

[DOI: 10.20472/IAC.2019.052.035](https://doi.org/10.20472/IAC.2019.052.035)

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## **COMPANY TOOLS TO ATTRACT AND RECRUIT QUALITY WORKFORCE IN THE LABOR MARKET**

### **Abstract:**

The current situation on the labor market is characterized by the struggle of companies for a quality workforce. Due to the lack of suitable candidates in the labor market, employers are offered a solution in the form of sufficiently interesting personnel marketing tools that companies can attract potential candidates. The paper analyzes and presents the results of the research of most effective tools for attracting and recruiting a suitable workforce on the labor market in the context of competition between small and medium companies in Slovakia. The paper points out that modern tools and methods of personal marketing are currently of great importance for companies to attract and engage suitable talents. Companies are starting to adapt these tools to generations of millennials, whose position in the labor market is increasingly important.

The paper is a solution of VEGA project No. 1/0309/18.

### **Keywords:**

personnel marketing, personnel marketing tools, labor market, labor force, social media

**JEL Classification:** M31, M54

## 1 Introduction

The current labor market is dominated by globalization, the struggle for a quality workforce, talent, technological progress and strong employer competition. Therefore, choosing the right tool by which a company seeks to find the ideal candidate in the labor market is extremely important. Tools and methods of personnel marketing can be used to attract a suitable workforce. Under the concept of personnel marketing, which was first used in the German literature in the 1960s, we can imagine the so-called new way of recruiting employees, reflecting the situation on the labor market that arose because of the great lack of selected labor sectors (Szarková, 2013). Personnel marketing according to Koubek (2009) represents the use of a marketing approach in the area of human resources, which serves to find and recruit quality people and also to retain them in the company.

The situation on the labor market is currently very similar and therefore for each group of potential employees it is appropriate to use other internal and external personnel marketing tools that have the greatest impact and effect on the target group. If companies seek to attract young potential candidates in particular, they must show their willingness to use, in addition to traditional human resources tools, such as advertising, also modern workforce acquisition tools such as corporate career sites, social networks, professional networks, offering employee benefits with respect to current trends and many more.

For potential candidates, but also for current employees in the company, the important orientation points of the labor market in choosing an employer are tools such as financial evaluation, accessible and clear information not only on corporate career sites, but also social and professional networks of the company, participation and presentation of the company virtual work fairs, attractive work environment, or more interesting and original non-financial tools in the form of benefits.

The most watched factor from the position of job seekers in the company is salary or wage. As a basic remuneration for the work done. It gives the employee the opportunity to satisfy his needs. Salary in this respect can be taken as the dominant factor, but it cannot be understood in isolation. In addition to the salary, everyone takes into account other factors - the type and nature of work, social status, the possibility of assertion, the collective and so on. In the evaluation, these factors are combined and affect the level of employee satisfaction. The employee takes them into consideration and looks for the pros and cons, and then compares them with other potential jobs. This factor fulfills a number of functions, not only contributing to satisfying needs, but also incorporating elements of moral recognition, being a booster in the sphere of attitudes and actions, and a motivator. The other side of financial remuneration is linked to the remuneration system, especially in terms of fairness and transparency. In particular, injustice in remuneration causes a strong factor of dissatisfaction, although those who are undervalued or overstated show higher dissatisfaction than those who are fairly rewarded (Kollárik, 2002).

The initial steps of almost every job seeker include looking for available information about the employer directly on their home page. For this reason, the corporate websites of companies are very important because they mediate the initial contact between the job seeker and the company, thus forming a kind of "communication base" for the company. Because of the fact that the site is mainly visited by potential candidates seeking information about the company and job vacancies, the HR department should ensure that the information it offers to potential candidates is up-to-date, attractive and well structured. Corporate career websites have a great deal of influence on

whether potential employees will apply for work in the company, which is why we rank them among modern tools of personal marketing.

