

doi: 10.17221/338/2015-AGRICECON

## Employer branding in the agricultural sector: making a company attractive for the potential employees

HANA URBANCOVA<sup>1\*</sup>, PETR RICHTER<sup>2</sup>, LENKA KUCIRKOVA<sup>3</sup>, MARTINA JARKOVSKA<sup>3</sup>

<sup>1</sup>*Department of Management, Faculty of Economics and Management, Czech University of Life Sciences Prague, Prague, Czech Republic*

<sup>2</sup>*Department of Forestry Economics and Management, Faculty of Forestry and Wood Sciences, Czech University of Life Sciences Prague, Prague, Czech Republic*

<sup>3</sup>*Department of Languages, Faculty of Economics and Management, Czech University of Life Sciences Prague, Prague, Czech Republic*

\*Corresponding author: urbancova@pef.czu.cz

Urbancova H., Richter P., Kucirkova L., Jarkovska M. (2017): **Employer branding in the agricultural sector: making a company attractive for the potential employees.** *Agric. Econ. – Czech*, 63: 217–227.

**Abstract:** The specificity of the agricultural sector (seasonality, the methods of obtaining human resources and so on) affects the situation in the labour market. The demand of agriculture companies for qualified workers is relatively high; unfortunately, people still prefer to work in the related or other fields where they have more suitable work conditions related. Building the brand of the employer, improving the awareness of the public and increasing the loyalty of the present employees can raise the offer of vacancies and obtain new qualified employees. The aim of the paper is to identify the benefits of human resource branding in businesses arising therefrom. A partial aim is to identify the present key managerial challenges of agriculture businesses. In the work, the data collected from a questionnaire survey ( $n = 108$ ) were used together with the information from the Czech Statistical Office, in the opinion of which the labour market in the agricultural sector does not exhibit a positive trend. As a part of the evaluation, a factor analysis was carried out identifying three categories of benefits (the stabilisation of workers, organisational processes, and other benefits) crucial for the employer branding in agriculture.

**Keywords:** agriculture companies, competitive advantage, employees, human resource branding, labour market

The sufficiency of a qualified staff in the required age structure may currently be considered one of the key factors of a well prospering business. Fanta and Šišák (2014) state that although the human resources in agriculture and forestry are systematically being researched in foreign literature (e.g. Webster 1977; Sullivan and Gilles 1989; Hultkrantz 1991); the research is non-existent in the Czech Republic. Fanta and Šišák (2014) claim that this is due to the seasonality of the work and the manner of the human resources utilization. Urbancová and Čermáková (2015) state that it is necessary to accelerate a generation exchange in the primary sector and to improve the quality of the work force in line with the growing demands on the quality of agricultural production, environment

and forests. The number of employees 50+ increases annually (Štorová and Fukan 2012) and, therefore, it is necessary to acquire talented employees and to know how to maintain them in the sector of agriculture and forestry. The present time is also strongly focused on building the product brand, services, but also the employer brands. Saini et al. (2014) and Elving et al. (2013) agree that the employer brand is an efficient marketing tool which helps the businesses to present themselves well to the potential applicants in the labour market. It is a long-term and systematic cooperation which involves a wide scale of activities. The brand building is a complex process which must be extended to all existing and potential stakeholders, i.e. customers, suppliers, subscribers, banks, shareholders

This contribution is a follow-up to the project of the CULS Internal Grant Agency (CIGA), No. 20141002 – Human resource branding using new strategic trends in organizations in the Czech Republic.

etc. The brand building primarily focuses on both the potential and current employees. It is an important part of a company which has an impact on its own existence. Bursová (2009) brings to mind that the employer brand building is important in the sphere of the motivation and activation of employees and in search for new potential candidates for various work positions in a company. Hučková (2012) adds that the employer brand is a magnet attracting capable individuals which leads to a further growth in the motivation of the potential employees to thrive for work in the given company. In contrast, agriculture and forestry is a relatively non-flexible sector, which has an impact on the labour market in this field as well as on the employer brand building.

The aim of the article is to identify the benefits from the human resource branding in the sector of agriculture in the Czech Republic. A partial aim of the article is to identify the key managerial challenges agricultural enterprises face at present. The first part of the article presents the theoretical background together with the comparisons of secondary resources in this scientific area. The Results and Discussion presents results in human resource branding in the primary sector in the Czech Republic. The Common Agricultural Policy Reform 2014–2020 identifies the key managerial challenges in the agricultural businesses. The chapter contains recommendations for the management of businesses in important areas such as the human resource issues, risk management and the improvement of the employer brand.

## THEORETICAL BACKGROUND

In relation to the rest of the national economy, agricultural enterprises have a unique position with respect to their employees. It is an industry characterised by numerous specifics. One of the most significant is the external income disparity of the agrarian sector. Sokol (1994) defines the external income disparity as a state in which the income in the agrarian sector is lower in relation to the used production factors than in other sectors of the national economy, whilst the sectoral (internal) difference in income can fluctuate for example by the influence of the qualification and various expectations of the employees as well as the level of the business and the work activity implementation.

