

EMPLOYMENT AND OTHER SELECTED PERSONNEL ATTRIBUTES IN METALLURGICAL AND INDUSTRIAL ENTERPRISES OF DIFFERENT SIZE - RESEARCH RESULTS

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The presented paper deals with the issue of employment and other selected personnel attributes as employees' affiliations, employees' benefits, monitoring of employees' satisfaction, monitoring of work productivity, investments into employees education and obstacles in hiring qualified human resources. The characteristics are benchmarked on the background of enterprise size based on the employees count in the year 2013. The relevant data were collected in Czech industrial enterprises, including metallurgical companies, with the help of university questionnaire research in order to induce synergy effect arising from mutual communication of academy-students-industry. The most important results are presented later in the paper, complemented with discussion based on relevant professional literature sources. The findings suggest that bigger companies check productivity and satisfaction and dismiss employees more frequently, unlike medium companies which do not reduce their workforce and solve the impact of crisis by decreased affiliations, reduced benefits and similar savings.

Key words: metallurgy, industry, Czech medium and large enterprises, human resources

INTRODUCTION

Personnel policy is usually revised in the times of crisis and possible savings are thoroughly sought with regard to the fact that work force is generally a significant cost item. The research question of this paper is focused on the reaction and behaviour of Czech industrial enterprises on the decelerated growth in the period of 2009 to 2013 in the terms of personnel policy attributes.

The percentages of growth of gross domestic product in relevant time period can be found in Table 1 [1].

Table 1 **Percentages of growth of gross domestic product of the Czech Republic in relevant time period [1].**

2009	2010	2011	2012	2013
100,0 %	100,8 %	101,7 %	102,3 %	103,3 %

According to the Czech Statistical Office data [1], the direction of linear growth trend in the years of 2009 to 2013 was 6,67 times smaller than in the years of 2002 to 2008.

THEORETICAL BASIS

Regardless of the macroeconomic trends, enterprises have to decide and execute measures which allow

them to grow or at least to survive. These arrangements can be of two polarities: pro-growth or cost-reducing type. The following comments and suggestions concern the post crisis situations in Romanian, Polish and Greek metallurgical companies and they are in some points similar to Czech reality.

Achim et al. characterize the threats that are generally affecting the entire Romanian metallurgical sector, namely: national and international competition; the pressure of the Chinese economic model that fails to provide the lowest prices; unstable political and fiscal environment; economic and financial crisis that threatens the entire economy and has affected the European steel demand by a decrease of 30 percent, compared to the pre-crisis period; the increase in electricity price is affecting all high energy-intensive industries including metallurgy [2].

According to Morariu and Bostan, the major difficulties faced by the Romanian steel industry are mainly related to “productivity” and arise from the fact that the number of employees in this sector exceeds the optimal estimate. A notable fact is that in most western companies all repair and maintenance services, including commercial processes, are external and the steelworks is just an operating unit, while Romanian steelworks include repair and maintenance, as well as sales and purchase departments that should be the concern and activity of other companies [3].

Velciu comments regarding Romanian metallurgy that in this changing environment, enterprises must respond quickly and efficient, while maintaining the

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standards of productivity and competitiveness and founding solutions to boost new opportunities. At company level, internal flexibility needs to be created in a balanced and participative way, and human resource managers are facing many challenges, such as:

- Promoting those practices that would satisfy both the requirements of the employer regarding company performance and the employee needs on building a career and employment security;
- Harmonization of the interests of different parties, such as employees, employers, stakeholders, and implementing a win-win solutions;
- Balancing short-term needs of the company (productivity, cost reduction) with the need for innovation and sustainability in the long term [4].

Skuza et al. deduce that in Polish conditions the knowledge of future demand for workers enables the organization to define, in a programmed timely manner, a schedule of substitutions, which forms bases for developing a program of training aimed at supplementing deficiencies in competences. The identification of preferential occupations has allowed, in turn, optimal adaptation of motivation actions to workers employed at specific job stands, which is particularly important for strategic posts and those, where the workers are exposed to monotony or adverse factors in the working environment [5].

Metaxas et al. conclude that the economic crisis in Greece is a factor that could push Greek companies to act responsibly and ethically toward their personnel, the environment and the society and to build a more clear and honest relationship between them and the state. It is necessary for an effective CSR policy to work closely together with all the interested parties such as the consumers, NGOs, suppliers, stakeholders, local communities and the governments, and this will be accomplished by building strong partnerships [6].