Social networks are also an important tool of obtaining a quality workforce. Social networks are a phenomenon of the 21st century. Almost half of the world's population use social networks on a regular basis, so social networks have become an ideal environment, resp. means for marketing activities of companies from the sale of products to the acquisition of quality workforce in the labor market. The most used social networks for job seekers are Facebook, Google+, MySpace, Bebo and Skyblog (Horváthová, Bláha, Čopíková, 2016).

Another tool is professional networks, which represent the development of social networks to networks, which bring together people who are looking for job through their profiles and also used by companies, headhunters to find the ideal employees. Professional networks usually require more user information as recruiters filter potential employees based on various factors such as length of experience, type of education completed, and other. Most often, these networks are used to find qualified workers or university graduates and are therefore also called professional networks. The best known professional networks are LinkedIn, Xing, Viadeo, Plaxo.

Corporate sites and the use of social and professional social networks are the most commonly used modern tools of personnel marketing, but other professional or interesting tools for certain segments of potential employees are also used.

In order to attract and engage suitable candidates, job fairs are also a tool where companies can present themselves. As in the case of classical job fairs, where the place and time of the fair is agreed in advance, virtual job fairs are organized, with the difference that they are not limited by geographical location and therefore people from different parts of the world can participate in the virtual environment via Internet. Participants may attend conferences, presentations and interviews without direct physical contact. Other modern methods of personnel marketing are online games, serious games, game tournaments and so on. These instruments focus primarily on young people and the creation of a good reputation as an attractive employer. In the next section, we will take a look at some of the modern tools of personnel marketing, tools that are currently used to attract quality workforce to companies. We will look in more detail at the role and importance of the tool in the form of employee benefits, which are a unique opportunity for a company to attract and recruit suitable job seekers.

## **2 Company tools to attract and recruit quality workforce in the labor market**

In many cases, attracting potential employees to organizations to the detriment of competing companies is precisely due to the offer of higher financial remuneration or more appropriate employee benefits. The basic wage - salary is the highest value that can attract quality workforce and determines the importance of work performance. The wage system of the organization means and represents a balanced and fair basis of motivation and remuneration of employees. Through the financial appraisal tool, companies are able to influence the normative behavior of employees to the greatest extent. Financial tools include wages and all supplements such as remuneration, commissions, bonuses and other. The very essence of monetary remuneration as an instrument of personal marketing is aimed at ensuring that employees are to receive remuneration under the employment contract in the form of money over time spent at work. If it is extra work and if it is well done, companies also offer bonuses to employees, which are an important factor for better performance, but also contribute to employee decisions. Therefore,

financial remuneration is a very powerful tool for job seekers to make a choice in employer selection.

At present, non-financial instruments, which influence the orientation of valuable job seekers, have also proved to be strong. Non-financial remuneration means non-monetary remuneration of employees. Non-financial remuneration of employees depends on the type of work performed. Such valuation is, in fact, recognition of the employee's qualities, which is essential for further developing his or her knowledge and education. Employee benefits in monetary or non-monetary form are currently a very effective way of attracting and retaining talented jobseekers in the labor market and thus represent a significant opportunity to obtain a quality workforce. This leads not only to increasing the competitiveness of the company, but also to reducing the turnover and costs, for example, of the selection procedure or training of employees. To achieve this, companies must try to create an effective and flexible system of employee benefits in the form of tools that would make the company more attractive as a good employer.

The value of employee benefits as personnel marketing tools is in some cases higher than the actual wage in the company. Although many employees would prefer to pay any bonus from a company, companies ultimately can give the employee more benefits. According to Nejedlý (2016), the question of cash instead of employee benefits will always be discussed, but it is sufficient to realize that if you deduct taxes on a possible financial bonus, the employee will receive a much lower amount than the value of the benefit he will lose. Moreover, the incentive effect of a benefit is often higher than cash of the same value. Despite well-set employee benefits, the company can motivate employees, strengthen their loyalty and attract new job seekers.

