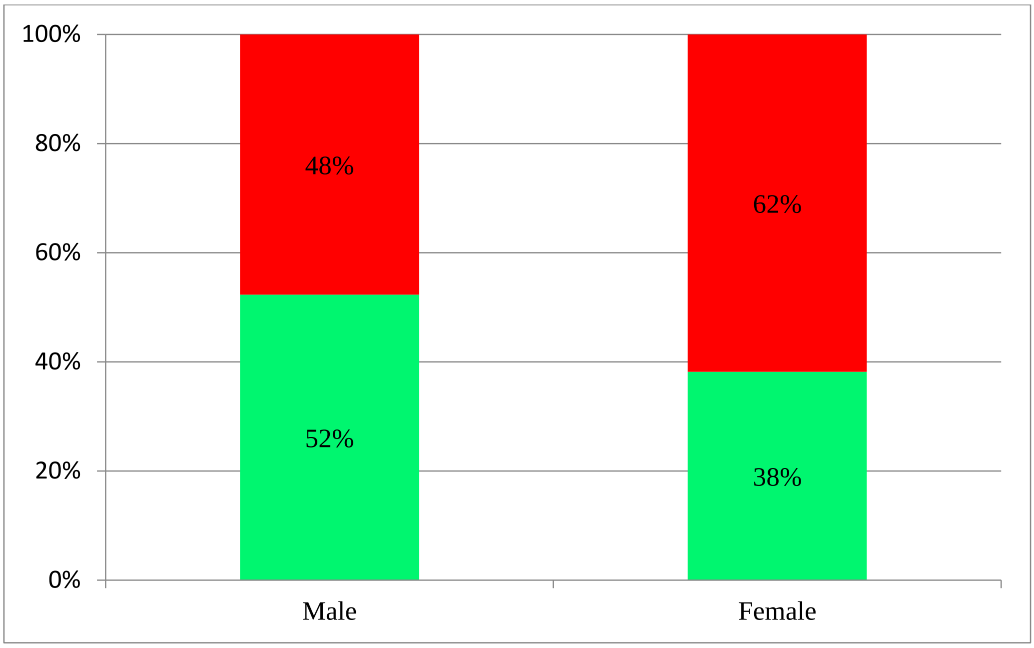
Transparency International in the Czech Republic is mapping and analyzing the situation in the public sector with cooperation of informers. Its work is similar to investigative journalism. It searches for connections and uncovers the corruption. It monitors the long-term trends and analyzes them. Once corruption is found, it is published via media such as TV, publication, or through websites or seminars. Another goal is to improve the legal system to aggravate corruption and ensure punishment in the Czech Republic. (Transparency International Česká republika, 2017)

5.3 Research

The following research was effectuated to find out about the awareness of the work of Transparency International in the Czech Republic. (Please see Appendix No. 1 to verify the questionnaire). The questioning went on for three months – from January to the end of March and 120 people responded. 43% of respondents answered that they know Transparency International (Please see Appendix No. 4 to verify the awareness of Transparency International).

The gender differentiation in the research is 63% of female and 37% of male (please see Appendix No. 4 to verify the graph on gender differentiation). More men (52%) are aware about the brand of TI than women (38%). Being aware means that the respondents answered that they know Transparency International. Even though Transparency International does not make gender differences while focusing on marketing, the brand awareness is much more spread amongst the male population. It would be worthwhile to ask why in a consequent research.

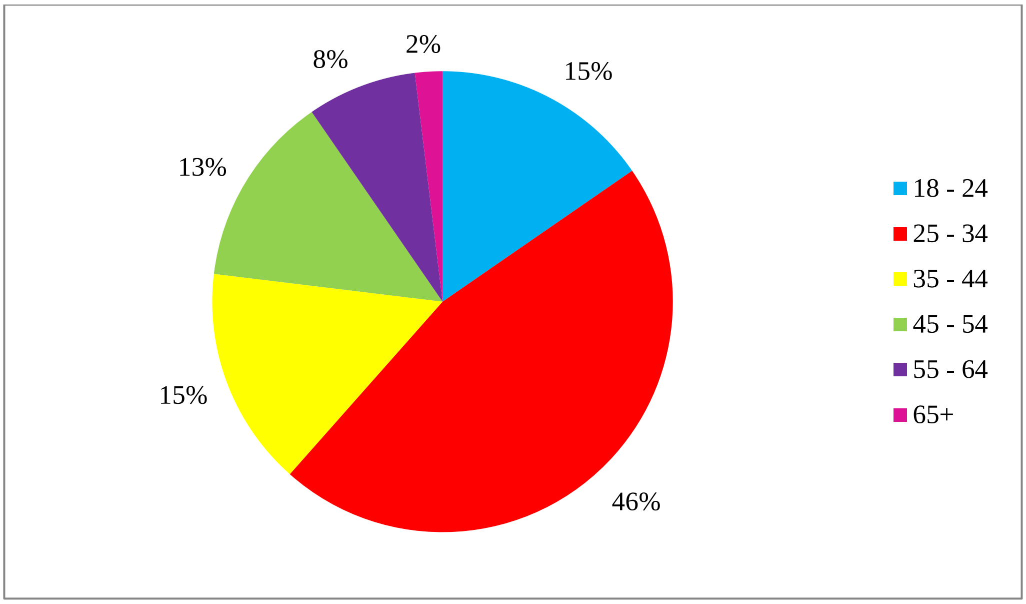
Graph 2: TI Brand Awareness by Gender



Source: Author´s own

The highest number of respondents is in the age group 25 – 34 years old and 18 – 24 years old. The smallest age group of respondents is between 55 and 64 years old (please see Appendix No. 6 to verify the graph on age groups). From the Graph No. 3, there can be seen that the highest amount of aware people is in the age between 25 – 34 years old (46%). The age groups 18 – 24 years old and 35 – 44 years old are balanced with 15% of awareness. It corresponds with the information of Transparency International that its followers are between 18 – 40 years old.

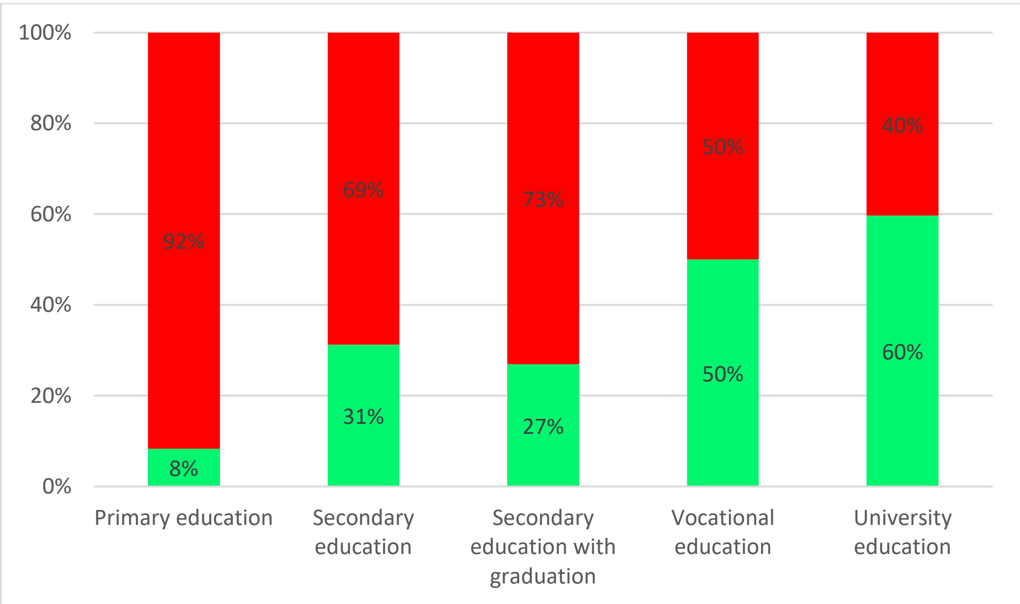
Graph 3: TI Brand Awareness by Age Group



Source: Author´s own

The highest amout of respondents were in university and secondary education (please see Appendix No.7 to verify the highest level of education). As it can be seen from the Graph No.4, people with higher levels of education come with higher levels of brand awareness, which verifies the information from Transparency International that people with higher level of education are interested at work of TI.

