

THE CHALLENGES HRM MUST FACE UNDER FLEXIBLE WORK ARRANGEMENTS (CASE OF THE SLOVAK REPUBLIC)

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The research seeks to examine the background to the growing importance of this theme in Europe, the views and strategies of the parties involved (employers, employees, and governments), the impact of the new legislation and the application of labour flexibility in new market economies. The research finds that it is unfortunate that only incomplete and disparate statistics and analyses are currently available. An international comparison in this area can thus be only of a quality nature. The regulation of working time in Western Europe followed a number of rules which steadily became general throughout the continent. The application of the new forms (functional flexibility, financial/wage flexibility, labour mobility flexible patterns and organisation of work) is gradually introduced, mapping the employment developments of the EU Member States. However, the application of the policies in practice is mostly more difficult than expected and the implementation problems differ from one form to another. The problems identified in the Slovak Republic can be summarized as follows: gaps in legislation, insufficient managerial competencies to master new flexible forms, rigidity of working habits of both managers and employees, cultural barriers.

Introduction

Labour flexibility is prominent in employment policies across the European Union and beyond. The research seeks to examine the background to the growing importance of this theme in Europe, the views and strategies of the parties involved (employers, employees, and governments), the impact of the new legislation and the application of labour flexibility in new market economies.

Given the scope of the changes which have occurred in the area of labour market over recent years, the research finds that it is unfortunate that only incomplete and disparate statistics and analyses are currently available. An international comparison in this area can thus be only of a quality nature.

The EU Guidelines for Member States' employment policies (1998 and further documents) underline the importance of work flexibility in employment creation/preservation.

Over the quarter of a century of the rapid growth with almost full employment which followed World War II, the regulation of working time in Western Europe followed a number of rules that steadily became general throughout the continent. These basic rules were as follows:

- for full-time workers, the law set maximum and normal durations for hours worked and companies adopted stable collective work timetables. The margins for flexibility were provided by the use of overtime working and temporary unemployment (lay-offs and short-time working);
- the only role for collective agreements was to improve on the statutory provisions, mainly by reducing the length of the working week and increasing the length of paid holidays;
- the reduction of working time was seen as part of social progress. It was one way, along with pay increases, of sharing productivity gains; and
- atypical working hours were used only to solve specific problems. First, night and weekend work fulfilled certain technical needs related to production, or the needs to keep some public services open at all times. Second, part-time work, which accounted for an increasingly large proportion of the workforce, especially in northern Europe, fit a widespread social model of women's economic activity, and it was the same logic which brought about, at the end of this period, some experiments with flexible working hours ("flexitime") for office workers.

More or less the above mentioned principles were applied in the Slovak Republic as well. The application of new forms (functional fle-

xibility, financial/wage flexibility, labour mobility flexible patterns and organisation of work) is gradually introduced, mapping the employment developments of the EU Member States. However, the application of the policies in practice is mostly more difficult than expected and the implementation problems differ from one form to another. The identified problems can be summarized as follows:

- gaps in legislation
- insufficient managerial competencies to master the new flexible forms
- rigidness of working habits of both managers and employees
- cultural barriers.

The most common flexibility form appears to be flexi-time. The other forms (part-time and temporary contracts) are mostly used for peripheral groups of various categories of employees, primarily in services and media. They include well-paid positions as well as less glamorous ones. In addition, part-time and temporary contracts are used in the probation period as well. The managers argue that these forms of flexibility facilitate the termination of the employment relationship and prevent from the potential conflicts as well as they cut administrative procedures and costs necessary for an appropriate termination of the employment contract. Telework as a flexible form has not been introduced massively by any of the contacted organisations.

The research utilises structured questionnaires and semi-structured interviews covering the application of various types of flexibilities as well as the willingness of the employers and employees to participate in these schemes, as well as barriers.

Within the research there were 1423 questionnaires sent out to 67 organisations of different sizes and different industries; besides,

managers of 46 companies were interviewed. The returned questionnaires accounted for 62%.

I. Overview of Flexible Work Arrangements

1. Introduction

The theorists have tried not only to identify the most appropriate forms of work arrangements, but also to class the layers of employees concerned.

Thus, any survey of non-standard working from the employer’s perspective must start with a description of the now classical work of John Atkinson (1984) and, in particular, his model of the “flexible firm”. Its main feature is the suggestion that a flexible firm (by which Atkinson means one that is competitive in the modern business environment) is composed of three basic groups of employees: core workers, peripheral workers and a third group who are employed only on some kind of subcontracted basis. The basic model is illustrated in Figure 1.

