

HR in the V4 countries in light of an empirical research

dr. József Poór DSc

J. Selye University, poorjf@t-online.hu

dr. Zsolt Sándor Kómúves PhD

MATE University, Komuves.Zsolt.Sandor@uni-mate.hu

Klára dr. Veressné dr. Valentiny Klára PhD

MATE University, Veresne.Valentinyi.Klara@uni-mate.hu

dr. Gábor Szabó-Szentgróti PhD

István Széchenyi University, szabo-szentgroti.gabor@uni-mate.hu

Abstract: In the period between May 1, 2023 and November 30, 2023, an online questionnaire survey was carried out and a total of 2089 analysable responses was received from various organizations (companies and institutions) in the examined countries (Czech Republic, Poland, Hungary and Slovakia). Our questionnaire used during the survey includes the larger groups of questions to collect the respondent's experiences, opinions and expectations on Human Resources Management activities.

Keywords: HR, V4 countries, country comparision

1 Introduction

1.1 Regional overview

In recent years, the labour markets in the former Eastern European bloc countries and the V4 countries have undergone significant changes, which have also changed the relationship between workers and employers. One of the key issues in these countries is the dramatic increase in labour shortages, which have been influenced by demographic factors, emigration and EU-wide wage differentials. An empirical study has investigated the characteristics of HR systems in the V4 countries, whose authors were

Two or three decades ago, lifelong employment in the same company or organisation was widespread in the V4 countries (Czech Republic, Poland, Hungary, Slovakia). This is now a thing of the past. Today, one of the key issues in these countries is the dramatic increase in labour shortages, which have been influenced by various factors. These include emigration after the change of regime, unfavourable demographic trends, the economic crisis and wage differentials within the European Union. Today, three other crisis factors are linked to the causes mentioned above: the Covid-19 pandemic and its consequences, Russia's war with the Ukraine which has been going on for more than two years, and the recent regional Arab-Israeli war conflict.

In this situation, five universities (University of Silesia, Czech Republic; Hungarian University of Agriculture and Life Sciences and Széchenyi István University, Hungary; University of Szczecin, Poland and Matej Bel University in Banská Bystrica, Slovakia) undertook to collect information on the HR activities of organisations in each of the V4 countries and to compare this information. The online questionnaire survey took place between 1 May 2023 and 30 November 2023, and a total of 2,094 analysable and assessable responses were received from different organisations (companies and institutions) in the four countries.

Characteristics	Czech Republic (CZ)	Hungary (HU)	Poland (PL)	Slovakia (SK)
Population (million people)	10.9	9.8	19.2	5.45
GDP (%)	0.18%	-0.90%	0.23%	1.10%
Unemployment (%)	3.70%	5.10%	3.61%	2.22%
Minimum wage (euro/month)	651	547	641	646
Hourly cost (euro/ working hour)	15.5	10.4	11.5	14.2

Table 1.

Main characteristics of the countries surveyed

Source: [1] Note: the monthly minimum wage in EU countries was between €477 and €2571 in January 2024 [2]

1.2 Survey sample

Nearly 13.92% of the respondents were nationally owned public organisations or companies and 86.08% were private companies. 80.44% of all respondents belonged to organizations employing less than 250 people. The distribution of respondents by sector varies considerably between countries. Respondents providing business services account for the largest share of respondents in the four countries surveyed, with an average of 27.60%. Whereas respondents from the industrial sector accounted for 19.85% of the respondents, and respondents from the retail sector accounted for 14.42% of the respondents. The highest proportion of the organisations surveyed (53.94%) had been in business for more than 15 years [3].

1.3 The role and importance of HR

According to our results, the three most important HR processes and activities in the four countries were (1) employment management and termination, (2) personnel control and (3) talent management. The present survey also shows that the COVID-19 epidemic has had a significant impact on the management of HR functions and tasks in the countries studied and revealed the importance of a number of HR management trends. The impact of teleworking has increased the importance of HR digitalisation during COVID-19.

Various global, regional and local studies [4] show that on average more than 60 percent of the world's organisations have some kind of HR strategy. This figure is much lower for SMEs. In this survey, as we have indicated it earlier, 2,092 respondents from V4 countries have said that 48.85 percent of them have some kind of HR strategy.

2 HR functions

2.1 Jobs and job definitions

A job (job description) is the smallest identifiable unit in the organisation, with a purpose, dynamics, qualitative and quantitative characteristics, and individual responsibility by the job holder [5], [6].

