

COMPENSATION AS A TOOL FOR ATTRACTING EMPLOYEES TO THE MILITARY ORGANIZATION

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ABSTRACT: *Attracting employees represents an ever increasing challenge for numerous organizations in various industries. Therefore, they undertake a series of activities on the one hand, remain competitive on the market, and on the other hand be successful in getting those employees who bring new values with them. Military as an organization is not exempt from the challenges of attracting people to ranks. The lack of soldiers and officers candidates has become a serious problem in the execution of the missions of military organization. So, the application of various forms of compensation can be seen as a possible way out of that situation. Regarding everything previously mentioned, the paper investigates the impact of elements of compensation on attracting employees to the military organization. The results obtained from the research show that, in addition to traditional direct financial elements such as salaries, some other indirect financial elements such as benefits have an impact on the increased interest in entering a military service. In addition, the results indicate that individual countries have more closely been studying the reasons for a decreased interest joining military forces, while trying to create short-term and long-term strategies to overcome that situation. The paper also considers attracting employees to civil firms.*

KEYWORDS: *human resources, attracting employees, military organization, compensation*

1. INTRODUCTION

Every company aims to attract employees who can contribute to its success. However, in today's business environment, simply posting job ads isn't enough to secure top talent. Instead, companies need to target specific candidates, advertise job openings effectively, and leverage their marketing efforts to highlight the opportunities they offer. One potential strategy is to enhance the compensation package to attract skilled candidates.

While attracting for military organizations wasn't a significant challenge in the past, factors like technological advancements, competition from civilian sectors, and the stress of combat operations have made it increasingly difficult to attract new recruits, especially those with specialized skills. Furthermore, the lack of soldiers and officers candidates has become a serious problem in the execution of the missions of military organization.

To address this, military organizations are exploring ways to offer more appealing benefits and incentives to potential candidates.

Regarding everything previously mentioned, the paper investigates the impact of elements of compensation on attracting employees to the military organization. Accordingly, the research goal is to explore and analyze the impact of compensation on the attraction of employees to a military organization. Based on this aim, a fundamental hypothesis is formulated for this study, and it states: compensation and its aspects have a significant influence on the attraction of employees to a military organization.

To explore the aforementioned hypothesis and fulfill the research goals, various scientific research methods were employed in this study. Initially, the descriptive method was used to describe and explain variables related to the hypotheses. Additionally, the comparative method was applied to compare the subject variables, processes, phenomena, and relationships. Throughout the study, methods such as generalization, specialization, analysis, synthesis, induction, deduction, abstraction, and concretization were also utilized to deepen the understanding of the research subject.

The results obtained from the research show that, in addition to traditional direct financial elements such as salaries, some other indirect financial elements for instance benefits have an impact on the increased interest in entering a military service. In addition, the results indicate that individual countries have more closely been studying the reasons for a decreased interest joining military forces, while trying to create short-term and long-term strategies to overcome that situation. The paper also considers attracting employees to civil firms.

The authors of this article, in considering the impact of compensation aspects on attracting employees to civilian companies and military organizations, relied on research conducted by prominent foreign and domestic experts, as well as specialized organizations such as the Center for a New American Security, the RAND Corporation, WorldatWork, CIPD, and SHRM. Additionally, for the sake of simplicity in access, transparency, and data clarity, materials on the attraction and rewarding of military personnel from the U.S. armed forces were also utilized. In this context, it's important to highlight that more comprehensive research on the relationship between rewards and attracting individuals to join the armed forces has primarily been conducted in the United States. While some information regarding recruitment challenges in military organizations can be found on the defense ministries websites, they have not resulted from systematic research. Rather, they largely consist of interviews with defense ministry officials discussing the challenge of filling armed forces with suitable professions. Additionally, in European countries, such research tends to be partial in scope and often remains classified, thus not readily available to the general public. Therefore, the relevance of this research becomes significant. It can assist the military organization in the Republic of Croatia (hereinafter referred to as RH) in deliberating strategies for attracting and filling the system with individuals possessing critical knowledge, skills, and abilities. This would also benefit soldiers, cadets, and officers across the board.

2. ATTRACTING CANDIDATES TO ORGANIZATIONS

Attracting candidates is an integral part of the employee acquisition process, involving the identification and engagement of individuals needed by an organization (Armstrong, Taylor, 2014:226). The objective of employee attraction is to entice the most desirable candidates and motivate them to apply for positions within a particular employer. Employers also highlight

specific benefits aimed at attracting candidates. Strategies for attracting employees vary but commonly include employer branding, recruitment marketing, organizational culture, compensation, and benefits. These strategies depend on factors such as generational disparities, the prevailing economic climate, and competition in the job market. Implementing these candidate attraction strategies is facilitated through various tools and processes, including financial incentives, employer branding efforts, social media platforms, video content, and more.

