# HR SYSTEM AND ACHIEVING ORGANISATIONAL AIMS

# **CZECHIA-HUNGARY-POLAND-SLOVAKIA**

József Poór – Zsolt Kőmüves – Gábor Szabó-Szentgróti – Lukáš Smerek – Jozef Ďurian – Ivana Šimočková – Marková Helena – Petra Krejčí – Vojtěch Malátek – Sandra Misiak-Kwit – Malgorzata Wiścicka-Fernando – Kelaniyage Shihan Dilruk Fernando – Klára Veresné Valentinyi – László Pálmai (Editors)



2024

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The field of human resources (HR) has evolved significantly in recent times and is now playing an increasingly key role in the life of organisations. The role of HR has evolved in recent years from a tactical function to that of a strategic partner. HR professionals now work with the management to set business objectives and develop workforce strategy (Torrington et al., 2014, Cranet, 2023). The role of data and analytics is growing in HR, while data analysis can help HR professionals better understand employee behaviour, expectations and performance and optimise HR strategies accordingly. Meanwhile, talent management and retention have become a key competitiveness priority: HR professionals need to find and retain talent and develop employees' professional and personal skills. HR professionals need to pay increasing attention to workplace culture and well-being, as employee satisfaction and well-being have a direct impact on performance and the success of the company, making strategic and conscious HR operations an expectation in the 21st century (Morley et al., 2021).

The members of the Visegrad Cooperation (V4) – the Czech Republic, Hungary, Poland and Slovakia – have a long historical and cultural heritage, which has many common characteristics (Brixiova, Li & Yousef, 2009; Astrov, 2019). The V4 countries are in a similar economic situation and have all experienced the challenges of post-socialist transition. Their cooperation can help to promote economic development and increase competitiveness in the region. At the same time, they face a number of common challenges, such as demographic change, labour market challenges and improving economic competitiveness. Cooperation offers an opportunity to address and overcome these challenges in a coordinated way.

In recent years, the V4 countries have increasingly recognised the importance of scientific cooperation and research projects, especially for the competitiveness in European and international research areas. As a result, a number of initiatives and programmes have been launched to promote research cooperation between the Visegrad countries. Joint HR (human resources) research in the V4 countries can bring a number of benefits. The countries concerned have similar economic and social environments, which can lead to common HR challenges, such as labour market changes or labour mobility. Joint research can help to identify and address these challenges. Cooperation between the V4 countries will allow for the sharing of best practices and innovations in HR: sharing experiences and results from one country can help other countries to address HR challenges more effectively. Joint research enables the V4 countries to collect and analyse more data, which will provide a better overall understanding of HR phenomena. In addition, data from several countries can provide a more representative picture of HR trends and issues in the region. Through joint research and cooperation, the V4 countries can foster development and competitiveness in the field of HR in the Central European region, which can contribute to the economic growth and stability of the region (Poor et al., 2017).

This research report is also a very clear demonstration that research cooperation between the V4 countries is constantly growing and developing, and is playing an increasingly important role in the region's scientific community and European research. It analyses and summarises in detail all the trends and experiences in HR systems and solutions in the region (Usunier, Van Herk & Lee, 2017). The research findings presented in the 13 chapters cover almost all areas of HR, identifying local and regional trends that largely determine current labour market developments. We recommend these studies to all HR professionals, students, decision-makers and those interested in the field, as the results can point to a number of phenomena, problem areas and opportunities that can be used to plan and implement strategic HR objectives and operational actions.

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### 1. INTRODUCTION (JÓZSEF POÓR, LUKÁŠ SMEREK, HELENA MARKOVÁ AND SANDRA MISIAK-KWIT)

In this chapter, we briefly summarize the general characteristics of the V4 countries included in our monograph. We cover in broad terms what characterizes the development of human resource management in these countries. We review the most important elements of our research (goal, investigated areas and individual chapters).

#### **1.1. SOCIO-ECONOMIC BACKGROUND OF THE RESEARCH**

The elements of HRM system are processes interconnected and influenced by the internal and external environment. The basic processes include recruiting, creating strategies, policies and other plans, planning the number and structure of employees, adaptation of employees, employee welfare, training and further education, job analysis, job and performance evaluation, controlling, talent management and redundancies. Employees are the subjects of the HRM system. In addition to their abilities, motivation is also crucial for their work performance. It grows in direct proportion to the satisfaction that companies achieve with the correct implementation of the above-mentioned HRM processes. Improving the implementation of HRM processes in companies will therefore increase the quality of life of company employees in the V4 countries. Until 1989, HRM had essentially the same character in all V4 countries. After the collapse of centrally managed economies, each country went its own way. Knowing the differences between companies in each country will help us identify gaps that need to be filled and improved. Taking into consideration turbulent changes in the external environment (i.e. pandemic time and war in the Ukraine), HRM processes are gaining significance.

In recent years, the labour market in the countries of the former Eastern European Bloc and also in the V4 countries has changed significantly, consequently, the relationship between employees and employers has also changed. Two or three decades ago, life-long employment at the same company or organization was widespread. Now that's a thing of the past. Today, one of the key issues in these countries is the drastically increased labour shortage, the development of which was influenced by various factors, including emigration after the regime change, unfavourable demographic factors, the economic crisis and wage differences within the European Union. Nowadays, the following two crisis factors are connected to the previously mentioned causes: the Covid–19 pandemic and its consequences, Russia's war in Ukraine that has been going on for more than two years, and the recent, regional Arab-Israeli war conflict that is now unfolding before our eyes.

There is still no official comparison of the implementation of personnel processes within V4 region. There are some indications from past cooperation, but the main benefit is the creation of a comprehensive view on HRM in the entire V4 region and the improvement of work with people in companies. Individual countries have the potential for mutual inspiration and the creation of a strong regional labour market, which will motivate quality employees to mobility within the V4 region and, conversely, will reduce the motivation of employees to leave this region. We expect this to increase the satisfaction of people living in the V4 countries, as it reduces the need to leave the familiar environment, break family ties and adapt to life in another part of the world. In this way, we will at least partially contribute to reducing the brain drain in the V4 countries, thus supporting the overall standard of living of the inhabitants of this region.

The project Past, present and future challenges of HRM in V4 countries is a combination of various activities, workshops, primary data collection, preparation of written materials and publication of results in business, professional and scientific periodicals and on the websites of institutions dealing with HRM in the V4 countries. As part of the project and cooperation between partners in all V4 countries, through the exchange of experiences and our own research, we created a set of knowledge and data that provides us with a picture of the level of implementation of HRM processes in companies in V4 countries. We will use them to formulate recommendations and improving proposals for the companies concerned, implement them in the teaching process at the participating universities and present them to the general public. The project also created a community of researchers in the V4 countries, who will continue to research the implementation of HRM processes and intensify cooperation between them. The intention is to continue similar surveys in the future and thus monitor the gradual development of HRM in all V4 countries. The survey contributes to the relationships creation between the businesses and universities.

The economic characteristics of V4 countries are listed in Table 1/1 below

lssues	Years	CR	HU	PL	SK	Total
Inhibitants (million)	2023	10,9	9,8	19,2	5,45	53,75
GDP (%)	2022	2,80%	7,60%	7,40%	4,30%	3,68%
	2023	0,18%	-0,90%	0,23%	1,10%	0,15%
Unemployment (%)	2023	3,70%	5,10%	3,61%	2,22%	3,66%

#### Table 1/1: Economic characteristics of the examined countries

The general characteristics of the labour market of the four examined V4 countries can be described as follows (Pietschmann et al., 2016; Schwarcz et al., 2021; Horbulák, 2022; Statista, 2023):

- » *Population* increased in Czechia (10,9 million) and Slovakia (5,45 million) and decreased in Hungary (9,6 million) and in Poland (38,4 million) in 2022.
- Between 2008 and 2022, Poland had four periods of growth in GDP and one period of decline in GDP in the COVID-19 period. In the Czech Republic, Hungary and Slovakia there were only three periods of GDP growth and two periods of GDP contraction. In the previous year, in 2023, GDP grew by 0.23% in Poland, by 0.18% in the Czech Republic, by 1.1% in Slovakia and it fell by 0.9% in Hungary.
- » Unemployment has always been highest in Slovakia. The Czech Republic has always had the lowest unemployment rate. Hungary has always had a higher unemployment rate than Poland. In the previous year, in 2023, unemployment increased by 6.4% in Slovakia, 5.1% in Poland, 3.61% in Hungary and 3.7% in the Czech Republic. Spain had the highest unemployment rate in the EU, rising by 12% in 2023. However, this rate was also above 10% in Greece. For the EU as a whole, the rate was 6.4% last year and 6% in March 2024 (Eurostat, 2024).
- Slovakia €20.9/hour, in the Czech Republic €17.4/hour, in Hungary €14.10/hour and in Poland €12.4/hour. Labour costs per hour in the V4 countries in 2022 were €15.5 in the Czech Republic, €14.2 in Slovakia, €11.5 in Poland and €10.4 in Hungary. Minimum wages in the V4 countries in 2022 were as follows: €651 in the Czech Republic, €646 in Slovakia, €641 in Poland and €547 in Hungary. It should be noted that minimum wages in EU countries in January 2024 ranged from €477 to €2571 (Kónya, 2024).

Source: Authors' own editing Explanation: CR: Czech Republic; HU: Hungary; PL: Poland: SK: Slovakia

- » For home office workers, there is a significant difference compared to the EU average. The proportion of home office workers increased during COVID-19 and has been decreasing since the end of the epidemic.
- The number of foreign workers was 0.823 million in the Czech Republic, 1.3 million in Poland, 0.1 million in Hungary and 0.1 million in Slovakia (Hassan et al., 2023; Slovakia, 2023; CNA, 2024).

In terms of culture, adopting Hofstede's (2001) dimensions (Table 1/2), it can be seen that Hungarians are the most individualistic (80); Slovaks are the most masculine (100); Slovaks have the lowest insecurity avoidance index (51). In contrast, Hungary (82) and Austria have roughly the same uncertainty avoidance index. Slovakian people are mostly long term oriented (77) (Hofstede, 2001 and 2024; Jarjabka, 2021).