The motivation of employees in the Czech metallurgical companies leading to improvement of products and processes is profoundly discussed by Samolejova et al [7].

THE QUESTIONNAIRE SURVEY

The 4rd round of a questionnaire survey called “Adaptability of enterprises” was performed in spring 2014 and focused on strategic management, personnel policy, innovation activities and their influence on economic performance in the year 2013.

The survey, which created the basis of the examined data, was carried out within a randomly selected group of enterprises active in the Czech Republic mostly concentrated in the Moravian-Silesian Region. The study involved 182 questioned enterprises, which, however, were filtered to 64 medium and big enterprises (with more than 50 employees) active in the metallurgical and industrial sector. 19% of the surveyed companies declared metallurgic production as the fundamental type of their business NACE branch.

Further paragraphs take into account three size groups of enterprises complying with the European Commission methodology [8]: medium I (51 to 100 employees), medium II (101 to 250 employees) and big enterprises (over 250 employees). The percent ratios of enterprises size groups in the examined sample can be found in Table 2.

Table 2 **Ratios of surveyed enterprises size groups (own processing).**

Medium I	Medium II	Big
18,6 %	25,4 %	55,9 %

RESULTS AND DISCUSSION

The following text and charts present the most important findings concerning the trends in employment, employees’ affiliations and benefits, detection of employees’ satisfaction, detection of work productivity, percentage of turnover invested into employees’ education and degree of difficulties in recruitment of new high quality employees.

Figure 1 is dedicated to trends in the number of employees with respect to size of enterprises.

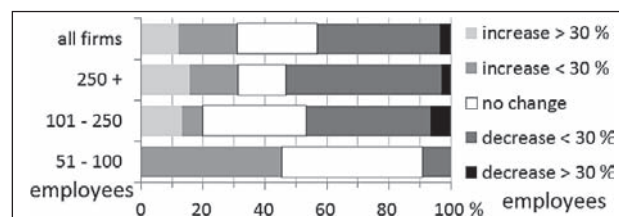


Figure 1 Change in number of employees regarding enterprises size (own processing)

It is apparent that most enterprises (43 % of all firms group) dismissed employees. The higher rate of dismissing enterprises (43 %) to hiring ones (31 %) is apparent, and the difference is 12 % more enterprises contributing to unemployment than creating workplaces (all firms group). In the group of big companies, half of firms dismissed even more than 30 % of employees. Surprisingly, the “medium I” group of enterprises was not only the most stable (45 %) but also 35 % of them indicated creating new workplaces (45 % hiring vs. 10 % dismissing), so the trend is rather very positive. The highest percentage of fluctuation (84 % fluctuating firms) was detected in big companies.

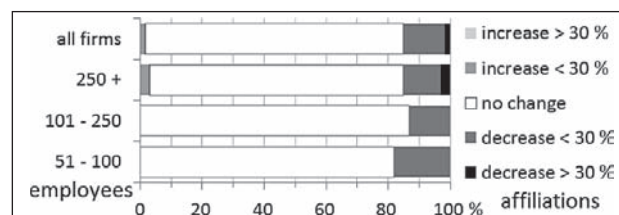


Figure 2 Change in employees’ affiliations regarding enterprises size (own processing)

Figure 2 shows that 83 % of all data group enterprises did not change the affiliation of employees. 15 % of enterprises reduced affiliations vs. 2 % of enterprises which expanded affiliations. Most affiliations reducing group was the “medium I” group (18 %). 3 % of big enterprises shrank affiliations by over 30 % of their employees and, on the other hand, 3 % of big enterprises extended affiliations.

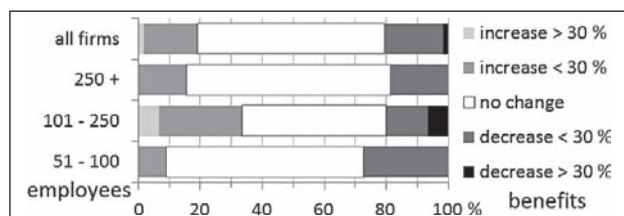


Figure 3 Change in employees' benefits regarding enterprises size (own processing)

It can be seen on Figure 3 that most enterprises (60 % of all firms group) did not change the value of employees' benefits. There is an apparent slightly higher rate of enterprises shrinking benefits (21 %) to introducing ones (19 %). The “medium I” group mostly reduced benefits (27 %) and less frequently introduces new ones (9 %). The opposite, and quite chaotic behaviour, is indicated in group “medium II”, where 33 % of enterprises introduced new benefits and 7 % of group reduced benefits by more than 30 %.