Financial aspects of compensation and benefits

In an academic study exploring the influence of financial rewards on perceived job attractiveness, it is asserted that organizations aiming to attract top talent must offer higher salary levels (Schleschter et al., 2014). Additionally, Jobvite, a software and recruitment company investigated the importance of benefits in employee recruitment. Findings reveal that 71.6% of companies provide benefits spanning health insurance, relaxed dress codes, and tuition reimbursement, among others. Notably, employees highly value benefits like flexible work schedules, remote work options, complimentary gym memberships, and free meals provided through catering. Talent scouts also stress that 25% of these benefits hold significant importance in the attraction process, with 33.85% being moderately important (Jobvite, 2020). Furthermore, according to Glassdoor research, a leading global online recruitment platform, job seekers in the U.S. prioritize salary (67%) and benefits (63%) when evaluating job postings (Glassdoor, 2018).

Employer branding

The way a company is perceived is directly linked to the self-esteem of the people working there. According to social identity theory, individuals identify with an organization when they perceive it as highly prestigious with a positive and attractive image. Such organizational identity can then boost employee self-esteem. In order to develop and maintain a sense of self-worth, people seek to join and remain in organizations with high status. This organizational belonging is rewarded and creates a sense of pride (Gond et al., 2017). It is also important to mention that the quality of candidates for vacant positions increases when a company is certified as the "best place to work" or similar.

Social media

Research on the effective utilization of social networks (e.g., Facebook, Instagram, Twitter, and LinkedIn) for recruitment purposes has demonstrated their efficacy in attracting passive talent and reaching a wider pool of candidates. These platforms facilitate a deeper understanding of candidate profiles and the identification of specialized skills. However, they are not suitable for mass recruitment or time-sensitive hiring processes (Amadoru, Gamage, 2016).

With the increasing popularity of social media, it's not surprising that companies using these platforms benefit from their utilization. The following data support this assertion (Chu, 2019):

- 84% of companies use social media for attracting purposes

- 55% of job seekers consider social and professional networks the most valuable resource when job hunting
- 71% of recruitment practitioners stated that its effectiveness is particularly evident in reducing the time required to fill non-managerial positions
- 41% of candidates want to review statements from current and former employees when browsing company pages in search of jobs

Video productions

According to CISCO's projections presented in their annual report (2018-2023), around two-thirds of the global population will have internet access by 2023 (Cisco, 2020). This indicates that there will be 5.3 billion internet users compared to 3.9 billion in 2018. In contrast, companies will have access to 26% of fixed and mobile devices, as opposed to the 74% projected for personal use. Furthermore, by early 2023, approximately 3.1 billion individuals will have consumed internet video content. These statistics highlight the potential significance of extensively using video content in shaping various strategies such as marketing and attracting candidates to organizations (Ruby, 2023). The International Telecommunication Union (ITU) also confirms these statistical trends in its annual connectivity report, noting that approximately 66% of the world's population uses the internet, with almost all of those not connected residing in the poorest countries (HINA, 2022).

2.1. Trends facing organizations in employee attraction

When considering modern organizations, it's crucial to examine the main trends they face in attracting employees. In this regard, to achieve competitiveness in attracting quality candidates and shaping appropriate strategies, such trends must be analyzed. For the purposes of this study, significant trends in employee attraction will be considered, such as offering comprehensive benefits, neutralizing barriers that arise during the recruitment process, opportunities for growth and development, challenging roles and teamwork, a positive work environment, quality leadership, shaping organizational culture where every employee feels equally valued, focus on diversity, equity, and inclusion, and achieving a balance between work and personal life (Forbes, 2023).

Offering comprehensive benefits in the form of employee perks, flexible working hours, fostering an attractive organizational culture, investing in training, implementing recreational programs, and adopting innovative operational models are key advantages for attracting quality candidates. Research conducted by the Cengage Group aimed at determining the major trends in the current workforce market in the United States revealed that investing in training is a priority for today's employees. Employees want to work for employers who are genuinely interested in investing in their careers, which in turn helps companies attract quality personnel (Cengage Group, 2023).

Neutralizing recruitment obstacles and aiding teams in attracting high-quality employees necessitates a comprehensive, data-driven approach to candidates, along with integrated solutions and services that can enhance every stage of the process. By combining advanced techniques with the expertise of recruitment professionals, organizations can not only identify top candidates but also strive to generate a return on investment through collaborative efforts.

Furthermore, attracting and retaining top talent by promoting growth and development opportunities within the company, coupled with investments in training, mentorship programs, and clear career advancement pathways, underscores a commitment to employee growth that can greatly appeal to potential candidates.

It's interesting how offering opportunities for teamwork and challenging roles ranks highly in employees' considerations during the recruitment process for an organization. What job candidates expect isn't solely about money. Candidates are attracted to a well-developed work environment and a positive organizational climate, indicating that the organization strives to invest in employee development while simultaneously enabling them to enjoy activities outside their professions. Talented employees may not always accept a typical 9-5 office job. Therefore, flexibility and the option to work from home represent potential choices for this group of employees.

