

Adriana Grencikova<sup>1</sup>, Jana Spankova<sup>2</sup>, Rolf Karbach<sup>3</sup>  
CURRENT TRENDS IN ENTERPRISE EMPLOYMENT  
POLICIES IN SLOVAK REPUBLIC \*

*The paper considers external and internal factors that influence organizations' employment policies. In response to technological advances, workforce skills and flexibility requirements are changing. At the same time, a new generation of young people entering the labour market make employers change their HR policies to meet new demands.*

*Keywords: workforce; HR management; employment policy.*

Адріана Гренчикова, Яна Шпанкова, Рольф Карбач  
СУЧАСНІ ТРЕНДИ КАДРОВИХ ПОЛІТИК  
ПІДПРИЄМСТВ СЛОВАЦЬКОЇ РЕСПУБЛІКИ

*У статті досліджено зовнішні та внутрішні фактори впливу на кадрову політику організації (підприємства). Виявлено, що навички персоналу та його гнучкість змінюються під впливом розвитку новітніх технологій, а нове покоління, що тільки виходить на ринок праці, змушує керівництво компаній переглядати свої кадрові політики під нові вимоги персоналу.*

*Ключові слова: кадри; управління людськими ресурсами; кадрова політика.*

*Табл. 1. Літ. 16.*

Адриана Гренчикова, Яна Шпанкова, Рольф Карбач  
СОВРЕМЕННЫЕ ТРЕНДЫ КАДРОВЫХ ПОЛИТИК  
ПРЕДПРИЯТИЙ В СЛОВАЦКОЙ РЕСПУБЛИКЕ

*В статье исследованы внешние и внутренние факторы влияния на кадровую политику организации (предприятия). Навыки персонала и его гибкость меняются по мере развития современных технологий. Новое поколение, только выходящее на рынок труда, заставляет руководство компаний пересматривать свои кадровые политики под новые требования персонала.*

*Ключевые слова: кадры; управление человеческими ресурсами; кадровая политика.*

**Introduction.** We are living in the time of constant and complex changes. These are ongoing changes in the environment in which businesses operate and thus the requirements to management are also changing in almost every business area. One of the most important factors affecting the success or failure of an enterprise in a competitive environment is the quality of human capital. Becker (1995) maintains that human capital cannot be degraded as it drives economic growth. It is the quality of human capital, especially of young people, that is becoming particularly important for economic development and growth.

Due to rapidly changing economic and social circumstances in which businesses have been forced to operate, it has become apparent that the quality of human resources and their use in determining companies' strategic plans as well as their implementation are becoming a critical factor in making enterprises successful (Siky, 2014). In the first place, it is necessary to achieve high level of flexibility in response to changes, and to adjust to new requirements and circumstances in terms of corporate strategies.

<sup>1</sup> Alexander Dubcek University of Trencin, Slovakia.

<sup>2</sup> Alexander Dubcek University of Trencin, Slovakia.

<sup>3</sup> Alexander Dubcek University of Trencin, Slovakia.

\* The work was partially supported by the Operational Programme Education, ITMS 26110230099.

The 21st century is witnessing advanced innovations and new technologies. Consequently, there are fundamental changes in the requirements to workforce, its skills, abilities, and flexibility (Vojtovic and Krajnakova, 2013). At the same time, a new generation of young people entering the labour market is making employers change their human resource policies in response to their demands. This new generation has been raised and educated in the digital era, therefore, their lifestyle and value system are very different from their parents'. Young people do not want to have a fixed, single career, instead, they are going to work for multiple employers and be independent. It means that gifted young individuals are becoming employers themselves, thus creating and maintaining a new competitive environment with new and flexible approaches in management. Apparently, this trend will significantly affect the labour market in the long run. It can be concluded that highly qualified and skilled workforce will really become a competitive advantage especially for those providing working conditions more favourable to employees, whereas not only monetary incentives will play the major role. Blaskova (2009) points out to a correlation between increasing motivation and raising the quality of workforce.

Experience in international management has revealed that essential factors to determine whether a company is a high-performance or poor-performance organization relate to the corporate management ability to work effectively with human resources. In addition, it is vital to have the ability to shape human resources in such a way that their intellectual potential and creativity, can be used to reach corporate goals (Hitka, 2009). This process entails shaping the workforce, their skills and abilities while employing management tools to achieve and maintain high quality and performance of the entire workforce through effective motivational practices and good process management. Thus, traditional approaches to management under globalization and multicultural processes are obviously becoming ineffective. Human resources domains and approaches to HR management are the ones that undergo major changes (Haviernikova, 2013).

