



## EMPLOYEE ALLOCATION IN SLOVAK COMPANIES

Katarína Stachová<sup>1</sup>, Zdenko Stacho<sup>2</sup>

*Department of Management, School of Economics and Management in Public Administration in Bratislava,  
Bratislava, Slovak Republic*

*E-mails: <sup>1</sup>katarina.stachova@vsemvs.sk (corresponding author); <sup>2</sup>zdenko.stacho@vsemvs.sk*

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**Abstract.** Employee allocation is a part of the process of workforce formation (staffing) in organisations. Its aim within hiring new employees and internal mobility is to have an adequate, stable and satisfied employee in the shortest possible time, and its key objective within employment termination is to ensure a fair departure. Employee allocation results in the optimal usage of financial means of the organisation as well as in the development of abilities of employees and teams in accordance with the aims of the organisation. The aim of our research conducted in 2012 was to find out whether organisations operating in Slovakia realize the importance of employee allocation. Research results imply that only 14% of organisations deal with adaptation comprehensively, i.e. at all three levels. And only 8% of the interviewed organisations deal with outplacement.

**Keywords:** allocation of employees, adaptation process, termination of employment, outplacement, human resources management.

**JEL Classification:** E24, J24, O15.

### Introduction

Employee allocation is one of the human resources management functions. It follows the hiring and selection of employees by activities which help personnel professionals and line managers build their efforts to balance potential of employees with the requirements of particular positions. Allocation concerns **new employees hired from external sources** (allocation during the trial period and adaptation process), **internal mobility of employees** (promotion, change of position) and also **termination of employment** (firing, resignation, retirement). The given implies that employee allocation needs to focus on employee adaptation as well as release of employees.

The need to focus on adaptation of employees also results from the fact that starting a new job is among the most stressful life events. Unfortunately, adaptation is the often underestimated field of personnel management, although its course has a direct and significant impact on the result and success of the processes of employee recruitment

and selection, which usually draw much greater attention (Stýblo, Urban, Vysokajová 2009). However, if an employee leaves the organisation due to unmanaged adaptation it always means considerable costs for it.

Significance of these costs was also confirmed by Armstrong in his Handbook of Human Resource Management Practice. He claims that the height of these costs can be considerable. In case of a professional employee, they can represent up to 75% of the annual salary. In case of a support worker, they can be up to 50 % of their salary. If 15 employees out of a hundred leave the company during a year and if the paid amount is £20,000 a year on average, the overall costs could reach £150,000, i.e. 7.5% of the pay roll of these employees. It is advantageous to try to cut down those costs; and pay more attention to induction payoffs (Armstrong 2009). The need to ensure fast adaptation to all aspects of the new working position thus occurs in businesses. Company can thus contribute to the stability and satisfaction of employees from their first working day, decreasing the fluctuation rate which often occurs within a

short time after joining the company and represents unreasonable financial costs for the company (Cagaňová, Čambal, Weidlichová 2010).

The aim of the adaptation process is to hire an adequate, stable and satisfied employee in the shortest possible time. To fulfil this aim as effectively as possible, it is necessary for the organisation to ensure that the adaptation process is focused on this purpose and oriented not only to familiarize employees with their work but, and it is often even more important, to focus the adaptation also on establishing relationships between new employees and their co-workers and on their familiarization with the organisational culture. The length of adaptation to new work, new working and social environment can have different duration with different people. It is influenced by various subjective factors, e.g. motivation of employees, the ability to perceive and learn, professional readiness to do the work, accustomed behaviour or habits from the previous job as well as the attitude to work itself. Objective factors having an impact on a new employee can include working conditions, work organisation, work relationships, arrangement of newly hired employee adaptation but also other extra-work impact (Gyurák-Babelová 2011). These are reasons why the adaptation process is difficult to formalize in a strict manner. However, it is essential to focus the adaptation process on all three levels which require adaptation (Stacho 2011). Within the level of adaptation to work, it is necessary to ensure initial training and education of employees as a part of their skills overall formation in accordance with organisational needs; and to state particular positioning of the new employee at “the right” working position. Within the level of social adaptation, it is necessary to incorporate the employee into the existing system of interpersonal relationships at work place and in the organisation. Within the third level, i.e. employee adaptation to organisational culture, it is necessary to help new employees orientate in the existing social and performance standards and conform with them (Kachaňáková, Nachtmannová, Joniaková 2011).

The release of employees resulting from redundancies either due to changes in production, teams, or to production decrease presupposes planning and management of the whole process. The need to reduce the number of employees should not be concealed from employees of the organisation and intentions in this sphere should be timely planned. Provision of help to released employees in looking for a new employment is also presupposed. Personnel professionals have an irreplaceable role upon the minimisation of problems and stressful situations induced by a reduction in the number of employees. They can propose solutions to minimise reductions in the number of employees, and they can direct line managers within the process of announcing decisions to employees, or propose on how

to manage release interviews and how to ensure consultancy for released employees.