The presence of quality leadership often impacts the attraction of candidates to an organization. Effective leadership tends to draw in high-quality candidates, whereas ineffective management can lead to higher turnover rates, hindering organizational growth. Cultivating a work environment that fosters the contribution of every employee is a key aspect of organizational culture. In contemporary organizations, there is often a focus on creating conditions where each employee feels empowered to express their opinions and ideas freely.

Candidates possessing sought-after knowledge, skills, and abilities will find greater satisfaction and fulfillment in organizations that prioritize diversity, equality, and inclusion. Meeting the demands of candidate attraction now requires organizations to strike a work-life balance. Consequently, offering remote work options, flexible schedules, and well-being benefits will attract top-tier candidates in today's competitive job market.

3. THE EVOLVING ROLE OF MILITARY ORGANIZATION AND ATTRACTING EMPLOYEES

The function of military organization has undergone significant shifts in recent years. Today's security landscape, beyond active armed conflicts, encompasses ethnic tensions within nations, terrorism, cyber warfare, and hybrid threats. Additionally, military missions now extend to peacekeeping, peace support, humanitarian aid, and civilian recovery post-disasters. Moreover, an increasing number of nations are transitioning their armed forces to operate on a professional basis. Consequently, this evolving model necessitates new recruits, prompting the inquiry into what drives individuals to volunteer for military service. Research on this subject suggests the emergence of two distinct dimensions that encompass the following (Wrzesniewski et al., 2014):

- intrinsic versus extrinsic motivation
- social versus personal motives

Irrespective of the outcome, some individuals are drawn to military service due to the concept of serving others. This can involve a genuine interest in military way of life, the acquisition of knowledge and skills related to advanced technology, or a strong attraction to the adventurous aspects of military existence. Moreover, certain authors highlight how many foreign fighters

are attracted to conflict zones like Ukraine not only for financial gain but also for the thrill of adventure. Additionally, some people enlist in the military for personal satisfaction and psychological reasons. Conversely, there are those at the opposite end of the spectrum who are solely driven by extrinsic motives, such as material rewards or recognition.

Some recruits in military organizations express a personal desire to serve others. These individuals are typically motivated by altruistic reasons such as defending their own country and providing support to their families. On the other hand, personal motives encompass advancement, training, and career development opportunities.

So, the question arises: how can understanding the dimensions mentioned above help a military organization in attracting high-quality employees? Psychological research findings suggest that individuals with intrinsic motivation tend to perform military service more effectively. They are driven by discipline, the acquisition of technical skills, and professionalism, indicating that they are likely to carry out their duties in line with societal expectations. However, the results also indicate that such motivation can wane when excessive rewards are offered. Moreover, socially-oriented individuals are better suited for humanitarian missions or engaging with civilian populations affected by conflict. Taking all of this into consideration, it can be inferred that armed forces can greatly benefit from attracting and recruiting volunteers with the right balance of motivational orientations, including intrinsic and social motivators.

3.1. Challenges of attracting employees to a military organization

Research indicates that economic growth, measured by a decrease in the unemployment rate, does not favor the attraction of high-quality candidates to military organization (Knapp et al., 2018). In this regard, favorable employment opportunities in civilian organizations also have a negative impact on the availability of high-quality candidates.

Military organization encounters a twofold challenge when it comes to attracting new personnel. Firstly, there's the issue of candidates' mental and physical health being affected by the ongoing coronavirus pandemic. Secondly, there's the competition with private companies for top talent in the job market. The competitiveness of compensation packages, including various benefits, offered by private organizations also affects the declining interest of younger individuals in military service. Essentially, the armed forces find themselves compete with private employers for the most qualified candidates. Consequently, shaping appropriate reward programs for civilian organizations becomes challenging in meeting recruitment needs.

Negative demographic trends within the EU are resulting in limited opportunities to attract new recruits to the military, particularly among the younger demographic. As shown in Figure 1, the population trend in the EU is projected to fluctuate until 2070 (Eurostat, 2023). This suggests a diminishing pool of potential candidates for military service. Consequently, it's worth noting that competition for skilled personnel will intensify, with private companies and other organizations also vying for talent. Such competition may ultimately impact the ability of the armed forces to fulfill their missions and maintain combat readiness.