Central to the model are two distinct types of flexibility: functional and numerical. The

former is applied specifically to the core workers – that is, people who are employed on standard, permanent, full-time contracts and who undertake the tasks that are central to the success of the organisation. They are functionally flexible, in that they do not work to rigid job descriptions but carry out a broad range of duties. Moreover, they do not restrict their activities to work of a particular level. Instead, they carry out complex tasks associated with managerial or professional jobs as well as more mundane activities, depending on the day-to-day needs of the organisation.

The peripheral group can also be functionally flexible, but in the model it is more strongly associated with the term “numerical flexibility and temporal flexibility”. J. Atkinson divided peripheral workers into primary and secondary categories, the first forming part of the firm’s internal labour market. These people work mainly full-time and have a certain degree of permanence, but tend to have lower skills than colleagues who enjoy the status of core employees. As individuals they are less central to the organisation’s success, because

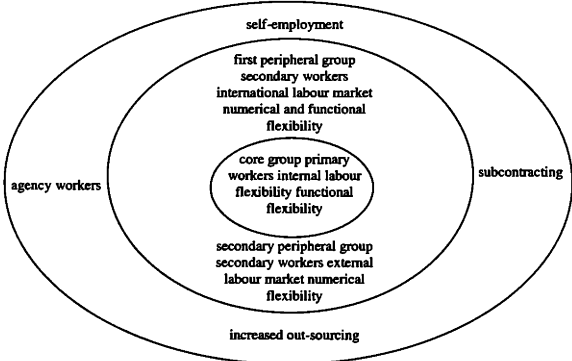


Fig. 1. The flexible firm (Source: Atkinson 1984)

their skills are more widely available in the labour market. They therefore face a lower job security than the core workers and will be among the first to have their hours cut or to be laid off when business downturns are experienced. The secondary peripheral group members are in an even more precarious position, because they are brought in mainly to help cover peaks in business or short-term needs resulting from the absence of other staff. They are employed either on a part-time or temporary basis.

The final group, located beyond the periphery, consists of people who are not employees of the firm but who are hired on a subcontractual basis to undertake a particular task or set of tasks. In the vast majority of cases this will be temporary, and hence insecure, although it is possible for a series of fixed-term contracts to follow one after another. Some may be professionally qualified people working on a self-employed basis; others may work for an agency or some other service provider. In both cases they are perceived by the other groups as being external to the organisation and thus readily replaceable by a competitor should their work prove to be unsatisfactory or more cheaply provided elsewhere.

Over recent years others have proposed similar models (e.g., Loveridge and Mok 1979, Handy 1989). In *The Empty Raincoat* Charles Handy (1994) suggests that employers will increasingly wish to buy a specific *service* from a worker rather than that person's *time*. The result will be a situation in which, for most people, there will be little opportunity to enjoy the security of a long-term, full-time job. Instead, Ch. Handy believes, people will have to develop portfolio careers in which they earn money by "looking for customers, not bosses". Employers will be both far less willing and ab-

le to employ people (especially professionals or "knowledge workers") to come to their premises for a fixed number of hours each week. Rather, they will say, "Do this by this date; how you do it is up to you, but get it done on time and up to standard." The term "job" will thus revert to its original meaning of a specific task or project rather than an occupation or profession, while individual ambitions will focus more on the achievement of employability than the status of being an employee. The same kind of analysis also underlies other influential publications concerned with the future of work, some writers going further than Ch. Handy in respect of the speed with which and the extent to which they believe these developments will occur (e.g., Bridges 1995, Rifkin 1995, Davison and Rees Mogg 1997).

A number of others have come out in opposition to some of these ideas, and particularly to Atkinson's model, such as Anna Pollert who has argued in a series of books and articles that there is nothing particularly new about flexibility as it is described by J. Atkinson. Firms have always had to slim down their workforces when faced with difficult business circumstances, and they have always shed subcontractors and peripheral workers first. What is new, according to Pollert (1987, 1988), is the promotion of flexibility in the form of a model intended to guide management actions. In other words, it is the idea that organisations should deliberately develop core and peripheral structures as part of a considered strategy that represents a departure from past practice. However, she goes on to argue that there is little evidence that managers are in fact adopting such strategies. Her point of view appears to be backed up by the survey evidence, which has persistently shown that while the extent of self-employment, temporary and part-time

work has increased in recent years, this results from managers' reacting on an *ad hoc* basis to specific needs (Hakim 1990, McGregor and Sproull 1992), reflecting a continued demand for part-timers in retailing, catering and publishing. Since 1994 we have in fact seen the creation of substantially more permanent jobs than temporary ones (Donkin 1997).