Based on hypotheses of renowned agrarian economists such as W. Chochrane, G. Johnson or Engel's law,

in his publications Svatoš (Svatoš 2005; Svatoš et al. 2007) states several factors influencing this situation:

- Specifics of the agricultural production, which are characterized by the fluctuations in harvest due to the climatic and weather conditions; the limits of investing, depending on the extent of the soil, and the theories about the loss of the increase in the revenues; the low return on capital in agriculture and the limited shelf life of stored products.
- The inverse behaviour of supply; when with the decreasing production prices, the quantity offered is not decreasing but stable or even increasing.
- The “Treadmill hypothesis” that can be characterized as follows: applying a technological progress in order to increase income leads to a shift in the supply of agricultural products, which thus results in a collective effort to improve technology in the sector and the income of farmers is then reduced. Besides, the application of technological progress in agriculture is limited compared to the industrial sectors.
- The alternative cost factor which explains the perception of the incomes in agriculture in terms of the expected income from the activity based on comparison with the average income in the national economy. In practice, this means that the real income in agriculture does not correspond with the expectations of the agricultural workers who begin to focus on their specific income. Thus, if the actual income exceeds a specific amount of income (income that they could receive in another sector), they do not interrupt their activities, otherwise they terminate their activity.
- The Engel's Law, stating that with the increasing income of the population, the share of the food expenditures in the total expenditures decreases. This creates an advantage for other sectors of industry and services.
- The power of the market applies to the detriment of agriculture with the main role being played by the almost perfect competition inside the sector against the monopoly of the suppliers and the monopsony of the further processing industry, which causes an unequal position of agriculture in the market. Thus, the prices of inputs into agriculture are growing faster than the prices of outputs.
- The market-economic explanation in relation to the theory of the factoral sectoral over-capacities, namely connected to land as a production factor. Svatoš (2005) and Svatoš et al. (2007) note that because of the specificity of agriculture, the sector

doi: 10.17221/338/2015-AGRICECON

requires a stronger state regulation because of the growing non-production functions of agriculture.

This is demonstrated by the statistics monitored by the Czech Statistical Office. Since the economic transformation after 1989, the number of workers in agriculture employees decreased by more than three quarters and according to the data, their structure changed as well. The agricultural sector is one of the sectors with the lowest income and the unfavourable educational structure, but also the lowest fluctuation rate. The results of the Médea Research survey agency (2014) show that the Czechs change three to four jobs during their careers in average. They alter work roughly every eight years. The lowest fluctuation is in agriculture (13.3 years per current position) and the public administration (12.4 years per current position). The low fluctuation of workers in agriculture is given by the family tradition and the company size where most enterprises are small enterprises with up to 20 employees (Hlavsa et al. 2015). On the contrary, people change work most often in sectors such as trade (8.7 years per current position) and science or research (6.8 years per current position). These aspects contribute to the increasing disparities mentioned while supporting the need for the employer branding in agriculture so that the younger generations are interested in the jobs in agriculture and do not fluctuate to more lucrative industries with better conditions for employees (Vnoučková 2013).

The Green Report (2015) states that the proportion of workers in agriculture in total employment in the national economy of the Czech Republic decreased by 2.0% in 2015. The results further show that there also was a decrease of employees in all legal forms of agricultural enterprises: the most in companies by approximately 500 persons (0.9%), in cooperatives by 400 persons (1.9%) and in businesses of natural entities by 300 persons (1.2%). The conclusions of the Green Report (2015) in the field of agrarian labour market indicate that the age structure of the farming population is a problem at present both in the Czech Republic and in the most European countries, as evidenced by the presented data which showed the highest proportion of workers in the agrarian sector between 45 and 59 years of age (42.3%) in the 4th quarter of 2015. This thus suggests the necessity of employer branding in the agrarian sector.

Van Mossevelde (2014) emphasizes that employer branding is the process of promoting the enterprise, which aims to attract and retain workers. On the other hand, Wilden et al. (2010) conceive the brand

of the employer as a set of psychological, economic and functional benefits, which connects the potential employees with their employers. The knowledge of these benefits helps businesses to create an attractive and competitive employer brand. Therefore, it should be a focus of enterprises even in the agricultural sector which suffers from a long-term lack of workers.

Pop (2008) mentions that an attractive employer brand is a combination of the tangible and intangible factors such as the package of employee benefits, the culture and work environment, the management involvement, the image and reputation of the brand. Helm (2011) agrees with Pop (2008) and demonstrates a close relationship between the quality of the brand and the pride of the employees and the quality of work they perform. The research was conducted in companies belonging to the Fortune index in the USA, which are the so-called most admired companies, i.e. the companies with a strong brand and appeal to the potential recruits. The results in the agricultural business (Hlavsa et al. 2015) show that the human resource branding is important for agricultural businesses at present, however, it is not so highly supported. Wilden et al. (2010) further add that, based on the results of the qualitative research, the perception of the employer brand by the potential employees is generally influenced by their previous work experience, clarity and credibility of the brand, the perception of investment in the employer brand and, ultimately, the portfolio of products and services of the enterprise.