	PDI	IDV	MAS	UAI	LTO	IND
Austria	11	55	79	82	60	63
Bosnia-Herzegovina	90	22	48	87	70	44
Bulgaria	70	30	40	85	69	16
Hungary	46	80	88	82	58	31
Romania	90	30	42	90	52	20
Slovakia	100	52	100	51	77	28

Table 1/2: The cultural dimensions of Hofstede in the six countries compared

Source: https://www.hofstede-insights.com/product/compare-countries/

Explanation: Hofstede's six key dimensions include PDI: power distance, UAI: uncertainty avoidance, IDV: individualism-collectivism, MAS: masculinity-femininity, LTO: short vs. long-term orientation and IND: indulgence vs. restraint

The various socio-economic factors will be highlighted below – together with the Hofstedean cultural model – because we are convinced that HR depends very significantly on the context (socio-economic environment including culture) in which it is managed (Parry, Morley, & Brewster, 2021)

#### **1.2. HR IN V4 COUNTRIES**

Nowadays, many books and articles have been published about the transformation of HR practice in Central and Eastern European countries. Some of these publications focus on one country (Pocztowski, 2011), while others present and analyse the transformation of HR from the point of view of the region as a whole (Morley et al., 2008; Brewster et al., 2010; Kazlauskaite et al., 2013; Morley et al., 2016; Cranet, 2023). From the publications indicated in the previous sections, it is possible to learn what characterized the HR activities in these countries before the regime change. The mentioned authors emphasize that the work of the Personnel Department, i.e. HR, at that time was very administrative and partly political in nature. As far as HR activities are concerned, the above authors underline that HR started to transform after the change of regime, a process that was significantly accelerated by the EU accessions in 2004 and afterwards. In the case of SMEs in particular, the authors of the above-mentioned publications indicate that there is still much to be done in this area.

Several publications specifically analyse the HR activities of international companies in general and globally (Poór et al., 2019; Smerek et al., 2021; Stor, 2023), as well as in individual countries. In connection with this topic, the indicated authors emphasize that international companies introduced a completely new type of HR-practice in this region (Lewis, 2005).

HR practices in the V4 countries have been summarised in several publications:

- » general and special characteristics of the labour market (Koisová et al., 2018, 2021; Keese, M., 2020, Poór et al., 2020; Szczepaniak. & Szulc-Obłoz, 2020; Horbulák, 2022).
- » training and development (Tomé & Tracz-Krupa, 2019),
- » motivation (Gross-Gołacka et al., 2021),
- » managing risks with HR (Kozubíková et al., 2020),
- » HR at SMEs (Mura et al, 2017).

#### **1.3. ABOUT THE RESEACRH**

We conducted a survey in the second semester of 2023 in cooperation with the universities of the V4-countries listed below:

- » Silesian University in Opava (Czech Republic),
- » MATE (Hungarian University of Agriculture and Life Sciences) and István Széchenyi University (Hungary),
- » University of Szczecin (Poland)
- » Matej Bel University in Banská Bystrica (Slovakia)

The main goals of the research group can be summarized as follows:

We sought to collect information on the HR-activities of organizations in Central and Eastern European countries and to compare it with the information obtained in the individual V4-countries.

To achieve the goal indicated above, we received financial support from the Visegrad Research Fund, an international research fund, as well as professional support in Hungary from the National Association of Humane Professionals (HSZOSZ), the Budapest Chamber of Commerce and Industry (BKIK), the Somogyi Chamber of Commerce and Industry and Győr-Moson-Sopron County Chamber of Commerce and Industry (GYMSKIK).

We conducted our research presented above between May 1, 2023 and November 30, 2023. Our questionnaire used during the survey includes the following larger groups of questions to collect the respondent's experiences, opinions and expectations in each case:

- the place and role of HR,
- » the HR strategy,
- » the importance of individual HR processes and tasks,
- » definition of jobs,
- » the location and role of selection,
- » the place and role of training and education and personnel development,
- » the place and role of performance evaluation,
- » characteristics of work and health protection,
- » the place and role of wages and benefits,
- » HR controlling and outsourcing,
- » characteristics of the responding organization,
- » other suggestions and comments.

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). For some questions, the data received allowed us to include in our analysis data and responses from many more organisations than mentioned above.

Our empirical study is basically ex-post, i.e. based on the opinions and factual data related to the aforementioned observation period. The questionnaire contains both closed and open questions. In the closed questions, the respondents were asked to indicate the most typical answers among the predefined options that largely cover the topics of the study in a one-respondent manner. The answers were analysed with univariate statistical methods for the purposes of the research report whose main chapters are as follows:

- » Chapter 1 presents the socio-economic background of the research and the research method.
- » Chapter 2 discusses the characteristics of the responding organizations (company/institution) (size, revenue, sector).
- » Chapter 3 describes the strategic importance of HR, applied HR tasks and processes, and answers related to labour needs.
- » Chapter 4 discusses the answers related to job systems, the application of job descriptions and their structure.
- » Chapter 5 provides answers related to recruitment and selection.
- » Chapter 6 summarizes the answers related to the training and the development at the organisations participating in the survey.
- » Chapter 7 summarizes the answers related to talent management.
- » Chapter 8 discusses the answers related to performance evaluation.
- » Chapter 9 discusses the answers related to occupational health and safety.
- » Chapter 10 summarizes the answers regarding incentives (wages and benefits).
- » Chapter 11 discusses the answers for the digital self-service system.
- » Chapter 12 describes the answers related to the application of HR controlling.
- » Chapter 13 summarizes our results on HR outsourcing.

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.

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## 2. CHARACTERISTICS OF EXAMINED ORGANIZATIONS (JÓZSEF POÓR ZSOLT KŐMÜVES, LUKÁŠ SMEREK, HELENA MARKOVÁ AND SANDRA MIASIAK-KWIT, LÁSZLÓ PÁLMAI AND KLÁRA VERESNÉ VALENTINYI)

This chapter describes the descriptive statistics of the research sample. More than two thousand organisations completed our questionnaire. Some of the respondents did not answer some questions due to accidental completion errors or deliberately. As our sample is not representative due to the sampling procedure, the usefulness of the results obtained is mainly guaranteed by the large number of items. Therefore, no questionnaire was excluded from the evaluation. If a question was answered, we included the name of the organisation in the evaluation of the specific survey item.

#### **2.1. OWNERSHIP FORM AND STRUCTURE**

The importance of the ownership form and structure in a crisis situation is clearly indicated by the important role of state orders (Keynes, 1965) and measures in crisis management. It can be stated that the proportion of private and public organisations does not differ significantly in the V4 countries studied. The vast majority of our respondents were private organisations (HCS, 2018). From the different studies, it can be concluded that foreign-owned organisations tend to be more efficient in HR activities compared to domestically-owned organisations (Hiltrop, 1991; Poór et al., 2017; Stor, 2023).

The differences between the human resources (HR) processes of private and public companies are significant and varied, reflecting the inherent differences between the organisational goals, structures, cultures and financial resources of the two sectors. Public organisations are more bureaucratic than private companies, influenced by a wider range of public service objectives, legal compliance requirements and accountability to public actors. This often results in a more complex HR process in public organisations to ensure alignment with the goals (Boyne, 2002).

In our survey, we processed questionnaires from 2,089 respondents from the four countries surveyed. Nearly 13.92% of the respondents are nationally owned public organisations and 86.08% are private organisations. This is a general phenomenon which can be observed in the individual countries.

ownership form and structure	CZ	HU	PL	SK	Total
private, including non-profit private institutions	84.62	88.24	85	86.46	86.08
public, including state institutions	15.38	11.76	15	13.54	13.92
total (100%) n=	832	374	500	384	2089
total (100%)	100.0%	100.0%	100.0%	100.0%	100.0%

Table 2/1: Distribution of respondents by type of ownership (%)

#### 2.2. SIZE OF ORGANISATIONS

The size of the organizations was examined according to four aspects (number of employees, sales revenue, sector and year of operation).

#### 2.2.1. NUMBER OF EMPLOYEES

# 2093 organisations from the V4 countries answered the questions as is shown in Table 2/2. This shows that all responding organisation had employees.

The SME sector, in terms of the number of employees (less than 250), is over-represented, as 80.44% of all respondents fall into this category. The size of a company can be important in human resources (HR), as the size of an organisation may influence HR strategies, functions and available resources. Requirements and practices of recruitment, selection, training, performance appraisal, workforce development and other HR processes may vary depending on the size of the company.

The distribution of responding organisations by number of employees varies considerably between the countries surveyed. The proportion of the smallest enterprises – those with fewer than 10 employees – is highest in Poland (83.6%), which is significantly higher than in the other countries, ranging from 14.85% to 28%, with a total of 37.34%. The share of enterprises with 10–49 employees is the highest in Slovakia (33.85%), which is very different from the average of 24.86% in the countries surveyed. For larger companies (50–250 employees), the distribution is relatively even (18.24%), while for the largest companies (more than 250 employees) Hungary has the highest share of large companies 31.03%. These data show that the distribution of HR systems and practices by country can vary significantly depending on the size of the company.

Number of employees	cz	HU	PL	SK	Total
<10 employees	28	14.85	83.6	22.92	37.34
10–49 employees	28.73	29.44	7.4	33.85	24.86
50–250 employees	22.24	24.66	3.4	22.66	18.24
>250 employees	21.03	31.03	5.6	20.57	19.56
total (100) n=	832	377	500	384	2093
total (100)	100.0	100.0	100.0	100.0	100.0

Table 2/2: Distribution of responding organisations according to the number of employees (%)

#### 2.2.2. REVENUE (BUDGET)

According to the definition of SMEs published by the European Commission, which takes into account the annual turnover of the organisations, it can also be seen that the number of SMEs (below 50 million EUR/year turnover) represents 84.42% of the total number of enterprises in the present survey.

The relationship between the size of the organisation and human resource management (HRM) practices is an important topic of research in the field of HRM. The HRM practices of companies vary significantly with the size of the company (Kotey & Sheridan 2004). Human resource practices and organizational commitment affect the operational performance and profitability of business units. Research has found that both organisational commitment and HR practices are significantly related to operational indicators of performance as well as operating costs and pre-tax profits (Wright, Gardner and Moynihan 2003).

Revenue (budget)	CZ	HU	PL	SK	Total
2.000.000 Euro<	36.30	26.36	84.80	47.40	48.72
2.000.001-10.000.000 Euro	23.80	25.27	6.60	23.70	19.84
10.000.001-50.000.000 Euro	18.87	25.00	5.00	14.58	15.86
>50.000.000 Euro	21.03	23.37	3.60	14.32	15.58
Total (100%) n=	832	363	500	384	2079
Total (100%)	100.0%	100.0%	100.0%	100.0%	100.0%

#### Table 2/3: Revenue (budget) (%)

#### **2.3. SECTOR**

The breakdown of respondents by sector shows significant differences between countries. Business services account for the largest share of responses in the four countries surveyed with an average of 27.60%.

