WORKING CONDITIONS IN REGIONS AS IMPORTANT MOTIVATION FACTOR

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Abstract:
The paper focuses on working conditions and working environment, that are the basis for satisfactory performance of employees, and reminds of well-known motivation theories that point out working conditions. Current changes on the labour market are not reflected by companies in terms of improving the working conditions. Low rate of unemployment, generation Y with their specific demand on work-life balance, generation Z just entering the labour market and their specific preferences, people prematurely leaving the labour market, all these are the challenges companies should reflect. So far it seems that only companies in two biggest Czech cities compete for both fresh and experienced workforce, while regional companies stick to traditional ways of employing people.

Introduction

This paper uses statistical evidence that is linked to traditional motivation theories and serves as a reminder of basic aspects of the employment process, particularly the relationship between working conditions, working environment, employee satisfaction, performance, and motivation of employees. Working environment creates working conditions and favourable working conditions serve as basis for satisfactory performance of employees and also to some extent as a motivator. Unfavourable working conditions cause dissatisfaction with the job, which leads to reduced performance, and consequently to turnover of employees. Losing talented, skilled, key employees with some tacit knowledge always means a problem for a company, may also lead to reduced competitiveness on the market and as the worst consequence, if the company is unable to replace the key employees, to close up and dismissal of the rest of staff. On the other hand, if the working conditions are good, the employees can be naturally motivated by the working environment, the performance is stable or even improves, loyalty increases and the employees do not have a reason to leave the company, hence tacit knowledge remains in the company and serves as ground for innovations and changes necessary for competitiveness on the market. This time, when the recession is over, is the right time for companies to improve the working conditions.

1. Current situation on the labour market

We have been witnessing a great change in the Czech economy, and particularly on the labour market, during the last year. The crisis is over, the economy is recovering, industries are producing and exporting more goods, companies are hiring workers, the government is optimistic and promises an unprecedented rise of salaries of employees working in the public
sector (i.e. policemen, firemen, teachers, nurses, doctors, clerks, etc.). Both the private and the public sector are facing a problem of lack of qualified workers, therefore they take measures to increase the supply of labour force on the labour market, e.g. by bringing more foreign workers or by reducing demands on qualification (for example, nurses now have to hold at least bachelor degree, so the proposal of high-school education and a year’s training as sufficient qualification is back in discussion, because the recent demand on university education was extensively criticised as excessive and made nurses scarce, and now pays back with interest. Though this working condition may positively affect the nurses’ perception of job safety, i.e. they should not be dismissed due to low qualification, it would affect other working conditions such as intensive work-load, overtime work etc. only hypothetically and only in the long run. However, in the very long run the perception of job safety disappears because no one can be sure that the next government would not launch the condition of university education again). Though the opposition political parties do not agree with general increase in salaries, they would support increase based on performance. However, this should happen only in the private sector. Firemen definitely must not be rewarded for performance, when the society actually does not want any fires to happen. Teachers also have only a limited influence on intellectual capacities of their students, especially with the experiment of “inclusion” of handicapped children into normal schools that started this year. Thus measures of performance would be only in the hands of the manager, the director of the firemen department, the director of the school etc., and this brings us back to practices of private sector. Moreover, only a universal increase of salary will be distributed equally between regions. The salary in public sector should not be diversified according to regional level of average wages because the performance of public service (including healthcare, education, firemen etc.) should be equal everywhere, though the conditions may vary. However, this also means that public service is less attractive in regions with higher average income and hence less competitive. The distribution of monthly income in regions is illustrated in figure 1. For comparison, figure 2 provides regional overview of unemployment.

**Figure 1:** Median of monthly salary (average, 2015, in CZK)

![Median of monthly salary](source: ČSÚ (2016))
The average rate of unemployment is 5% for the Czech Republic as a whole but regional differences occur, traditionally the employment is the highest in Prague and surroundings and the lowest in Ústecký and Moravskoslezský regions.

Figure 2: Unemployment rate (average, 2015, in %)

Source: ČSÚ (2016)

There are so many books on management, so many scientific articles on management theories, so many texts on human resources management, but finally, common people are not happier. Employees are stressed, not satisfied, even in this time of low unemployment rate worried about their job security, disgusted from the relationships on the workplace, frustrated by the management of the company, and all these inner feelings they take with them into their private life, into their families, into their private relationships. Young self-confident unexperienced managers write manuals on what everything employees should do, without analysing the situation, without asking employees about feasibility, and without asking clients about necessity, but without any doubts. Without sympathy with human. Without considering the real life - and the working life gets longer, but the most productive age does not.