On the other hand, it is also important to monitor the factors that currently make building the brand of the company and consequently the employer brand, harder. Aaker (2003) includes among these factors the following:

- The growth of competition, which continually modifies the position of the company and the employer brand → which thereby leads to an increased competition in the labour market and the actual intensification of the struggle for talents. The enterprises must specifically focus on working with talents already while obtaining them.
- The tendency toward the change in strategies and shared values (organizational culture change) → not focusing on new knowledge-based strategies.
- The non-existent employer branding strategy in the eyes of the potential employees → no identification of the key personnel and marketing activities to attract the potential employees and retain existing key employees (e.g. the methods of recruitment

- and personnel selection, their personal and social development, etc.) and not influencing the level of motivation. Promoting the employee motivation leads to the retention of the existing staff and spreading the good name of the company and beyond.
- Reluctance to invest into the employer branding → the promotion in schools, training and student placements in companies etc. is not supported; there is no improvement in public awareness of the existence of a company. Willingness to cooperate should also be presented to the public.
  - The complex of the utilized forms of the enterprise promotion in the eyes of its potential workers → there is no evaluation of the effectiveness of the forms used for the promotion in the labour market (e.g. job fairs, cooperation with secondary schools and universities etc.) and the improvement of their financial situation. According to the Yerkes-Dodson Law, the motivation of workers has an impact on their job performance and hence on the performance of the entire enterprise.

Besides the above mentioned general factors the positive impact of which on the employer branding having been the focus of their scrutiny, the Agricultural Association of the Czech Republic (2014) defines the factors that influence the structure of the labour force in agriculture as in a specific sector, and therefore also the problematic issue of employer branding. Simultaneously, the research by Hitka et al. (2009) highlights the specific implementation of human resources activities in the sector where, given the average size of the farms, certain personnel activities cannot be exercised or are specific. It concerns the following:

- The barrier of the entry into the agricultural sector for young qualified people, given by the income level in this sector. Young job seekers compare jobs among various sectors and thanks to their increased flexibility to travelling and migration, they select a higher offer, which is mostly outside the agricultural sector.
- The influx of young qualified people into farming is not sufficiently stimulated by the demand for labour from the farms. The number of applicants per 1 vacancy in agriculture is lower than per vacancy in the national economy in average (Agricultural Association of the Czech Republic 2014). In agriculture, to a much greater extent than in other industries, the vacancies are often provided for the unskilled and auxiliary workforce, i.e. unattractive

and unpromising jobs, discouraging even the spatial mobility of the workforce.

- The offer of free agricultural workforce does not give great chances for the improvement of the farmers' age structure. The registered jobseekers in agriculture are older than the registered applicants in total, and the proportion of applicants up to 30 years of age is lower among the agricultural candidates than among the candidates in total.
- A decreasing number of graduates from the secondary education in agriculture is registered in the Czech Republic. This factor leads to the loss of young and educated potential employees in the agricultural sector. There is an overall aging structure of workers (CSO 2015) and recruitment without the required qualifications. According to the Agricultural Association of the Czech Republic (2014), the age structure of employment remains unfavourable in the long term and currently it represents one of the most serious socio-demographic problems. For comparison, in 1989, the workers under 30 years of age accounted for 21.4% of the total workforce in agriculture, in 1995 17.8%, in 2000 13.5% and consequently, their share stabilized around 11% and in 1989, the average age of the workers increased by 4 years to 46 years of age. At present, the situation is even worse, since in 2012 only 2.2% workers in the national economy worked in agriculture, and the highest percentage of workers in agricultural enterprises is in the age group between 45 and 59 years of age.

From the above, it follows that both the age and qualification structure as well as income disparity do not contribute to building a healthy long-term staff structure that would have a positive impact on the promotion of agricultural enterprises in the eyes of the potential employees.

In the light of the previous, the article focuses on the issue of employer branding in a specific industry, the sector of agriculture.

## MATERIALS AND METHODS

The primary data was obtained by an anonymous electronic survey targeted at Czech companies. To obtain the data, a quantitative type of survey was conducted using the questionnaire technique of data collection. The sampling frame was based on the Albertina database. The total of 549 randomly

doi: 10.17221/338/2015-AGRICECON

selected companies had to fulfil two criteria: sector of economy (15% from the primary, 15% from the secondary and 70% from the tertiary sector, which reflects the structure of Czech economic entities within industries according to the CSO) and the size of the business according to the number of employees (65% of small, 20% of mid-sized and 15% of large companies (which reflects the structure of business entities according to their size across industries in the Czech Republic according to the CSO), and the selected companies were contacted by e-mail. The structure of 549 companies was the following: by the sector of the company: 19.9% primary sector, 20.2% secondary sector, 59.9% tertiary sector; by the size of the company according to the number of employees: 53.2% small companies, 25.5% medium, 21.3% large.