In terms of the distribution of respondents by sector, the industrial sector was in second place with an average of 19.85%, while companies in the retail sector were in third place with 14.42%.

Differences in sectors may result from differences in the structure of economies, which may affect the strategies, market position and competitiveness of companies and have an impact on HR systems. Organisations in the industrial sector are more dependent on production and manufacturing processes, while organisations in the service sector are more focused on customer relations and quality of service. The diversity of distribution within the different sectors, as shown by the data, underlines the economic specificities of each country and the diversity of the activities of the organisations.

Sector	CZ	HU	PL	SK	Total
Agriculture	1.80	16.44	7.00	1.56	6.70
Industry	23.80	26.52	6.40	22.66	19.85
Transport	4.33	2.92	10.80	1.82	4.97
Retail	19.47	10.08	14.60	13.54	14.42
Services	37.02	19.36	29.80	24.22	27.60
Tourism	1.56	3.18	5.60	17.45	6.95
Education	6.61	4.24	9.00	2.86	5.68
Government	5.41	3.71	4.80	5.47	4.85
Other:	0.00	13.52	12.00	10.42	8.99
Total (100 ) n=	832	377	500	384	2093
Total (100 )	100.0	100.0	100.0	100.0	100.0

Table 2/4: Distribution of respondents by sector (operational area) (%)

#### 2.4. YEARS OF OPERATION

Table 2/5 shows the distribution of organisations by years of operation, which show different trends. Among organisations, the share of enterprises with more than 15 years of operation is predominantly the highest in the V4 countries. Among Polish respondents, the share of enterprises operating for 1–3 years is rather high (14.80%). The overall average shows that the number of enterprises operating for more than 3 years is the highest among respondents.

The breakdown by years of operation provides an important insight into the dynamics of the enterprise sector and the state of economic development in each country.

Years of market	CZ	HU	PL	SK	Total
<1 year	0.96	0.79	6.40	2.08	2.56
1–3 year	5.53	3.45	14.80	5.21	7.25
3–10 year	18.99	14.85	24.20	21.09	19.78
10–15 year	15.50	14.58	19.00	16.93	16.50
>15 year	59.01	66.61	35.60	54.69	53.98
Total (100 n=	832	377	500	384	2093
Total (100	100.0	100.0	100.0	100.0	100.0

Table 2/5: The year of operation of the responding organizations (%)

Source: The authors' own editing

#### **2.5. LITERATURE SOURCES TO CHAPTER TWO**

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## 3. ROLE AND PROCESSES OF HR (KELANIYAGE SHIHAN DILRUK FERNANDO, LUKÁŠ SMEREK, PETRA KREJČÍ AND ZSOLT KŐMÜVES)

The following chapter discusses our research results about HR processes and the strategic importance of HR.

#### **3.1. HR PROCESSES**

Different HR textbooks list HR activities and processes (Torrington et al., 2020; Parry, Morley & Brewster, C. 2020) as well as their importance in different ways (Kazlauskaite et al., 2013; Morley et al., 2016; Vetráková, Smerek, Włodarczyk, Mazur-Wierzbicka & Misiak-Kwit, 2021).

Table 3/1 below shows the frequency rates of 13 HR processes in the V4 countries (Czech Republic, Hungary, Poland, Slovakia) included in our study, expressed in percentage. The data are grouped by HR activities according to their frequency in the four countries. Recruitment (search, addressing and selection), the number of employees and structure planning and onboarding are in the top three in the V4 countries.

HR activities and processes	CZ	HU	PL	SK	Total
Developing strategies, policies, and other plans	73.92	51.19	53.60	69.01	61.93
Employee number and structure planning	85.70	63.39	56.20	80.73	71.51
Job analysis	78.61	29.44	52.40	79.17	59.91
Recruitment (search, addressing and selection)	90.50	62.33	55.40	90.89	74.78
Onboarding	93.03	31.83	46.60	93.23	66.17
Training and further education	91.47	49.07	60.80	88.28	72.41
Talent management	31.37	22.01	21.40	22.40	24.30
Job evaluation (value and importance of jobs)	49.28	26.52	32.20	51.04	39.76
Employee welfare and motivation	92.67	45.09	42.60	89.58	67.49
Employee assessment	87.38	38.99	43.20	85.42	63.75
Release of employees (termination of employment)	63.34	10.61	44.80	64.58	45.83
Personnel controlling	56.97	23.07	22.80	59.38	40.56
Personnel administration	89.78	37.93	41.60	82.03	62.84
Total (100 n=	832	377	500	384	2 093
Total	100	100	100	100	100

Table 3/1: HR processes in the responding organizations (%)

The recruitment (search, shortlisting and selection) process appears to be extremely important in all the countries surveyed, representing 74.78% on average. This indicates that organisations pay a lot of attention to the selection and recruitment of new staff.

Similarly, the number of employees and structure planning are also highly prevalent across all countries, with an average of 71.51% of companies monitoring and planning their workforce needs and organisational structure. Especially for small and medium-sized enterprises (SMEs), it is important to make more efficient use of human resources, as SMEs often have limited resources and need to plan their workforce efficiently.

SMEs also tend to be more flexible and responsive to change due to their size, so this process can help them to optimise their workforce planning and structure, which can be key to their success, contributing to increased efficiency and competitiveness.

The onboarding process is also a high priority in the HR processes of the companies (66.17%), and it shows that organisations are committed to facilitating the successful integration of new employees. For SMEs, onboarding is key as it helps to integrate new employees quickly and effectively into the workplace culture and work processes and can help to retain employees and increase productivity.

#### In Table 3/2 below, respondents rated the importance of the 13 HR processes mentioned above. According to this analysis, the top three processes in terms of importance for the four countries were (1) release of employees (termination of employment), (2) personnel controlling and (3) talent management.

The HR processes considered most important are generally the same across countries, but there are some differences.

The "release of employees" or "termination of employment" process is of high importance (9.32) in all 4 countries. This is particularly relevant for small and medium-sized enterprises (SMEs), where the personal relationships and team size mean that the departure of an individual employee can have a greater impact on the whole company and effective management can be key to maintaining workplace stability and corporate culture. This includes communicating with affected employees, implementing redundancies in accordance with legal and ethical requirements, and minimising the impact of redundancies on the remaining team and the company as a whole.

"Personnel controlling" ranks second in terms of importance of HR processes in the company (8.42). This means the analysis and control of functions

In the case of SMEs, the "personnel controlling" process can be particularly important as these businesses often have limited resources and this HR process can help them to manage their human resources more effectively, improve their performance and be more competitive in the market. It looks at areas such as recruitment, staff utilisation, employee performance, employee satisfaction and labour costs.

Talent management is considered the third most important HR process in all countries surveyed. The average importance is 8.29%, indicating that the majority of responding organisations give high priority to talent acquisition, development and retention. In Poland and Slovakia, the importance of these items is exceptionally high that is 8.13% and 9.89% respectively, suggesting that companies in these countries place a high priority on managing and developing talent. In Hungary and the Czech Republic, the importance of these areas is 8.36% and 6.76% respectively, which also indicates that talent management plays a key role in corporate strategy in these countries.

Importance of HR processes	CR	HU	PL	SK	Total
Developing strategies, policies, and other plans	4.12	5.33	4.61	5.20	4.82
Employee number and structure planning	4.74	4.77	4.55	5.21	4.82
Job analysis	5.20	7.65	5.77	5.90	6.13
Recruitment (search, addressing and selection)	4.20	4.91	4.73	4.61	4.61
Onboarding	4.57	7.39	6.14	5.17	5.82
Training and further education	4.70	5.94	5.59	5.84	5.52
Talent management	6.76	8.36	8.13	9.89	8.29
Job evaluation (value and importance of jobs)	6.60	8.01	6.85	8.50	7.49
Employee welfare and motivation	4.62	6.33	7.99	6.11	6.26
Employee assessment	5.13	6.63	7.66	7.11	6.63
Release of employees (termination of employment)	7.51	9.96	9.93	9.88	9.32
Personnel controlling	6.55	8.42	9.48	9.22	8.42
Personnel administration	5.85	7.17	9.58	8.36	7.74
Total (100 n=	832	377	500	384	2093
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Table 3/2: The importance of HR processes in the responding organizations (%)

Source: The authors' own editing

Based on various studies, we concluded that initially, the organisation of health care, communication and the home office were at the heart of the work of human resources professionals. In the second and third waves, job security and retention became more important for HR professionals (Dajnoki et al, 2023).

The present survey data also show that the COVID-19 epidemic has had a significant impact on the management of HR tasks and functions in the countries surveyed, and reveals a number of important trends in HR management.

In all the countries surveyed, there was a significant increase in the importance of home office and hybrid team management during COVID-19. This is partly due to the fact that companies have had to adapt to remote work due to the epidemic and have had to introduce practices and tools to enable effective teleworking.

The importance of labour management and health compliance has increased significantly in all countries during the epidemic. This trend suggests that companies need to pay more attention to workforce planning and management, and to health and safety compliance to protect workers and business processes.

In line with telework, the importance of HR digitalisation has also increased during COVID-19. Companies needed to adapt quickly to online work and virtual communication, and to digitise their HR processes in order to effectively manage the workforce and support employees while working remotely.

Although in general the above trends apply to all countries, there are differences between countries. For example, in Poland and Slovakia there was a greater focus on workforce management and health compliance, while in Hungary and the Czech Republic there was a greater focus on developing home office and digital HR processes.