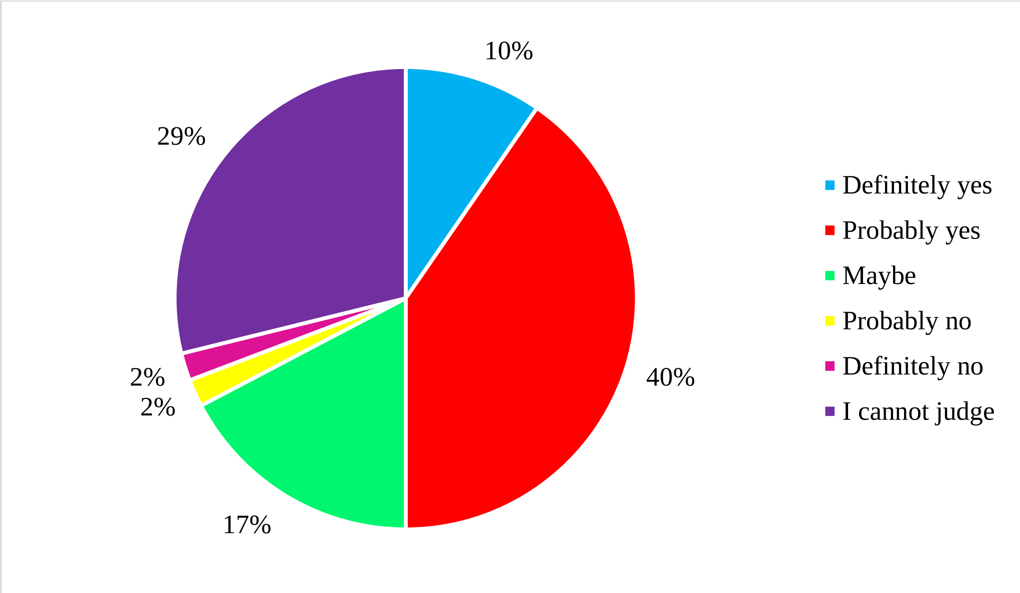
Graph 4: TI Brand Awareness by Highest Level of Education



Source: Author´s own

From the graph No. 5 can be seen that half of aware people think that TI is beneficial and have a good result. 17% of people doubt its beneficial result. Only 4% are not convinced at all about its work results. Approximately one third of respondents replied they cannot judge. From aware respondents more than 40 % considered TI to be probably beneficial and have good results in the Czech Republic. 29% of respondents answered that they cannot judge the benefits even though they know TI work.

Graph 5: Opinion about Usefulness of TI in the Czech Republic



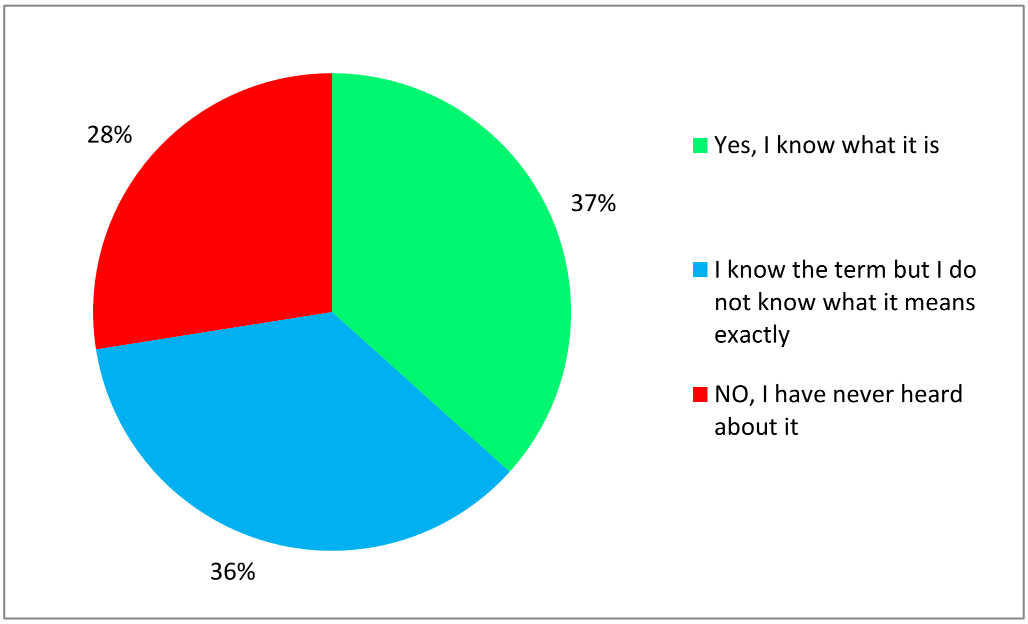
Source: Author´s own

Respondents were asked to name some of the projects. Surprisingly, most of them did not know the project. 14 respondents answered that Transparency International is mapping corruption, 3 people answered that they are lobbying for transparent systems in politics and controlling the risks of fraud in using EU funds. Projects that were mentioned by one person are: clean finance for a clean planet, which is not involved inthe Czech branch, and project against corruption in sport.

The second item in the questionnaire was if the respondent knew about some corruption that TI does not cover and should. This question pointed out that citizens did not know the projects of Transparency International, because they mentioned the activities of political parties, namely the politician Babiš, the collision of interests, and the nontransparency of state contracts. Only one respondent pointed out an interesting topic which was not covered by TI, the construction of the protonic centre in the hospital called Bulovka.

The last question was about Transparency International generally and its Corruption Perception Index. From Graph No. 6 can be seen that of 120 respondents, 73% knew the index. 37% of respondents knew what it means and 36% of respondents heard the term but they were not sure what it stands for. Just 28% of respondents never heard about the Corruption Perception Index.

Graph 6: Awareness of Corruption Perception Index



Source: Author´s own

From the research can be seen that Transparency International is a quite well-known organization in the Czech Republic, but the the people do not know exactly what it is working on. It is crucial for the organization to increase the awareness of its work not just the organization itself.

The most important graph is Graph No. 5 which shows that even though people know the organization, 29% of respondents cannot judge its benefits. It points out the problem of communication to the public about Transparency International's outcomes.

5.4 SWOT Analysis of Transparency International in the Czech Republic

Amongst the strengths of Transparency International Czech Republic belongs its international basis in Berlin. It serves as the communication node for all the branches of TI. Even though each branch is independent, they communicate to provide each other experience and advice, because has expertise on different topics, depending on issues within the base country.