Offering employee benefits for the company is a great opportunity to complete the marketing profile and introduce yourself as an attractive employer in the eyes of the public or job seekers. Under the influence of the mentioned changes on the labor market there were also changes in the presentation of a job in the company. Changes in the labor market are mainly related to labor shortages and the development of technologies has brought a number of new tools and methods used in personnel marketing and personnel management also in Slovakia. Through the internet and social media, companies are now openly presenting their tools, their benefits as well as salary for the job. The company announces and publishes mainly via the Internet, including social networks. This is due not only to the employer's obligation to disclose wages, but also to the efforts of companies to create a reputation, image of the company as an attractive employer.

These tools in the form of benefits are provided by the employer to its employees beyond the scope stipulated in the Labor Code. Benefits are financial or non-financial services provided by an employer to improve the quality of life of employees, thereby increasing their motivation, loyalty, quality and quantity of employee performance. There are several definitions of employee benefits in the various literature. Armstrong (2002) considers employee benefits as components of remuneration provided in addition to various forms of cash rewards. They also include items that are not directly rewarded, such as annual recovery leave. According to Koubek (2009), employee benefits are forms of remuneration that a company provides to employees only for working for it. Unlike wages and salaries, they are not usually tied to employee performance. Sometimes, when providing benefits to employees, the function, the position of the employee in the company, the time of employment in the organization and merit are taken into account. Author Martin (2010) characterizes employee benefits as remuneration, which the employee gains in addition to wages or salaries. He distinguishes between the so-called transactional benefits that are officially part of

remuneration and are monetary and those that are not quantifiable but confer an advantage on the employee as a reward for work for the organization. Another definition is provided by Pelc (2011), which refers to employee benefits as performance from an employer to an employee other than wages; there is no legal entitlement to these benefits - they are optional by the employer; they exist at the discretion of the employer in the form of an internal regulation or agreement in an individual employment or similar contract between the employer and the trade union in the collective agreement.

The task of the human resources department of the company is to identify what needs and preferences both potential candidates and current employees have. Other preferences will have younger employees than older employees of the company. For this reason, flexible tooling systems in the form of employee benefits are increasingly emerging, in which each employee chooses his or her own benefits - Cafeteria system (Wilton, 2013). At present, the choice of employee benefits is wide and subject to different trends, for example related to a healthy lifestyle or work-life balance. Employers care that their employees are fit, motivated by a variety of non-financial benefits to a healthy lifestyle. In particular, large employers as well as small and medium-sized companies try to do their utmost in terms of health promotion and prevention, so that they can contribute to the right lifestyle of their people. The so-called health programs, which are supposed to support healthy habits of their own employees, are part of the company's care for employees. Essentially, it is risk management for a healthy workplace. Healthy benefits include, for example, massage at the workplace, support for one-off preventive check-ups, a year-round health care contribution, and a healthy ergonomic working environment with relax zones (Hlaváčková, 2018). Companies take this initiative on a voluntary basis and often invest considerable resources to attract and recruit suitable staff.

Grafton Recruitment Slovakia (2018) has ranked the most expected tools in the form of employee benefits. It divided them into six categories: finance-related tools, workplace-related tools, promoting flexibility, promoting education, promoting health and others. The most widespread employee advantage is the provision of discounted menus. However, this type of benefit is so widely provided that many employees do not even consider discounted meal vouchers an advantage. The provision of free drinks at the workplace can also be included. The most demanded and most appreciated benefits abroad are health and pension insurance. For these types of benefits, company employees appreciate that, if necessary, they can count on receiving adequate medical care at the hospital. Some health insurance means a higher standard of health, catering and accommodation services for the insured. Today, employers can purchase extra health services for their employees in private healthcare facilities.