HR functions	HR functions CR		HU		PL		SK		Total	
Covid period	Before	Under	Before	Under	Before	Under	Before	Under	Before	Under
Workforce management, workforce planning	2.56	3.56	4.03	4.35	2.69	3.01	2.76	3.59	3.01	3.63
Recruitment, selection	2.98	3.52	4.15	3.92	2.76	2.90	2.92	3.43	3.20	3.44
Employee retention	2.72	2.92	4.29	4.40	2.76	3.21	2.85	3.12	3.16	3.41
Labour shortages	2.84	3.29	3.76	3.77	2.75	2.69	2.86	3.31	3.05	3.27
Maintaining commitment	2.39	2.77	4.16	4.36	2.66	2.98	2.44	2.94	2.91	3.26
Home office/hybrid team management	2.24	2.81	2.32	3.92	2.40	2.60	2.58	2.93	2.39	3.07
Health and safety compliance	2.28	2.72	3.83	4.70	2.67	2.58	2.16	2.68	2.73	3.17
Training and development	2.31	3.03	3.93	3.82	2.42	2.55	2.50	3.21	2.79	3.15
Organizational communication	2.25	2.99	4.05	4.41	2.58	2.89	2.25	3.06	2.78	3.34
HR digitalization	2.53	2.86	3.26	4.00	2.46	2.50	2.63	2.95	2.72	3.08
Labor relations	2.34	2.96	4.02	4.11	2.56	2.85	2.34	3.04	2.81	3.24
Total (100 n=	832	832	377	377	500	500	384	384	2093	2093
Total (100	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 3/3: Management of HR tasks and functions before and during COVID (%)

Source: The authors' own editing

#### **3.2. HR STRATEGY**

Various global, regional and local studies (Balogh et al., 2022; Cranet, 2023) show that on average, more than 60 percent of the different organisations worldwide have some kind of HR strategy. This figure is much lower for SMEs.

In this survey, 2,092 respondents from the V4 countries said that 48.85 percent of them have some kind of HR strategy in place. The highest number of positive responses was received from respondents in Slovakia (54.95%), while the lowest (46.01) from respondents in Hungary. The relatively low score in Hungary may be explained by the relatively higher participation rate of agricultural enterprises. The relatively low value compared to higher values in other surveys can also be explained by the relatively low share of foreign-owned firms in our survey.

HR strategy	CR	HU	PL	SK	Total
Yes	46.63	46.01	47.8	54.95	48.85
NO	53.37	53.99	52.2	45.05	51.15
Total (100 n=	832	376	500	384	2092
Total (100	100.0	100.0	100.0	100.0	100.0

Table 3/4: Existence of an HR strategy (%)

#### **3.3. WORKFORCE PLANNING**

In a period of labour shortages such as the current situation (rapid changes, divided world, etc.) workforce planning has become particularly important in the V4 countries.

Annual workforce planning is the most common in the countries surveyed, except in Poland, where the share of operational planning is higher. This is related to the fact that the annual workforce planning is the most widespread and successful method of workforce management, allowing companies to develop and implement long-term strategies.

Poland has a significantly higher rate of operational planning (60.40%) than the other countries surveyed. This suggests that Polish companies place greater emphasis on short-term, operational planning and reacting to changing market conditions. Monthly and six-monthly planning periods are also important, especially in Hungary (33.24%) and Slovakia (29.95%). In these countries, companies often use shorter-term planning methods.

Overall, the data suggest that companies use a variety of different periods for workforce planning, with the annual planning period being the most common. However, operational, monthly and six-monthly planning also play an important role in corporate workforce management, and the proportion of these periods may vary depending on the country and the size of the company.

Planning periods	CR	HU	PL	SK	Total	
Operational	38.27	24.47	60.40	30.99	38.53	
Monthly	10.57	13.83	9.80	13.80	12.00	
Semi annually	14.09	19.41	11.80	16.15	15.36	
Annually	32.56	32.98	15.00	33.59	28.53	
Other	4.50	9.30	3.00	5.47	5.57	
Total (100 n=	832	376	500	384	2092	
Total (100	100.0	100.0	100.0	100.0	100.0	

#### Table 3/5: Workforce planning (%)

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## 4. JOB STRUCTURE (KELANIYAGE SHIHAN DILRUK FERNANDO, LUKÁŠ SMEREK, PETRA KREJČÍ AND ZSOLT KŐMÜVES)

This chapter reviews the empirical experience we have gathered in relation to the definition and up-to-datedness of jobs. From what is described here, it can be seen what parts of the job descriptions are used in the organisations surveyed.

#### 4.1. UP-TO-DATE JOB DESCRIPTIONS

The job descriptions are the cornerstone of the HR system, which is a single, coherent system. A well-designed job descriptions system is built on top of other HR systems: benefits, performance appraisal, training, recruitment, dismissal, career management, administration and planning. 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 (Jung, 2008; Karoliny&Poór, 2017).

A job descriptions system is the cornerstone of HR systems that result in uniform, integrated practices. The definition and structure of job roles have changed a lot over the years. These changes have been and continue to be strongly influenced by, among other things, aspects of organisational relationships, the principles of managing subordinates and, not least, the legal regulations of the country or association (e.g. EU) in question.

Our current survey shows that the average up-to-dateness of job descriptions in responding organisations is relatively low (23.16%).

Job descriptions cover various aspects of organisational and employee management, including recruitment and selection, job classification, performance appraisal, training, supervisor-staff relations, legal aspects and organisational performance.

Job descriptions provide key information for recruiters and candidates, facilitating the selection of the most suitable candidates by outlining duties, responsibilities and required qualifications (Firth, 1989).

They are fundamental for the job classification system, helping to understand the scope of tasks and the relative value of different jobs within an organisation.

By setting clear performance expectations, detailed job descriptions can prevent misunderstandings and uncertainties that contribute to poor performance (Firth, 1989).

The job description is recommendatory in the legal aspect of industrial and labour relations, helping to define the scope of the employee's duties and responsibilities (Titor, 2022). There is an important link between an organisation's performance and job descriptions, which describe tasks accurately and fully, help match candidates to jobs, and serve as a source of training and performance measurement.

In many cases, there are complaints that job descriptions do not show the dynamic division of functions between departments and their up-to-datedness. In our view, this is not necessary, as this is not the main purpose of the job description, as its main function is to show managers and subordinates what tasks, responsibilities and results they are responsible for (Kolb, 2008; Karoliny&Poór, 2017).

The Czech Republic (CZ) and Hungary (HU) both have a high proportion of job descriptions (91-100%) that are complete, accounting for nearly half of all job descriptions. In Poland (PL), the share of incomplete job descriptions is significantly higher than in the other countries (18.60%).Slovakia (SK) has a relatively balanced distribution between the different levels of completeness of job descriptions, with a noticeable tendency towards high levels of completeness (81-90% and 91-100%).

Job descriptions	CR	HU	PL	SK	Total
None	4.81	3.46	18.60	2.60	7.37
1-50	25.12	11.70	28.20	16.67	20.42
51-80	10.94	14.09	23.00	18.23	16.57
81-90	10.70	22.34	11.80	22.66	16.88
91-100	48.44	48.40	18.40	39.84	38.77
Total (100 n=	832	376	500	384	2092
Total (100	100.0	100.0	100.0	100.0	100.0

Table 4/1: Up-to-date job descriptions (%)

Source: The authors' own editing

#### 4.2. STRUCTURE OF JOB DESCRIPTIONS

A common question is what should be included in the job description. There is a wide range of literature and practical resources available on this. Over the past decades, job descriptions have moved from describing traditional tasks of employees, to describing responsibility or accountability of employees, and more recently towards describing the skills and competences of employees (Nieto-Rodriguez, 2023).

The current research confirms the trends indicated above. Respondents in all four countries ranked tasks and duties first, achievements and responsibilities second and competences third.

Tasks, duties and responsibilities are the most frequently mentioned elements in all countries, indicating that the emphasis is on describing the specific activities related to the job. There are considerable differences and variations between countries, particularly in terms of accountability/responsibility and the inclusion of performance requirements, with these elements being generally more frequent in Slovakia. Competences, cooperation with other employees/departments and performance requirements are less frequently mentioned, especially in Poland, which points to areas where job descriptions could be made more comprehensive. Differences in the inclusion rates of different elements may reflect cultural or regulatory differences in each country, which influence the design of job descriptions and the setting of priorities.

This analysis highlights the different approaches to compiling job descriptions in these countries, where some elements are generally emphasised and mentioned while others vary considerably from region to region.

Items of job descriptions	CR	HU	PL	SK	Total
purpose of the job	77.40	70.48	43.80	82.03	68.43
accountability/responsibility	71.75	75.53	42.40	81.25	67.73
tasks and duties	89.54	93.88	62.00	93.75	84.79
competences	46.15	50.53	37.60	51.82	46.53
cooperation with other employees and departments	33.41	68.88	22.00	31.25	38.89
performance requirements	49.28	44.41	13.40	61.98	42.27
working conditions	48.68	41.49	46.20	62.76	49.78
workplace facilities	18.63	34.84	22.80	30.21	26.62
profile of the job holder	31.25	36.17	22.00	30.73	30.04
other	0.00	0.00	0.60	0.00	0.15
Total (100 n=	832	376	500	384	2092
Total (100	100.0	100.0	100.0	100.0	100.0

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Source: The authors' own editing

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### 5. RECRUITMENT AND SELECTION (KELANIYAGE SHIHAN DILRUK FERNANDO, LUKÁŠ SMEREK, PETRA KREJČÍ AND ZSOLT KŐMÜVES)

The labour market in the V4 countries has changed significantly over the past decades (Misiak-Kwit, Włodarczyk, Mazur-Wierzbicka, Smerek & Durian, 2023). 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.

A Hungarian study from 2023 (Gelencsér et al.) investigated the impact of workplace welfare factors on retention. If an employee is satisfied with company benefits – promotion opportunities, workplace communication, the nature of the work environment – his/her organisational commitment is strengthened. Otherwise, however, the intention to leave dominates and accelerates. The research highlighted that financial benefits alone do not influence the organisational commitment or the intention to leave or. The role of financial incentives in retaining staff is less important than in attracting staff when recruiting. If workplace processes are efficient, transparent and understandable, pay systems can be seen as a support function rather than as a pillar of retention.

Filling vacant positions, together with newly created positions, is often a lengthy, resource-intensive task. In the battle for excellent employees (' war for talent'), the recruitment and selection HR functions have a crucial role to play. In line with global trends (Randstad, 2024), companies in the V4 countries need to make considerable efforts to find the right candidates.

A survey of 419 Czech commercial companies (Dušek, 2021) looked for key competences that help in the selection of candidates with a business degree. It identified the six most important key competences such as: the ability to work independently, communication, problem solving and cooperation skills, the willingness to learn, and the ability to select and process information.

It is worth noting that generational differences also play an important role in the recruitment-selection process (Borsos, 2023). While stability and appreciation are the primary attractions for members of Generation X (born between 1965 and 1980), for Generation Y (1981-1995) and even more so for Generation Z (1996-2010), flexible working arrangements, opportunities for promotion and training, and benefits are much more important. While a job seeker from Generation X prefers a stable job with fewer benefits, this preference reverses as age decreases.