The sample group consisted of 108 companies operating in the agricultural, forestry, and fishing sector, respectively. The questionnaire survey was completed by the owners (in case of small agricultural companies) and by managers (in medium and large agricultural companies). The questionnaire was focused on the topic of human resources branding and on the classification questions. Most of the questions were the closed-ended questions. Agricultural companies on which the article focuses were structured according to their size (according to the number of employees) as follows (Table 1).

To evaluate the results, the descriptive statistics and the Chi-Square Test were applied. The validity of the null hypothesis on the independence between the features monitored was verified at the 5% level of significance. The decision on the rejection or acceptance of the null hypothesis was based on the comparison of the  $p$ -value and the level of significance. In cases where the  $p$ -value was lower than the set level of significance, the dependency was considered statistically important. The null hypotheses were tested among the qualitative characteristics, e.g. each identified benefit and the ownership of an agricultural company and the size of the company.

Table 1. Size of agriculture companies

Category	Absolute frequencies	Relative frequencies (%)
Up to 50 employees	74	68.5
51–249 employees	28	25.9
250 and more employees	6	5.6
Total	108	100.0

Source: own survey

All the primary data were evaluated using the tools of the descriptive statistics and also the methods of comparison, induction, deduction and synthesis were applied. Within the frame of the descriptive statistics, the following tools were employed: the absolute and relative frequency, the analysis of correlation, association. Also, dependence among qualitative characteristics was tested for the verification of the obtained data and their further analyses (Pecáková 2011). The further analyses were based on the method of multidimensional statistics – the factor analysis (Varimax rotation, Anderson 2009); the Kaiser-Guttman rule was applied to select a group of significant factors. Following the recommendations of Anderson (2009), only the determinants with an absolute value of over 0.3 were selected as significant for the factor development; the positive and negative dependency was further analysed in relation to its final benefits. To evaluate the data the IBM SPSS Statistic Desktop 22 was used. The results of testing are described in the Results and for the reason of clarity, they are displayed in tables.

## RESULTS AND DISCUSSION

The first part of the chapter presents the results of the research conducted in the farms and the second part refers to the current managerial challenges in agriculture. The performed research follows a current international project (of the Visegrad Fund, which is engaged in increasing employment in agriculture) and focuses on the present situation in the field of employer branding in the agricultural sector in the Czech Republic with an emphasis on the staff fluctuation and its age structure, and at the same time, it identifies the benefits of brand building in the agricultural sector, which would eliminate the present negative situation in acquiring workers in agriculture.

Table 2. The annual rate of the workers fluctuation in the organisation

Category	Absolute frequencies	Relative frequencies (%)
0–5%	71	65.7
6–10%	24	22.2
11–15%	7	6.5
16–20%	5	4.6
21 and more	1	0.9
Total	108	100.0

Source: own survey

Table 3. Workers fluctuation within the age categories

Category	Absolute frequencies	Relative frequencies (%)
18–30 year of age	59	54.6
31–44 years of age	25	23.1
45–56 years of age	13	12.0
Over 57 years of age	11	10.2
Total	108	100.0

Source: own survey

Table 2 presents the results of the annual workforce turnover rate in the surveyed farms. It clearly shows that the turnover in the sector is low. In almost 88% farms, the fluctuation is up to 10% (the first and the second line in Table 2, the sum of 65.7% and 22.2%), which is low in comparison with, for example, the banking sector. Agriculture is regarded as a sector with a relatively stable workforce. However, the question remains whether it is at present a positive message. On the one hand, the stability of workers is positive news for businesses, yet if these values are compared with the data in Table 3, i.e. the fluctuations across the age groups, the data is not as positive anymore.

Table 3 indicates that the highest fluctuation is among the young workers up to 30 years of age. With the increasing age, the fluctuation subsequently decreases. This is due to the fact that young people are not yet stabilized at work, they do not yet have a clearly defined direction of their career and are not sure if they wish to remain in the agricultural sector where the income is lower and, consequently, the pressure is not yet fully considered – the direction of one's career on the one hand and not being sure whether to stay in the agricultural sector, where the incomes are lower – hence the pressure on a higher

Table 4. The number of workers in the age category 50+

Category	Absolute frequencies	Relative frequencies (%)
0–5%	21	19.4
6–10%	16	14.8
11–15%	16	14.8
16–20%	16	14.8
21–30%	16	14.8
31–40%	9	8.3
41–50%	7	6.5
51% and more	7	6.5
Total	108	100.0

Source: own survey

fluctuation. With the increasing age, the workers start looking for a stable employment, and thus the workers over 50 years of age belong among the most stable employees. This is also caused by the fact that the workers 50+ are the most endangered by the long-term unemployment and thus they prefer to remain even in the worse paid jobs. The low fluctuation of only older employees creates room for a creative and innovative environment which is often created by the newcomer employees. The need for a younger generation of farmers is evident from the number of workers over 50 years of age in the surveyed organizations that are shown in Table 4 and the expected demographic curve.

