

**NATIONAL UNIVERSITY OF PUBLIC SERVICE
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**IMPACT OF THE PRESENCE OF THE NATIONAL DEFENCE FORCE, AS A LARGE-
SIZED EMPLOYER ON THE LABOUR MARKET IN THE SOUTHERN GREAT PLAIN
REGION**

Doctoral (PhD) dissertation

THESIS BOOKLET

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Budapest

2013

Topicality of the research, justification of the topic selection

In 2004, when the National Defence Force (hereinafter referred to as: NDF) by discontinuing recruiting to the armed forces switched to voluntary based military service taking, entered the labour market with its full extent. By its appearance on the labour market it has not only become part of it, but due to its labour requirement in many regions it has become significant factor of the labour market.

The National Defence Force in majority of the cases offers employment involving an employment contract for definitive period of time, mainly undertaking military services at operational level. Of course in the first period due to the high labour requirement it “called to arms” the part of the targeted employee layer with lower skills and people struggling with behavioural and moral issues. Currently this situation has slightly changed, however behavioural difficulties are continuously present.

Since the beginning several studies and researches decided to inspect voluntary-based military service taking from different aspects. Majority of the published publications focus on the impact of the appearance of the staff on the army and military abilities, and inspect the relations between the army and contractual military staff.

During my research work by using all the above I have focused mainly on the labour market impacts of the army resulting from its large-scale employer status. However this work cannot be complete without the results and statements of the previously mentioned researches, as the general social features of the military service volunteers may have a decisive influence also on my selected topic.

I have selected the Southern Great Plain region¹ as my area of research. In one hand the reason behind my choice is that I have been serving for 16 years at units stationed in the region, on the other hand because significant part of the operational forces of the National Defence Force are also to be found here.

The topicality is confirmed by the Hungarian labour market situation established after the change of the system, with special respect to the regional level peculiarities and/or the mutual

¹The naming of the region is not unambiguous. In my work I have used the name of the region based on the decision of the Geographical Name Committee issued in 2010. Source: <http://www.e-nyelv.hu/2007-12-08/a-regiok-nevenek-helyesirasa-3/> Downloaded: 21.04.2013

impact of the appearance of the voluntary military service and the previously mentioned labour market have on each other.

Goal of the research

The goal of my research was to map the region's labour market as thorough as possible in order to get an appropriate picture of the actual labour requirement of the units stationed within the region and its impact on the region's labour market. My featured goal also included that my research can be used as a supporting tool for the operational tasks of the implementation of the HR strategy. I hope that the results of my study may contribute to the future HR planning process of the army.

I have been searching the answers to the following major questions:

- In general what fundamental employment characteristics does the inspected region have?
- With respect to the manpower interesting for the army, which are the groups (social layers, age groups) whose employment is sorted, and which are the groups that are excluded from the labour market of the region? What are the indirect and direct impacts of the army posts located within the region on their direct environment?
- Can the army offer competitive income to its employees and by this does it appear as an attractive employer in the region's labour market?
- To what extent and in what way do the national and international, and especially the regional labour market changes influence the voluntary military service taking (recipient and emitter impact), and what is the impact of this on the regional labour market?

Research methods and timeline of the research

In order to give the most thorough answer to the questions indicated at the beginning of the research, I have studied and analysed the special literature background, and the related correlations of this was built in my study as a theoretical background. Furthermore I have carried out empiric researches, and I have re-analysed previous researches.

In relation to the general situation and tendencies of the labour market I have used mainly the surveys and time series of the Central Statistics Office, EUROSTAT and regional labour organisations. It hindered my work that the Southern Great Plain Region's Labour Centre after 2010 failed to elaborate cumulative statistics with respect to the three counties, thus I have personally elaborated them based on the data available for the three counties in a county-level break-down.

I have compiled the statistical data referring to the military organisations stationed in the region by using the charts and tables made available to me by the Hungarian Defence Force Military Administrative and ADP Centre.

During my work between 2006 and 2012 I have carried out empiric researches on multiple occasions with respect to this topic. I have published the results of the questionnaire based researches at all times, in notable journals, in electronic and also in printed format. As the post-monitoring of one my researches completed in 2006, Katalin Makai in 2012 repeatedly asked the soldiers of the Szentes unit and she summarised the results (besides making them available to me) in the form of her diploma work entitled Career models and reconversion in the reflection of the HR strategy of the Hungarian Defence Force.

My research focuses on the period between 2006 and 2012. This period can be broken down into three parts. The first three years in terms of labour market changes showed minimum changes. In parallel the number of people interested in a military career showed also a minimum difference. The second period (2009-2010) was clearly about the impact of the economic crisis, both with respect to labour market and military service taking. During the third period (2011-2012) I would emphasize the reduction in employment and its stagnation, and with respect to the National Defence Force the changes made to the pension system are the most important and after this the establishment of the new official service law.

Hypotheses

At the beginning of my work I have made the following assumptions.