	2022.	2023.	2030.	2040.	2050.	2060.	2070.
EU	446.735.291	451.385.792	452.700.101	451.592.188	447.877.407	440.054.110	432.202.794
Croatia	3.862.305	3.854.381	3.693.206	3.495.577	3.310.003	3.148.039	3.017.290
Italy	59.030.133	59.058.615	58.773.783	58.519.597	57.518.500	55.368.858	53.332.659
Hungary	9.689.010	9.689.361	9.526.758	9.340.235	9.230.736	9.147.771	9.026.308
Austria	8.978.929	9.073.118	9.214.690	9.413.009	9.527.146	9.540.690	9.543.884
Slovenia	2.107.180	2.116.709	2.118.806	2.109.858	2.094.023	2.049.857	2.002.145

Figure 1. Trend of population growth or decline in the EU area until 2070

Source: authors according to Eurostat (2023), available at:

<https://ec.europa.eu/eurostat/cache/countryfacts/>, access November 21 2023

The labor market shows that some areas where military personnel are trained are exceptionally appealing, making it challenging to retain and attract them. In response, the Portuguese Ministry of Defense is implementing a comprehensive set of measures. These include extending service periods, aligning military skills with the national qualification framework, and offering higher salaries (Lavan, 2023).

The COVID-19 pandemic, combined with issues stemming from a series of high-level cases of sexual misconduct, are cited by some Canadian sources as the primary causes of the current personnel shortage in their armed forces. However, this is just a continuation of the crisis faced by the military organization in Canada regarding the attraction of new personnel and the retention of already trained military members (Taylor, 2022).

Changes in the labor market that military organization need to take into account, given the insufficient intake of new recruits, pertain to the proportion of young people in employment or actively seeking jobs. These changes, observed since 2000, signal declining rates of youth participation in the workforce. Additionally, these shifts involve reduced demand for workers in specific job sectors (such as manufacturing), advancements in technology (with robots replacing machines), a growing number of young individuals with decreased work capacity, and an increase in crime rates among the demographic under scrutiny (Aquiar et al., 2021).

Certain defense ministries are noting a relatively elevated rate of new recruits dropping out. For instance, the German Armed Forces (Bundeswehr) are observing this trend, with a notable deceleration in the expression of interest from potential recruits. Notably, there can be a delay of up to a year between expressing interest in enlistment and receiving a response from the Bundeswehr Career Center (Deutsche Welle, 2023). Moreover, during the recruitment process, the younger demographic seeks details about the balance between personal and professional life.

It's interesting to note the trend of decreasing trust among citizens in institutions in general, including the military organization. From a military perspective, such a trend is part of current concerns regarding the divide between the military and civilian populations in terms of culture, experience, and values. Patterns of this decline in trust are associated with risks related to military service, notably frequent changes in duty stations, deployment to operations outside the home country, and post-traumatic stress disorder (Jones, 2022). In [Proceedings of the 17th International Scientific and Professional Conference "Crisis Management Days"](#)

addition to these reasons, problems in combating sexual harassment and assault are also highlighted, which likely contributed to a lesser attraction of women to the military.

Despite significant efforts by the military organization to promote military service, it has become evident that there is a need for better understanding and utilization of marketing in digital media. This includes improving the optimization of marketing strategies to effectively utilize social media platforms such as Instagram, YouTube, and others, as well as video games and various digital platforms where young individuals spend their time.

The declining presence of military veterans in society is influencing the establishment of a distinct and challenging environment to attract new recruits. Simultaneously, messages from certain non-military organizations are reaching individuals, often unjustly and sometimes with bias, emphasizing the risks associated with military service.

Younger generations, particularly Generation Z (born between 1995 - 2012), exhibit little interest in military service largely due to misconceptions about its nature. A growing concern is the number of young people who fear that military service will negatively impact them, leading to psychological issues or difficulties readjusting to civilian life (Tiron, 2022).

The effectiveness of current recruitment standards is also a matter that warrants careful consideration. Consequently, some military organizations have commenced a review process to analyze these standards and ensure they do not hinder candidates who are otherwise capable of serving successfully in the armed forces. For instance, the US Department of Defense is presently implementing a pilot program to enable individuals with specific health issues to enlist in the military (Thayer, 2023).

The weakening interest in attracting, recruiting, and enlisting in military organization is increasingly being studied through various research initiatives and information provided by official representatives of numerous countries' defense ministries. Moreover, relevant government bodies are formally briefed on conducted studies aimed at understanding the underlying reasons for this trend (Asch, 2023). For example, in a report addressing the recruitment crisis in the U.S. Armed Forces, a range of factors potentially impacting recruitment is presented to members of the congressional committee. These factors include changes in the civilian economy, inadequate recruitment resources, military compensation, the size of the eligible population for recruitment, and shifts in applicant attitudes.

Additionally, there are other factors to consider, such as effective military advertising, an expansion of recruitment specialist roles, and incentives aimed at boosting their effectiveness. Among the primary factors mentioned is a decline in the number of young people meeting the required standards and their reduced inclination to enlist (U.S. Department of Defense, 2023). Understanding these factors has shed light on why recruiting for the military organization is notably costly.