**Data collection methods.** A structured interview was utilized to obtain relevant data. The data were collected in various enterprises over October to November 2014. The questionnaire was made up of 28 questions designed to explore external and internal factors affecting employment.

Structured interviews are one of the social research methods. Interviewer asks each respondent the same series of questions. Next, he/she records the structured interview data. In order to provide the most valid results, respondents should be randomly selected. Excel was used to analyse responses. Advantages and disadvantages of the structured interview are as follows:

- the percentage of completed interviews is usually higher;
- it is difficult to avoid answering;
- the interviewer provides respondents greater comfort and trust;
- asking sensitive questions can be problematic;
- it is a costly research method;
- it is a time-consuming method which often leads to a smaller sample;
- trained interviewers are required;
- interviewers can unintentionally affect respondents' answers.

Yet, we decided to apply this accurate social research method since reliability and validity are maintained in research results.

In the collection data, we applied the most frequently used criteria (Habaniк and Masarova, 2013) to classify enterprises:

1. *Enterprises divided by their activity.* According to the type of production, manufacturing companies can be classified into enterprises that form the primary sector of industry (agriculture, forestry, mining, hunting and fishing). The primary sector involves extraction and harvesting of natural products.

Secondary sector enterprises produce capital goods and consumer goods. In the broadest sense, the secondary sector involves manufacturing and refining of goods from the raw materials obtained in the primary sector.

The service sector enterprises include service: transport, banking, insurance etc. They are labour-intensive. They can be broken down into 4 sectors: primary sector (primary businesses), secondary sector (processing plants), tertiary sector (service business), and quaternary sector (services related to creation, processing and transmission of information).

2. *Classification of enterprises by their size.* In terms of size, there are small enterprises (up to 24 employees), medium-sized (up to 500 employees), large enterprises (more than 500 employees) and microenterprises (up to 10 employees). A small enterprise refers to a business unit owned by one or more persons with a limited number of workers, relatively little capital and annual turnover. Advantages of small enterprises include their focus on a local market, specific product line, and flexible responses to changing market demands. Small enterprises have the capacity to use resources efficiently as well as unique skills and knowledge of their workforce. In addition, they have a simple organizational structure, personal connections with customers, suppliers and employees. Disadvantages of small-sized enterprises include limited financial resources, lower productivity, high business risks, low competitiveness, and high work intensity of both business owner and workforce.

Medium-sized enterprises employ 25–500 employees. They are more stable than small enterprises, and have more opportunities at both local and national labour markets. Their advantages include greater availability of funds, higher productivity and higher levels of formalization.

A large enterprise is defined as having 500 employees or more, high turnover, and high organizational capital. Advantages of large enterprises include production line stability, advanced manufacturing processes, advantageous market position within the competitive environment, and focus on national as well as international markets. Disadvantages include insufficient flexibility and high costs of enterprise infrastructure. Large enterprises are capital-intensive organisations with a considerable impact on the environment. According to the European Commission Directive No. 2003/361/EC, which came into effect on 1 January 2005, the European Commission defines microenterprises which employ fewer than 10 persons and whose annual turnover or balance sheet in total does not exceed 2 mln EUR. Small enterprises as defined are enterprises which employ fewer than 50 persons and whose annual turnover or balance sheet total does not exceed 10 mln EUR. Medium-sized enterprises are defined as enterprises which employ 50 to 249 persons and whose annual turnover does not exceed 50 mln EUR and or balance sheet total does not exceed 43 mln EUR.

**Results.** The survey results reveal that employment policies are influenced by both external and internal factors. The survey results also show that employment policies are affected by the size of an enterprise and its scope. The current prevailing theories do not point out these differences, and there only a few authors who correlate the differences in HR management and the environment in which the businesses operate. It is obvious that the "Best Fit" approach should be applied. The "Best Fit" approach argues that performance of an enterprise is maximized if its HR policies are congruent with enterprise's business strategies. Therefore, a large number of factors shall be taken into account and analysed when developing employment policies. It is clear that it is necessary to train first-line managers in personnel administration since they are primarily engaged in the development of employment policies. New trends in corporate employment policies might include the following:

- Population engaged actively in the labour market is ageing, therefore, the issue of sustainable work performance shall be addressed, mainly in relation to employees' health, physical fitness and disease prevention.