Some research also draws attention to general competences that can facilitate selection and successful integration, regardless of age, industry and the position advertised.

A Czech study conducted in the V4 countries (Farkačová et al, 2023) confirmed that higher information literacy gives a competitive advantage in the labour market. The study showed that individual information skills (e.g. digital skills, financial literacy, educational attainment) help to maximise the potential of the labour force and stabilise the labour market. In addition, the research has shown lower unemployment rates in countries with higher information literacy.

The rise of artificial intelligence in HR processes is a new and growing phenomenon. In their study, Dióssi and Mikáczó (2023) summarised the HR processes for which companies use artificial intelligence today. One such area is the process of recruitment and selection. The automated analysis of job advertisements, the matching of expected criteria with the profile of candidates, the automation of pre-screening tests and interviews all facilitate fast and efficient candidate selection. This can result in significant savings in time, costs and manpower. At the same time, the limitations of AI, such as data security, lack of necessary information or human interaction, should not be overlooked.

For each advertised position, a set of required competences (professional qualifications, skills and experience, language and other skills, etc.), recruitment channels and selection methods must be defined individually. This research has examined the extent to which companies in the V4 countries use 12 recruitment channels and 9 selection methods.

#### 5.1. RECRUITMENT CHANNELS AND METHODS OF SELECTION

In the four countries surveyed, electronic advertising was ranked first, while referrals were ranked second and recommendations from friends and acquaintances were ranked third.

The 5/1. table below shows that while print job advertising has now taken a back seat, companies in all four countries prefer to advertise jobs electronically. In the Czech Republic, however, they rely on employee recommendations to the same extent, and almost as much on the employment of friends to fill advertised jobs. Human contacts also play a key role in recruitment in Slovakia, but companies in Hungary are much less likely to exploit this opportunity.

Slovakia leads in recruitment in several areas. These include the use of job databases and social media, direct contact with potential candidates and the involvement of employment offices and recruitment agencies.

Companies in Poland are also keen to involve other intermediaries in the recruitment process. Training programmes and job open days are also more popular in Poland than in the other three countries surveyed.

Further research is recommended to examine which recruitment channels are the most resource-intensive and which are the most effective in finding and selecting the right candidates. In addition, the advantages and disadvantages of the role and take-up of AI in recruitment selection are also worth exploring in more depth in the future.

Recruitment channels	CR	HU	PL	SK	Total
printed advertisement	16.35	7.16	22.80	20.57	16.72
electronic advertisement	65.38	41.38	56.20	77.34	60.08
labour office	0.00	3.98	27.80	33.07	16.21
applicant's database	13.46	13.79	15.80	26.56	17.40
direct addressing	26.92	12.20	30.80	44.01	28.48
friends, acquaintances	58.17	18.03	30.20	54.17	40.14
recruitment agency	17.07	8.75	21.80	26.04	18.42
formalized intermediaries	3.25	2.65	15.00	2.34	5.81
trainee program	3.73	3.45	16.20	9.11	8.12
open door days	4.69	1.33	9.00	8.59	5.90
social media	30.41	14.06	28.80	46.61	29.97
employee referrals	65.50	20.95	33.80	53.39	43.41
Other	0.72	0.53	1.40	0.00	0.66
Total (100 n=	832	377	500	384	2093
Total	100.0	100.0	100.0	100.0	100.0

#### Table 5/1: Use of recruitment channels (%)

Selection methods: review, analysis and evaluation of the applicant's documentations were the most important (77.12%). In line with the results of other global studies (Cranet, 2023), structured interviews were also identified as a very important selection method used by respondents in V4 countries (63.06%).

There are also significant differences in selection methods between the V4 countries. While reviewing the candidate's file is a priority in all countries surveyed, structured interviews are used in the selection process by nearly 90% of Czech and Slovak companies, while only about half of Hungarian companies and just over a quarter of Polish companies use them. In Poland and Hungary, some companies ultimately decide to select candidates without an interview (structured or unstructured).

Hungary excels in the use of intelligence, personality and occupational tests, while at least a quarter of companies in all four countries assess other skills before recruitment as well. Assessment Centres, which are half-day or one-day assessment exercises and training sessions involving a series of tasks and common exercises, help to assess candidates' personalities and skills more thoroughly. The benefits of these – otherwise costly but effective – tools are most widely used in Hungary. In addition, in all four countries, there are companies that check candidates' social media profiles during the selection process.

Selection methods	CR	HU	PL	SK	Total
selection according to the applicant's documentation (CV, questionnaire, references)	83.41	68.96	69.40	86.72	77.12
testing: intelligence (IQ, EQ)	6.25	17.50	13.20	5.47	10.61
testing: skills (thinking, behaviour)	29.09	25.99	26.80	32.03	28.48
testing: personalities (types)	15.87	34.48	14.00	11.98	19.08
testing: expertise	30.29	48.01	5.40	30.99	28.67
interview: structured	86.06	50.39	27.00	88.80	63.06
interview: unstructured	59.38	27.58	26.60	41.15	38.68
assessment centre	4.69	10.87	5.20	7.55	7.08
social media profiles	12.26	13.53	11.80	9.64	11.81
Other	0.36	0.26	1.20	0.00	0.46
Total (100 n=	832	377	500	384	2093
Total	100.0	100.0	100.0	100.0	100.0

Table 5/2: Use of selection methods (%)

Source: The authors' own editing

Overall, the research shows that the Czech Republic and Slovakia lead the V4 countries in the extensive use of recruitment channels, while Hungary uses a variety of tools in the selection process to find the ideal candidate. Based on the results of the research, we recommend companies to emphasise the role of personal and professional relationships in recruitment and to consider the benefits of different tests and assessment centres in selection.

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## 6. TRAINING AND EDUCATION (SANDRA MISIAK-KWIT, JOZEF ĎURIAN, VOJTĚCH MALÁTEK AND GÁBOR SZABÓ-SZENTGRÓTI)

This chapter presents a general understanding of education and training. We shed light on the onboarding solutions used by the responding organizations (managers/intellectual (professional) employees (non-managers// office/administrative and physical workers). Based on the answers, we will review the applied education and training methods. Finally, we turn to how education and training expenditures have changed.

#### 6.1. ABOUT TRAINING AND EDUCATION

It is a well-known fact that business is full of constant change. No one needs convincing that these changes have accelerated in recent years. 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 Torrington et al. (2014:275), 'it is not easy to find a clear causal link between spending on staff development and the economic performance of a company'. In order to develop human resources, it is first of all necessary to understand and identify the development needs within the organisation. One way to innovatively develop an organisation is co-creation (Wiścicka-Fernando, Misiak-Kwit & Fernando, 2019). As technology advances, it can be particularly important to pay attention to developing digital skills. The European Commission's Digitalisation and Automation Attitudes Survey shows that 78% of workers in Poland, 76% in Slovakia, 71% in the Czech Republic and only 58% in Hungary think they have the required digital skills to do their job (European Commission, 2017), putting all four countries in the bottom quarter of the EU list. In this respect, training and development in this area could be particularly important for future competitiveness in both blue-collar and white-collar jobs (Brynjolfsson & McAffee, 2011), as digital skills are becoming increasingly important in the labour market as technology continues to evolve (IFR, 2018; Misiak-Kwit & Yang, 2024).

#### 6.2. ONBORDING (EMPLOYEE ADAPTATION)

In English, onboarding literally means to get on board, by integrating the employee into the organisation. The term includes integrating the employee as soon as possible, mastering job tasks, learning about the company culture, and increasing his loyalty, with the aim of becoming an effective and contributing member of the organisation, project or team (Gartner, 2023).

According to the responding organisations in our survey, the most common solution (40.51%) in the four countries surveyed is not to use this method. The table shows a sharp difference in project assignments: while 57.82% and 46.09% of Hungarian and Slovak respondents use this method respectively, only 23.08% and 22.20% of Czech and Polish respondents do so. It is also worth noting the method of 'throwing in the deep end': while 61.27% of Hungarian respondents said they used this method, the figure for the other three countries was only around 25%.

Onboarding methods	CR	HU	PL	SK	Total
we don't plan to use	21.88	96.28	16.60	27.34	40.53
job rotation	18.51	26.26	25.20	20.83	22.70
planned work programs	15.75	18.83	31.20	17.19	20.74
special tasks/project assignments	23.08	57.82	22.20	46.09	37.30
tutoring and guidance	7.93	37.66	40.40	8.07	23.52
"throw into the deep end"	25.72	61.27	26.60	24.74	34.58
illustrative examples	40.63	23.60	22.80	23.44	27.62
Other	2.76	0.79	0.80	0.00	1.09
Total (100 n=	832	377	500	384	2093
Total	100.0	100.0	100.0	100.0	100.0

Table 6/1: Use of onboarding methods (%)

Source: The authors' own editing

#### 6.3. EMPLOYEE TRAINING METHODS

Since the research of Kurt Lewin's (1936) confirmed that an ingrained habit or behaviour can only be changed effectively in a group, the group has been an effective tool for changing social behaviour, and a wide variety of training tools have been and are being used in organisations. Research also confirms that training and development has positive effects on employee satisfaction, organisational commitment and fluctuation of employees (Owens, 2006) and, through these, on organisational performance (Ostroff, 1992)

The following table shows that course/lecture is the most frequently used training method (48.04%) across the four countries. E-learning (Song et al., 2023), which is gaining momentum in the wake of the covid pandemic, also features prominently in the list of training methods used, especially in Hungarian companies, where 57.82% reported its use. Although the popularity of e-learning has inevitably increased in the wake of the pandemic, its importance may continue to be prominent in the future due to its enduring advantages such as flexibility, accessibility from anywhere, from any device, and the possibility of collaboration between geographically separated workers (Beňo et al., 2022).