Our survey shows that the average up-to-dateness of job descriptions in the responding organisations is relatively low (23.16%). Respondents in all four countries ranked tasks and duties first, results and responsibilities second and competences third.

2.2 Recruitment-selection

The labour market in the V4 countries has changed significantly over the past decades [7]. Nowadays, these countries are also facing labour shortages in an increasing number of areas, so employers need to take prudent steps to retain their workforce.

Online job advertisements were the most important recruitment and selection tool in the four countries surveyed, followed by letters of recommendation, and the third most common recruitment and selection tool was referrals from friends and acquaintances. The results of a country-by-country survey show that in the Czech Republic, however, the HR department relies almost equally on letters of recommendation and referrals from friends. In Slovakia, human relationships also play a prominent role in recruitment, but firms in Hungary make much less use of the latter option.

selection methods and techniques	CZ	HU	PL	SK	Total
selection based on the applicant's documentation (CV, application form, referrals)	83.41	68.96	69.40	86.72	77.12
interview: structured	86.06	50.39	27.00	88.80	63.06
interview: unstructured	59.38	27.58	26.60	41.15	38.68
tests: expertise/experience	30.29	48.01	5.40	30.99	28.67
tests: skills (thinking, behavior)	29.09	25.99	26.80	32.03	28.48
tests: personality (types)	15.87	34.48	14.00	11.98	19.08
social media profiles	12.26	13.53	11.80	9.64	11.81
tests: intelligence (IQ, EQ)	6.25	17.50	13.20	5.47	10.61
assessment center	4.69	10.87	5.20	7.55	7.08
others	0.36	0.26	1.20	0.00	0.46
Total	100.0	100.0	100.0	100.0	100.0

Table 2.
Use of selection methods and techniques (%)
Source: authors' own editing

2.3 Education-training

One of the important issues in any change process is how and in what way we train and develop the people affected or influenced by the change. Answering this question is difficult because, according to [8: 275] "it is not easy to find a clear causal link between spending on staff development and the economic performance of a company".

Our survey results show that courses/lectures are the most commonly used training methods (48.04%) in the four countries. E-learning, which is gaining momentum in the wake of the covid epidemic, also features prominently among the training methods, especially in Hungarian companies, where 57.82% of the companies surveyed use it. The importance of e-learning is likely to remain outstanding in the future due to its enduring benefits such as flexibility, accessibility from anywhere, from any device, and the possibility of collaboration for geographically dispersed workers. Despite the difficult economic situation, organisations (87.7%) have not cut their training budgets.

2.4 Performance Appraisal / Performance Management

Traditionally, the main purpose of performance appraisal systems and methods used in practice has been to establish pay and incentives [9]. Today, this trend has been complemented by other business objectives (e.g. staff development, promotion, etc.) [10], [11].

Our present research also confirmed our findings from other research (Cranet) that performance appraisal is most often (70.71%) used for incentive (remuneration) purposes. But it is also a welcome fact that training and development was the second most frequently mentioned purpose of performance appraisal.

2.5 Occupational health and safety

Responses from the majority of organisations in the V4 countries participating in our research show that the organisations surveyed recognise the importance of health and safety regulation. The highest number of positive responses (yes) came from Hungary (75.82%), while the lowest number of positive responses (yes) came from the Czech Republic (57.33%).

2.6 Incentives-benefits

The survey shows that the various incentives and benefits account for the largest share (65.18%) both in the V4 region and in each country. There is a significant difference between countries in the use and purpose of bonuses: while in Hungary 75.33% of organisations use this reward, only 54.45% of organisations in the Czech Republic do so. Among the differences between countries, it is important to note that in Hungary almost 80% of organisations provide their employees with a 13th or 14th monthly salary, while in Poland this figure is only 15.8%.

In addition, the most common benefits in Hungary are company mobile phone and car insurance, travel expenses, sick leave, housing allowance, flexible working hours, free drinks, relaxation room, childcare and foreign language courses. Slovakia has the highest rate of pension savings (39.32%).

Compared to the other three countries, Poland leads only in providing life insurance (31.20%) and health insurance (36.40%), with the other benefits playing a less important role in this country. The situation is similar in the Czech Republic, which ranks first in the region in terms of providing extra paid leave. Among the benefits surveyed, flexible working hours (45.78%) and free drinks (45.78%) rank second and third in the region. The use of wellbeing-related benefits such as relaxation space (14.62%) and massage at work (6.25%) were rated relatively low in the region.