The international net of branches is strength for the Czech branch in many ways. One way is the possibility the expert becomes accepted and gains appreciation through annual reports. Another plus of this resource is that the international experts available to the Czech branch allow discussion of issues at an international level, both at the conventions of European Union and global context. Another benefit of the international base is the inflow of financial resources, for example for the themes that go across the borders such as the gender dimension of corruption.

A different strength for TI is the personality and expertise of its CEO, David Ondráčka. He attracts many people to follow TI because he is the brand of the Czech branch. He is a trustworthy, public expert, who appears often in media and promotes the .anticorruption movement. He is the best promoter of TI in the Czech Republic. His popularity is supported by other experts from Transparency International, who focus on different topics of corruption. They also give interviews on the radio and promote the actions of the organization.

Its founding in the Czech Republic in 1998 represents strength of strong roots and long-term perspective. The organization gains the trust of the public by publishing and uncovering cases of corruption, such as that found with Opencard, LuxLeaks, and corruption in the football league.Their work is published and respected by international organizations such as OECD and the European Commission.

The weakness of Transparency International is financing as in any other NGO. Even though Transparency International has its own revenues from consulting, it is not enough to be independent without grants and donors. Fundraising plays a crucial role for the functioning of the NGO.

The problem of financing for the NGO sector (or voluntary service) in general is that the Czech society is not used to being involved in public issues, public problems and in supporting vulnerable groups. It is not a long-standing or established cultural norm for the Czech nation.

Another weakness is the topic that Transparency International covers. Corruption has many faces and those are developing through time also, so the organization has to adapt and to develop new strategies for uncovering the corrupted system.

The topic also is very specific and it is often hard to explain the complicated cases to the public. It is necessary to present the basic rules of different fields such as the taxation system or other legal systems in the country. Not everyone understands it and it is up to the organization to explain the issue, not only in terms of who is breaking the law but how it is broken. That is the reason why Transparency International has a problem communicating with the wide public.

TI's success and ability to explain those complicated issues in the simplest way creates for TI the opportunity for financing its work and it is not always simple. When it is hard to understand what the organization actually does, it is hard to get support for it. Transparency International work is not tangible for people to see or touch, so the public cannot easily tell who the organization supports. It is not the organization, which supports poor children so the public cannot often distinguish who it supports.

Perhaps a minor weakness is the name of the organization. It is in the English language and can be confused with Amnesty International.

Because the history of the anticorruption movement in the Czech Republic is quite short in comparison with other European countries, also the Czech expert base is enlarging slowly. The multidisciplinary nature of the anticorruption movement also plays a role in the limited number of experts available to fill positions in TI.

The opportunities for TI revolve around the number of cases that are being uncovered in the Czech Republic. Being a watchdog over election campaigns of political parties is necessary for maintaining the principles of democracy. A healthy democratic society needs to have an oversight of processes such as electoral financing, so as to know who the donors are and how the money is spent. Another example can be football championships. Football is a very popular sport in the Czech Republic and its financing creates a never-ending opportunity of corruption including bribing referees and buying the win. There are many events where corruption can appear and it is important to inform the society about it.

The most important opportunity not only for goals of Transparency International but also for mainly the public is to increase the interest of society in public affairs and correct functioning of the society. The society is evolving and starting to care about where taxes go and how the government manages state money.

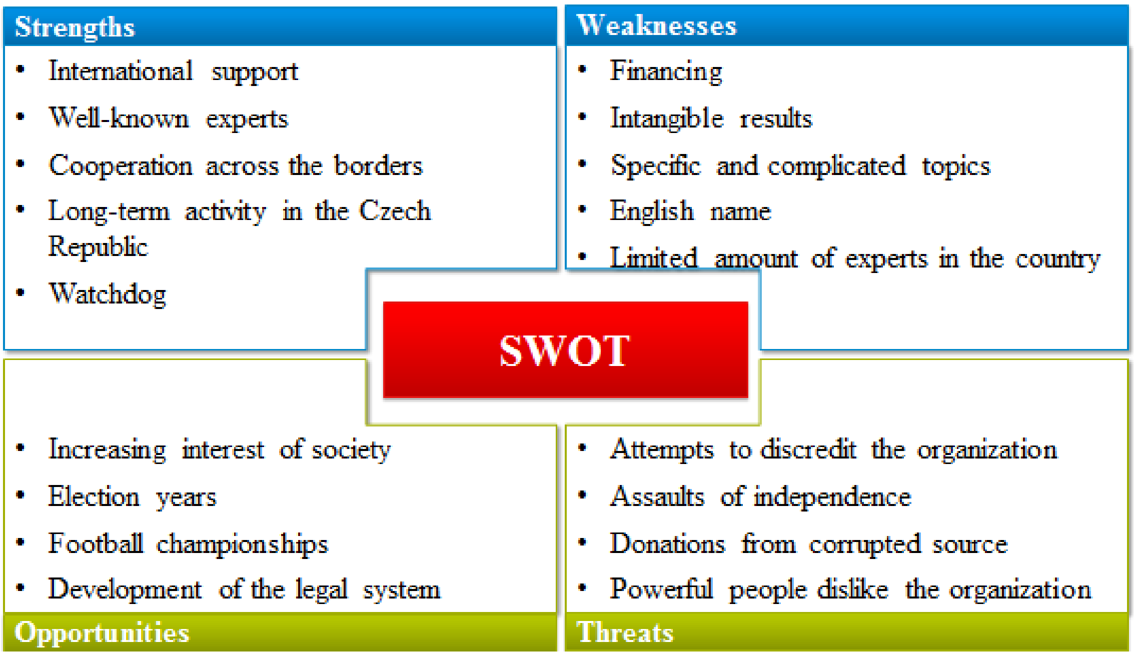
The opportunities can be also in development of the legal system, such as establishing the anticorruption law, The State Service Act, or the Lobbying law. Additionally, there are opportunities found in maintaining and supporting the independent court system.

Another opportunity brings the state or international financing of the anticorruption movement of course in cases where it is not in conflict. For example the control mechanism of European Union to control financing of investments from EU funds. This is the typical subject, which would demand a higher level of cooperation from the Czech Republic and can be improved.

With opportunities arise several threats as well. When the organization is pointing out people who bribe or launder money, those accused may protest against the existence of this type of organizations. One group in particular who may oppose TI is politicians; they are trying to discredit the organization via media and to completely abolish it. For example, politicians say that the organization supports the opposite party in elections, and that is why Transparency International is pointing out their finance corruption. The organization has to maintain balance during the discussion and verify information resources.

A threat also can come from accepting donations from a corrupted source, which is trying to discredit the organization. The organization has in that case to be very careful from whom or from which institution it takes donations.