Many employees are attracted by tools in the form of material benefits such as a company car, mobile phone, laptop or even an apartment. Providing company flats or flats rented to employees is financially demanding for the company. A more appropriate form is the employer's contribution to an employee's mortgage through a financial institution, where the employer is not in a direct relationship with the bank and the employee assumes all obligations. However, the employer helps him to pay the mortgage loan. This type of benefit is in demand and highly appreciated especially by young employees.

A major trend is the use of tools in the form of benefits that are in line with the concept of work-life balance, reconciliation of work and personal life. Companies are aware that employees who are more comfortable in their personal and family lives work better and can solve their personal problems outside the workplace. Companies therefore apply various tools such as flexible

working hours, the possibility of working from home, short breaks during working hours, company nurseries, relax zones at the workplace, gyms, refreshments, corporate events (Pinkboard, 2019). Many of these tools are more convincing for employees than the salary itself. This is the case, for example, with a group of employees from the Millennium generation, where it turns out that they are guarding their privacy, wanting more free time and not meeting strict working hours. In the event of illness, employees are not required to have a doctor's certificate, so they can use the so-called sick days according to Berecs (2016). This form of benefit is based on mutual trust between the employer and the employee. Some companies offer their key employees, after several years of work, the opportunity to take advantage of the so-called benefit sabbatical - monthly paid leave during which a stressed employee can relax and recharge his batteries (Krčmárik, 2019).

Also, career development and training opportunities are an effective tool for attracting and obtaining workforce. Educations and training brings development to the company in terms of improving the quality of the workforce. Companies must constantly strive to maintain and develop the skills and competences of their employees. Employers consider human resources to be the most important factor in the competitiveness of a company and currently place emphasis on training their employees through foreign language training, information technology, motivational training, customer communication training and other. The trend in the field company tools supporting education is also the replacement of traditional forms of education with new modern procedures and methods. Progress in using the Internet and implementing e-learning in employee training and education brings new opportunities and challenges for companies to attract new people.

Recent trends in the application of company tools to obtain a suitable workforce also include the opportunities that the employer creates for sports, social and cultural activities of employees. It is mainly about creating opportunities for sports, either in the form of own sports facilities, or renting hours in gyms, swimming pools and other. The most popular of this category of benefits include season tickets and universal tickets. Particularly popular are social events such as Christmas parties, employees 'children' s days, children's recreation, the possibility of discounted recreation in their own recreational facilities, or contribution to the recreation of employees.

Among the non-traditional but used tools in companies include reimbursement of purchases of eco-friendly household appliances or the purchase of a bicycle as an environmentally-friendly means of transport, contributing to a kindergarten for children near the workplace, discounts on holidays at partner travel agencies, massage at the workplace or a regular corporate breakfast. All these tools are already offered by employers and are able to compete with each other in these unconventional benefits and change them from year to year (Berecs, 2016). In recent years, the share of employees who have a bonus when recommending an employee has also increased significantly. In particular, this is a reaction to the current situation, when employers have a great difficulty in recruiting new talented candidates and therefore offer and use the so-called referral program. Referral programs are among the popular tools of Slovak companies in the field of recruitment.

A pleasant working environment is also increasingly becoming a prominent tool for employees. Many employers have realized that they have to create the best working conditions for people, and this applies not only to the new employees they want to attract and recruit, but also to those who work for them longer. Positive and negative factors of the working environment influence the mood, feelings or behavior of the employee and are mainly reflected in employees' work

performance, attitude to work but also health status. In recruiting suitable candidates, it is appropriate, according to Michington (2006), to focus on the needs that employees prefer when working in the workplace and to provide a suitable working environment in terms of physical, organizational, hygienic, aesthetic and other conditions. Many companies now offer a modern, informal work environment and atmosphere as an effective tool to attract and recruit new employees.