With regard to the declared importance and the need to focus on employee allocation in the organisation, in literary sources as well as in practice, we conducted a research at the Department of Management of School of Economics and Management in Public Administration in Bratislava aimed at finding out whether organisations operating in Slovakia realise the importance of adaptation, and whether they focus on the adaptation process in practice.

## 1. Material and methods

The article presents the results of our research focused on finding out whether and how human resources management is carried out in the organisations operating in the Slovak Republic. The research was conducted from February to May 2012. As the issue of human resources management is quite extensive the research was divided into ten units. The article deals with the unit aimed at finding out whether companies realise the substantiation of employee allocation and at the extent they deal with it in practice.

340 randomly chosen companies operating in the Slovak Republic with the minimum of 50 employees participated in the research. As Table 1 shows, the examined group was various from the viewpoint of size structure, while we can state that the most represented companies were those with the number of employees from 50 to 300.

Table 1. Size structure of the analysed organisations

Number of employees in the organisation	Share of organisations in %
50–300	73
301–1,000	20
1,001–5,000	6
over 5,000	1

Source: Author

The systemic approach for the objective evaluation of knowledge and processes and for the understanding of mutual interconnections and their nature, and for the elimination of details resulting from random events was used upon the article creation and the research evaluation. The analysis was used for information collected from literary sources or questionnaires. All the knowledge was dealt with in smaller parts in order to enable a more detailed focus. As to statistical methods, distribution characteristics were used to express the median. Most of the collected values were expressed in % upon the results summarisation. The methods of induction and deduction were used in the article upon deriving the conclusions. The method of comparison

was used upon the evaluation of the present state, comparing organisations paying sufficient attention to employee allocation and organisations neglecting it or not dealing with it at all.

## 2. Results

Within the research, we were focused on the adaptation process and then on the termination of employment.

We were primarily interested in whether organisations had established a system of new employees adaptation. However, results showed that up to 35% of them had no adaptation system (Table 2). The given implied that these organisations did not realise the importance of adaptation.

**Table 2.** Presence of an adaptation system in the interviewed organisations

Presence of an adaptation system in the interviewed organisations	% of organisations
Adaptation system is established	35
Adaptation system is not established	65

Source: Author

While answers to the first question sounded quite negative, answers to the question: "Please, mark what is included in the adaptation process of new employees in your organisation" sounded even more negative, as you can see in Table 3. Research showed that organisations declaring their concern with adaptation actually deal with it only at the level of working adaptation.

**Table 3.** What is the adaptation process in the interviewed organisations focused on?

What is the adaptation process in the interviewed organisations focused on:	% of organisations
Working adaptation	100
Social adaptation	32
Adaptation to the organisational culture	37

Source: Author

To find out how many organisations out of those declaring their concern with the adaptation deal with it at all three levels, we used cross reference Table 4, finding out which organisations deal with social adaptation as well as the adaptation to organisational culture, since all organisations declared that they dealt with the working adaptation. Results showed that only 22% of the organisations implementing adaptation deal with the adaptation at all three levels. This subsequently implies that out of all 340 respondents, only 14% of the organisations deal with the comprehensive adaptation of newly hired employees.

**Table 4.** Cross reference comparison of the organisations dealing with social adaptation and adaptation to the organisational culture

Adaptation process involves:		Adaptation to the organisational culture	
		no	yes
Social adaptation	no	52	16
	yes	11	22

Source: Author

Within the research, we were interested in whether organisations had established outplacement. Unfortunately, most companies have a distorted picture of outplacement, affected by their unawareness, respectively unfamiliarity with the given issue. Most of them perceive it as a benefit highly above standard provided to employees not already needed in the company; and thus the investment in outplacement does not have a significant meaning for them. The aforementioned fact is also supported by the research results (Table 5), implying that only 1% of companies declared that they deal with outplacement comprehensively, and only 17% of companies deal with it partially. Based on the aforementioned, we can state that more than 80% of companies operating in the Slovak Republic do not realise what outplacement represents and they only consider it to be a help for the leaving employee in a difficult life situation, however they forget about the fact that outplacement helps them build the positive image of the company inwards as well as outwards, it helps create the favourable organisational culture, which subsequently has an impact on the overall atmosphere in the company. Through outplacement, the company not only declares social responsibility but it is also perceived as an employer with the positive approach to solving the problems of their employees, thus automatically becoming more trustworthy in the eyes of its stakeholders.