Picture 5: SWOT Analysis

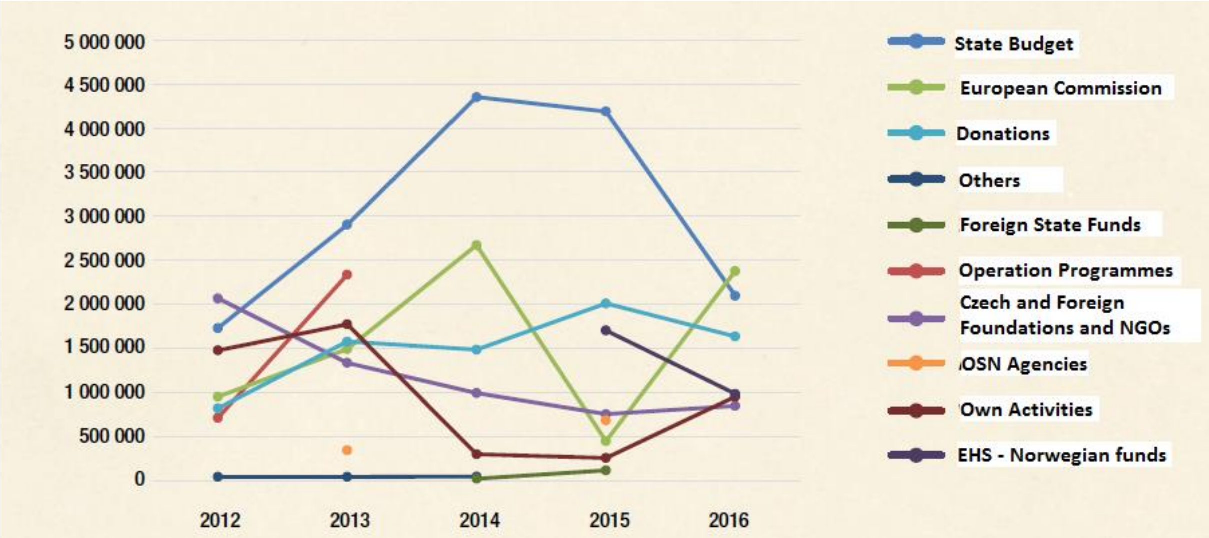


Source: Author´s own

5.5 Financing

The most important thing for existence of NGOs is financing. It is crucial to have different financial resources because it can happen that one source will disappear and it would end the activities of the organization. The decreasing share from the state budget financing can be seen from the Graph No. 2. The state budget was the biggest financial resource during the years 2013 – 2015 but from the year 2016 it was money from European Commission. Due to financing from EU funds in 2015 (the new period was postponed) and financing again in 2016, the gap in financing of Transparency International from European Commission. The income from donors slowly increased from year 2012. The income from its own activities varied from year to year according to opportunities. Financial support from the Czech, Foreign foundations and NGOs decreased by half from 2012 until 2016. Due to the delay in calls for SEIF funds for the programing period 2014 – 2020, there was no financing from this source in 2014. UN agencies financed short-term project in 2013 and 2015.

Graph 2: Development of financing 2012 – 2016 in CZK



Retrieved from: Transparency International Česká republika (2016)

As can be seen from Table No. 1, Transparency International has had multiple financial resources. Most of the grants came from Czech foundations and the Czech government in 2016. The highest grants came from the Ministry of the Interior and the Ministry of Foreign Affairs. The biggest grants from foundations came from the Foundation for Development of Social Society. Private donors have played an important part in TI budget as well; Table No. 1shows this source made up 18% of TI's financial resources. 11 per cent of financial resources of Transparency International were reached by different contracts, such as anticorruption training or corruption analysis. (Transparency International Česká republika, 2016)

Table 1: Financial Sources 2016

European grants	2 957 440,64 CZK	33%
Czech grants	3 396 219,47 CZK	37%
Donors	1 587 179 CZK	18%
Contracts	957 000 CZK	11%
Others (beneficial events)	52 416,32 CZK	1%
Total	8 950 255,43 CZK	

Retrieved from: Transparency International Česká republika (2016)

As mentioned above, private donors have played important role in financing Transparency International. The process of seeking sponsors has the following steps: First of all, TI analytics create the list of potential company donors. The company donors are not chosen by turnover but via complex analysis of suitability for TI. It means they have to meet the conditions such as they cannot have any open criminal proceedings, any corruption activities in the past and the analytics measure the reputation risks.

If the company meets the above mentioned conditions, the representative of Transparency International contacts the company via phone to make a personal appointment. If the company is willing to meet, the representative prepares special program of cooperation. It is important to realize why the company would like to sponsor TI. The reason of each company can differ based on industry, values and its representatives, and it is difficult to find out the motivation for sponsoring. Reasons can be to improve the company´s corporate social responsibility, or to let the public know the CEOs opinion regarding corruption.

Transparency International regular donors are part of the Club Transparency International. The club has three levels: Basic, General and Patron. Basic is for small companies who donate between 10 000 – 25 000 CZK per year. The bonuses from Transparency International are invitations on events and seminars. General level is for middle sized to big companies who would like to try the membership before they decide to donate more money. General level companies donate 25 000 – 100 000 CZK per year. Their membership is communicated via an annual report, bulletin, website and as a part of the signature in email communications. The company receives a certificate of membership and their high management can meet with representatives of TI regularly. The highest level of membership is Patron. Patron members donate 100 000 CZK and more per year. They have the advantages of lower levels, plus they can use the expertise of Transparency International in certain areas, such as half-day consultation, seminars for employees or informative articles in the company´s newsletter. Patron receives information on usage of the donated money.

As mentioned previously, the NGO is focusing on transparency of received funds. When it receives an anonymous donation above 5 000 CZK, the financial experts always try to identify the source and to get in contact with the donor. Only after the donor is identified is the donation accepted.

5.6 Marketing Strategy

How does TI discover corruption? TI work is to investigate the behavior of the political parties, state grants or sport clubs first of all. The employees have work similar to investigative journalists. Another way how to find out about the corruption is to watchdog, which is the opportunity for individuals, companies or interest groups to point out corruption. Some people contact TI to get advice on how to behave when they meet corruption, and Transparency International can become part of the solution.

As mentioned during discussion of the SWOT analysis, marketing communication is difficult with the general public because the topics of Transparency International are very specific and hard to explain. This is the reason that TI, after discovering corruption, first cooperates and communicates with experts in the given topic, because they need to understand the problem very well. Second, TI communicates with journalists, and then they can comprehensibly explain the problem to the general public.

During the first phase, TI creates a coalition with the experts who are involved in the topic of a given issue and collaborates with them on deeper understanding of the problem. TI together with these experts analyze and investigate the case in order to better understand the problem and i to see it from different points of view. It depends the type of corruption, but usually they cooperate with dozens or even hundreds of experts. For example, Transparency International works with Lexperanto, which is an association for accessible and understandable law. It cooperates with several lawyers and auditors who have experiences from European institutions located in Brussels. Moreover, there are people who have the experience from auditing from the public or private sector in the Czech Republic. Basically, the first phase is the most important one, because the understanding of the given problem is essential. All following communications with the public are based on this information and if TI cannot understand the problem itself, the public cannot understand it either.

When they make a presentable outcome, for example how much money from the state budget from public contracts goes to tax haven, it is time to inform the public via media. TI writes a report, which is sent to journalists and published on their websites. The report must be clear and understandable; it helps to make an interview with journalists who read it, because they will ask the questions about unclear information in the report that would never come to mind of the author since he is an expert in the area. It improves the following communication with the public. The journalists are usually chosen by the topic of the report, for example tax haven with economic journals. This is basically the second phase of the entire process. Thanks to communication with journalists, TI can see the problem from another point of view that is closer to the general public. Therefore, TI is subsequently able to explain the problem more easily and know what kind of information the public is able to absorb.

TV interviews are very important for the organization because Transparency International has a limited budget for advertising. This is why it is crucial to have publicly well-known faces in the organization so they would speak publicly about the actions of TI, and by that propagate it and inform the public about the issue. The person has to fully understand the topic and be able to translate the issue into the simple message.