The values in the table show that the percentage of workers in the 50+ age group is relatively high, with the mean value ranging between 16–20% workers aged 50+ in the surveyed enterprises. In terms of the size of an enterprise, smaller businesses have a higher percentage of workers in this category (71% small businesses with more than 51% employees in the 50+ category).

Based on the above, it can be concluded that it is necessary for the companies to be deliberately focused on building the brand of the employer and to attract potential employees. According to Aaker (2003), building the brand of the employer brings advantages and therefore a factor analysis was used for their verification and categorization. A total of 57% of the surveyed farms (the farm representatives could select multiple options) said that building their employer brand influences their focus on acquiring

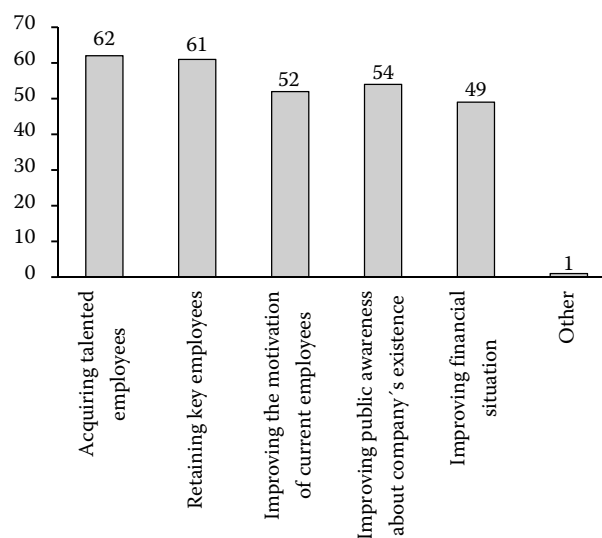


Figure 1. Advantages of the employer branding on farms

Source: own survey

doi: 10.17221/338/2015-AGRICECON

Table 5. Variance explained by factors

Factor	Total variance	Total % of variance	Cumulative % of variance
1	1.524	25.394	25.394
2	1.175	19.580	44.974
3	1.070	17.832	62.806

Source: own survey

talents, which they usually look for at the secondary schools or the schools of higher professional education which they cooperate with. Furthermore, 56% of the representatives reported that as a key tool for the employer branding, they regarded keeping the current employees and not increasing the staff fluctuation. Then, 48% of the surveyed farms are aware of the importance of motivation and focus on the incentive programs for their current employees. Half of the surveyed organisations put emphasis on promoting the company as a good employer in public. Most often they use references, the cooperation with schools and the participation at job fairs. Moreover, 45% of the surveyed companies stated that the employer branding contributes to improving the financial aspects of the farm. A total of 42% businesses do not see any benefits in the employer branding and thus in building reputation among employees and the public. Absolute frequencies and the graphical display of the results are shown in Figure 1. Subsequently, the factor analysis was applied, ensuring that none of the benefits depends on the ownership and size of the company. *P*-values vary from 0.135 to 1.000. This situation is caused by the specific sector of agriculture.

The values calculated in the factor analysis indicate to what extent the newly created variable correlated (interacted) with the original variables. In other words, the higher the value of the variance factor found, the

larger the group of responses (variables entering the analysis) the factor collects and represents, based on their common characteristics, similarities and behaviour. It concerns the advantages of the employer branding. Based on the evaluation of the calculated data, a questionnaire survey identified three significant factors (staff stabilization, organisational processes and other benefits) that meet the criteria laid down by the methodology. Table 5 shows the significance of the factors examined based on the percentage of contributions and their total aggregation.

The dispersion of factor 1 can be considered the most significant (25.394). Overall, these three identified variables explain approximately 63% of the behaviour of the sample or the possibilities of the final properties. For the results of the factor analysis see Table 6.