- Regarding the aforementioned, constant attention should be paid to training and skills development. We agree with the employers who argue that age does not affect job performance, it is the skills and abilities that play a crucial role.

- Strong emphasis should be placed on employee awareness of enterprise objectives and specific tasks employees are to perform. The awareness is closely linked with job control.

- The appraisal system should be connected to job control, and unnecessary bureaucracy should be eliminated. In this manner, greater flexibility in management, in particular at medium and large enterprises can be achieved.

- Recruiters will make a more frequent use of social media as this is the fastest and easiest way of advertising job openings.

- In selection, however, traditional methods will prevail, such as job interviews and checking curricula vitae. Particular attention will be paid to obtaining extra information about applicants, both formal and informal.

- Flexible work arrangements are not foreseen to be implemented in Slovak enterprises as they are not commonly used by either employers, or employees. Therefore, special attention should be paid to flexible work programs.

- Independence and creativity of employees are the most required skills by employers. In order to develop these skills, decision-making should be leveraged across the enterprise layers, and delegating and bearing responsibilities for the decisions taken should be implemented.

Recently, employers have argued there is a lack of workforce that would match labour market requirements. Employees do not only lack expertise but also core skills. In our survey, we attempted to identify the employees' skill shortages.

The interviewed employers who totally employ 78,466 employees say that the employee skill shortages mainly include problem-solving, independence, creativity, responsibility, and communication. In addition, employees lack the ability to judge, loyalty, critical thinking, cooperation and the ability to learn. It follows that the problem is becoming a long-term issue that needs to be addressed, mainly by delivering core skills training programmes using innovative teaching methods.

Table 1. **Employees' skill shortages, %, own empirical investigation using the questionnaire survey**

Ability to solve problem	42
Independence	35
Creativity	34
Responsibility	30
Communication	28
Ability to judge	19
Loyalty	19
Critical thinking	18
Cooperation	13
Ability to learn	10
Other	5

Karen Cariss, the global CEO of PageUp People, identified 6 key HR developments that will be crucial for growth and continued success (Cameron, 2015). We list them in order to be compared with our findings:

- Importance of HR-themed analytics will become more crucial. The use of these analytics will range from developing people strategies to exploring "what if" scenarios.

- Complexities and challenges created by the global economic landscape require leadership teams to continually re-evaluate their organisation's strategies. Not only is HR expected to enter C-suite, but more emphasis on the workforce's presence there is also expected.

- Mobile applications are expected to play a more crucial role. Mobile career sites and applications will be leveraged by organisations to reduce time and cost-to-hire in an attempt to combat the widening gap between skills availability and business requirements.

- Implementing new technologies and replacement human labour by them will continue.

- As organisations and workforces become borderless, the ability to manage globally and execute locally is becoming increasingly important. The ability to respect and reward cultural nuances and expectations will remain relevant.

- Social media will become an important tool in recruitment. The usage of LinkedIn, Facebook, Twitter and other social media platforms for recruitment is set to intensify, with organisations seeking to keep track of new talent pools.

Bridget Loudon, the co-founder and CEO at Expert360, has predicted the following workplace trends (Tylor, 2015) for 2015:

- Workers are no longer remaining loyal to one employer for decades or their entire working life. The likelihood is that employees will constantly be on the lookout for their next job, with networking being a new normality and an ever-present "fear of missing out" motivating people to be aware of all potential opportunities.

- The new generation entering the labour market, the so called generation Y or Millennials (born in 1981–1997) are inspired by the rise of start-ups. They crave for working for successful companies or running their own companies. A recent study conducted in Australia revealed that 72% of millennials would like to become their own bosses or to progress into positions in leadership.

- Casual Fridays are extending across the working week for many organisations. Many employees use their attire to express individuality at work. This trend is inspired by tech giant Google, which is renowned for encouraging informality with casual work wear, Zen zones and free food for staff – which has led to increased productivity and innovativeness.

- Internships have become crucial for young generation providing them with their first taste of the ultra-competitive working world. Employers are beginning to recognise the characteristics unique to young generation: entrepreneurship, risk-taking and flexibility. Internships have generally been designed to mutually benefit both parties. It is predicted that by 2020, 40% of the total working population will be millennials.