Is there something that can be done to change the situation? Yes. And now, it is the right time for a change. The economy is recovering, there are more diverse groups of people on the labour market than ever before, namely the generation Y or Z respectively and the 55+, and companies as well as the public sector can afford to be more concerned about working conditions, as the key factor of employee satisfaction. Employers tend to think of improvement of working conditions only in times of shortage of labour force on the labour market. The only part of the chain, which can be influenced by a single organization, is the part of working conditions, see figure 3.
Economic goals of companies are usually opposite to social goals that lead to employee satisfaction. However, any cut in investments into employees lead to worse performance of a company in the long run and subsequently to lower profit, which leads to reducing investments into employees etc. Moreover, companies that have not understood the difference here between costs and investments most probably have not understood the difference between human resources and human capital.

Better working conditions can then become also a part of companies’ HR marketing strategy, which helps to attract new people, and frequently it is the working conditions, not the wages itself, what persuades a professional to change his or her job. Better working conditions consequently become a part of organizational culture, which helps to retain the skilled workers and reduce unnecessary turnover of employees.

Both the public and private sector should think about more possibilities of how to bring more labour force onto the labour market, before they take any measures as quick solutions. Yes, inviting cheap labour force from abroad is a politically nice and quick solution, because this can be done only if a position cannot be filled by a Czech citizen. But this also means that no one was interested in the position under the conditions the company set up, and this includes wages. Of course, if there is a great increase in wages in the whole economy, it leads to monetary inflation; however, very low unemployment rate has the same consequences no matter how many foreign workers are in the country. However, it is surprising that the government has not noticed the disproportion between the numbers of people leaving the labour market for retirement and the numbers of young people of generation Z just entering the labour market. The government has apparently resigned to its role in public life. There are more ways how to bring more workforces on the labour market, for example by making work more attractive – or more accessible, in other words. Since the jobs that are currently being offered are in vast majority full-time jobs (in technical or manual professions), it is not even possible even for those who would like to work to accept full-time employment, therefore stay outside. This is especially the case of students from generation Z, or mothers on parental leave, or professionals who have certain limitations due to health reasons, or perhaps also people who run their own small business but would also like to have a stable secured income, etc. There is also a question of retaining the workforce on the labour market. People frequently decide to leave their job and retire prematurely. Figure 4 shows the percentage of early old-age pension recipients in the total number of old-age pension recipients in the regions of the Czech Republic. Since this is a statistics and hence follows only the quantitative share and does not ask for explanations to leave a job prematurely, we can only speculate about the reasons. However, we can dare to speculate that these people struggled with working conditions, too. These numbers
are too high to be formed by health reasons, by perceived sufficient income already accessible, by family reasons. If the people (age 55+) were given better working conditions, including possibility of part-time job (without lower income being negatively reflected in future pension), including more sick days without the necessity to have it confirmed by a doctor, including job content suited to physiological changes of human organism and reflecting the skills and experience acquired during their career (not in terms of being obsolete, but transferring tacit knowledge to successors), it would be interesting to compare the rate of early old-pension recipients to current state. Moreover, it is surprising that more people leave their jobs in Vysočina and Pardubický regions than in Prague or Brno, the big cities, contrary to expectations, that local companies would be more sensitive to human aspect of work. This may be caused by generally more favourable working conditions in regions that both can afford to offer them and that have to compete for staff.

Figure 4: Early old-age pension recipients

2. Work environment and working conditions

Work environment forms work conditions. Basically working conditions are regulated by law in order not to damage health of employees and to suit the performance of work. Organizations can create better conditions than required by law, and they often do so in order to contribute to better safety of employees in terms of protection of health and in order to stimulate productivity of labour. Organizations that create the best work conditions frequently advertise the employee-care as a part of organizational culture. Working conditions are, that is to say, not only physical conditions such as light, space, colours, noise etc.; conditions influence environment in terms of psychological well-being. Though work environment and work conditions are one of the
rudimental determinants of work performance, they are constantly underestimated by many organizations. Work environment, in a nutshell, not only contributes to higher performance of employees, but also influences motivation of employees. Working environment influences a person in his/her work, work process, hence outcomes of work, interest in the outcomes, and frequently influences private life of a person as well. If organizations resign to constantly improve and positively influence the workers, working environment, work roles, relationships in the work groups and perhaps also the needs of workers, then they cannot expect the workers to achieve long-term quality outcomes.

2.1 Basic theories of work motivation

This article aims to stress out the basic, widespread motivational theories that seem to have lost their strength over time. They are a part of every management textbook, but the reality does not reflect their mission, or purpose, respectively. We can only speculate about the reasons why this did happen – is it the insufficient education of managers who leave schools without basic knowledge? Or is it the aversion of companies to spend a penny on employees? Or is it the fault of employees who do not fight for better work conditions and rather favour their sad deal of going to boring work they don’t like, their fate of an overworked human of little meaning with only a small influence to change things?