The first factor demonstrates the importance of the human factor in the sector of agriculture and the care for workers in both the labour and social sphere. Such farms emphasize the creation of a suitable environment for their current workers (0.766) and increasing their motivation (0.685) and thus enhancing their performance and loyalty to the company. This group is mostly represented by small family farms which thus create a positive response on the part of the staff as well as towards the future talented employees that the company tries to attract (0.519). This all helps the employer branding and prestige of the company, not only in the eyes of the workers, but also its customers and the general public. The first factor can be called “Staff stabilization”. The coefficients of the found factors range from 0.519 to 0.766. The second factor involves two values related to organisational processes. A high level of the coefficient can be observed here by enhancing the public awareness of the company’s existence (0.771) and in improving its financial position (0.799). The third factor which is

Table 6. Results of the factor analysis

Variable	Factor 1	Factor 2	Factor 3
	Staff stabilization	Organisational processes	Other benefits
Acquiring new talented employees	<b>0.519</b>	0.106	–0.302
Retaining key employees	<b>0.766</b>	–0.121	–0.094
Increasing the motivation of the current employees	<b>0.685</b>	0.233	<b>0.450</b>
Raising the public awareness of the company’s existence	0.088	<b>0.771</b>	–0.001
Improving the financial situation	–0.030	<b>0.799</b>	–0.089
Other (improving income levels etc.)	–0.119	–0.099	<b>0.887</b>
Total % variance	25.394	19.580	17.832

Source: own survey

called “Other factors” cover the aspects defined by the Agricultural Association of the Czech Republic (2014), such as reducing the potential barriers to the entry of young qualified people into the agricultural sector, i.e. improving the income level in the sector, and improving the age structure of farmers, which also results in increasing the motivation of the current employees (0.450). The results reveal that, in terms of the employer branding, the approached farms see advantages mainly in the personal and social sphere, and, consequently, in the improvement of the company’s financial situation.

Agriculture in the Czech Republic is currently viewed as one of the sectors with not only economic, but also environmental and cultural role. Thanks to their natural conditions, many business companies and individual farmers’ farms are appropriately combining the animal and crop production; however, there are also farmers who specialize exclusively in the plant production. Agriculture together with forestry belongs to the primary sectors of the economy. For the Czech Republic, these two areas are specific because they are affected by the same or similar external and internal factors.

Every business in the national economy of the Czech Republic – and farms are no exception – is in the present highly competitive environment (Urbancová and Hlavsa 2014) influenced by those factors and need to react to them as well and as possible in order to remain competitive. However, it should be noted that the business can influence the internal factors only and, what is more, these factors must be addressed systematically. According to Edwards and Edwards (2013) and Love and Sigh (2011), it can be summarized that one possibility is the systematic employer branding due to the negative demographic trend which predicts an increasingly deteriorating situation in the development of the numbers and structure of workers in the individual sectors of the economy, for which the support of individual personal activities, increasing the motivation of the current employees, informing the employees and the general public about the news in the company et cetera might be of help (Chhabra and Sharma 2014).

The employer branding is currently important in agriculture, as the total number of workers in the sector decreased by almost 30% between 2000 and 2013. Significant changes occur also in the age structure of the workers. During the observed period, the number of workers over 50 years of age increased by nearly 50%, while the supply of new labour force

in agriculture has a long-term downward character. The aging of the farming population is a challenge not only for the Czech Republic but also for most European countries.

From the above, it follows that the present age and qualification structure, as well as the income conditions, do not contribute to building a healthy long-term staffing structure that would have a positive impact on the promotion of agricultural holdings in the eyes of the potential employees and hence increase the competitiveness of the company, which is concordance with the results of Mosley (2007). The Common Agricultural Policy Reform for the period from 2014 to 2020 is trying to modify the previous policy with a view to increase the competitiveness of farms. However, this should be really closely observed in both the small-farms by their proprietors who bear all responsibility, and in the medium- and large-sized farms through their management. Among the three main principles of the Common Agricultural Policy, there belong increasing productivity, promoting the working climate and environment and increasing efficiency. The policies for the development of key managerial challenges in agricultural businesses are described as follows:

- (1) The transfer of the EU/state agricultural policy measures towards increasing the productivity and competitiveness of the agricultural sector through:
  - Checking the function of the advisory system and creating a network of farmers, advisors, researchers, food producers and customers to create the knowledge and favourable innovative approaches to secure financing for the projects of rural development, namely the human resources issues (development of the key competencies of employees, retaining employees, acquiring talents and increasing their motivation). It is also important to put emphasis on the development of expertise in agriculture and the creation of accredited programs with regard to the needs of the agricultural practice.
  - Encouragement of joint actions for competition among the farmers to promote the efficient use of resources, product development and marketing – Competitiveness (Consumers became more interested in what they eat but they still find price very important. => Not reducing the quality even at the cost of the price of products, building of a good brand of products, promoting their products, and using the Internet and links to other farms increasingly. The greater the demand for the quality agricultural products, the lower the price, and it