Theoretical hypotheses:

1. The loading and continuous reinforcement (with special respect to the contractual service) of the military organisations to be found in the Southern Great Plain region offers and provides employment to wide ranges of the working population being present on the region's labour supply side.
2. At regional level, based on the available and expected incomes the National Defence Force, as employer is able to offer appropriate income to employees, therefore it is competitive at the labour market of the Southern Great Plain region.
3. The National Defence Force by its presence and existing labour requirement is a defining factor within the region.

Empiric hypothesises:

1. Based on the region's demographical figures the proportion of the age group between the age of 18 and 35 is high, thus meeting the army's specific labour requirement may have a significant impact on the labour market situation of the previously mentioned age group.
2. Within the Southern Great Plain region at annual level the presence and labour requirement of the army has a favourable impact on the employment figures of the career-starters leaving secondary schooling.

I would like to present the results of my research work by using a dissertation with the structure described below:

- Introduction
- Introduction of the labour market tendencies in Hungary and abroad
- Introduction of the labour market of the Southern Great Plain region
- Overview of the HR policy and labour market projections of the voluntary based military service taking
- Introduction of the current staff composition of the units currently stationed in the Southern Great Plain region
- Inspection of the working population of the region with respect to voluntary based military service taking
- Impact of the presence of the Hungarian Defence Force on the region's labour market
- Introduction of recommendations, ideas in relation to the elaborated research studies

Final conclusions

National defence based on voluntary military service taking is accomplished alongside multiple social and political impacts. In terms of politics it is very important to clearly define the directions and tasks, furthermore to provide sufficient financial background for this. After this it is partially a political task to ensure and enhance the social recognition and acceptance of national defence and the National Defence Force. Furthermore the Hungarian Defence Force needs to establish such an HR strategy, which is able to provide in the long term the compliance and delivery of the defined system of tasks.

The Hungarian Defence Force is operating under a special labour market situation. It is special, because the military career requires multiple suitability criteria, which are non-present at the civil labour market; furthermore the army also limits certain, very important civil rights of the citizens. It is special, because due to the special requirements of the career the army

offers employment for a definite period of time, and at the end of such period the army has to relocate its ex-soldiers to the labour market. And it has to do all this in a way, that the prevailing labour market has a significant impact on the organisation with respect to recruiting, keeping the employees and re-insertion. It is obvious that the national defence force is not able to react in time to the labour market competition, thus it is required to establish a stable career model in order to deliver the above-mentioned tasks.

I have inspected in the frame of my study the relation between the Southern Great Plain region and the military organisations of the region and their impact on each other. I have established that it is a realistic concept, that the units supply majority of their staff from their direct environment. This fact, by knowing the domestic labour market situation, does not require any actions and besides enabling the provision of long-term staff requirement, has a positive impact on the labour market of the micro-regions of the area. Despite of the fact that the impact of the economic crisis was rather a retaining power (see Chapter 7), nowadays high efflux has become a problem. One of the reasons for this was the low income offered by the National Defence Force and the other probably was due to the new regulations related to employment. The demobilization support may also be a significant influencing factor with respect to exiting tendency, which might mean a seven-digit amount in the case of a long service period. The reduction of real value income unfortunately caused such situation that many soldiers are living near to subsistence level, and many below. Therefore already at the time of weighing up the entry intention applicants realise that the currently available income does not offer any promotional possibilities to those, who are intending to take a voluntary military service due to their financial issues.

I have tributed special attention to the opportunities of young, career starters, as I firmly believe that this social layer might mean the basis of a higher level, professional army. Of course for this we need to address the mentioned social layer and when addressing them we need to describe an opportunity, which is attractive to them. I have referred to the fact in several of my studies that it is not appropriate to promise long-term employment for the wide ranges of volunteers. The voluntary military service should rather be a short- or medium-term, development, experience gathering period in the lives of more and more young people and it should be the first, initial part of their career. Therefore we have to recognise and reveal the opportunity which is created by the employment issues of the young generations, and more and more of these youngsters “should be made attracted” to the armed forces. Besides the historical aspect the national defence force could play again an important social role. Hereby I do not mean the vision of returning to a militarised society, but I consider the national defence force as an important milestone of socialisation for the young generations. The first step of the road leading to there could be the militarised education, which has (rightly) become again popular. If the levels of this militarised education are accurately defined, I believe that the appropriate levels shall be targeted to the regions, where the military units are stationed, similarly to the facts proved by my study. I do not think that within a short period of time, without additional force the geographical mobility willingness of the society will change a lot, so the National Defence Force has to take the opportunities to the proximity of the army posts. With respect to this I do not mean big things, but for example while the introduction of the

general principles of national defence and the introduction of the National Defence Force to the civil society may take place at national level, the centre of military education (see: KatonaSuli program, Military Secondary School) shall be located within the direct proximity of the existing units.

In order to reach this the other segment of my research is crucial, which is looking after the existing staff members. Because we might have a good strategy, and we might have great social backup, but if there is even one soldier who is living under the minimum living standards (being very close to the poverty threshold), the above-described vision can never be accomplished. In this case we have to get ready for high fluctuation and the major motivation of the people opting for a military career will not be the start of their career choice but an escape route out of hopelessness. Besides the fact that due to this the military career becomes socially devalued, it will also result in high costs.