4. EMPLOYEE REWARDS

Research into employee performance frequently underscores the importance of rewards in achieving ultimate results. This includes recognizing rewards as indirect financial incentives, like various benefits that contribute to a sense of belonging within the organization (Klindžić, Galetić, 2020).

Additionally, other studies emphasize the significance of direct financial aspects of rewards, such as base salary, variable incentives, bonuses, allowances, and salary supplements. The financial components of employee rewards are illustrated in Figure 2.

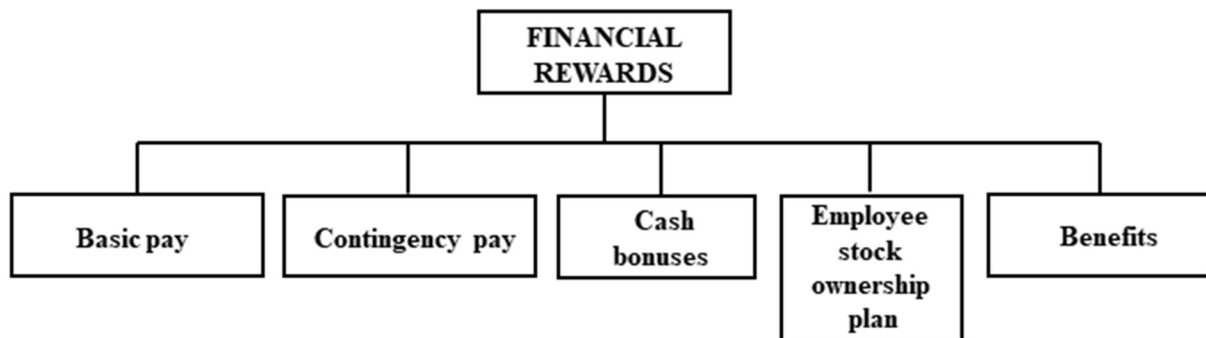


Figure 2. Financial components of employee rewards

Source: authors according to Klindžić, M., Galetić, L. (2020). Combining Individual and Collective Employee Incentives to Enhance Organizational Performance, *Journal for General Social Issues*, pp. 71-90

Moreover, the results of some studies indicate that by providing non-financial rewards, employees' needs for various forms of recognition within the organization are satisfied. These include factors such as responsibility, autonomy, meaningful work, personal development, opportunities for skill utilization and development, career opportunities, quality of working life and work-life balance (Galetić, 2020). Non-financial aspects of rewards are depicted in Figure 3.



Figure 3. Non-financial aspects of employee rewards

Source: authors according to Galetić, L. (2020). Reward strategy and practice as a tool to retain employees: case of Croatia, *Strategic Management*, Vol. 20, No3, pp. 003-013

Aligned with the previously mentioned, a broader classification of reward schemes facilitates the distinction between financial or extrinsic rewards provided by employers and non-financial or intrinsic rewards. Consequently, companies utilize both financial and non-financial incentives to attract, retain, and motivate employees. Therefore, candidates belonging to younger age groups specifically seek compensation elements that best suit their needs. In considering the attraction of Generation Y members (individuals born between 1980 and 1995) to organizations, the following factors are highlighted (Stroud, 2020):

- higher salary
- growth and development opportunities
- mentorship

- work-life balance
- modern technology

When considering employee rewards in modern organizations, it's evident that there's a shift from strictly standardized to highly personalized approaches. Leading companies adopting this approach tailor reward programs to match individual preferences and the overall contributions of employees to the team and organization. Moreover, these companies recognize that effective reward systems necessitate a personal connection with each employee, turning personalized rewards into a competitive advantage (Čurčija, 2022).

4.1. Rewarding employees within military organization

The implementation of a reward system aims to influence the attainment of employee attraction objectives within the military organization. Furthermore, by designing a compensation system for military personnel, several additional human resource management goals can be achieved, including (Asch, 2019):

- offering suitable incentives to military personnel for their diligent and dedicated work
- effectively assessing personnel, particularly those with exceptional performance
- encouraging longer-term commitment to service and compensating for investments made during extensive training, education, and overall military service

Furthermore, military compensation reflect the respect and appreciation that states express towards military service, particularly during times of war operations, when members of the armed forces and their families endure the greatest hardships (Carter, Kidder, 2015).

Although it might have been expected that the official websites of defense ministries in both NATO member states and other countries would be rich in information about reward systems tailored to attract and retain personnel, this is not the case. For instance, a review of the United Kingdom Ministry of Defence website reveals a scheme for rewarding injured, sick, and wounded military personnel (Ministry of Defence UK, 2020). However, a comprehensive overview of regular military compensations cannot be found in one place. Similarly, while the German Bundeswehr website offers information on basic pay for soldiers, finding details for other military personnel requires significantly more research effort (Bundeswehr, 2023). Moreover, the website of the Italian Ministry of Defence focuses more on joint preparations of the armed forces for future challenges. Consequently, obtaining data on the compensation system for members of the Italian military demands much more time and effort (Ministero della Difesa, 2023).