Employee training methods	CZ	HU	PL	SK	Total
course/lecture	53.73	62.86	24.80	50.78	48.04
video	15.99	32.09	19.60	18.49	21.54
e-learning	34.86	57.82	22.40	42.19	39.32
(formal) instructions	37.50	50.93	34.00	41.67	41.03
role playing	2.16	10.34	7.20	4.95	6.16
coaching	25.48	47.21	20.40	27.60	30.17
self-education	42.31	42.97	31.60	40.63	39.38
model situations	23.32	11.93	10.40	23.44	17.27
on-the-job training	30.77	36.34	58.40	55.47	45.25
Other	3.37	0.00	0.60	1.56	1.38
None	2.04	13.26	5.80	0.00	5.28
Total (100 n=	832	377	500	384	2093
Total	100.0	100.0	100.0	100.0	100.0

Table 6/2: Use of employee training methods (%)

Source: The authors' own editing

#### 6.4. EDUCATION AND TRAINING BUDGET

It has now become clear that not only fully qualified and skilled people are present in the labour market and that increasing wages and benefits alone is not sufficient to retain talent, i.e. good and excellent workers (Thomas, 2021; DeSmet et al., 2021).

Training and education are an important element in retaining the workforce. From this perspective, it is important to assess the data in Table 6/3 below. Despite the difficult economic situation, organisations have not reduced their training budgets. In particular, it is important to highlight that on average 35.03% of the companies surveyed in the four countries have increased their training and development budgets over the last 3 years, of which the Hungarian companies in the survey stand out with their training and development budgets of 46.95%.

Education (tusising Declarat	CD		DI	CI/	Tatal			
Table 3/1: The amount of money for the education/training of employees over the past 3 years (%)								

Education/training Budget	CR	HU	PL	SK	Total
increased	37.74	46.95	20.80	34.64	35.03
remained the same	55.05	36.34	62.60	54.17	52.04
decreased	7.21	16.71	16.60	11.2	12.93
Total (100 n=	832	377	500	384	2093
Total (100	100.0	100.0	100.0	100.0	100.0

Source: The authors' own editing

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# 7. TALENT MANAGEMENT (SANDRA MISIAK-KWIT, JOZEF ĎURIAN, VOJTĚCH MALÁTEK AND GÁBOR SZABÓ-SZENTGRÓTI)

This chapter reviews our empirical experience with talent management. We present the methods used by the responding organizations in the indicated area.

# 7.1. TALENT METHODS

During the pandemic, the need for high quality workers has increased. Given the right framework and conditions, talented employees/prospective leaders can move up the career ladder and turn their potential into individual and organisational success (Potháczky 2022). The available literature has clearly confirmed this. Furthermore, it has been found that the global Covid epidemic and its consequences have a significant impact on talent management and its various methods (Vaiman et al., 2021).

A positive message of this survey is the relatively low (21.35%) response rate to the item 'we do not distinguish talented employees'. The highest response rate (41.39%) was received to 'creativity' as a talent management method. It can be seen that Hungary (70.56%) leads in this respect, followed by Poland (45.00%), then the Czech Republic (28.37%) and Slovakia (21.61%). The second most important aspect in terms of talent management was 'long-term stability' (38.03%), in which Hungary was also in the lead (62.60%), followed by Poland (36.00%), Slovakia (30.21%) and the Czech Republic (23.32%). In third place, 'long-term high performance' (35.56%) was emphasized within the respondent sample. Hungary's prominent position was confirmed by the responses: 45.09% of respondents in Hungary stressed the importance of 'long-term high performance'. The Czech Republic came second (36.66%), followed by Slovakia (34.90%) and Poland (25.60%)

Talent management methods	CR	HU	PL	SK	Total
potential to be a future leader	27.04	51.46	31.00	28.91	34.60
the possibility of holding a key job	22.72	47.48	17.20	28.91	29.08
long-term stability	23.32	62.60	36.00	30.21	38.03
long-term high performance	36.66	45.09	25.60	34.90	35.56
very creative (creativity)	28.37	70.56	45.00	21.61	41.39
we do not distinguish talented employees	31.37	19.36	0.80	33.85	21.35
Other		8.75	18.20		13.48
Total (100 n=	832	377	500	384	2093
Total	100.0	100.0	100.0	100.0	100.0

Table 7/1:	Use of	<sup>:</sup> talent	methods	(%)
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Source: The authors' own editing

#### 7.2. LITERATURE SOURCES TO CHAPTER SEVEN

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# 8. EVALUATION SYSTEM AND METHODS (SANDRA MISIAK-KWIT, JOZEF ĎURIAN, VOJTĚCH MALÁTEK AND GÁBOR SZABÓ-SZENTGRÓTI)

Chapter 8 reviews the basic principles and concepts related to evaluation systems. We review typical responses regarding the timing of the assessment(s). We present what the responding organizations use the results of the evaluations for.

#### **8.1. ABOUT EVALUATION SYSTEM AND METHODS**

Traditionally, the main purpose of performance appraisal systems and methods used in practice has been to establish pay and incentives (Amstrong & Taylor, 2017). Today, this trend has been complemented by other business objectives (e.g. staff development, promotion, etc.) (Indeed, 2023, Peng, 2023).

Performance appraisal is a traditional HR function that is present in most companies, even if not in a structured fashion and regularly. Companies that do not have an organised performance appraisal system informally communicate to team members whether management is satisfied with their performance.

However, an effective performance appraisal function requires not only regular appraisals and evaluation, but also the setting of clear (SMART) objectives beforehand, and the preparation of development and training plans as a result of the performance assessment. It is important to note that all this can only be effectively achieved in an open communication and supportive atmosphere. If performance appraisal is used for accountability rather than feedback, and for punishment rather than incentive, it will certainly be counterproductive.

The evaluation of the subordinates is usually carried out by the immediate superior with the help of the HR department and with the involvement of the subordinates. However, feedback can also be given by other members of the organisation. By collecting 360-degree assessments in advance, both management and team members, as well as other participants in the work process, can provide valuable feedback to employees.

Szondi and Gergely (2021) have shown in their research that regular feedback has encouraging and motivating effects on employees. They contribute to the achievement of individual development goals set by management and facilitate employees' successful careers. In addition, performance appraisal systems help to align individual and organisational strategic objectives.

Murphy (2020), however, came to a completely opposite conclusion. According to him, the performance appraisal systems used in companies will sooner or later all be found to be ineffective. When this happens, organisations try to improve the system as a whole rather than focusing on the small subset of the whole performance appraisal system that is actually useful to the company. Murphy believes that successful performance appraisal systems and methods will eventually run into four main obstacles: (a) the distribution of performance, (b) the development of reliable methods, (c) limited usefulness for employees, (d) limited usefulness for organisations.

According to Murphy (2020), the distribution of performance does not really justify the development of complex performance appraisal processes, because most employees are simply average performers, so complex measurement of everything is simply unnecessary. Moreover, it is questionable whether it is even possible to develop and implement an effective and reliable appraisal system at organisational level. Murphy argues that this is not the case and that it makes no sense, as the effectiveness and usefulness of performance appraisal is debatable from both an individual and an organisational perspective.

However, the above opinion can be used more as a food for thought, as this research has also shown that a significant proportion of companies consider the performance appraisal process to be important and useful. It is precisely the performance appraisal system that can help to identify and distinguish between high performers and a large number of average performers, and vice versa, to identify underperformers and provide them with the appropriate support to improve. In the meantime, it is important to have plans and awareness, to simplify performance evaluation systems and methods, and to define precisely what results are expected from this process. It is also important to define what the employee and the organisation can gain by introducing a clear, transparent and systematic performance appraisal process.

#### 8.2. TIMING

The annual and regular performance appraisal system was mentioned most often and as most important by respondents from the V4 countries (30.28%). The importance of variable (irregular) performance appraisal dates was also mentioned and emphasised by a high percentage of respondents in the V4 countries (21.78%).

Regularity is important for performance evaluation. On the one hand, it gives weight to this function and, on the other hand, it provides an opportunity for both managers and subordinates to reflect and summarise the results of the past period at predetermined intervals, to sit down together and evaluate what the employee has done well and what needs to change and improve. However, if a company does not have regular performance reviews, it means that the HR department and the management do not see this as an important task, do not have a framework and a background for it, and will not be able to reap the benefits. It does not have a coherent picture of what employees have achieved in terms of the objectives, how they have accomplished them, what their attitude is and where intervention is needed. Nor is the opportunity being taken to provide recognition, individual rewards or opportunities for further personal and professional development as part of the performance appraisal process.

More than 78% of the companies surveyed use some form of regular performance appraisal. Of these companies, 62% do so on an annual or bi-annual basis, while a third do so more frequently, on a quarterly or even monthly basis.

# The Czech Republic (84.13%) and Hungary (83.02%) are the countries with the highest rates of regular performance reviews. In Slovakia 77.34% of companies and only 68.04% of Polish companies hold such sessions for employees at predetermined intervals.

Further research is needed to confirm the optimal frequency for organising company performance reviews. In many cases, annual appraisals may cover too large a time interval and thus do not ensure that changes related to the company, job or employee are reflected in the performance appraisal in a timely manner. Monthly or quarterly appraisals, on the other hand, can be too burdensome for management. Evaluations should not only assess a person and their work, but should also be compared with evaluations within and between teams, ensuring a fair process for everyone in the organisation. Too frequent performance appraisals can also place an extra burden on employees if the employee has not yet had sufficient time to meet the professional or other development needs identified above. Where pay is (also) performance-based, more frequent appraisal periods, even monthly, may of course be necessary.

Irregular feedback also has its role and place. For example, it can accompany a promotion or an outstanding performance, acknowledging the employee's efforts at the time. Or, in the case of an underperforming employee, immediate feedback may be necessary to avoid damaging the workflow or morale and team spirit.

Timing	CR	HU	PL	SK	Total
Annually	30.17	35.54	30.40	25.00	30.28
Semi-annually	14.18	21.75	19.40	17.45	18.20
Quarterly	14.42	9.81	12.20	11.46	11.97
Monthly	18.99	12.20	5.80	18.49	13.87
Other regular intervals	6.37	3.71	0.60	4.95	3.91
Irregularly	15.87	16.98	31.60	22.66	21.78
Total (100 n=	832	377	500	384	2093
Total (100	100.0	100	100.0	100.0	100.0

Table 8/1: Timing evaluation (%)

Source: The authors' own editing

#### **8.3. USE OF THE EVALUATION METHODS**

Our current research also confirmed our research statement at the beginning of this chapter that performance appraisals are most often (70.71%) used for incentive (remuneration) purposes. But it is also a welcome fact that the second most frequently mentioned objective was training and development.

The incentive and motivating role of the performance appraisal system is indisputable. It promotes a corporate culture in which feedback plays an important role, with the ultimate aim of getting the best out of everyone. It promotes continuous employee development and can increase employee satisfaction and engagement. Ultimately, this can have a positive impact on a number of factors, such as performance and employee turnover. It is therefore not surprising that the performance appraisal system has the greatest role to play in motivating employees in the companies surveyed.