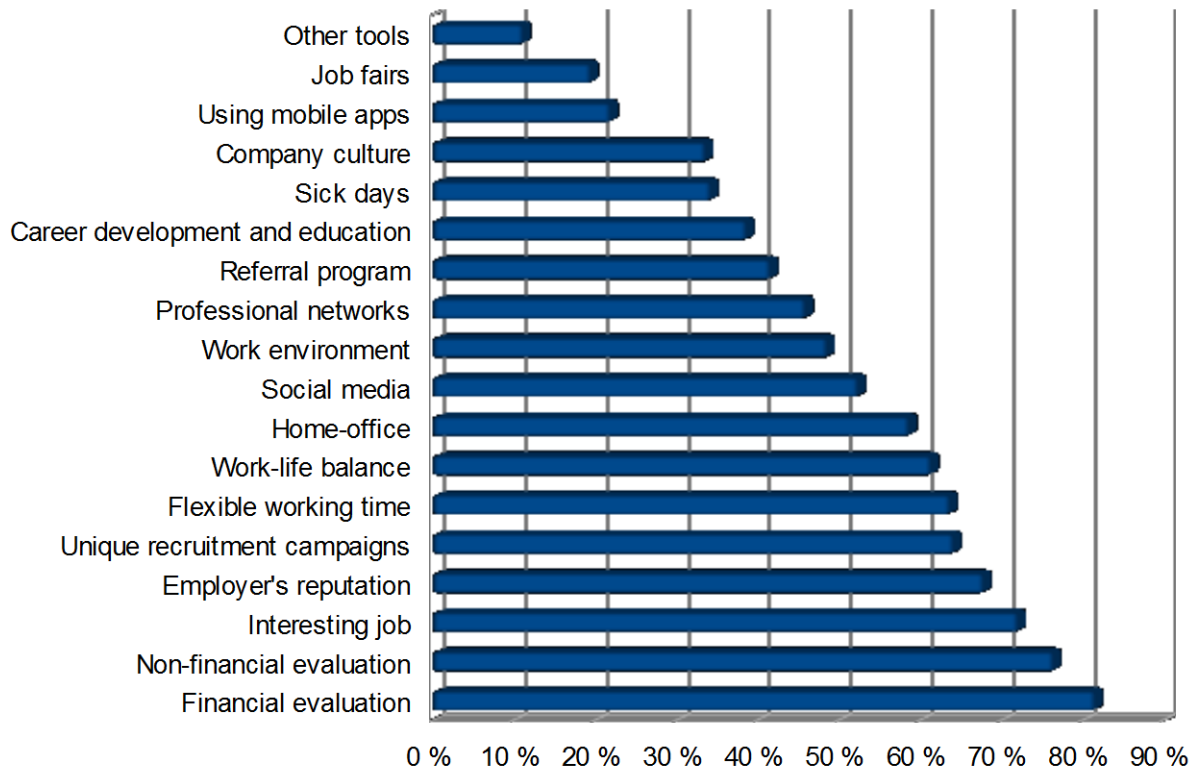
Creating an effective and functional system of tools to attract, recruit and maintain a quality workforce in the company, including employee benefits, is the responsibility of the company's HR departments, which regularly identify the needs of candidates and employees and evaluate the incentive effects of these instruments in collaboration with the company's finance department. Recruiter learns from candidate interviews which tools are interesting and desirable for them and which are not. Unless these tools, which companies apply to attract and acquire a skilled workforce on the labor market, are regularly updated and changed based on current trends and the needs of candidates and employees, their effectiveness can greatly decrease. Candidates should also be provided with barrier-free access to clear information about the company tools offered, mainly through social media.

### **3 Results of the research**

In the next section, we present the results of the research. The main objective of the research was to find out the most effective tools of attracting and recruiting a quality workforce on the labor market, which are currently used by companies in the Slovak Republic. The research sample consisted of randomly selected 54 managers of human resources departments of small and medium-sized companies operating in Slovakia. The research sample of respondents consisted of 57% men and 43% women.