Reviewing the content of the Croatian Ministry of Defence website regarding military study programs, it can be noticed that the promotional brochure aimed at attracting candidates for military study programs does not include information about the cadets' reward system. The corresponding compensation in line with the rank and duties of future officers and referrals to the website also do not constitute part of the narrative aimed at sparking interest among the younger population in military service (MORH, 2023).

An exception is the US Department of Defense, which, through specialized web portals such as Military.com and others, very thoroughly, accurately, and transparently presents the system of rewarding military personnel.

Most military employee reward systems encompass elements of financial, non-financial, and deferred compensations. The average representation of elements of the military employee reward system is depicted in Figure 4.

The average representation of elements of the military reward system

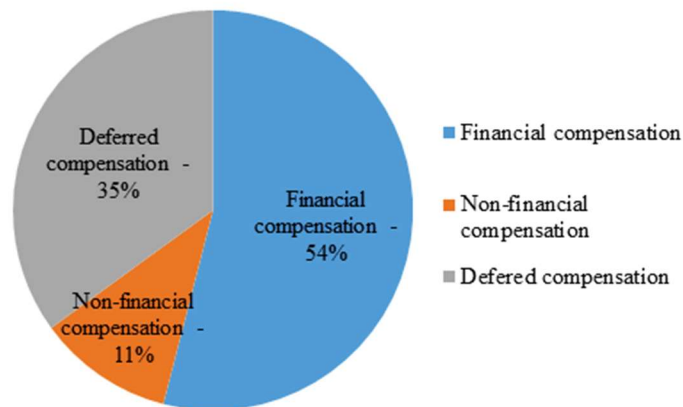


Figure 4. The average representation of elements of the military employee reward system
Source: authors according to Congressional Budget Office (2020). Approaches to Changing Military Compensation, available at: <https://www.cbo.gov/system/files/2020-01/55648-CBO-military-compensation.pdf> access November 21 2023

The core elements of the financial rewards package include the basic pay, housing allowances, and food allowances for military personnel. Alongside tax benefits, these constitute the regular military compensation (RMC). RMC are commonly used for benchmarking against the financial incentives of civilian organizations. Additionally, financial compensation encompasses other forms of allowances, salary supplements, and bonuses. The components of military personnel rewards are outlined in Table 1.

Table 1. Components of military personnel rewards

Components of military personnel rewards	Basic elements	Remarks
Financial	<ul style="list-style-type: none"> - basic pay - food allowances - housing allowances - tax benefits 	Regular military compensation (RMC) - comparison with financial rewards in civilian organizations
Non-financial	<ul style="list-style-type: none"> - healthcare - separation allowances for involuntary discharge from service - educational benefits 	
Deferred	<ul style="list-style-type: none"> - savings plan - pensions for retired military personnel - healthcare for military retirees - veterans' health benefits - other deferred benefits 	

Source: authors according to Kaap, L., Torreón, B., S. (2020). Military Pay: Key Questions and Answers, Congressional Research Service, pp. 1-24

In general, the basic non-financial rewards for military personnel typically encompass healthcare, separation allowances for involuntary discharge from service, and educational benefits (Kaap, Torreón, 2020). Additionally, deferred compensation for military personnel mainly consist of savings plans, pensions for retired military personnel, healthcare for military retirees, veterans' health benefits, and other deferred benefits (U.S. Department of Defense, 2023). It's important to note that military compensation vary depending on rank, years of service, geographic location of service, and the status of dependent family members (Kaap, Torreón, 2020).

4.1.1. Potential compensation and alternative strategies to attract employees to a military organization

The results of certain studies have shown that offering enlistment bonuses to a larger number of candidates, as well as increasing the amount of the bonus, influences an increase in the number of interested individuals. This aspect of financial rewards has a particularly significant effect when targeting candidates with critical skills (Knapp et al., 2018). One advantage of enlistment bonuses is their quick implementation in cases where there is a shortage of interested candidates for military service. There are also considerations about increasing military salaries as a means of attracting candidates. Therefore, some authors emphasize that offering high-quality recruits would increase with an increase in military pay (Asch, 2019).

Authors of one of the advanced approaches to optimizing recruitment opportunities in a military organization suggest using a package consisting of elements such as bonuses, non-monetary incentives, and smaller additional bonuses (Hosek, Orvis, 2023). In this regard, potential recruits can choose the package that best suits them based on the type of job, [Proceedings of the 17th International Scientific and Professional Conference "Crisis Management Days"](#)

contract length, personal preferences, and recruitment environment. This gives recruits greater flexibility in choosing recruitment options, potentially increasing satisfaction and recruitment rates. At the same time, groups of recruits would possess the characteristics desired by the military organization, while the organization would benefit from cost savings resulting from reduced bonus expenses. Furthermore, by surveying a population of respondents aged 18 to 27, the authors observed that non-monetary incentives were equally attractive as bonuses ranging from \$10,000 to \$15,000 USD. Accordingly, options involving non-monetary incentives and additional bonuses were chosen more frequently than larger standalone bonus options. Respondents who chose these options rated their likelihood of joining the military in the next few years as equally high or higher than those who chose standalone bonuses (Hosek, Orvis, 2023).