Moreover, we can see that trends in different kinds of non-standard working affect different industries unevenly. For example, there is relatively little part-time working in manufacturing, but there is a good deal of subcontracting. By contrast, the use of fixed-term contracts has grown most in the public services, where funding to undertake specific projects is limited in terms of time. Such contracts are also used extensively by employers whose workload increases and decreases on a seasonal basis (e.g., in tourism and agriculture), and have necessarily become highly significant in sectors where most employees are female, as a result of the greater take-up of the right to maternity leave in recent years.

Back in 1998, the European Commission's Green Paper on Partnership for a new organisation of work devoted considerable space to the question of a new approach to working time, examining both reorganisation and reduction. The EU Guidelines for Member States' employment policies 1998 underlined the importance of work flexibility, and the social partners' role in achieving it, in employment creation/preservation. The guidelines invited the social partners "to negotiate, at the appropriate levels, in particular at sectoral and enterprise levels, agreements to modernise the organisation of work, including flexible working arrangements, with the aim of making undertakings productive and competitive and achieving the required balance between flexi-

bility and security". However, it was still too early, according to the Commission's May 1998 review of the National Action Plans developed by EU Member States in response to the guidelines, for the social partners' response to be fully developed.

2. Categories of Flexible Organisation of Work

Working time flexibility may be defined as permanently variable and adjustable working time in terms of structure and length. Working time flexibility is closely associated with the notions of the flexible firm on the employer's side and time sovereignty on the employee's side.

Working time in an employment relationship concerns two dimensions, the length (e.g., in hours) and the structure (e.g., working in shifts or on demand) of individual working time. Points of reference may be daily, weekly, monthly, annual or life working time. Means to achieve working time flexibility in an employment relationship are as follows:

- variable working time regarding length and structure;
- flexi-time;
- working time accounts;
- overtime;
- working time corridors, which gives companies the possibility, within a certain limit, to reduce or to extend working time;
- job sharing;
- sabbatical leave;
- early and partial retirement;
- weekend work;
- part-time work;
- temporary work;
- parental/maternity leave;
- homeworking;
- telework.

2.1. Part-time Contracts

Part-time working is by far the most common form of flexible working. The biggest period of growth in part-time work was during the 1960s, when the proportion of the total workforce that worked part-time almost doubled. Since then it has continued to rise steadily, along with the overall female participation rate.

In past decades there were clear incentives for organisations to employ two part-timers instead of one full-timer. This resulted from an inequality of treatment in legal terms, where by part-time could be denied pension scheme membership and other fringe benefits.

Creating part-time jobs can bring considerable advantages to an organisation. It can reduce costs dramatically by making sure that people are present only when required and can also attract well-qualified people who, because of childcare or other commitments, are looking for less than full-time work each week. Other parts of the labour market to which employers can look include retired people and students in full-time education. Another possible advantage in some situations is the apparent lack of interest among part-timers for trade union activity.

There are of course potential disadvantages too. First, there is the possibility that part-

timers, because of other obligations and the fact that theirs is often not the main family income, will show less commitment to their work than their full-time colleagues. The problem is potentially compounded by the lack of promotion opportunities open to them. Part-timers can also be inflexible in terms of the hours they work because of the need to honour their other commitments. They are often attracted to the job in the first place because they need to be guaranteed fixed weekly hours (e.g., 12.00-2.00, Wednesdays and Thursdays) and will thus be either unwilling or unable to change these too much.

2.1.1 Term-time Working

A variation of traditional part-time working which has many attractions in principle is the employment of staff to work only during school terms. Such arrangements allow employees with childcare obligations to maximise their earnings over the course of a year while being free for their children during school holidays. Such approaches have long been used in the education sector itself, where the need for teaching and support staff is, of course, lower outside term time. There is, however, no reason why other sectors should not also adopt such arrangements, especially when troughs in

Table 1. Average actual weekly working hours, part-time workers, 2001 and 2002 (Source: EIRO 2002)

Country	2001			2002		
	All	Women	Men	All	Women	Men
Belgium	22.8	22.7	23.2	nd	nd	nd
Finland	20.9	21.5	19.6	nd	nd	nd
France	23.3	23.4	23.0	23.0	23.1	22.8
Greece	23.4	23.1	23.7	24.1	23.8	24.3
Netherlands	21.1	20.8	21.8	nd	nd	nd
Norway	21.4	22.1	19.1	nd	nd	nd
Slovakia	nd	nd	nd	23.5	23.7	23.1
Spain	16.8	16.5	17.8	17.4	17.2	18.0
UK	15.7	15.7	15.7	15.6	15.8	15.1

business coincide with school holidays. The approach is particularly applicable where long-term project work is being undertaken with no particular requirement for work to proceed at the same pace all the year round.