Almost half (47 %) of all firms does not have developed management processes to detect employees' satisfaction. “Medium I” enterprises are less diligent in this area (82 %), while big companies are most diligent (29 %).

Similar situation can be seen in detection of work productivity, where enterprises are generally a little more careful. Figure 4 shows that more than a third (36 %) of all firms do not have developed management processes to detect work productivity. “Medium I” enterprises are less diligent in this area (73 %), while the groups of bigger companies are more diligent (medium II and big) (27 %).

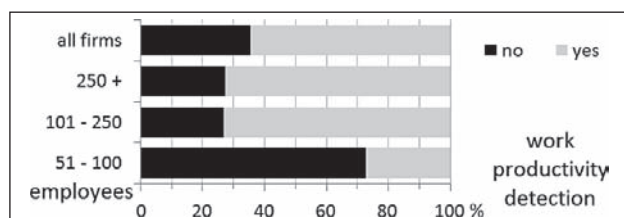


Figure 4 Do the enterprises measure work productivity? Comparison regarding enterprises size (own processing)

Figure 5 brings an interesting view. It can be observed that 56 % of all firms data group invested to employees' education only less than 1 % of their turnover.

On the other hand (see figure 5), 13 % of “medium II” invested 5 to 10 % of their turnover into employees'

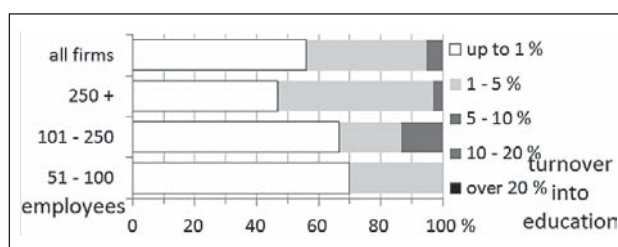


Figure 5 How much do enterprises invest into employees' education? Comparison of turnover percentage regarding enterprises size (own processing)

education and 50 % of big companies invested 1 to 5 %. 70 % of “medium II” invested not more than 1 % of turnover into employees' education.

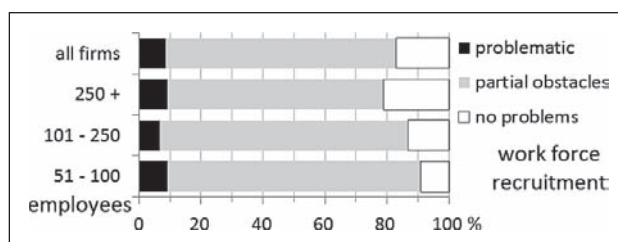


Figure 6 How difficult are recruitments of work force for enterprises? Comparison regarding enterprises size (own processing)

Last Figure 6 characterizes the situation in recruitment of new employees. 75 % of all firms feel partial obstacles in finding and hiring new workforce. 21 % of big companies recruit personnel without problems, opposite to only 9 % of “medium I” group with that characteristic. 8 % of all firms described recruitment of new human resources as problematic, with no significant distinction according to enterprise size.

CONCLUSION

The most interesting finding is that although industrial enterprises generally more dismissed than hired in the relevant period, enterprises with 51 to 100 employees solved their crisis by partial reduction of affiliations, but they were still much more hiring than dismissing and created new (probably highly qualified) workplaces. The same group also reduced benefits, which can be seen as a symptom of reasonable crisis management, but, at the same time, this group invested less into employees' education. Bigger companies were more turbulent and maybe chaotic, they dismissed much more but had implemented employee satisfaction and work productivity detection in their management processes and also invested more into employees' education, which can be connected with more developed quality management and continuous improvement systems and reducing workforce can probably also related to overemployment. Big companies found it easier to recruit new human resources and the recruitment of more than 7% of specifically qualified personnel was problematic.

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Note: The responsible translator for English language is Petr Jaroš (English Language Tutor at the College of Tourism and Foreign Trade, Goodwill - VOŠ, Frýdek-Místek, the Czech Republic