The research used basic scientific methods - method of descriptive and content analysis, methods of synthesis, comparison, classification and mathematical-statistical methods. The results obtained by the questionnaire method and structured interview method on a sample of respondents of managers from the human resources department of small and medium companies operating in Slovakia enabled us to formulate the following conclusions and to configure the following graph.

**Figure 1: The most effective tools of attracting and recruiting workforce in Slovak companies**



Source: – own elaboration

As we can see from Figure 1 the most effective tools of attracting and recruiting workforce in Slovak companies are: Financial evaluation (salary) – 81,54%, Non-financial evaluation – 76,43%, Interesting job – 72,05%, Employer's reputation in the labor market – 67,82%, Unique recruitment campaigns – 64,13%, Flexible working time – 63,67%, Work-life balance – 61,34%, Home-office – 58,62%, Social media – 52,36%, Modern and informal working environment – 48,54%, Professional networks – 45,87%, Referral program – 41,53%, Possibility of career development and education – 38,61%, Sick days – 34,20%, Company culture – 33,56%, Using mobile apps – 21,83%, Job fairs – 19,41% and other tools – 11,09%.

The analysis of the research results showed that the most effective tool for attracting and recruiting workforce in Slovakia is financial evaluation combined with non-financial evaluation. Based on an analysis of research results, education and training for candidates and employees are not very popular tools. Many employees understand participation as an obligation rather than an advantage. However, employers consider human capital to be the most important factor in the competitiveness of a company and therefore place emphasis on education employees through trainings. The analysis also showed that companies are starting to adapt these tools to generations of millennials, in the form of work-life balance, as their position in the labor market is becoming increasingly important.



## 4 Conclusion

The paper concentrates on the importance of personnel marketing tools of attracting and recruiting quality workforce by companies in the competitive struggle on the labor market. In many cases, the success of attracting potential candidates to the organization, despite competing companies, is the offer of higher financial rewards or more appropriate employee benefits. At present, however, it is questionable whether such measures can be as effective a tool to maintain a valuable workforce in a company as it is in its acquisition. The salary conditions are still in the first place, but the decisive factor is whether they are also properly balanced in relation to the employee's work and privacy. If companies also want to retain employees, they should focus on their needs and satisfaction. More than ever, employees are aware of the tools, benefits and work environment the employer offers them.

Unemployment in Slovakia is declining and many companies have difficulty finding quality employees. The struggle for talent and skilled professionals is increasingly intense. The solution for employers is, among other things, to apply sufficiently interesting, modern and effective personnel marketing tools that will ensure the company a quality workforce. Although financial tools remain the most important aspect in companies in Slovakia, an appropriate combination of non-financial tools can significantly influence the candidate's decision. The combination of personnel marketing tools represents an interesting opportunity for the company to complete its marketing profile and to present itself as a suitable and attractive employer in the eyes of the public or job seekers. Each company should determine what it wants to differentiate from its competitors, what candidate profile it needs to implement its strategy, and set these different tools accordingly.

Non-financial company tools have also undergone some development. What was once considered above standard is often a common part of the company environment today. Gradually, more modern, original and interesting tools are coming to the fore. To attract suitable candidates, employers must offer more than competing companies. Food vouchers, overtime payment or so-called sick days as a bonus are now a common part of corporate culture. The tools used to attract and recruit a quality workforce reflect new trends that respond to the current labor market situation. There are an increasing number of companies that provide flexible working hours, home-office or extra vacation. In addition, the emphasis on the work environment or the use of technologies such as social media or mobile applications in the performance of work is also one of the currently valued company tools to attract and gain quality workforce. This is proof that employers are starting to adapt these tools to the candidates of the millennium generation, whose position in the labor market is increasingly important and crucial for the future of companies. Competition between companies will be even harder in the future, because the Y generation currently entering the labor market has significantly higher demands on the employer than the previous generation of employees.

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