However, one must take into consideration the real hours a part-timer works (Table 1). This may vary across countries considerably and thus part-time work arrangement can have various statuses, impacts on entire employment in the country etc. which obviously influences the choice of employers/employees to decide for such a form of employment.

2.2. Temporary Contracts

We use the term “temporary worker” to cover a variety of situations. On the one hand, there are staff who are employed for a fixed term on a seasonal basis to carry out a specific job or task. This category includes well-paid or senior people such as football players or public

officials, as well as individuals brought in to undertake more ordinary work on a fixed-term basis. A second group are people who are employed temporarily but for an indefinite period. Their contracts thus state that they will be employed until such time as a particular project or body of work is completed. Again, this category can encompass well-paid individuals such as TV presenters and actors, in addition to those occupying less glamorous positions. A third category includes temporary agency staff who are employed via a third party to cover short-term needs.

Work on a temporary or fixed-term basis can rise during summer months as a result of seasonal work in the tourism and agricultural sectors. The number of temporary workers also tends to fluctuate with economic conditions, so we saw a rise in the early 1980s, followed by a slight reduction, before the figure rose steeply again in the early 1990s.

Table 2. Employees with a fixed-term employment relationship as % of total dependent employment, 1983 and 2000 (Sources: Eurostat labour force survey and EIRO 2001)

	1983	2000	Change 1983-2000
Austria	6.0*	7.9	+1.9 (1995-2000)
Belgium	5.4	9.0	+3.6
Denmark	12.5	10.2	-2.3
Finland	11.1	17.7	+6.6
France	3.3	15.0	+11.7
Germany	10.0	12.7	+2.7
Greece	16.3	13.1	-3.2
Ireland	6.1	4.6	-1.5
Italy	6.6	10.1	+3.5
Luxembourg	2.3	3.4	+1.1
Netherlands	5.8	14.0	+8.2
Norway	nd	9.7	
Portugal	14.4	20.4	+6.0
Spain	15.6	32.1	+16.5
Sweden	12.0	4.7	+2.7
UK	5.5	6.7	+1.2
EU 15**	9.1**	13.4	+4.3***

* 1995 figure; ** excluding Austria; *** excluding Austria 1983.

From the employer's perspective there is thus a number of compelling reasons to consider offering fixed-term contracts to certain groups of staff. They are particularly useful when the future is uncertain, because they avoid raising the employee's expectations. It is far easier, when departments close or businesses begin to fold, not to renew a fixed-term contract than to make permanent employees redundant. During the run-up to redundancies it is also useful to be able to draw on the services of temporary staff to cover basic tasks, freeing permanent employees who are under threat of redundancy to spend time seeking new jobs.

According to the 2000 Eurostat labour force survey, 13.4% of employees in the EU had an employment contract of limited duration (see Table 2). Compared with 1983, this represented a significant increase in fixed-term employment over the 1980s and 1990s (though Denmark, Greece and Ireland saw fixed-term employment to fall over this period).

In all countries, the share of women with a fixed-term contract is higher than the share of men. Considering all forms of non-permanent employment, the gender difference is even clearer: EU women were 30% more likely to work on a fixed-term/temporary/casual basis than men in 1999.

By age groups, the rate of fixed-term employment is high among people aged between 15–24 and 25–49. While the rate for men and women aged 15–24 is the same, the rate is higher for women in the 25–49 age group, perhaps because this is the age when many women are having children. Non-permanent employment occurs across all levels of qualification.

There has been a trend towards a greater use of non-permanent employment across a variety of sectors, but this is particularly evident

in the expanding service sector. In the EU, over 66% of all fixed-term contracts are in services, covering retail, catering, transport, finance and the public sector.