During the last phase, TI is fully focusing on the general public. It uses social media for communication such as Twitter or Facebook. It is using not only the web pages of the organization itself, but also pages of experts and people who are helping with revealing the problem or who are working for the organization and are recognized among professionals, the public, and journalists. The problem of these media outlets is that Transparency International has to describe the issue in a limited number of characters, which can be challenging especially with difficult topics. On the other hand, social media offers cheap and widely available tools for informing the public about an issue. Moreover, TI can measure its success on social media by how many times it was shared, how many people comment on it, and how many people liked it. By that can be seen the real reach of the social media of the organization. In addition, they can see the reactions of people, if they understand the issue or not, and what their questions are on which basis TI can try to better explain the.

TI does not use only comments in social media but also shares short videos where some of the employees explain briefly the issue. For people nowadays it is more interesting than comments because they do not have to read; they just listen and can see the author. It gives people the feeling of a closer connection.

Because the topics are not simple to explain, TI cannot use cause related marketing, which is a favorite and widely used method nowadays. It is hard to imagine that people would like to go into a shopping mall and agree to give a certain percentage for this type of organization.

Transparency International is focusing on more highly educated people males and females between 25 – 40 years old. The following chapter will show what the results of its targeting policies.

5.7 Personnel Marketing

Why do people apply to work in NGOs? They are attracted by a strong employer brand, by the representatives of the organizations and their life stories, by the representatives' strong moral or expert credit or both, and also by the history and success in the field of their interest. There are several struggles, which NGOs have to overcome in the Czech Republic.

To create a strong employer brand for a non-profit organization is generally hard, especially in the Czech Republic where the non-profit sector is young and developing. Society has no trust in nonprofits and regards the employees as activists who do not shave and live an alternative lifestyle. The Czech society thinks about non-profits as people who do not want to work hard, and this is the reason they work in the non-profit organizations. This stereotype is hard to change and it takes a lot of time to change it.

Another problem is the stability of existence. Financing has to be multi-sourced and it is difficult for starting organizations to build a stable resource of finance. The above mentioned is connected to another problem - salary conditions. It is difficult for NGOs of any type to pay specialists and to ensure them stable and long-term salary, which is like the lifecycle of the organization. Another problem is the limited group of specialists able to maintain creative and open-minded approaches to work at a high level of expertise, often combining different sectors. In order for Transparency International to offer the top service, they have to have experts in law, media, history, and political science, and they have to be able to finance all their activities. Even though an NGO is organized well, it cannot offer a salary comparable to the same work in the private sector.

So what are the benefits to people working in the non-profit sector? For people employed in Transparency International in the Czech Republic, they are able to try all kind of work. There are about twenty people working for TI full time. Each has his or her specified job description but often it happens that individuals need to help with something completely different and to cooperate with each other. Employees gain many new experiences in different fields, which is not only interesting for them but also helps with their career development. This opportunity can be limited in the private sector and, certainly, it is limited in state employment. The employees outside of NGO´s have their job description and often they work limited by tunnel vision, where they cannot try what others are doing. The reason for this is that the hierarchy in non-profit organizations is more linear than in the corporate world.

Additionally, in the private sector employees do not have much independence in decision making as in the NGO sector. Non- profit organizations are more open-minded toward new systems of how to coordinate the projects, how to communicate with people, and how employees should do their work. Of course, the creativity has its boundaries based on the laws of the country and the organization, but these boundaries are lower in nonprofits than in other sectors. Other types of jobs usually have their own way of communication and directives for management, and it is almost impossible to do things differently.

Thanks to the internationalization of Transparency International, its employees have many opportunities to travel. They organize conferences on specific topics and employees all around the world come to share their experiences. It is important to realize that nowadays many people seek work that is not static in the office; it is important to them to travel and gain international experience. Transparency International is offering that work benefit. If the branch is focusing on a specific topic in which another branch has expertise, they are in contact and possibly visit each other to share expertise.

One of the reasons why people go to work in non-profit organizations is to improve the world. It sounds like a cliché but it is important for people to do something helpful for the society and to feel needed. It is a basic need of a human to feel useful and the non-profit sector is based on helping people in need. If the organization is able to explain its necessity for the society it is the most powerful employer brand that the organization can gain. It is much easier for the non-profit organizations to build this kind of employer brand, which are saving poor kids or endangered species, than for the organization like Transparency International. Transparency International has less tangible outcomes; the outcomes help society, but are slow to realize, making them almost invisible to the public, and often hard to measure.

The work in Transparency International can be demanding in many other ways. It requires strong personalities to uncover layer by layer the relations, the ways people who are participating at the corruption cases. But the work is necessary to maintain the democratic principles and free market. The motto of Transparency International is *"We research corruption in the Czech Republic and actively help reduce it. For 19 years we have been already been safeguarding the public interest and working towards an effective and responsible state administration. Our projects and provided legal and educational services solve small and large cases that affect every one of us. We are not indifferent, where the public money are flowing. How about you?"* (Transparency International Česká republika, 2017b) The actual topics, and also topics of the projects, are Reinforcing Direct Democracy in Belarus, Streaming Visegrad Values, Incorruptible Women? Gender Dimensions of Corruption, PAKT. All of these are concerning the topic of corruption and its different dimensions.

David Kotora, a representative of Transparency International, saw the CEO, David Ondráčka, in the media. He considered Mr. Ondráčka to be a trustworthy expert who became the face of the organization. He liked the way Mr. Ondráčka presented the views and activities of the organization, and also liked that he explained the topic in an understandable way to a wide audience and improve the environment in the Czech Republic. Mr. Ondráčka said "*To fight corruption really means to face everyday clashes with those in power and with money and with those pulling the strings in the background. One needs to combine eagerness with an elaborated strategy and patience with a strong professional stance. TI is strongly committed to this cause and is barely able to protect the public interest and effectively stop corrupt practices.*" (Transparency International Česká republika, 2017c) He realized that Transparency International was doing a great job of uncovering corruption and explaining the consequences of it, and he decided to become part of their work. He applied for the position of fundraising and communication manager and was invited for an interview based on his CV and motivation letter.

The interviews in Transparency International have two rounds. Mr. Kotora was asked about basic topics during the first round; he talked about his CV, his experience, the reasons for his interest in Transparency International, and his expectations regarding the job. He was invited for the second interview, which focused on practical operations. There was no client fundraiser specialist in Transparency International in the Czech Republic until Mr. Kotora. Instead, they used more funds and grants. He started to work for the organization in 2013.

He admitted that the process of his acceptance as a new specialist could have been organized better. For him it was unclear if there was the third part to follow or not. So, every organization has some possibilities to improve.

5.8 Recommendation

My first recommendation is to concentrate with awareness on the high school students. They are the future leaders of our country first of all, so they should be aware of the consequences of corruption, how to deal with it and to know how it influences other people. Transparency International should explain to them why it is bad to be corrupted, and increase the honor of our leaders. It is easier to influence the thinking of the younger generation than it is to explain to the older generation that things should change. The younger generation can influence their parents also by telling them what they have learnt at school about corruption. That is why I recommend organizing seminars at high school to increase the awareness about Transparency International and its importance in the Czech Republic. At the high schools are debate leagues, and it would increase not only the awareness of TI but using the debate league function would make the students think about the pros and contras of corruption.