Elton Mayo was one of the first researchers to investigate the relationship between working environment and effectiveness of labour, or respectively between satisfaction of employees and behaviour of work groups in his later research. E. Mayo and F. S. Roethlisberg and their colleagues during the years 1929 to 1932 at Western Electric Company conducted a research that later came into general awareness as the so called Hawthorne studies. Results of the research caused a revolution in managerial approaches to managing people. In those times, under the influence of Taylorism, a man was considered as an isolated individual who only works for money and his/her performance is dependent on reachable financial remuneration or on sanctions for not meeting the norms. Gradually, the situation became changing and the psychological influences on performance and satisfaction of employees were recognized, as well as interpersonal relations and the influence of work group. A man is now considered as a part of a work group and that they interact; satisfaction of an employee is strongly influenced by membership in a group, performance of an employee is strongly affected by social norms of a group etc. The research also dealt with the issue of authority, managerial style and motivation. The performance of employees and satisfaction with required group work depends not only on the degree of integration of the group members and their ability to cooperate, but also on the management and the managerial style of the group manager.

The Hawthorne experiment followed the supposedly failed previous experiment that aimed to demonstrate the effect of working conditions on productivity of labour, which failed to prove the direct dependence. The first experiment was based on the assumption that efficiency and productivity will rise together with improvement of working conditions, and as a result will also mitigate turnover, which was the one of the main problems that Western Electric Company in Chicago faced at that time, and therefore invited Mayo and his team. However, Mayo was surprised by the results of the experiment and was convinced that there is something strange about the failure. Thus he repeated and modified the experiment in a longitudinal study on experimental and control groups. Every change in working conditions, such as changes in lighting, periods of work breaks, shortening of working hours, stimulation tools, wages and remunerations etc., caused an increase in productivity in both groups – not only in the experimental group, but also in the control group where no changes were made. Better working
conditions and then returning them back to original state did not lead to any significant change either in positive or negative correlation. Increased performance did happen only in correlation to attention – how much attention was devoted to the work group by the researchers, or the awareness of the group that they are being watched and a part of an experiment. In the second phase of the experiment, a work group consisting of six female blue-collar workers was earmarked and they had special working conditions and they were treated as colleagues of the researchers, which gave them a sense of importance and responsibility. Their productivity of labour increased enormously. Mayo therefore proved that workers protest if their working conditions are poor, and also proved the power of group and its influence on both performance and job satisfaction. He showed that productivity of labour is affected more by motivation of a person, by his/her job satisfaction, by satisfaction with the importance of one’s work (how it is recognized by the manager), by belonging to a group, by satisfaction with management (resp. management effectiveness), and by social norms of the group he/she belongs to.

Unfortunately, organizations translated the results into the economic language, so that the working environment does not matter much and working conditions began to be misjudged. The role of material stimuli was underestimated while the role of moral factors was overestimated; there was no evidence that employee satisfaction had a measurable impact on productivity of labour or efficiency; the individuality of a person was underestimated while the impact of group on individual’s behaviour was overestimated.

The results of Hawthorne studies can be summarized into four points:

1. People are basically motivated by their social needs and a person acquires his/her identity through relationships with other people;
2. Based on the industrial revolution and growing rationalization, work has been “freed from sense”, and people offset this by seeking social relations in the company;
3. Group, social norms and pressure from the group are greater motivation factor than inducements and control from manager or management;
4. A person can be influenced by management only to the extent to which the management meets his/her social needs, or how he/she can satisfy the needs. (Koontz, Weihrich, 1993, p. 51; Mullins, 1993, pp. 44-48)

Maslow’s hierarchy of needs is a theory that stresses out working conditions more than any other theory. A person can satisfy his/her needs through work and the needs can be divided into five clusters. Physiological needs as the first and safety needs as the second steps in the hierarchy are, in fact, mainly about working conditions (and as to say, the upper three levels address working environment – the need of belonging to a group, the need of esteem and self-actualization need are dependent on pleasant working environment and other people). As concerns work, physiological needs include work regime, work hours, work breaks and time to rest, ergonomic and physiologic conditions of work etc. Though these are the very basic determinants of performance, they are also very often overlooked and underestimated by the employers. Safety and security need at work means not only safe workplace that does not endanger a person’s life or health, but also safety of job in the psychological meaning, i.e. the fear from being dismissed, from suspension to lower position (and hand in hand lower income), fear from mobbing or bossing etc. can never improve either a person’s performance or motivation. Safety of work environment also means a good orientation of a worker at the workplace, the knowledge of procedures and norms, predictability of the environment, and in particular confidence in oneself, i.e. regular assessment of a person’s work, whether it meets the expectations of managers and accords to norms and standards; furthermore security also lays in communication – how people communicate with one another and how does the
management communicate with subordinates and whether the workers have subjective feeling of being well-informed about the current state and future plans of the company etc. (Armstrong, 2012, pp. 223-224, Mullins, 1993, pp. 451-455).