2.3. Flexible hours contracts

Another form of flexible working arrangement that, evidence suggests, is becoming more common involves a move away from setting specific hours of work. While such contracts come in several different forms, all help in some way to match the presence of employees with peaks and troughs in demand. They thus help ensure that people are not being paid for being at work when there is little to do, while at the same time avoiding paying premium overtime rates to help cover the busiest periods.

The most common, and least radical, departure from standard employment practices is the flexi-time scheme. Precise rules vary from organisation to organisation, but they usually involve employees' clocking in and out of work or recording the hours they work each day. Typically, such schemes work on a monthly basis, requiring employees to be present for a specific number of hours over the month, but permitting them and their managers to vary the precise times in which they are at work in order to meet business needs and, where possible, their own wishes. In such schemes many identify core hours when everyone must be at work (e.g., 10.00–12.00 and 2.00–4.00 each day), but allow flexibility outside these times. It is then possible for individuals who build up a bank of hours to take a "flexi-day" or half-day off at a quiet time.

The number of situations in which flexi-time can operate and in which it is appropriate to do so is quite limited. Clearly, it is not a good idea where the presence of a whole team throughout the working day is important. It

would thus not be used for roles where there is a direct contact with customers or where a manufacturing process requires a large number of employees to be present at the same time. It is also inappropriate where organisational objectives and culture focus heavily on the maximisation of effort and the completion of specific tasks.

However, flexi-time remains in many organisations, particularly where large numbers of clerical and secretarial workers are employed, to look after a range of different bodies of work. Where deadlines are relatively unimportant, where individuals have responsibility for carrying out a prescribed range of tasks and where there is no requirement to be available to members of the public all day long, there is a good case for using flexi-time to maximise organisational efficiency.

A more radical form of flexi-time is the annual hours contract. The principle is the same, only here the amount of time worked can vary from month to month or season to season as much as from day to day. It varies from typical flexi-time systems not least, because variations in hours are decided by the employer without much choice being given to the employee. Each year all employees are required to work a set number of hours, but to come in for much longer periods at some times than others. Pay levels, however, remain constant throughout the year. Again, from the employer's point of view, the aim is to match the demand for labour to its supply and thus avoid employing people at slack times and paying overtime in busier periods. Variations can occur seasonally, monthly or can follow no predictable pattern at all.

At the other end of the scale is the zero hours contract, which organisations use in the case of casual employees who work on a regular basis. They are most suitable for situations in which there are frequent and substantial sur-

ges in demand for employees on particular days or weeks of the year, but where their instance is unpredictable. An example is the employment of couriers in the travel industry. A company needs to have a body of trained courier staff it can call on to look after clients, but is unable to predict exactly how many it will need and on what dates. It therefore hires people on a casual basis, gives them training and then calls on their services as required during the holiday season.

2.4. Subcontractors

Aside from the use of temporary agency workers, subcontracting comes in two basic forms. First, there is the use by employers of consultants and other self-employed people to undertake specific, specialised work. Such arrangements can be long-term in nature, but more frequently involve hiring someone on a one-off basis to work on a single project. The second form occurs when a substantial body of work, such as the provision of catering, cleaning or security services, is subcontracted to a separate company. Both varieties have become more common in recent years, leading to a rise in the number of agency employees and self-employed people. Self-employment is focused on the fields of technical and professional services, the majority of self-employed workers being relatively well-paid. Most of the traditional professions provide opportunities for self-employment, but the highest concentrations are in the fields of draughting, design engineering, computing and business services.

According to the ELUS survey described above, the main reasons given for using self-employed subcontractors were as follows:

- to provide specialist skills (60%)
- to match staffing levels to peaks in demand (29%)

- because workers prefer to be self-employed (28%)
- to reduce wage costs (9%)
- because the self-employed are more productive (8%)
- to reduce non-wage costs (6%)
- to reduce overheads (4%)
- other reasons (11%)

(Source: McGregor and Sproull 1992: 227)

As with temporary workers, it is interesting how cost-cutting opportunities appear to be so much less significant than the need to bring in specialists. This may be because, hour for hour, the employment of a self-employed contractor is often a good deal more expensive than hiring a temporary employee. Aside from cost considerations, there are also other potential disadvantages from the employer's perspective. First, it is often suggested that self-employed people, like agency workers, inevitably have less reason to show a high level of commitment. They have no long-term interest in the organisation and are thus less likely than conventional employees to go beyond the letter of their contracts. In turn this leads to suspicions about the quality and reliability of the services they provide. Only where there is a clear possibility of an on-going relationship in the form of further work does the contractor have a serious economic incentive to overservice the client.