- Employees are no longer expected to be at their desk from 9 to 5 every day. Technological advancements have paved the way for an increase in more flexible working arrangements. In today's ever-connected world, a physical workplace is no longer a necessity for employees to fulfil their duties.

- Successful companies will be using mobile applications and social media to connect with and hire top candidates.

- Employees will continue striving for work-life balance. It is also predicted that workers will continue to want to see the value of their work.

- Cultural fit and character are emerging as the top employer considerations when assessing candidates for a role, with many employers adopting the "hire character – train skill" approach. Employers are facing the challenge of ensuring there is an alignment amongst employees on the values and vision of the organisation.

- With corporate loyalty a thing of the past, employers are increasing talent development opportunities. Although development programs were previously reserved for those at the top of the corporate pyramid, career development programs, alongside skill workshops, are becoming increasingly accessible to every level of corporate hierarchy.

- Employers need to ensure they have a dynamic and open work environment, particularly for millennials and young people who want change. If employers are able to create a dynamic workplace where people are encouraged to rotate within roles and have opportunities to work on different projects, it shows employees the organisation supports them and their goals. Prominent talents will not want to be locked into their roles for life.

- There will be a rise of freelancing which means more flexible work for more employers. Technology has been the key driver of this trend by making it easy for organisations to share the use of talents.

Following our findings and new trends predicted by experts for 2014 and 2015, we suppose that the most important new trends in employment policies of Slovak companies in the short run will be the following:

- attention paid to analysing external and internal factors influencing enterprises;

- focusing on developing skills of the existing employees and caring for them;

- creating a dynamic work environment, omitting some elements of corporate culture, and building and maintaining effective relationships with employees;

- implementing flexible work programs;

- when looking for talents, focusing on start-ups, and thus profiling the skills of future employees;
- focusing on team building;
- increasing employee awareness of business goals and committing employees to achieve them;
- introducing new technologies and new mobile applications to increase employee performance and creativity;
- recruiting with social media.

**Conclusions.** The criteria we applied to examine employment policies at enterprises are not normally selected and combined. It was found that distinct approaches to human resources were employed in manufacturing and service enterprises. Moreover, distinct results were revealed when the size criterion is applied in line with the EU directive. The selected criteria confirmed that it is impossible to adopt a universal approach to HR and a number of factors affecting enterprises operations must be taken into account. In our study, we analysed these factors in terms of internal and external environment of enterprises.

Internal and external factors have a major impact on HR management. No problem occurring in an enterprise can be attributed to one single cause or condition. There are many factors and circumstances, creating a broad and complicated network of interconnected links and relations between the areas under investigation (Strunz, 2007). Enterprises operate in various forms, and the same applies to personnel management. While internal conditions directly affect personnel-related activities, external conditions are objective, and unlike internal conditions that may be changed to some extent, external conditions cannot be changed, yet they must be taken into consideration when developing employment policies. Organizational effectiveness hinges on quality of people at enterprises. It is quality of the workforce and employers' demands to workforce which influence employment policy development at enterprises (Vojtovic and Krajnakova, 2014).

The survey results show that external conditions influence employment policies especially at micro-, small and medium-sized enterprises, which amount to 72% in Slovak Republic. Large enterprises are less affected by the external environment. On the contrary, when examining internal conditions, it was found that SMEs are more flexible in terms of adapting to new challenges and trends, but the process of their adaptation is rather intuitive. At large enterprises, HR activities are difficult to adapt to new trends mainly for two reasons. Firstly, it can be complicated to rebuild the established system. Secondly, the management thinking of HR managers working at large enterprises can be old-fashioned.

Despite the high unemployment rate, Slovak employers say that employees have skill, ability and social competence shortages. Employers clearly lack independent and creative employees. On the other hand, some management practices are old-fashioned, thus not allowing employees develop the competencies required to the fullest.

Slovakia is a conservative country, in terms of employment too. Regardless the global employment trends focusing on flexibility (Benach, 2014) and flexible work arrangements, Slovak employers prefer traditional forms of employment that hinder the demanded skills to be developed. The most valuable employees who are impor-

tant to enterprises may therefore leave for foreign competitors. Additionally, Vojtovic (2013) argues that immigration can significantly affect employment in Slovakia.