These same organisations also attach great importance to the role of evaluation in education and training. 42.22% of them use the results of the assessments to identify overall training gaps and needs and to identify at an individual level what the employee has progressed in since the previous assessment and in which areas he/she needs further support to improve 31.07% of the companies surveyed also use the results of performance appraisal processes for staff planning. Around 24% of them also use the useful information from performance appraisals to assess different job roles and to recruit employees.

In addition to the above, only a small proportion of the organisations surveyed (0.71%) use the performance appraisal tool for other purposes. These could include (among many others) to support the promotion of outstanding talents, to gather feedback on organisational and individual objectives, or to help keep corporate employee turnover at normal and healthy levels.

Areas	CR	HU	PL	SK	Total
personnel planning	28.25	40.58	26.00	29.43	31.07
job analysis	13.22	23.34	41.20	19.01	24.19
training and development	41.35	50.13	35.20	42.19	42.22
remuneration	78.97	69.76	55.20	78.91	70.71
employee deployment	20.67	35.01	18.00	25.26	24.74
Other	0.36	1.06	1.40	0.00	0.71
Total (100 n=	832	377	500	384	2093
Total (100	100.0	100.0	100.0	100.0	100.0

Table 8/2: Use of evaluations (%)

Source: The authors' own editing

Hungary leads the V4 countries in the use of regular annual and bi-annual performance appraisals, while the Czech Republic leads in the use of more frequent quarterly or monthly performance appraisals. Performance appraisals as a tool are the most widely used by Hungarian companies, but they also play an important role in the Czech Republic and Slovakia, mainly in the areas of incentives and training. However, Poland is not lagging behind in exploiting the potential of performance appraisals. Overall, a significant proportion (78%) of the companies surveyed in the V4 countries use performance appraisals regularly and make use of the results in a variety of ways.

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# 9. HEALTH AND SAFETY POLICY (MAŁGORZATA WIŚCICKA-FERNANDO, JÓZSEF POÓR, IVANA ŠIMOČKOVÁ AND HELENA MARKOVÁ)

In this section, we seek an answer to whether the responding organizations have a health and safety policy that names the employees who are responsible for complying with it.

# 9.1. HEALTH AND SECURITY REGULATION

Protecting against the coronavirus pandemic has become a priority for companies and a challenge for both managers and occupational health and safety professionals (Faragó, 2021). Available research clearly indicates that the pandemic has significantly affected the sensitivity of organisations to health and safety regulation (Allinger & Adam, 2022; Bollyky, et al., 2023).

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

Health and safety regulation	CR	HU	PL	SK	Total
Yes	57.33	75.82	70.60	61.98	66.43
No	42.67	24.18	29.40	38.02	33.57
Total (100 n=	832	368	500	384	2084
Total (100	100.0	100.0	100.0	100.0	100.0

Table 9/1: Health and safety regulation(%)

Source: The authors' own editing

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# 10. WAGES AND BENEFITS (SANDRA MISIAK-KWIT, JOZEF ĎURIAN, VOJTĚCH MALÁTEK, GÁBOR SZABÓ-SZENTGRÓTI)

This chapter provides an overview of the organizational responses that were received to the question about the elements of wages and benefits provided to employees.

#### **10.1. ABOUT WGAES AND BENEFITS**

In our research, we looked at all income items in addition to the basic and guaranteed wage items. Allowances, remuneration and benefits include short- and long-term bonuses and different types of benefits (Karoliny & Poór, 2017). The concept of allowances, remuneration and benefits include all remuneration instruments that are not wage-based and are not distributed according to the performance principle (Dessler, 2015; ). In general, benefit schemes are shaped by four specific aspects. These include *legal, social/welfare, management and tax aspects*. The cafeteria-type benefits popular before Covid 19 were increasingly supplemented by so-called wellbeing-type benefits during and after the pandemic.

As our research was conducted in Central Europe, we cannot ignore the fact that the income levels in the V4 countries are to varying degrees below those of the more developed EU countries. One thing is for sure: the catching-up process has started, but when it will be completed remains to be seen (Arpia, 2019).

#### **10.2. METHODS AND SOLUTIONS**

Table 10/1 below shows that the highest percentage (65.18%) in both the V4 region and the individual countries is accounted for by bonuses of various kinds. There is a significant difference in the use of bonuses between countries: while 75.33% of organisations in Hungary use this form of reward, only 54.45% of organisations in the Czech Republic do so. Among the differences between countries, it is important to note that almost 80% of organisations in Hungary provide their employees with the 13th and 14th monthly salary, compared to only 15.8% in Poland.

Furthermore, the most common benefits in Hungary are the provision of a company mobile phone and car, travel allowances, sick leave, housing allowance, flexible working hours, free drinks, relaxation room, childcare and foreign language courses. Slovakia has the highest share of pension savings (39.32%). Slovakia also has the highest share of sports facilities (30.21%), company discounts (40.10%), free fruit consumption, massages and education and training opportunities for a hobby.

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

Methods	CR	HU	PL	SK	Total
13 <sup>th</sup> /14 <sup>th</sup> salary	26.32	77.98	15.80	35.68	38.95
bonuses	54.45	75.33	64.00	66.93	65.18
mobile phone	54.69	77.19	32.40	45.31	52.40
car	32.93	62.86	16.40	24.22	34.10
travel expenses	22.84	64.45	17.00	34.64	34.73
pension savings	31.97	17.24	11.60	39.32	25.03
life insurance	17.91	17.24	31.20	9.11	18.87
health insurance	5.29	30.77	36.40	20.83	23.32
housing allowance	2.16	15.65	6.80	4.17	7.20
sports activities	26.68	19.36	19.20	30.21	23.86
sick days	32.21	50.13	14.80	21.61	29.69
company discounts	30.77	39.79	13.80	40.10	31.12
extra holiday	34.13	15.91	4.80	26.56	20.35
flexible working hours	45.67	65.25	27.40	44.79	45.78
free drinks (e.g., coffee)	45.43	48.01	31.80	62.24	46.87
free fruits	10.10	18.57	11.80	19.79	15.07
relaxation space	11.78	20.69	7.00	19.01	14.62
massage	6.01	6.36	2.20	10.42	6.25
kindergarten	2.64	3.98	2.00	2.08	2.68
foreign language course	20.67	28.91	10.80	19.53	19.98
education and training for a hobby	12.86	3.98	3.60	17.71	9.54
Other,	9.01	2.12	2.00	0.00	3.28
Total (100 n=)	832	377	500	384	
Total	100.0	100.0	100.0	100.0	100.0

Table 10/1: Wages and benefit in responding organizations (%)

Source: The authors' own editing

# **10.3. LITERATURE SOURCES TO CHAPTER TEN**

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# 11.SELF-SERVICE PERSONNEL INFORMATION SYSTEM (MAŁGORZATA WIŚCICKA-FERNANDO, JÓZSEF POÓR, IVANA ŠIMOČKOVÁ AND HELENA MARKOVÁ)

This chapter reviews the most important features of a self-service personnel information system. After that, it presents the practical experience gained during our survey.

#### **11.1. GENERAL TREND**

The Self-Service (ESS) Personnel Information System is a new generation of computerised HR systems (HRIS), whereby the employee of an organisation can manage his/her own data and information. ESS technologies enable employees, among other things, to update their own personal data, check their own benefits and enrol themselves in company-provided training. Delegating these and similar tasks to employees can provide HR professionals with the opportunity to focus more on strategic HR processes and tasks (Marler et al., 2009). Some argue that the spread of ESS technology has been greatly boosted by the Covid-19 pandemic (Tian Chan & Petrikat, 2022). There are also other modern tools that have proven to be an effective way of communication during the Covid-19 pandemic time (Fernando & Misiak-Kwit, 2023).

The use of ESS brings several advantages for both employees and organizations. Among other benefits, ESS systems reduce the workload on HR departments and thus increase their efficiency. Their implementation leads to cost savings in time and material and decreases the occurrence of errors. By automating compliance-related tasks and providing detailed reporting capabilities, ESS systems help organizations stay compliant with labour laws and regulations. This reduces the risk of non-compliance and the potential for associated fines and penalties. On the other hand, employees get greater control over their work-related activities and this empowerment can lead to higher job satisfaction and morale. Besides, they get a greater control over the uploaded data and thus the data accuracy may be enhanced. As proved previously, the COVID-19 pandemic enhanced the demand for remote access to data. Being online allowed employees to access their information and perform HR tasks anytime and anywhere, using various devices such as smartphones, tablets, and computers. Employees can approach through the Learning Management Systems (LMS) to training materials, courses, and development programs. This supports continuous learning and career development within the organization. Some negative aspects linked to the use of ESS come from perceived initial costs of the implementation and maintenance of needed updates. Often, the most obvious barrier is the resistance of employees to innovations and changes. Employees and managers may resist adopting new systems, especially if they are used to traditional, manual processes. Following examples of ESS are user-friendly and easy to navigate plus absolutely new dimensions in HR praxis may be observed when incorporating AI .:

- » BambooHR: popular among small to medium-sized businesses for its ease of use and robust functionalities, including employee onboarding, performance management, and centralized employee data. It allows employees to manage personal information, benefits, and other HRrelated tasks directly through the portal. Al-driven analytics in BambooHR help HR managers understand employee engagement levels, predict turnover risks, and develop strategies for improving workplace culture;
- » SAP SuccessFactors: known for its modular approach, SuccessFactors covers core HR, payroll, talent management, and more. It offers a user-friendly interface for employees to access recruiting data, project updates, and personal HR information on-the-go. AI features in SuccessFactors can automate routine tasks, such as scheduling and attendance tracking, and provide insights into employee performance and potential career paths. AI also helps in personalizing learning and development opportunities based on individual employee profiles;
- » Oracle HCM Cloud: designed for large organizations, providing extensive functionalities from core HR and payroll to talent management and workforce analytics. Employees can track time, access benefits, and participate in performance reviews through a centralized platform. Alpowered digital assistants can handle common HR tasks like updating personal information, viewing pay stubs, and managing benefits. The system also uses AI for talent management, helping to identify skill gaps and recommend training programs;
- » Workday: used by numerous organizations, Workday offers comprehensive features such as payroll, workforce management, and intelligent scheduling. It automates time-consuming tasks and provides tools for visualizing workforce costs and trends, making it a powerful tool for both employees and managers. Al-driven chatbots can answer HR-related queries, assist with onboarding processes, and manage leave requests. Workday's predictive analytics also help managers make data-driven decisions regarding workforce planning and performance management.