doi: 10.17221/338/2015-AGRICECON

- will be acceptable to farmers (in the quantity sold) as well as for the end customer).
- Providing incentives for the use of risk management instruments and active prevention strategies – Risk management (Identifying risks in each company and realizing the degree of risk in the given company and, accordingly, applying a reactive or proactive approach. Establish a systematic approach to eliminate the risks (e.g. the acquisition of ISO standards etc.).
- (2) Improvement of the impact of the agricultural policy on the climate change and the environment:
- Increasing the number of agricultural areas where the agricultural practice is carried out providing benefits to the environment and climate, and encouraging interest in the advanced environmental measures – Partnerships and cooperation (the cooperation of farms that could help to determine their stronger pricing policies, promoting the brand and increasing sales and enhancing the commitment to cooperate with schools and other farm enterprises).
- (3) Improvement of the efficiency and effectiveness of the agricultural policy
- Aligning the support in the form of direct payments to reflect better the income support and performance in relation to the environment, and reducing disparities in direct payments between the individual Member States and farmers. It is all based on the support of the applications for the national and European subsidies.
  - Increasing the sales potential/sales strategy at the level of the enterprise: Setting a specific and simple sales strategy at the level of management. => Without a strategy, even a small family business cannot survive. For a small business that is constantly confronted with the threat of its existence, it is important to realize that the simple promotion (the Internet, a local regional newspaper, the cooperation in regional events etc.) can help.

Taking into account the results of the previous research, we can say that the farms should now primarily focus on two core managerial challenges in their business. Those are as the following:

- Building a good brand of enterprise and employer (through the personal and social development of workers, acquiring talented employees and increasing their motivation = stabilization of the company workers (factor 1).
- Modernizing the equipment and establishing effective organizational processes including raising

the awareness among the general public about the activities of the company (factor 2).

It is important to realize that agriculture is a sector with a growing competition and increasing pressure from the foreign entities which lead to the increasing need of innovation and the overall value growth of enterprises. Therefore, it is necessary even for small farms to address the above mentioned challenges specifically and with an increased care.

## CONCLUSION

The article raises awareness about the benefits of the employer branding in a specific sector – in agriculture. The researched area with its current lack of the skilled labour force and a younger generation of employees is presenting an increasingly important problem. The age structure of workers in agriculture is changing so that the average age of workers in agriculture is increasing. The sector is not as attractive for the younger generation of employees at present (Vnoučková 2013), which is partly due to the low income level and a low attractiveness of the industry, both encouraging the fluctuation of young workers and partly due to the hitherto passive approach to the employer branding.

The article identified three complex factors that categorize the farms in terms of the benefits that the farms see in the employer branding. The first group of farms, mostly small businesses (with a family tradition), sees the benefits in creating the right environment for the current workers (0.766) and increasing their motivation (0.685) and thus enhancing their performance and loyalty to the company. The second group includes the companies that focus on improving the public awareness of the existence of the company (0.771) and the improvement of financial position (0.799). The third factor involves eliminating barriers for the entry of young and qualified people who would work on the farms and increasing the motivation of the current workers (0.450). Based on the results, we can be summarize that the employer branding can now be primarily supported by the effective implementation of the human resources activities, upgrading the equipment and setting effective organizational processes including raising awareness among the general public about the activities of the company.

The main theoretical contribution of the paper is the description of the current situation and the

identification of the benefits that the building of the employer brand brings into agriculture. The practical contribution consists in presenting the major management challenges arrived at through the factor analysis that the agriculture enterprises, regardless of their size, should follow.