2.7 ESS (Employee Self-service) Information System

Our results show that a quarter of respondents (26.04%) in the V4 region and in each country use the ESS. The results suggest that the use of ESS information systems (ESS-SPIS) is not yet widespread in the V4 region. It remains a successful tool for large organisations. More than one third of the surveyed companies in Poland (36.00%) use self-service information systems, while it is in Slovakia that the ESS information system is used by the fewest companies (19.27%).

2.8 HR controlling

In the V4 region, more than a third of the organisations (38.86%) do not use HR controlling solutions at all. However, the majority of organisations with a controlling system (29.3%) use both operational (operative) and strategic controlling tools. One fifth of the surveyed organisations (21.09%) use only operational tools for their controlling processes. On the other hand, there are some organisations (10.75%) that use only strategic controlling tools. A comparison of the countries surveyed shows that the largest proportion of domestic organisations (35.10%) use complex (operational and strategic) HR controlling tools and processes. In a comparison of the four countries surveyed, organisations in the Czech Republic are the least likely to apply personnel controlling solutions. In summary, controlling-based monitoring of HR processes can be identified as an area to be developed in the V4 region, as almost 40% of the surveyed organisations do not use HR controlling tools at all.

2.9 HR outsourcing

The majority of respondents in all V4 countries, with an average of 65.73%, have indicated that they have no experience of outsourcing the HR processes. Positive experiences with HR outsourcing were more common than negative experiences in all countries surveyed, with an average of 27.87% of respondents reporting positive experiences and 6.21% reporting negative experiences. This indicates that the majority of those who tried HR outsourcing found it beneficial and useful.

Conclusions

The research presented here cannot, of course, cover all aspects of the research topic due to the limitations of the scope and the time and capacity available. Furthermore, the aim was not to compare our empirical experiences described here with other publications in the literature, but to publish new information as quickly, efficiently and purposefully as possible. So now we have outlined only the most important characteristics, trends and trends.

Acknowledgement

This research was supported by Visegrad Project #22230227 Past, present and future challenges of HRM in V4 countries

References

- [1] Eurostat. Unemployment statistics. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Unemployment_statistics#Unemployment_in_the_EU_and_the_euro_area,2024 (Accessed: 14 March, 2024)
- [2] Kónya Á. This is where the Hungarian minimum wage is in the EU.(In Hungarian) <https://haszon.hu/megorizni/piacok/minimalber-europai-union2024> (Accessed: 14 March, 2024)
- [3] Poór J., Kőműves Zs. , Szabó-Szentgróti G., Smerek, L. et al. (2024). HR SYSTEM AND ACHIEVING ORGANISATIONAL AIMS - Czechia-Hungary-Poland-Slovakia. (Research monograph) Budapest: Hungarian University of Agriculture and Life Sciences , Visegrad Fund, ISBN: 978-963-623-096-8 (pdf)
- [4] Cranet. Research Network, Cranet Executive Report on International Human Resource Management: Summary and Analysis of 2021-2022 Survey Data . Penn State (US). CRANET, Research Network, Cranet Executive Report on International Human Resource Management. 2023. Available at SSRN: <https://ssrn.com/abstract=4647015>
- [5] Jung, H. Personalwirtschaft. Munich: Oldenburg Verlag, 2008.
- [6] Karoliny M-né & Poór J. Human resource management handbook Systems and applications (6th revised edition). (In Hungarian) Budapest: Wolters Kluwer Publishing House, 2019. <https://mersz.hu/karoliny-poor-emberieroforras-management-kezikonyv-2017>.
- [7] Misiak-Kwit, S., Włodarczyk, K., Mazur-Wierzbicka, E., Smerek, L. & Durian J. The Human Resources Management System in Slovakia and Poland – Chosen Aspects, European Research Studies Journal, XXVI(1), 20-39. 2023. DOI: <https://doi.org/10.35808/ersj/3094>
- [8] Torrington, D.,Hall, L.,Taylor, S.&Atkinson, C. (2014). Human Resource Management. Harlow: Pearson.
- [9] Armstrong, M. & Taylor, S. (2017). Armstrong's handbook of Human Resource Management Practice. (14thed.) London: KoganPage.
- [10] Indeed (2023). What Are Performance Appraisal Objectives? (With 8 Examples. <https://www.indeed.com/career-advice/career-development/performance-appraisal-objectives> (Accessed: March 04, 2024)
- [11] Peng, J. (2022). Performance Appraisal System and Its Optimization Method for Enterprise Management Employees Based on the KPI Index. Discrete

Dynamics in Nature and Society, ID 1937083, 1-12, DOI:
[10.1155/2022/1937083](https://doi.org/10.1155/2022/1937083)