Secondly, I would recommend leading discussions at universities. At the University of Economics in Prague, there is organized some extra, voluntary seminars or discussions with interesting people every week, and I believe it would be welcomed if the experts from Transparency International would come and lead discussion about some of the open topics. The students are interested in such events and it would attract many of them, who can become future sponsors or employees of Transparency International. The students are overwhelmed by study materials, so I believe they would rather listen and discuss the topic than read the reports.

Because of limited time of experts, I would recommend to cooperate with the Czech High school Union including vocational, educational training and teachers unions. The TI experts are not able to cover the Czech Republic by itself. The best way is to use social media and share also videos and examples of good practice via those organizations.

The hardest to influence is the older generation because of limited usage of internet and their different mindsets. They remember the time when they were not able to do anything against corruption and they had to accept it. It is hard to change their way of thinking but I do not think it is impossible. Personally, I would start the cooperation with some of the urban districts, which would be suitable with Transparency International policy and create the partnership to increase the awareness about its work. I think the urban district would be open to it, because they could point out that they are against the corruption. With their help, I would create the tents on the street where I would make a few minutes long seminar about corruption cases. Tricky is that the urban districts are led by political parties so it would be really challenging to find a suitable partner.

It is also possible to contact favorite places such as coffee shops in regions to create a meeting with citizens. The business will be happy that Transparency International will attract more customers so I think they would be happy to rent the place for free. On the other hand, when it is a favorable place for locals they would come without the knowledge of any meeting and listen.

To distribute information massively to the public, I would try to approach different generations using the product placement. It is important to think about new ways to use the catch eye attraction. The Czech nation has a specific sense of humor, so during marketing use also funny ways to promote not only the organization itself but also the projects of TI. Czech people love double meanings in the Czech language and it is catchy for a marketing campaign. It would be interesting to sell for example t-shirts or pin badges at festivals with this double meanings signs, which would explain the themes solved by the organization.

People who are interested in the non-profit sector are gathering in the unions and they are in the similar circles of the society. It would be supportive for Transparency International to cooperate for example with foundation Neziskovky.cz, which is propagating the work of non-profit organizations in the Czech Republic. It is gathering the information about the non-profit sector and connecting the non-profit organizations, which they think would be profitable to cooperate.

With increasing successful marketing of Transparency International comes increasing success of personnel marketing. As it was mentioned above, some of the people came to the organization because of Mr. Ondráčka and I believe, if more experts would be visible at schools or at universities, it would increase the interest of people to work for Transparency International. They would see how many experts joined the organization and think that it has to be great to work there, because as an expert you can choose where you would like to work.

Nowadays, people like to test boundaries and abilities; they like to accept challenges. This is why it is popular to play escape games and other investigative games. It is crucial to describe the work of Transparency International as detective work. I think many young and talented people would like to challenge their abilities to work for Transparency International if they knew that they could use their deductive talents. I would create their own escape game in

Prague for one of the past cases and let people solve it. It would increase the brand awareness about the organizations and also attract new employees.

In these days it is important to be viral. It does not matter if it is profit or non- profit organization but it has to be seen online. Transparency International itself has its online Youtube channel but the Czech branch does not have it. It published some videos but it is not regularly publishing about the projects of TI. There are videos from conferences of interviews but also it would be helpful to create cartoon animations about their current work. First of all, if they attract followers, every other video will be in notifications of the follower´s channels. Secondly, if Transparency International creates an AdSense account for each view it will earn 0,01 CZK. It sounds like a small amount of money but with 1 million followers it can earn 10 000 CZK.

People are reading books less and they concentrate on viral blogs instead. Blogs are more accessible and easier in transit to use a tablet or phone for reading. Transparency International's blog should be written by an employee with specialization in uncovering corruption and describing his every day activities. It is important to show the public not only what the organization does but also how it is doing it. I think that people would feel more involved in the actions of TI if they could read about the process of uncovering the corruption.

I would recommend improving the acceptance process. It does not look professional if the applicant does not know how many rounds the interview has. The process should be clear from the beginning and every time after the meeting the interviewer should inform the applicant about the following steps, for example in which period of time they would let him know if he is accepted or not, if there is another part etc. It is not hard or expensive to have a transparent process and it creates a good reputation amongst future employees.

Conclusion

The aim of my master thesis is to evaluate the marketing strategy of Transparency International in the Czech Republic and to recommend the possible improvements, which would increase the awareness of its projects.

Transparency International was established in 1993 and has become one of the most important organizations that distinctively contribute to the decrease in tolerance of corruption. Currently, it has more than 100 in large measure independent chapters around the world on every continent. Secretariat is located in Berlin and provides the leadership and support of local chapters through sharing the knowledge and creating the coalitions.

My findings from the questionnaire showed that 43% of the population knows Transparency International. Of these, males were more aware of the organization than females. When I diversify this group by highest level of education, people with higher education have higher awareness about the organization. Also, half of them think that TI work is beneficial for the Czech Republic. A surprising outcome is that 29% of them said they cannot judge if TI is beneficial.

Another surprising outcome came from open questions where people should name some of the projects or suggest the area where TI should focus. It points out that even though people know the organization, they do not know its projects; only 17 people were able to name its work and suggestions for areas to investigate were mostly about those that Transparency International has had an impact already.

In the second section of the practical part of the thesis I focused on SWOT analysis. The biggest strength of TI is its international basis. It serves as the communication node for all the branches of TI, where the branches share their expertise. Also, the organization is already 19 years in the Czech Republic so it has gained the trust of the public. As I mentioned above one of the strengths is the director, Mr. Ondráčka, because he is a public personality who promotes the expertise of TI.

The weakness of Transparency International is financing as in any other NGO. I analyze the financing in a separate chapter to point out that TI has quite a strongly developed and differentiated financing strategy. It gains money from EU, Czech government, many Czech and international foundations, and it does its own contractual work, also. In financing, it is important to mention the club of Transparency International for its regular company donors. The club has three levels: Basic, General and Patron. Each level has its own specific benefits, which attracts the companies to become part of it.

Another weakness is the topic that Transparency International covers. The topic is very specific and it is often hard to explain the complicated cases to the public. The outcome is anything what public can touch or see the results, but TI´s work outcome is intangible service. That is the reason, why Transparency International has the problem to communicate with wide public.

The most important opportunity is the increasing interest of society in public affairs and corrects functioning of the society. The society is evolving and starting to care about where their taxes go, and how the government manages state money.

I see the threats in the powerful public individuals. These individuals are trying to discredit the organization because they do not like its actions against them. TI makes their work harder with the pressure on transparency and also abolishes the opportunities for bribes.

Based on the interview, I found out that the marketing strategy of Transparency International is divided into following steps. Firstly, it communicates its findings with experts in specific field which is approximately dozens and hundreds people and in the second step it start to communicate with wide public. It is cooperating with experts on clear understanding of the issue, so it can be explained to public in understandable way. When it creates presentable outcome, it uses interviews with journalists, TV interviews, Facebook and Twitter for wide communication.

The last part of my practical research was to figure out why people are attracted to work for Transparency International. They are attracted by the representatives especially by the director David Ondráčka so called faces of the organizations, their life stories and strong moral or expert credit or both and also by the history and success in the field of their interest in the NGO sector. The reason why people work for TI is the possibility to experience different type of work, because the organization is more linear and even though the employees have their own position often they have to contribute in different department to support its action. It is not only interesting but also it improves its career development. The benefit of work for international organization is that they have to travel a lot for international meetings.