When developing employment policies, it is advisable to examine trends in the value system of young generation (Lyons and Lisa, 2014) – new labour force. Failing to get adapted to their preferences can bring about major problems for enterprises. It is often a problem of distinct generations – managers who do not realize how much new technologies affect the lives of younger generation. They have access to information, and the use and processing of this information is the distinctive feature of young workforce entering labour markets. In addition, young people do not want to spend as much time at the workplace as their parents do and strive for work-life balance. Enterprises adapting to this trend, will gain a competitive advantage.

Over-aged workforce is another important factor playing its role in employment. Aging population is a typical demographic feature in Europe (Koubek, 2013), including Slovakia. As mentioned previously, the use of technology and applications have notably affected employers' requirements to workforce. Therefore, enhancing skills of the existing employees and adapting their skills and knowledge to employers' needs will become a primary concern.

Next, employee health will also be of significance, therefore it will be necessary to invest in preventive measures and medical care.

These days bring about much environmental turbulence with changes and complexity associated mainly with external environment. The most striking include, in particular, terrorist threats, local armed conflicts, natural disasters, various epidemics. On the other hand, we have been facing technological progress, lack of qualified workforce due to inflexible system of education and the inability to understand new trends at labour markets. It is therefore a must to continually analyse the environment in which enterprises operate (Ivanova, 2007).

In conclusion, we would like to call attention to the necessity of changing the structure of HR studies to reflect the current trends, particularly those related to the newest technologies and labour market globalization.

#### **References:**

- Becker, G.S. (1995). Human Capital and Poverty Alleviation. HRO Working Paper 52. Hoover Institute Press.
- Benach, J. et al. (2014). Precarious employment: understanding an emerging social determinant of health. Annual review of public health, 35: 229–253.
- Blaskova, M. (2009). Correlations between the increase in motivation and increase in quality. *Ekonomie a management*, 12(4): 54–68.
- Cameron E. (2014). Six HR Trends In 2014 // [www.hcamag.com/](http://www.hcamag.com/)
- Habanik, J., Masarova, J. (2013). Zmeny v odvetvovej strukture ekonomiky SR. *Socialno-ekonomicka revue*. Trencin: FSEV, 2: 64–72.
- Haviernikova, K. (2013). Podnikanie v podmienkach globalizacie. Teoreticko-metodologicke aspekty merania ekonomickej vykonnosti klastrov v Slovenskej republike. Trencin: TnUAD, 56–76.
- Hitka, M. (2009). Možnosti analýzy motivácie zamestnancov výrobných podnikov. Research Report 2. Aktualni problémy teorie a upraxe v ekonomice III (pp. 18–28). Pardubice: Univerzita Pardubice, Fakulta ekonomicko-spravni.
- Ivanova, E. (2010). Vplyv globalnej hospodarskej krízy na trh práce v SR. *Socialno-ekonomicka revue*. Trencin: FSEV, 3: 22–26.
- Koubek, J. (2013). Vekova struktura pracovnich sil a hodnota lidskeho kapitalu. *Socialno-ekonomicka revue*. Trencin: FSEV, 3: 52–57.
- Lyons, S., Lisa, K. (2014). Generational differences in the workplace: A review of the evidence and directions for future research. *Journal of Organizational Behavior*, 35: 139–157.

- Sikyr, M.* (2014). Nejlepsi praxe v rizeni lidskych zdroju. Praha: Grada Publishing.
- Strunz, H.* (2007). Internationale Wirtschaft – Entwicklungen, Trends & Kritik. Die Zeitschrift für international Politik, IV: 45–46.
- Tylor, Ch.* (2015). Ten Workplace Trends To Expect In 2015 // [www.hcamag.com](http://www.hcamag.com).
- Vojtovic, S.* (2013). The Impact of Emigration on Unemployment in Slovakia. Inzinerine ekonomika-engineering economics, 24(3): 207–216.
- Vojtovic, S., Krajnakova, E.* (2013). Trends in Economic growth and Unemployment in Slovakia. Proceedings of the 2013 International conference on education, management and social science. Book series: Advances in Intelligent Systems Research, 44: 188–191.
- Vojtovic, S., Krajnakova, E.* (2014). Enterprise management in the conditions of economics recession. SGEM conference on Political sciences law, finance economics & tourism: Conference proceedings volume III Economics & Tourism (pp. 177–184). Sofia: STEF92 Technology.

Стаття надійшла до редакції 26.03.2015.