Recently, companies are facing a great problem concerning self-actualization needs. Traditionally, this need was either disregarded (because people can satisfy this need outside the company better) or treated as excessive luxury as concerns motivation factor. However, in the last decades this need was revived as one of the grounds of burnout syndrome. Finding an optimal balance between the level of actual activity at work and the level of competencies of a person, his/her values and preferences, accordance to social norms, goals, and expectations is actually very hard in reality. If the job is too demanding and the person’s capabilities limited, the person is stressed, refuses to communicate with the group, fears taking responsibility and tasks and decisions, loses interest in work, lives in permanent tension and anxiety, and this mental state can lead to burnout. On the other hand, if the job is not demanding sufficiently and person’s abilities are high, it leads to frustration, reduced performance and consequently to turnover. Nowadays companies have realised that generation Y has, in general, strong self-actualization need, but approached it differently. Companies that are led by usually older conservative managers insist on the idea that members of generation Y will one day get used to traditional conditions and will adjust, lose their talent and face a greater rate of turnover among young employees. Companies that give these people an opportunity with respect to their qualities and freedom, give them the possibility to participate in decision-making, they can in return expect interest in the work they do, higher level of loyalty than can be expected in disinterested staff, willingness to devote more time to work on special occasions, creative ideas, innovations, and commitment to both the work and the company. However, if work conditions change, loyalty and commitment can be lost extremely quickly.

2.2 Generations Y and Z

A strong self-actualization need is shared by both generation Y and generation Z. Members of the so-called Generation Y (also called the Millenials; people born approx. between 1980 – 1995) are said to be educated, ambitious, creative, talented, but also very self-confident, unstable, unwilling to be bound, with high demands and expectations. Generation Z that is now entering the labour market (also called the Net generation; people born approx. between 1995 – 2010) is yet very different from previous generations. Some authors (e.g. Mládková, 2015, p. 621) say that so far we do not know enough about the working habits but we know a lot about the environment the generation Z was growing up in, so we can drive conclusions analogically. Members of generation Z grew up with technologies and internet connection as something usual, therefore their communication is affected by the need to get and provide instant information quickly (they are online 24/7, i.e. 24 hours a day, 7 days a week), communicate through technologies rather than personally with strangers, and they use internet social networks (Facebook) for both private and work communication (thus seeking jobs there as well). Generation Z is, compared to previous generations when they were younger and entering the labour market, in general very self-confident and already well-off. When comparing generations Y and Z, there is a remarkable shift in perception of work-life balance – generation Y generally prefers home-office when working for one employer in a full-time job, generation Z would prefer freelancing or short work hours, but they generally refuse home-office and teleworking, because they need a clear cut between work life and private life, they need to dress up, go to a nice office, be in personal touch with friends, and leave the office and be off; moreover, home-office is a great temptation for scattered attention, consequently reduced performance and stress. Those members of generation Z who already work usually work part-
time, but they also study or run their own businesses (Hejnová, 2015, pp. 200-203, Kubátová, 2015, pp. 491-496). We can hypothesize that the trend of moving to big cities, particularly to the capital, will continue due to higher concentration of companies that are ready to provide opportunities to these specific people of generation Z. Previous generations were more resistant to moving, they preferred either commuting or adjusting to local labour market, but this has been slowly changing. More members of generations Y and Z than previous generations have university education (see figure 5) and their lifestyle matches the job opportunities of big cities. It is not very attractive for especially generation Z to work in a local factory from 6 am to 3 pm with specific task on an assembly line. All companies should think of making changes necessary to suit more diverse workforce, but especially companies in regions should take this as a challenge, otherwise their attractiveness and competitiveness on the labour market would deteriorate compared to more progressive companies. Of course, Prague as the capital will always lure the workforce from regions, but it is only in the hands of local businesses to compete.

**Figure 5: Percentage of university-educated people (in %)**

![Map of university-educated people](source: ČSÚ (2016))

**Discussion and conclusions**

This paper aimed to rethink the importance of working conditions, which has been omitted recently, or on the other hand, some companies have been advertising their offer of perquisites as the main reason to work for them. Working conditions are a part of basic motivation theories that seem to be misunderstood or that have been losing their real message. Employers especially from regions should monitor the changes on the labour market and adapt their work environment to suit the different generations that now form the workforce, though it is extremely hard for a company (as well as for a single researcher) to statistically compare both measurable variables concerning working conditions, such as number of working hours, time or distance for commuting, wages plus financial benefits etc., and hardly measurable variables such as job content, overall atmosphere and communication in the company, opportunities given to talents etc.
References