I have introduced that the National Defence Force due to its labour requirement offers direct employment to 3500 people in the Southern Great Plain region. By inspecting the indirect impacts of the report I have stated that the presence of direct spouses, relatives, and/or the usage of various services induces further labour requirements and creates jobs. The supposition that the presence of a large-scale employer has a significant impact on the entire society cannot be proved totally, however I have showed that majority of the staff lives within the region, already the elimination or significant staff reduction within one unit would have a negative impact on the life of the entire region. The situation is different at the level of micro-regions. Here in many cases significant tension and labour market issues are triggered by the efflux of large amounts of employees at the same time (I have not analysed it separately, but after the closure of the training camp in Szabadszállás, various reports showed that the town of Szabadszállás until this very day could not “recover” from the leave of the army, neither with respect to economical and to social aspects).

Based on the aspects I have analysed and proved that it is obvious that the Southern Great Plain region is able to provide in the long term an appropriate recruiting basis for the units stationed in the area, the labour market presence of the military organisations play a vital role in the employment of the region, mainly at micro-region level. In order to maintain this situation in the long term, the National Defence Force shall take up on several crucial roles, with respect to financial, HR-management areas.

New scientific results

1. Based on my research and analysis I have proved that the presence of the National Defence Force within the labour market with respect to the entire region is not key (direct and indirect impacts), but with respect to micro-regions mainly due to the contractual military service with a definite period of employment, it is a defining factor with continuously renewed labour requirement.
2. I have proved that within the Southern Great Plain region, there is a shift towards the age group under 25 with respect to the receptive labour market impact.

3. I have proved that at regional level the National Defence Force, as employer is competitive compared to other employment branches. However I have stated that due to the level of the wages the defence force's labour market opportunities started to narrow down.
4. I have proved with recruitment data, that majority of the staff employed by the units is hired within the borders of the region, and by taking into consideration the mobility requirement of the existing staff, with respect to the number of people applying to military service in the long term the defence force may have an appropriate recruiting base.
5. In terms of keeping the staff, I have proved that the efflux indicators of the military organisations of the region at national level are high above the average, and however the replacement of the exiting employees can be covered, high fluctuation may result in significant issues.

Applicability of the research results

- My research work maps the labour market situation of the Southern Great Plain region, the composition of the area's employee layers, employment chances, with special respect to undertaking voluntary military services. As the current geographical location of the troops is crucial in terms of the researched region, filling up and filling up ability, it supports with a timely survey the possible directions of organising continuous recruitment.
- My work may be utilised during the analysis of the realistic opportunities in relation to the defence force's reconversion strategy, besides the individual interests and needs.
- My study may complement the controlling of the HR strategy areas such as recruitment, selection, keeping the existing staff and re-insertion; it may provide help for implementing the strategy and adapting it to the actual labour market situation.
- Finally I believe that my results can also be utilised in education.

Recommendations, suggestions in the reflection of the research results

1. The research related to ensuring the national defence force's HR needs shall be supported. These researches shall include also the lowest levels, because I believe that the results coming from these levels shall also be incorporated in the strategy.
2. I would recommend rethinking the followings: due to the features of the labour market, with respect to the actual staff to re-implement a maximum hiring age, and mainly with respect to troops defining the longest service period allowed. In parallel the establishment of such benefit system, which ensures the keeping of the appropriate work force until it is

required and to recruit appropriate staff. One opportunity for this would be the system of fringe benefits (possible tax exemption in certain areas, educational support, etc.).

3. I would recommend rethinking and establishing the levels and areas of military education. In my study I have proved that the staff of the units is recruited mainly from their direct environment (60 to 80 km). Based on this I would recommend to organise the military education in a way that the location of the education shall be organised around the catchment area of the current units.
4. I would recommend the continuous monitoring of the labour market within the direct environment of the military organisations and to keep in touch with the labour organisations of these areas. If the national defence management wishes to tribute appropriate attention to the reconversion activity, this communication shall also take place at the highest level. This cooperation shall become crucially important with respect to the public service transparency of the career model.

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PROFESSIONAL EXPERIENCE

2011 – **HR Chief** – HDF, 37. Eng. Reg. Szentes
2007 – 2011 **HR Officer** - HDF, 37. Eng. Reg. Szentes
2002 – 2007 **HR NCO** – HDF, 37. Eng. Bgd. Szentes
1997-2002 **Technician NCO** – HDF 37. Eng. Bgd. Szentes
1996-1997 **Technician NCO** – HDF 60. Szeged Eng. Bgd.

EDUCATION

2007- National University of Public Service – **PhD student**
2004-2006 University of Pécs – **Human Manager MsC.**
2001–2004 Tessedik Sámuel Collage –**Human Manager BsC.**

LANGUAGE SKILLS

English STANAG 2.3.3.3.

German Elementary B1

PC SKILLS:

2004 – ECDL (7 Modul)
(HR - ORACLE, SAP)

MISSIONS

2012- ISAF

2011 - ISAF

2008. – KFOR

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PUBLICATIONS

1. A nők megváltozott helyzete a modern haderőkben. Társadalom és Honvédelem 2009. XIII/1 pp. 195-213. HU ISSN 1417 7293
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