Another possibility to consider, which is relatively common now, is the rehiring of retired employees on a self-employed basis. Both parties stand to gain from such arrangements where the retired person has a reasonable income from his or her pension.

2.5. Teleworking

Teleworking is defined as "a form of organising and for performing work, using informa-

tion technology, in the context of an employment contract/relationship, where work, which could also be performed at the employer's premises, is carried out away from those premises on regular basis" (*EU Framework Agreement on Telework 2002*).

We must differentiate this form from self-employed people or casual workers. The extent to which this kind of arrangement currently occurs is not easy to state with certainty, because many people work outside their jobsite only for a proportion of their time. However, there is a clear, now considerable potential for growth with the expansion of computerised communication technology and improvements in telecommunications. According to Brewster *et al.* (1993: 46-50), full-time teleworkers fall into two camps: the up-market teleworker and the more traditional manual variety. The latter are heavily concentrated in the industries, where part of the manufacturing process can be carried out by people working alone away from the shop floor. However, some routine office tasks, such as the preparation of mailshots, can also be performed at home.

For the employer, the main advantage is a reduction in the size of premises required. Savings are thus made in terms of office rents, business rates, heating and lighting. The main disadvantages relate to the low morale that teleworkers often suffer as a result of their isolation from co-workers. A different kind of supervision is thus required, along with control systems that assess performance on the basis of the quantity and quality of each batch of work undertaken. Since it is clearly not possible to oversee each individual's work, there is no opportunity either to encourage or correct when mistakes are made or when the pace of work slackens.

Telework has been increasing across Europe in recent years – the European Commission

estimates that there are currently 4.5 million employed teleworkers (and 10 million teleworkers in total) in the EU. Over the past 18 months, it has been the subject of two European-level sectoral agreements in the form of guidelines, the first signed in February 2001 in the telecommunications sector (EIRObserver 2/01 p.4) and the second in April 2001 in the commerce sector.

The biggest problem in managing a teleworkforce is the maintenance of effective communication – a particularly important issue where members of the “core” workforce are employed on a teleworking basis. If such arrangements are to work, more is needed than simple electronic communication. There is also a need to hold regular team meetings, as well as face-to-face sessions between supervisors and staff. In practice, as has been pointed out, most teleworking of this kind is carried out part time, the employee performing some work at the office and some at home. When managed well, this can be the best of both worlds, in that effective communication is retained while savings in terms of office space and energy use are also achieved. Of course, this can occur only if employees forgo the privilege of having their own office or desk at work and accept “hot-desking” arrangements, whereby they occupy whichever workstation or computer terminal is free when they are not working at home.

3. Purpose of Implementation of Flexible Work Arrangements

3.1. Employer Perspective: The Flexible Firm

The idea of the flexible firm suggests that the firm is flexible in terms of its adaptability to expansion, contraction or change in the pro-

duct markets. Among others, flexibility serves as a means to improve productivity and to cut unit labour costs, to adjust to unpredictable fluctuations, and to allow for the introduction of new manning practices to match new technologies. The flexible firm involves the notions of financial (and pay) flexibility, functional flexibility (e.g., by multi-skilled employees), subcontracting, outsourcing and distancing strategies (employment relationships are replaced by commercial ones), and numerical flexibility.

The numerical flexibility of the firm concerns the firm’s ability to adjust the level of labour inputs, employment and the wage bill to meet fluctuations. The practices include:

- 1) the use of additional or supplementary labour resources such as part timers, temporary workers or casual workers;
- 2) the alternation of working time patterns of existing labour resources.

4. The Future

It is necessary briefly to consider what the effects will be if the management gurus who have predicted a sweeping change in work organisation turn out to be right. What will the effects be in employee-resourcing terms if non-standard working becomes the norm and people too seriously cease to expect, or even to seek, long-term, full-time employment with a single employer, preferring instead to work on a self-employed consultancy basis for a number of clients? The straightforward answer is that there will be a need for employee-resourcing specialists to find ways of managing through or round some of the disadvantages associated with atypical working described above. However, there are other potential consequences too – some of which can already be

observed in industries where there are lucrative freelancing opportunities for people with particular skills. Examples include computer programming, some branches of engineering and the provision of some specialised business service.