#### **11.2. SELF-SERVICE IN PRACTICE**

Table 11/1 below shows that a quarter of respondents in the V4 region (26.04%) and in the separate countries use ESS. Based on the results, we may assume that the use of self-service information systems (ESS-SPIS) in the V4 region is not widely spread. It still remains a successful tool of big players. More than one third of the surveyed companies in Poland (36.00%) use the self-service information system, while the lowest percentage of use may be observed in the case of Slovakia (19.27%).

S-SIPS	CR	HU	PL	SK	Total
Yes	25.00	23.87	36.00	19.27	26.04
None	75.00	76.13	64.00	80.73	73.97
Total (100 n=	832	377	500	384	2093
Total (100	100.0	100.0	100.0	100.0	100.0

Table 11/1:Self-service personnel information system (ESS-SPIS)(%)

Source: The authors' own editing

# Below are some examples of ESS users, regardless of the fact whether they participated in our research or not:

Hungary:

- » OTP Bank: One of the largest banks in Hungary, OTP Bank utilizes self-service HR systems for employee management and payroll.
- » Richter Gedeon: A major pharmaceutical company in Hungary, Richter Gedeon integrates selfservice HR platforms to manage employee data and HR processes.

Czech Republic:

- » ČEZ Group: This leading energy company in the Czech Republic uses self-service HR systems to handle their extensive workforce.
- » Skoda Auto: A major car manufacturer, Skoda Auto employs self-service HR technologies to enhance employee engagement and streamline HR functions.

Poland:

- » PKO Bank Polski: One of Poland's largest banks, PKO Bank Polski, leverages self-service HR systems for efficient HR management.
- » LOT Polish Airlines: The national carrier, LOT Polish Airlines, uses self-service HR tools to manage employee information and HR processes effectively.

Slovakia:

- » Slovenská sporiteľňa: This leading bank in Slovakia uses SAP SuccessFactors, a prominent selfservice HR platform, to manage their HR processes.
- » ESET: A global cybersecurity company based in Bratislava also employs self-service HR solutions to streamline their HR operations

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# 12.CONTROLLING (MAŁGORZATA WIŚCICKA-FERNANDO, JÓZSEF POÓR, IVANA ŠIMOČKOVÁ AND HELENA MARKOVÁ)

In this chapter, we briefly present the interpretation of controlling. After that, we review the typically applied HR controlling solutions based on empirical responses.

# **12.1. GENERAL INTERPRETATIONS**

Human controlling is an important decision-support subsystem of human resource management, which is seen as a function for the effective operation of HR systems in the activities of organisations (Ambrus & Lengyel, 2011). Human controlling is 'essentially the application of general controlling principles and methods to human resources' (Bokodi, 2013:45). Today, in our data-driven world, the use of HR controlling tools and solutions is becoming increasingly important as it facilitates the efficient functioning of organizations (Polzer, 2022). We can distinguish between strategic and operational levels of human controlling activity. This activity includes the analysis of personnel costs, i.e. HR cost controlling. 'This subsystem includes the forecasting and monitoring of recruitment, hiring, training and development costs' (Fenyves – Dajnoki, 2015). Efficiency controlling measures the effectiveness of each human resource function (selection, training, incentive scheme, performance appraisal) and examines and evaluates the role and activities of human resource management, as it is concerned with assessing the long-term validity of the human resource strategy and the timing of actions related to its implementation (Fenyves – Dajnoki, 2015).

#### **12.2. EXISTENCE OF CONTROLLING SOLUTIONS**

Table 12/1 below shows that more than one third of the organisations (38.86%) in the V4 region do not use HR controlling solutions at all. However, the majority of organisations (29.3%) that have a controlling system in place use both operational and strategic controlling tools. One fifth of the organisations surveyed (21.09%) adapt only operational tools to their controlling processes. On the other hand, there are also organisations which apply only strategic controls, but only 10.75% of them do so. A comparison of the countries examined shows that the highest proportion (35.10%) of organisations in Hungary apply complex (operational and strategic) controlling procedures. When comparing the four countries surveyed, organisations in the Czech Republic are the least likely to use personnel control solutions. In conclusion, controlling-based monitoring of HR processes can be identified as a direction for improvement in the V4 region, as almost 40% of the surveyed organisations do not use HR controlling tools at all.

Existence of controlling solutions	CR	HU	PL	SK	Total
only operative controlling (indicators)	20.07	19.41	23.80	21.09	21.09
only strategic controlling (surveys, audits)	8.65	7.71	14.40	12.24	10.75
both operative and strategic controlling	29.21	35.10	22.40	30.47	29.30
we do not perform personnel controlling	42.07	37.76	39.40	36.20	38.86
Total (100 n=	832	376	500	384	2092
Total (100	100.0	100.0	100.0	100.0	100.0

#### Table 12/1: Existence of controlling solutions

Source: The authors' own editing

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# 13.OUTSOURCING (MAŁGORZATA WIŚCICKA-FERNANDO, JÓZSEF POÓR, IVANA ŠIMOČKOVÁ AND HELENA MARKOVÁ)

In this chapter, we briefly present the interpretation of outsourcing. After that, we review the typically applied HR outsourcing solutions based on the empirical answers.

#### **13.1. GENERAL TRENDS**

Outsourcing is not a new activity in business. According to Gartner (2024), an internationally renowned consulting firm, 'outsourcing is the transfer of services that would otherwise be performed in-house to an external service provider to optimise costs and increase efficiency'. Apart from previous historical applications, it has been used in modern business since the 1950s. It took off to a greater extent in the 1980s, when transactional outsourcing was the main focus, with cost savings being the main objective. In the 1990s, a second type of strategic outsourcing emerged, where the main objective was to increase the efficiency of a key activity of an organisation. Since the beginning of the current millennium, we can talk about transformational outsourcing for organisational development, which aims at the development and transformation of the organisation (SixEleven, 2024).

#### **13.2. EXPERIENCE WITH OUTSOURCING IN HR**

The majority of respondents across all V4 countries, with an average of 65.73%, indicated that they had no experience of outsourcing HR processes. This suggests that, although HR outsourcing is being considered, it may not be applied or its use is not feasible everywhere.

Positive experiences with HR outsourcing are more common than negative experiences in all countries surveyed, with an average of 27.87% of the respondents reported positive experiences and 6.21% negative experiences. This indicates that the majority of those who have tried HR outsourcing found it beneficial and useful.

Poland has the highest rate of negative experiences (11.60%), which is almost the double of the overall average. This could be an indication of specific challenges or dissatisfaction with HR outsourcing services in Poland.

Hungary has the lowest rates of both positive (24.80%) and negative (4.27%) experiences, suggesting a more cautious attitude or more consistent experience of HR outsourcing among those who choose to outsource.

The distribution of experiences is similar in the Czech Republic and Slovakia, with positive experiences being fairly common and negative experiences relatively rare.

The data show a cautious but generally positive attitude towards HR outsourcing in Central Europe, with significant variations in experiences between the countries surveyed. Although the majority of organisations have not yet been engaged in HR outsourcing, those that have, generally report positive results and experiences.

While HR outsourcing can lead to financial savings and operational efficiencies, there are concerns about the impact on employee morale and the potential loss of internal expertise. Organisations should manage outsourcing arrangements and contracts carefully to reap the benefits and reduce the risks (Belcourt, 2006).

The impact of HR outsourcing on the in-house HR function includes challenges such as reduced flexibility, slower transactional processes and the intensification of HR managers' work. The strategic positioning of HR within organisations remains a matter of debate, with some arguing that outsourcing HR does not necessarily enhance HR's strategic role (Patel et al., 2017).

Experiences	CR	HU	PL	SK	Total
yes, positive one	28.61	24.80	29.40	28.65	27.87
yes, negative one	6.61	4.27	11.60	2.34	6.21
no	64.78	70.13	59.00	69.01	65.73
Total (100 n=	832	375	500	384	2091
Total (100	100.0	100.0	100.0	100.0	100.0

#### Table 13/1: Outsourcing in HR (%)

Source: The authors' own editing

#### **13.3. OUTSOURCING OF HR PROCESSES**

Table 13/2 shows the types of outsourced HR processes by country. Employee selection and payroll administration are the most often outsourced processes in the V4 countries. Hungary has the highest outsourcing rate among the V4 countries, with outsourcing rate of 50.00% for selection, compared to the 4-country average of 24.59%. As far as the outsourcing rate for payroll administration is concerned, it is the highest (63.63%) in Hungary, which contributes to the overall V4 average of 24.39%. Companies in Hungary are particularly prone to outsourcing recruitment and selection processes, and payroll is also a frequently outsourced HR function.

Among the general HR administration tasks, outsourcing of the personnel agenda is the most common in Poland (18.80%) and Hungary (16.36%), with an overall average of 10.64%. These figures indicate a moderate level of outsourcing of administrative HR tasks, which is an indicator of the need to improve workplace culture, increase employee satisfaction and improve organisational efficiency.

Hungary ranks first (14.55%) in terms of the outsourcing of employee benefits, with an overall average of 7.14%. Outsourcing of learning and training activities is strikingly higher in Hungary (41.82%) than in other countries, with an overall average of 19.16%. This indicates that there is a significant willingness to outsource training and development functions in Hungary.

Slovakia shows a unique trend, with 12.24% of responses indicating that other, unspecified HR processes were outsourced, which contributed to the overall average of 3.90%.

The data show significant differences in HR outsourcing practices among the Visegrad countries, with Hungary showing a particularly high propensity to outsource various HR functions. These differences may be influenced by local business cultures, the regulatory environment and the availability of outsourcing providers.

Processes	CR	HU	PL	SK	Total
selection of employees	17.91	50.00	18.20	12.24	24.59
personnel agenda	6.37	16.36	18.80	1.04	10.64
payroll administration	17.07	63.63	10.60	6.25	24.39
providing employee benefits	4.09	14.55	8.60	1.30	7.14
learning, training	12.50	41.82	12.40	9.90	19.16
Other:	0.24	2.73	0.40	12.24	3.90
Total (100 n=	832	110	500	384	1826
Total (100	100.0	100.0	100.0	100.0	100.0

#### Table 13/2: HR outsourcing (%)

Source: The authors' own editing

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