Basically, people are going to work for an NGO because they would like to improve the world for future generations. It is a basic need of humans to feel useful and the non-profit sector is based on helping people in need.

There are several struggles, which NGOs have to overcome in the Czech Republic. The non-profit sector in the Czech Republic is young and developing. Society has no trust in it and sees all the employees as activists. This stereotype is hard to change and it takes a lot of time to change it.

My suggestions about marketing strategy are possible to divide into four groups. The first one is to concentrate on cooperation with schools, universities, teachers union and other unions to spread the awareness to the wide public and to influence the younger generation in perceiving corruption which may also result in influencing their parents. The cooperation with unions is recommended because of the limited time of experts in Transparency International.

The second one is to create the tangible product such as funny t-shirts or badges for promotion on festivals or such events. First of all, it would earn money for the organization and secondly by using Czech specific sense of humor increase the interest of population about TI.

The third group of suggestion is about attracting people´s attention. People like to challenge their abilities by playing games in real life at present, for example very popular are escape games. If TI can create the game based on real past case people would enjoy it and better understand what Transparency International does. For people who rather watch cases virally I recommended to write a blog about daily activities of TI employees how they investigate the cases and be more active on Youtube channel to show people what are the projects and how it works in TI. It will not just increase the awareness of TI but also it can attract people to work for it.

The last recommendation is about improvement of the acceptance process in TI. It does not look professional if the applicant does not know how many rounds the interview has. The process should be clear from the beginning. It is not hard or expensive to have transparent process and it creates good reputation amongst future employees.

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Annexes

Appendix 1: Questionnaire

1. **Your gender**
   - Man
   - Female

2. **Which age group do you belong to?**
   - 18 – 24
   - 25 - 34
   - 35 - 44
   - 45 - 54
   - 55 - 64
   - 65 +

3. **What is your highest level of education?**
   - Primary education
   - Secondary education
   - Secondary education with graduation
   - Vocational education
   - University education

4. **Do you know the non-profit organization Transparency International?**
   - Yes, I do.
   - No, I do not.

5. **Could you name some of its projects and its brief description?**

6. **Do you think Transparency International is beneficial and have good results in the Czech Republic?**
   - Definitely yes
   - Probably yes
   - Maybe
   - Probably no
   - Definitely no
   - I cannot judge

7. **In the Czech Republic is it any issue what should be solved by Transparency International and it is not? If yes, could you name it?**

8. **Do you know Corruption Perception Index?**
   - Yes, I know what it is.
   - I know the term, but I do not know what it means exactly.
   - No, I have never heard about it.

Appendix 2: Interview

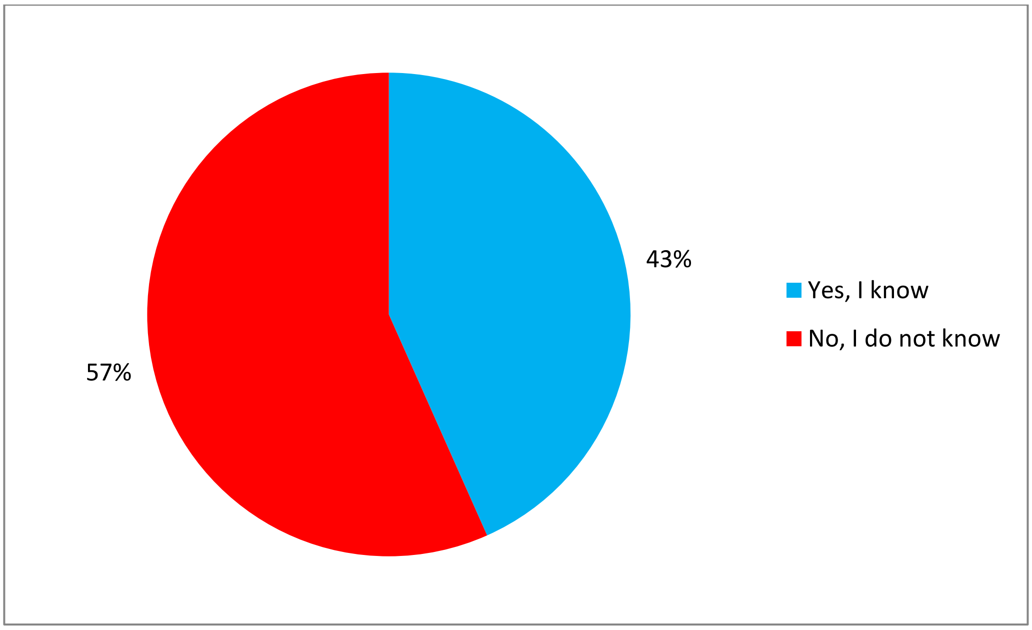
1. Can you compare Transparency International in the Czech Republic and any other branch of TI?
2. Can you describe the segmentation process and target groups of Transparency International?
3. What is the marketing strategy in TI?
4. Does the marketing strategy differ for every project or does it remain similar?
5. Where do you see the obstacles - is that people do not know you or your projects?
6. How do you solve it?
7. I know you have started fundraising in TI - can you describe me how it works now?
8. What do you offer to sponsors that they join TI´s club?
9. Why have you started to work in the non-profit sector?
10. How did look like your acceptation process?
11. What do you think is the employer branding in TI?
12. What are the job benefits in TI?
13. What you do not like at work in non-profit sector?