The most obvious result is the increasing difficulty in finding people to undertake work at the rates of pay currently being offered. The organisation is thus faced with three options:

- to accept that it is necessary to employ freelancers at whatever cost
- to hire untrained staff and then to invest substantial amounts in training them
- to compete more effectively in a tighter labour market, giving particular attention to the retention of valued staff.

For many organisations this will require fundamental changes in the approach taken towards employee resourcing. It will no longer be possible simply to assume that, if someone leaves, they can readily be replaced by another person with similar skills. In other words, it will be necessary for managers to accept, to a far greater extent than is often the case today, that competitive labour markets exist, and that they need to develop effective strategies for competing in those that are vital to the success and survival of their organisations. Secondly, there is a need to redefine the psychological contract that is developed with employees by fostering relationships that facilitate high trust but that are not expected by either side to last for a long period of time. This involves acknowledging that employees will have different expectations from employers. Instead of seeking furtherance of a career inside an organisation, they will be looking for opportunities to increase their employability. To attract and then to motivate the best, more

attention will thus have to be given to skills acquisition and to finding opportunities for employees to deepen their experience.

A third possibility that arises if key labour markets become much tighter than they are at present, could be the need to alter the perspective from which strategic business planning currently takes place. Instead of looking for product market opportunities and then devising employee-resourcing policies to permit their realisation, there will increasingly be a need to start the process by assessing the organisation's labour market position.

II. Flexible work arrangements in Slovakia

1. Methodology

The research utilises structured questionnaires and semi-structured interviews covering the application of various types of flexibilities as well as the willingness of the employers and employees to participate in these schemes.

Within the research there were 1423 questionnaires sent out to 67 organisations of different sizes, different industries and different ownership as well as managers of 46 companies were interviewed. The returned questionnaires accounted for 62%.

The only flexible form of work arrangements which is consistently recorded and reported proved to be flexi-time. The other forms were commented on in the interviews as being applied or planned to be implemented, however, no relevant recording was offered to provide a reliable evidence on their implementation in the view of the ratios of such flexible arrangements versus regular traditional work arrangements. Thus, only qualitative evaluation of the research could be provided.

2. The Findings

The most common flexibility form appears to be flexi-time. The other forms (part-time and temporary contracts) are mostly used for peripheral groups of various categories of employees, primarily in services and media. They, as is mentioned above, include well-paid positions as well as less glamorous ones.

In addition, part-time and temporary contracts are used in the probation period as well. The managers have argued that these forms of flexibility facilitate the termination of the employment relationship and prevent from the potential conflicts, as well as cut administrative procedures and costs necessary for appropriate termination of the employment contract.

Telework as a flexible form has not been introduced by any of the contacted organisations.

2.1. Flexi time

In Slovakia, the framework for utilising flexi-time is set by the Labour Code. It assumes that both the beginning and the end of the work shift is set by an employee within the so-called daily, weekly or four-week working cycles while the obligatory daily spell of presence at work (minimum 5 hours) is established. The presence at work is at the employee's discretion. In the case of daily working cycle, the employee is obliged to work for a preset number of hours within a day (the same every day) and flexibility relates just to the beginning and end of the working block. The weekly variation presets the number of hours to be worked weekly, but the number of working hours can vary daily. If the four-week working cycles are applied, the number of hours to be worked is based on the weekly figure multiplied by four. Here, a number of hours to work can be shifted also from one week to another.

The employer here benefits primarily from the fact that all out-of-work commitments of the employee can be covered outside the working hours.

While numerous employees use mass transportation to get to work, the general benefit of flexi-time can be seen also from the perspective of transportation organisation in large cities. On the other hand, if commuting depends on particular lines (buses, trains) and the employees cannot get to work otherwise, the employer will not have chance to introduce flexi-time.

As mentioned above, flexi-time is difficult to implement in some industries, e.g., manufacturing. If it is introduced, it mostly applies to the back offices in companies. Nowadays, flexi-time is used in less than 10 companies (approx. 5.000 employees) in metal industries, mostly owned by the German capital.

The implementation of flexi-time on the part of the employer relates mostly to the industries with a predictable or unpredictable fluctuation of work loads.

The predictable fluctuation of work load occurs in agriculture, forestry, construction and the like. The Labour Code allows for flexi-time arrangement in a longer horizon, i.e. four-week or yearly arrangement. It means that in the busy season the employees work longer hours or more days a week while in the troughs they work less hours or even less days.