Attracting candidates with undergraduate degrees in computer and electrical engineering, operational research and airport operations management, as well as nursing professionals and experienced talents, has shown that they require more than just compensation. This encompasses a focus on mission, values, professional development, and innovation as factors influencing the attraction of the aforementioned candidates to a military organization (Keller et al., 2023).

Analyzing various roles within a military organization can help determine whether they are adequately covered by the existing pay structure. This process also identifies opportunities to enhance or adopt alternative pay structures, which can offer more competitive compensation through established pay grades (Keller et al., 2023).

Education benefits could also play a significant role in attracting recruits. This includes various education and training programs where the employer covers the costs. These programs not only support active-duty military personnel but also extend to their family members. Additionally, besides tuition fees, other expenses like transportation, accommodation, book purchases, and mentorship assistance are also covered.

Providing other benefit options could enhance the appeal of military service significantly. This includes implementing employment programs for spouses and allowing military personnel to have longer assignments in the same location (Kurilla, 2023).

Healthcare coverage programs are also crucial for attracting employees to a military organization. Utilizing these programs means no access fees or cost-sharing for active-duty personnel (ADP) and their families. Additionally, a contribution-based savings plan, where the retirement funds available to military employees depend on both their and their employer's contributions, is another valuable benefit. The investment "mix" plays a critical role in determining the funds in the savings account. This plan can be viewed as part of a broader retirement financial strategy or as a supplement to military personnel pensions.

Another aspect of compensation that could be employed to attract prospective employees to a military organization is student loan repayment options. This option is highly favored among today's younger demographic. Leveraging this form of reward could serve as a strategic approach to accessing the university market, potentially saving substantial recruitment resources, particularly if implemented judiciously as part of the overall compensation package.

5. DISCUSSION AND CONCLUSION

5.1. Discussion

After conducting theoretical research and analyzing the obtained results, a compensation model was developed to attract employees to a military organization. This model includes elements of financial, non-financial, and deferred compensation that the military organization should consider as a possible solution to the issue of insufficient recruitment of new employees. Additionally, such a model would also assist in designing short-term and long-term approaches to overcoming negative trends in recruiting candidates for military service. The compensation model for attracting employees to military service is shown in Figure 5.