**Table 5.** Ensuring outplacement

Do you carry out outplacement for the leaving employees?	Yes in %	No in %
yes, psychological consultancy	1	99
yes, financial consultancy	1	99
yes, trainings focused on social and legal duties	4	96
yes, trainings focused on looking for a job	5	95
no, we do not carry it out	92	8

Source: Author

## 3. Discussion

The given results point out that managements of the organisations operating in Slovakia have not sufficiently realised the

importance of the adaptation of new employees so far in spite of the fact that the importance and justification of adaptation is beyond doubt. Armstrong also emphasised the importance of adaptation, researching the extent of employees staying in the organisation during the first five years. His research showed that 50% of hired employees leave the organisation within this time, while this number is the highest in the first year, representing 34% out of all left employees. The detailed analysis showed that the absolutely highest number of left employees occurs during the first three months after joining the organisation. This time equals to the time when adaptation intensity should be the greatest to help reduce stress in the biggest possible extent and reduce the worries of joining employees, and to secure as smoothest incorporation of the “newcomer” in the team as possible, either from the social or working point of view. The given statement is also supported by similar researches (e.g. Kachaňáková *et al.* 2002; Urbanová, Urbanec 2012; Roblek, Štok, Meško 2013).

Organisations should facilitate searching of a new position for dismissed employees in the greatest possible extent within the dismissal management. Possibilities of help to the dismissed employees are.

To arrange trainings for them, focused on job search, because people working at one position for several years often lose the overview of ways and possibilities how to search for a job, what documents can be required from them and how to prepare for interviews. It is therefore advisable to prepare trainings for them, focusing on the following topics:

- How to search for a job on the Internet?
- How to write CV and cover letter?
- What are the most frequent questions at interviews?

To arrange trainings for them, focused on social and legal rights and duties, i.e. point out to such employees that they are entitled to e.g. a certain pay-off; the right to draw financial benefits in the form of unemployment benefit and other social benefits, however it is necessary to register at the Office of Labour, Social Issues and Family; the possibility of scholarships for children unprovided for; the possibility of social benefits for housing, etc.

It is also possible to inform them, within the legal advisory, about possibilities and procedure how to set up a business, respectively some types of companies.

To ensure financial advisory, it is important for two reasons - one is a condition when the employee after the loss of job becomes unable to pay loans, the second one is that employee will not keep as big amount of financial sources as when they were employed and will want to cover such difference by an “advantageous” borrowing.

To offer, at the expense of the organisation, to attend different requalification courses.

To ensure psychological advisory for them, people in such situation often fall into depression and other

undesirable psychical states, and it is then difficult for them to gain enthusiasm and power to search for a new job.

To address acquainted managers in similar organisations, because there is a possibility that such organisations extend their production and it is advantageous for them to gain trained employees in the same, respectively an associated line of business.

To perform the exit interview with them, where a highly individual approach is necessary. It should include: enough information on the dismissal; objectivity (flat and plain); no questioning of choice of the dismissed employee; the presentation of the fact that change can be a challenge towards activity; the pointing out of qualities of the dismissed employee; the indication of how the dismissal process is going to continue (that also other employees will be dismissed, respectively that the organisation will rehire its employees after overcoming the present problems); the summary of key conditions of the good start of the new life.

Costs of the given possibilities to help dismissed employees do not have to be high, if the organisation uses its own resources, e.g. the employees of HR, financial and legal departments as well as direct superiors or the dismissed employees, etc.

## Conclusions

Human resources management represents a strategic and well-considered logical approach towards managing personnel who participates in the effective fulfilment of organisational objectives individually and in teams. The key objective of human resources management is to achieve success and competitive advantage through the strategic positioning of skilful and devoted employees on the basis of integrated set of cultural and personal procedures. To gain such employees and subsequently, after they join the organisation, to keep them, the organisation has to focus on the employee adaptation (Kachaňáková, Nachtmannová, Joniaková 2011). On the basis of research conducted in the organisations operating in Slovakia, focused on finding out whether the organisations realise the importance of adaptation and whether they focus on the adaptation process in practice, we found out that only 65% of the organisations had established a system of adapting new employees. While focusing on the working adaptation was found out in all of these organisations, results were much worse regarding focusing on the social adaptation and adaptation to the organisational culture. Only 32% of the organisations declaring interest in the adaptation deal with the social adaptation, and only 37% of them deal with the adaptation to organisational culture. The conducted research subsequently showed that only 14% of organisations out of the whole interviewed group of 340 organisations deal with

the comprehensive adaptation of newly hired employees at all three levels. Fact that only 8% of the interviewed organisations deal with the outplacement within employee allocation also sounds very negative.

The justification of this research in practice is predominantly seen in revealing unreliable behaviour of the organisations in adapting new employees and also during the termination of employment. Based on our results, organisation managements have a possibility to compare their own, present states of employee allocation to the states which the interviewed organisations declared, and subsequently, on this basis, to consider possibilities of their improvement. We also consider as necessary to continue with this research to enable the modification, quality improvement and development of individual policies to improve and facilitate joining of new employees and the management of dismissals of employees on the basis of new information obtained from the interviewed organisations.

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- Katarína STACHOVÁ**. PhD, Member of the Department of Management, School of Economics and Management in Public Administration in Bratislava, Slovak Republic. Research interests: human resources management, organizational culture.
- Zdenko STACHO**. PhD, Member of the Department of Management, School of Economics and Management in Public Administration in Bratislava, Slovak Republic. Research interests: enterprise management, change management.