An unpredictable fluctuation occurs when the employer is forced to react to unpredictable demands of the environment, e.g., loss of orders or a large number of new ones. This is mostly the case of subcontractors. Such cases are not covered by the Labour Code in force at present and therefore the situation can be solved partially just through flexi-time arrangement. In Slovakia, the German model of flexi-time application is used, mostly in the

subcontracting companies of large automobile producers. Here, if the employee does not work the full number of working hours within a particular month, a bank of working hours is created with either plus or minus balance. The employees are paid as if they worked full monthly time in either case. If the employee worked more, as a compensation they can utilise time off in the future when the work load is lower and vice versa. The zero balance must usually be reached within a year. Of course, the implementation of the model must observe the general provisions of the Labour Code, such as the maximum length of the work shift, rest between two shifts, obligatory days for rest, etc.

The disadvantage here is that the implementation of such a model cannot be covered by a general agreement (e.g., collective agreement), but is always part of the employer-employee contract/relationship. Thus, the relationship is not neutral. The employer is usually more powerful. While the employer lowers the costs related to overtime, the employee may experience even raise of the costs, e.g., for transportation or childcare. In addition, a conflict can emerge if the employer needs the employee to be at work at the same time when the employee is forced to take time off because of external commitments. Again, the infrastructure can also have its say in the introduction of this model in some regions.

2.2. Part-time Work

The part-timer, if not working more than 20 hours per week, exercises the position as that of a full-timer under the terms and conditions of the current Labour Code of the Slovak Republic. It relates primarily to the contributions to the social funds (e.g., pension scheme, health insurance, etc.). The only disadvantage seems to be job insecurity,

as the employer can terminate the contract without any notice.

2.3. Temporary Work

The implementation of a temporary contract cannot exceed 3 years. The employer, even if he decides to terminate the contract earlier, is obliged to pay the agreed-upon reward fully. This contract's disadvantage is that temporary workers are not considered as potentials in terms of training and career development.

Another form of temporary work covers the contracts limited by 300 hours per year. In that case, the temporary worker is paid just for work actually carried out. This form is frequently utilised as there are no contributions to the funds and thus labour costs are substantially lower.

There is no obligatory recording and reporting of such contracts and therefore they are frequently misused, e.g., by the unemployed who may acquire regular pay along social welfare, or by employers who are able to dovetail several temporary worker positions to cover a full-time position and simultaneously cut the obligatory payments.

3. Conclusions

As mentioned above, the most often used flexible work organisation is flexi-time, part-time and temporary contracts are used primarily because of economic reasons, such as cutting costs, no need for contributions to social funds, no need for redundancy payments in the case of closing jobs/positions; remuneration includes only base pay, frequently it means just the minimum pay.

From the cultural point of view, there is no surprise that telework has not been introduced yet. Moreover, the low mobility of work-

force, the usage of mass transportation and its availability can influence the introduction of this or that flexible form in spite of the wish of

employers or employees. The Labour Code and its restrictive character can influence the way how flexible forms can be utilised as well.

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LANKSČIŮ DARBO ŠALYGŲ ĮTAKA ŽMOGIŠKŲJŲ IŠTEKLIŲ VALDYMUI (SLOVAKIJOS RESPUBLIKOS PAVYZDŽIU)

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Santrauka

Straipsnyje analizuojama lankščių darbo sąlygų, įtraukiamų į užimtumo skatinimo programas, įtaka žmogiškųjų išteklių valdymui. Atskleidžiamos prielaidos, kodėl ši tema ypač aktuali Europoje; suinteresuotų asmenų požiūriai ir strategijos (darbdaviai, darbuotojai, vyriausybė); naujos teisinės bazės įtaka ir lankščių darbo sąlygų taikymas naujosiose rinkos ekonomikos valstybėse. Europos Sąjungos narių užimtumo politikos kryptys aiškiai apibrėžia darbo sąlygų lankstumo svarbą, tačiau šią politiką įgyvendinti nėra paprasta ir

vienodai įmanoma visose valstybėse. Straipsnyje analizuojama situacija Slovakijos Respublikoje, kurioje buvo pritaikyti ES užimtumo skatinimo politikos principai (funkcinis lankstumas, finansinis / atlyginimų lankstumas, lankščios darbo jėgos judėjimo ir darbo organizavimo formos). Išskiriamos problemos: įstatyminės bazės netobulumas, nepakankami vadybos igūdžiai, diegiant lankščias darbo formas, konservatyvus tiek vadovų, tiek darbuotojų požiūris į darbą, kultūros barjerai.

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