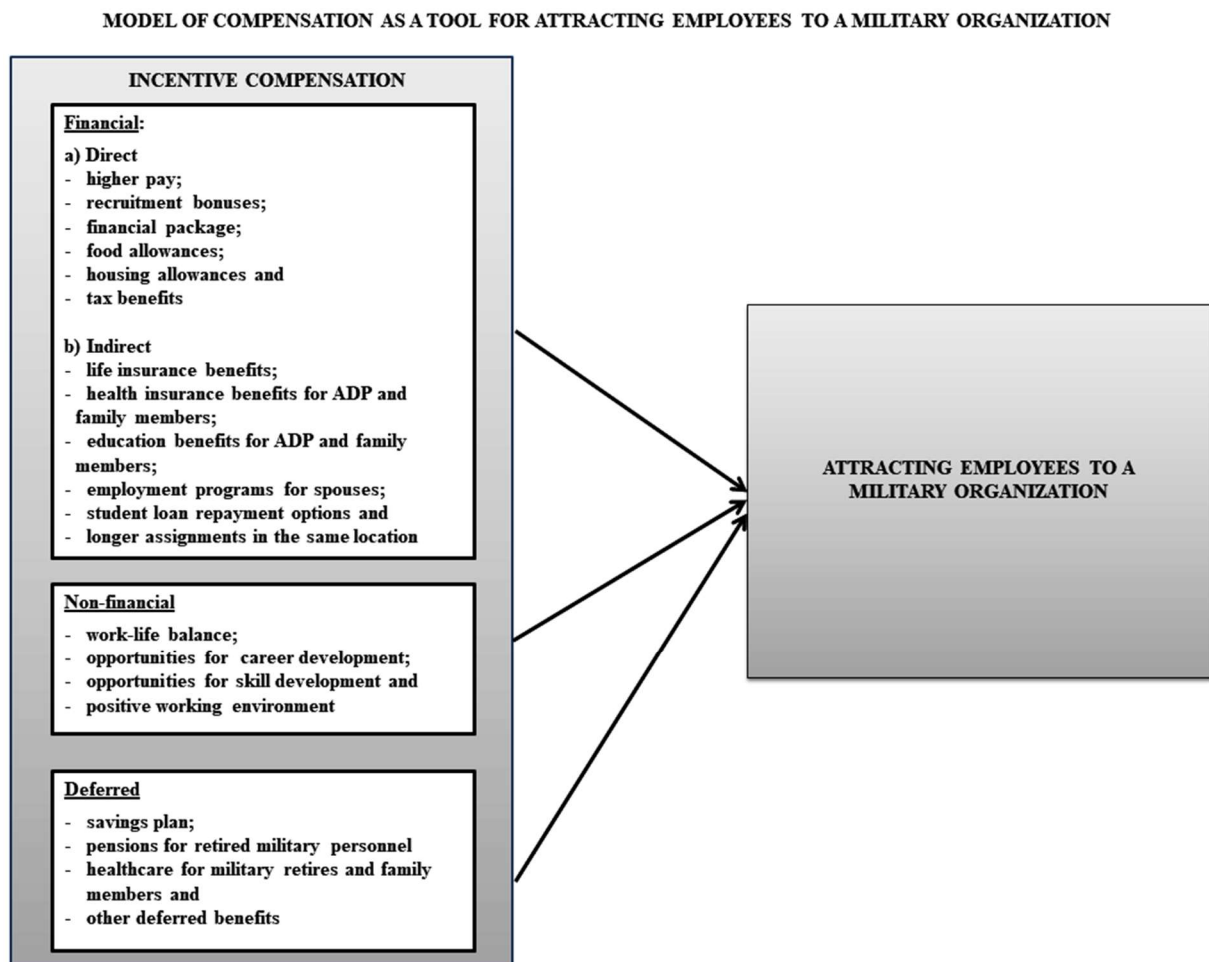


Figure 5. Model of compensation as a tool for attracting employees to a military organization
Source: authors

The designed compensation model is based on leveraging the incentivizing effects of various reward elements to attract more candidates with the required knowledge, skills, and abilities. A key aspect of this approach is integrating all forms of compensation into a cohesive system. Modern trends in compensation system design show a growing use of non-financial aspects

and diverse benefit options alongside financial rewards. This approach naturally leads to a total rewards model.

Implementing this total rewards model to attract the needed number of employees is increasingly being adopted by civilian firms facing challenges with personnel shortages.

5.2. Conclusion

Most military organizations today are experiencing a trend of insufficient staffing in various specialties. This undermines their operational capability. Indeed, the question arises of how to approach the execution of both typical military missions and non-military tasks faced by the military organization under such circumstances. In this context, it is also necessary to consider whether a certain organization is too small to carry out all missions in a highly complex and challenging security and operational environment, as well as future military operations, and how to attract new recruits.

Research indicates that the development of the civilian economy, measured in part by the reduction in the unemployment rate, somewhat hampers the efforts of military organizations to attract and recruit high-quality candidates. However, what military organizations need to seriously consider is evident in the changes in the labor market, especially among younger populations.

It is interesting to note the trend of declining trust in institutions in general, including military organizations (with the positive example being Croatia, where there is still a longstanding high trend of citizen trust), contributing to a negative trend in interest in joining the armed forces. Alongside negative demographic indicators, military service is becoming increasingly less attractive, as indicated by reports from military human resources experts from many countries (especially in the EU) about the insufficient number of new recruits.

One of the questions that require further consideration is undoubtedly how changes in the labor market affect the attraction of employees to a military organization and, consequently, the establishment of an appropriate compensation system. It is important to carefully consider the reward elements that garner the most attention from younger age groups during the recruitment process for civilian companies. This can assist the military organization in shaping such a compensation system whose elements aim to attract new employees and ultimately achieve competitiveness. This primarily relates to opportunities for growth and development, working conditions, and achieving a work-life balance.

In order to attract employees, military organizations must implement both short-term and long-term reward strategies. For short-term approaches, the focus should be on compensation aspects that have proven effective in attracting candidates for military roles, such as recruitment bonuses combined with other compensation elements. On the other hand, long-term compensation strategies, which encompass a combination of indirect financial rewards like education benefits, healthcare and dental plans, along with deferred compensations such as savings plans and participation in retirement plans, aim not only to attract but also to retain high-quality employees in the military organization. Attractive working and living conditions, along with competitive pay, can be decisive factors in attracting potential candidates to the military organization. Although pay plays a significant role in the decision-making process of applicants considering a military career.

Considering all of the above, the hypothesis is confirmed that compensation and its aspects have a significant impact on attracting employees to a military organization. Although it may sound harsh, recruiting candidates for a job in a military organization is not significantly different from seeking new employees in modern civilian companies. It is essentially a marketing operation. We are faced with the classic supply and demand equation. The key is determining the desired outcome from job candidates and how much someone is willing or able to pay for it. This study opens the door for further research, making it interesting to conduct empirical research on the motivation of candidates to apply to the Croatian Armed Forces.

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