## REFERENCES

- Aaker D.A. (2003): Brand building: budování obchodní značky. Computer Press, Brno.
- Agricultural Association of the Czech Republic (2014): Struktura zaměstnanců zemědělských firem. Available at [http://www.zscr.cz/download/files/NEG-011\\_BI-DI\\_ZEMED\\_Manual-Struktura-zam.pdf](http://www.zscr.cz/download/files/NEG-011_BI-DI_ZEMED_Manual-Struktura-zam.pdf) (accessed May 2015).
- Anderson V. (2009): Research Methods in Human Resource Management. 2<sup>nd</sup> ed. Chartered Institute of Personnel Development, London.
- Bursová I. (2009): Má smysl v této době budovat zaměstnavatelskou značku? A jak na to? Available at <http://www.hrmanager.cz/files/hrforum0309.pdf> (accessed May 2015).
- Czech Statistical Office (2015): Available at [http://www.czso.cz/csu/czso/zemedelstvi\\_zem](http://www.czso.cz/csu/czso/zemedelstvi_zem) (accessed May 2015).
- Edwards M.R., Edwards T. (2013): Employee responses to changing aspects of the employer brand following a multinational acquisition: a longitudinal study. *Human Resource Management*, 52: 27–54.
- Elving W.J.L., Westhoff J.J.C., Meeusen K., Schoonderbeek J.W. (2013): The war for talent the relevance of employer branding in job advertisements for becoming an employer of choice. *Journal of Brand Management*, 20: 355–373.
- Fanta A., Šišák L. (2014): Analýza vývoje struktury zaměstnanosti v lesnictví od poloviny minulého století až po současnost. *Zprávy lesnického výzkumu*, 59: 160–166.
- Green report (2015): Zpráva o stavu zemědělství ČR za rok 2015. ÚZEI, Praha. Available at [http://eagri.cz/public/web/file/481729/ZZ15\\_V4.pdf](http://eagri.cz/public/web/file/481729/ZZ15_V4.pdf) (accessed December 2016).
- Helm S. (2011): Employees' awareness of their impact on corporate reputation. *Journal of Business Research*, 64: 657–663.
- Hitka M., Potkány M., Sirotiaková M. (2009): Proposal of assessment of wood processing company employees. *Drewno wood*, 182: 91–102.
- Hučková K. (2012): Jak vybudovat autentickou značku zaměstnavatele? Available at <http://www.personalni-marketing.cz/detail-clanku/jak-vybudovat-autentickou-znacku-zamestnavatele> (accessed May 2015).
- Hultkrantz L. (1991): Effects on employment and seasonal unemployment of subsidies to forestry in northern Sweden. *Scandinavian Journal of Forest Research*, 6: 243–251.
- Hlavsa T., Urbancová H., Richter P. (2015): Ways of human resource branding in Czech agricultural companies. *Scientia Agriculturae Bohemica*, 3: 112–120.
- Chhabra N.L., Sharma S. (2014): Employer branding: Strategy for improving employer attractiveness. *International Journal of Organizational Analysis*, 22: 48–60.
- Keller K.L. (2007): Strategické řízení značky. Grada, Prague.
- Kotler P., Keller K.L. (2007): Marketing management. Grada, Prague.
- Love L.F., Singh P. (2011): Workplace branding: leveraging human resources management practices for competitive advantage through “best employer” surveys. *Journal of Business and Psychology*, 26: 175–181.
- Médea Research (2014): Průzkum: Nejvěrnější jsou zaměstnanci v zemědělství a veřejné správě. Available at <http://www.zpravy.e15.cz/domaci/udalosti/pruzkum-nejvernejsi-jsou-zamestnanci-v-zemedelstvi-a-verejne-sprave-1062305> (accessed May 2015).
- Mosley R.W. (2007): Customer experience, organisational culture and the employer brand. *Journal of Brand Management*, 15: 123–132.
- Portál e-sondy (2014): Nejvěrnější zaměstnanci jsou v zemědělství a ve státní správě. The portal funded by the ESF through Operational Programme Human Resources and Employment and the state budget of the CZ. Available at <http://www.e-sondy.cz/aktualne/3775-3/nejvernejsi-zamestnanci-jsou-v-zemedelstvi-a-ve-statni-sprave> (accessed May 2015).
- Pecáková I. (2011): Statistika v terénních průzkumech. 2<sup>nd</sup> ed. Professional Publishing, Prague.
- Pop A.M. (2008): Budování značky zaměstnavatele: Jak přilákat a udržet si ty pravé zaměstnance. Available at [http://www.wnp.cz/docs/wnp-ref\\_using-employer-branding-to-attract-employees.pdf](http://www.wnp.cz/docs/wnp-ref_using-employer-branding-to-attract-employees.pdf) (accessed May 2015).
- Saini G.K., Rai P., Chaudhary M.K. (2014): What do best employer surveys reveal about employer branding and intention to apply? 21: 95–111.
- Sokol Z. (1994): Příjmová disparita zemědělství. VÚZE, Prague.
- Sullivan J., Gilless J.K. (1989): Cumulative employment effects on northern California's wood products industries from national forest timber harvest. *Forest Science*, 35: 856–862.
- Svatoš M. (2005): Agrární perspektivy a ekonomika. Available at [www.agris.cz/Content/files/main\\_files/64/141832/svatos.pdf](http://www.agris.cz/Content/files/main_files/64/141832/svatos.pdf) (accessed May 2015).

doi: 10.17221/338/2015-AGRICECON

- Svatoš M. et al. (2007): *Ekonomika agrárního sektoru (vybraná témata)*. FEM, CULS Prague.
- Štorová I., Fukan J. (2012): *Zaměstnanec a věk. Aneb Age Management na pracovišti*. ASO ČR, Prague.
- Urbancová H., Čermáková H. (2015): *The Cost of Age Management in Agriculture Companies*. *Agricultural Economics – Czech*, 61: 14–22.
- Urbancová H., Hlavsa T. (2014): *Age management principles in Czech agrarian sector*. *AGRIS on-line Papers in Economics and Informatics*, 6: 93–102.
- Van Mossevelde Ch. (2014): *What is Employer Branding?* Available at <http://universumglobal.com/2014/03/what-is-employer-branding/> (accessed May 2015).
- Vnoučková L. (2013): *Turnover and retention of employees*. Adart, Prague.
- Wilden R., Gudergan S., Lings I. (2010): *Employer branding: Strategic implications for staff recruitment*. *Journal of Marketing Management*, 26: 56–73.
- Webster H.H. (1977): *Public forestry, employment, and education: appropriate directions in a difficult era*. *Journal of Forestry*, 75: 125–127.

Received November 23, 2015

Accepted March 23, 2016

Published online February 21, 2017