Appendix 3: Corruption Perceptions Index

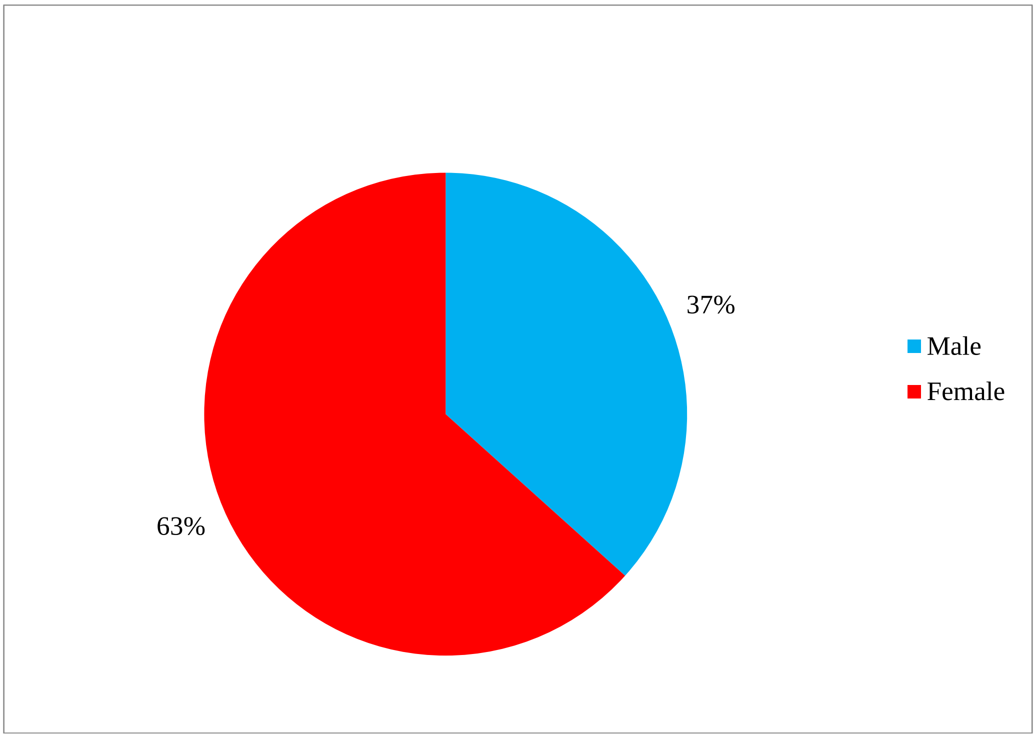
RANK	COUNTRY/TERRITORY	SCORE
1	Denmark	90
1	New Zealand	90
3	Finland	89
4	Sweden	88
5	Switzerland	86
6	Norway	85
7	Singapore	84
8	Netherlands	83
9	Canada	82
10	Germany	81
10	Luxembourg	81
10	United Kingdom	81
13	Australia	79
14	Iceland	78
15	Belgium	77
15	Hong Kong	77
17	Austria	75
18	United States	74
19	Ireland	73
20	Japan	72
21	Uruguay	71
22	Estonia	70
23	France	69
24	Bahamas	66
24	Chile	66
24	United Arab Emirates	66
27	Bhutan	65
28	Israel	64
29	Poland	62
29	Portugal	62
31	Barbados	61
31	Qatar	61
31	Slovenia	61
31	Taiwan	61
35	Botswana	60
35	Saint Lucia	60
35	Saint Vincent and The Grenadines	60
38	Cape Verde	59
38	Dominica	59
38	Lithuania	59
41	Brunei	58
41	Costa Rica	58
41	Spain	58
44	Georgia	57
44	Latvia	57
46	Grenada	56
47	Cyprus	55
47	Czech Republic	55
47	Malta	55
50	Mauritius	54
50	Rwanda	54
52	Korea (South)	53
53	Namibia	52
54	Slovakia	51
55	Croatia	49
55	Malaysia	49
57	Hungary	48
57	Jordan	48
57	Romania	48
60	Cuba	47
60	Italy	47
62	Sao Tome and Principe	46
62	Saudi Arabia	46
64	Montenegro	45
64	Oman	45
64	Senegal	45
64	South Africa	45
64	Suriname	45
69	Greece	44
70	Bahrain	43
70	Ghana	43
72	Burkina Faso	42
72	Serbia	42
72	Solomon Islands	42
75	Bulgaria	41
75	Kuwait	41
75	Tunisia	41
75	Turkey	41
79	Belarus	40
79	Brazil	40
79	China	40
79	India	40
83	Albania	39
83	Bosnia and Herzegovina	39
83	Jamaica	39
83	Lesotho	39
87	Mongolia	38
87	Panama	38
87	Zambia	38
90	Colombia	37
90	Indonesia	37

RANK	COUNTRY/TERRITORY	SCORE
90	Liberia	37
90	Morocco	37
90	The FYR of Macedonia	37
95	Argentina	36
95	Benin	36
95	El Salvador	36
95	Kosovo	36
95	Maldives	36
95	Sri Lanka	36
101	Gabon	35
101	Niger	35
101	Peru	35
101	Philippines	35
101	Thailand	35
101	Timor-Leste	35
101	Trinidad and Tobago	35
108	Algeria	34
108	Côte d'Ivoire	34
108	Egypt	34
108	Ethiopia	34
108	Guyana	34
113	Armenia	33
113	Bolivia	33
113	Vietnam	33
116	Mali	32
116	Pakistan	32
116	Tanzania	32
116	Togo	32
120	Dominican Republic	31
120	Ecuador	31
120	Malawi	31
123	Azerbaijan	30
123	Djibouti	30
123	Honduras	30
123	Laos	30
123	Mexico	30
123	Moldova	30
123	Paraguay	30
123	Sierra Leone	30
131	Iran	29
131	Kazakhstan	29
131	Nepal	29
131	Russia	29
131	Ukraine	29
RANK	COUNTRY/TERRITORY	SCORE
136	Guatemala	28
136	Kyrgyzstan	28
136	Lebanon	28
136	Myanmar	28
136	Nigeria	28
136	Papua New Guinea	28
142	Guinea	27
142	Mauritania	27
142	Mozambique	27
145	Bangladesh	26
145	Cameroon	26
145	Gambia	26
145	Kenya	26
145	Madagascar	26
145	Nicaragua	26
151	Tajikistan	25
151	Uganda	25
153	Comoros	24
154	Turkmenistan	22
154	Zimbabwe	22
156	Cambodia	21
156	Democratic Republic of Congo	21
156	Uzbekistan	21
159	Burundi	20
159	Central African Republic	20
159	Chad	20
159	Haiti	20
159	Republic of Congo	20
164	Angola	18
164	Eritrea	18
166	Iraq	17
166	Venezuela	17
168	Guinea-Bissau	16
169	Afghanistan	15
170	Libya	14
170	Sudan	14
170	Yemen	14
173	Syria	13
174	Korea (North)	12
175	South Sudan	11
176	Somalia	10

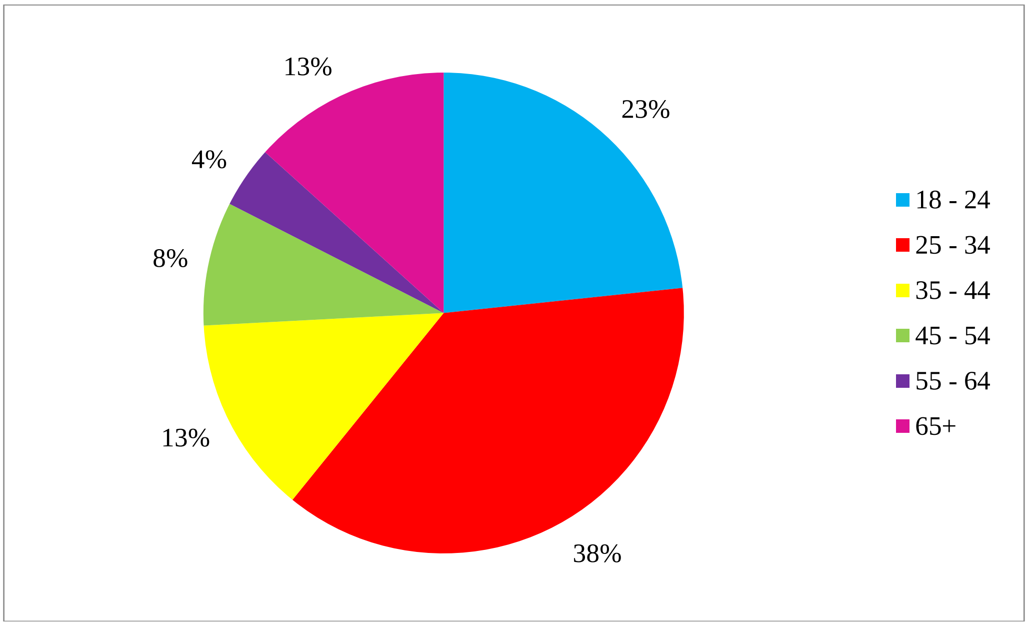
Appendix 4: Brand Awareness of Transparency International



Appendix 5: Gender Differentiation



Appendix 6: Age Groups



Appendix 7: Highest Level of Education