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## FOCUS OF ORGANISATIONS OPERATING IN SLOVAKIA ON LABOUR RELATIONS\*

**Abstract.** *The existence of labour relations is practically visible through various functions of human resources management. Informal relations are a result of mutual contacts and their establishment is conditioned by common interests and ideals. On the other hand, there are formal relations, respectively formal processes, procedures and communication ways, creating a basis of labour relations. However their implementation is impossible without informal contact of line managers and team leaders with employees as well as among employees themselves. In questionnaire research we conducted at School of Economics and Management in Public Administration in Bratislava we focused on finding out whether and to what extent organisations operating in Slovakia focus on labour relations. The analysis implied that organisations prefer a direct verbal form of communication in top-down as well as bottom-up communication, however employees did not submit comments in almost 20% of interviewed organisations in 2010, as they were afraid, or they only discussed them at the horizontal level.*

**Key words:** labour relations; formal communication; informal communication; human resources management.

**JEL Classification:** E24, J24, O15

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**РОЛЬ ОРГАНИЗАЦИЙ, ДЕЙСТВУЮЩИХ В СФЕРЕ ТРУДОВЫХ ОТНОШЕНИЙ В СЛОВАКИИ**

**Аннотация.** Наличие трудовых отношений практически проявляется через разнообразные функции управления трудовыми ресурсами. Неформальные отношения – это результат взаимных контактов на основе общих интересов и представлений. В то же время, формальные отношения, в частности формализованные процессы, процедуры и каналы коммуникации, создают базис трудовых отношений. Однако их внедрение невозможно без неформальных контактов линейных менеджеров и лидеров команд с наемными работниками, а также между самими работниками. Мы провели анкетный опрос, чтобы выяснить, в какой мере хозяйственные субъекты, работающие в Словакии, фокусируются на трудовых отношениях. Анализ показал, что организации предпочитают осуществлять прямую вербальную вертикальную коммуникацию в направлении как «сверху вниз», так и «снизу вверх». Однако работники 20% опрошенных в 2010 г. организаций не комментируют решений руководства из-за страха или же обсуждают их только на горизонтальном уровне.

**Ключевые слова:** трудовые отношения, формальная коммуникация, неформальная коммуникация, менеджмент человеческих ресурсов.

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**РОЛЬ ОРГАНІЗАЦІЙ, ЩО ДІЮТЬ У СФЕРІ ТРУДОВИХ ВІДНОСИН У СЛОВАЧЧИНІ**

**Анотація.** Наявність трудових відносин практично виявляється через різноманітні функції управління трудовими ресурсами. Неформальні відносини – це результат взаємних контактів на основі загальних інтересів і уявлень. У той же час, формальні відносини, зокрема формалізовані процеси, процедури та канали комунікації, створюють базис трудових відносин. Але їхнє впровадження неможливе без неформальних контактів лінійних менеджерів і лідерів команд із найманими робітниками, а також між самими працівниками. Ми провели анкетне опитування, щоб з'ясувати, якою мірою господарські суб'єкти, що працюють у Словаччині, фокусуються на трудових відносинах. Аналіз показав, що організації воліють здійснювати пряму вербальну вертикальну комунікацію в напрямку як «згори донизу», так і «знизу догори». Однак працівники 20% опитаних у 2010 р. організацій не коментують рішення керівництва через страх або ж обговорюють їх тільки на горизонтальному рівні.

**Ключові слова:** трудові відносини, формальна комунікація, неформальна комунікація, менеджмент людських ресурсів.

**The need of focus of organisations on labour relations**

One of conditions for organisations which want to ensure development sustainable in the long-term is to focus on labour relations. Positive labour relations have a significant impact on the flow of formal as well as informal information, knowledge continuity, the feeling of safety and a possibility to express, and thus on the overall level and way of communication in the given organisation [1].

In any contact of a person with another one, or in any human activity relations are created among people and can

have a broad quality range from explicitly positive to explicitly negative ones. It is obvious that relationships among people also arise in relation to work performance. They can be standard informal relations of occasional character, often reflecting features of participants' characters, but also formal relations regulated by various rules either only valid within a certain working team (e.g. rules for bonus money distribution in an autonomous working group) or within the organisation (e.g. working regulations, bonus plan, complain settlement regulations, etc.), or valid nationwide (laws regulating the sphere of work, e.g. the Labour Code, the Employment Act, the Collective Bargaining Act, or further spheres, e.g. the officially accepted Charter of Fundamental Rights and Freedoms), or even with international competence (e.g. The Universal Declaration of Human Rights, the European Social Charter, set of agreements

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of the International Labour Organisation regarding employment, work, remuneration and social issues) [2].

Communication among employees has the most significant impact on formal as well as informal relations at workplaces, while communication is understood as delivering and receiving of messages (message is anything which is a subject of communication, any verbal and non-verbal facts and actions with a signalling character between two or more subjects) [3]. Contrary to interpersonal communication, carried out between two and more people immediately, organisational communication deals with exchange and transfer of information within whole organisation. It affects a great number of people and big and various amounts of communication patterns and connections often occur. Communication within an organisation is carried out at two basic levels with regard to the amount of related people and information – organisational formal communication and organisational informal communication.

Organisational formal communication is determined by organisational structure of organisational management, thus ensuring fulfilment of individual working relations among departments, coordination of their activities, observing of procedures in decision making, etc. (if formal communication did not reflect organisational management structure information necessary to solve a problem could be given to a wrong person or given too late or could be completely lost) [4]. Organisational informal communication in organisations is carried out through informal communication channels, i.e. it is not determined by organisational structure, and therefore various information is transferred from various sources at various places in organisation in informal communication.

Many organisations do not approve of informal communication, as it restricts the extent of control over information flow and can also significantly distort information (or it can be made up). The informal information can at the same time contradict formal information. Development of excessive informal communication can lead to increase in down time and reduction of time for fulfilment of working tasks [5]. On the other hand, however, there are employees prioritising informal communication within creation of working as well as non-working relations. It is therefore a task of human resources management department to monitor the level of communication at workplaces and manage it in accordance with defined organisational strategy and organisational culture. They can appropriately coordinate working relations of employees at formal as well as informal level only on its basis.

**Characteristics of the research**

The researches were conducted over 2010, 2011 and 2012 always from February to May. The questionnaire was distributed to organisations with 50 and more employees. Our basic presumption upon specifying the target group given by the size of organisation from the viewpoint of minimum number of employees was that organisations with less than 50 employees do not have standardized and formally established approaches towards human resources management, and thus neither towards its individual functions. Collection, sorting and subsequent summarization of obtained information from the research were carried out from June to September each year. Mathematical and statistical methods were used upon processing of information, their analysis and comparison, and qualitative methods were subsequently used upon their identification and evaluation.

239 respondents participated in the 1<sup>st</sup> phase of the research, and 340 respondents participated in the 2<sup>nd</sup> and 3<sup>rd</sup> phases. Summary size structure of the interviewed organisations is provided in *Table 1*, implying that organisations with the number of employees from 50 to 300 were most represented in the research each year.

*Table 1*

Size structure of the analysed organisations				
Number of employees in the organisation	50-300	301-1,000	1,001-5,000	over 5,000
Share of organisations in % 2010	62	25	12	1
Share of organisations in % 2011	70	21	7	2
Share of organisations in % 2012	72	20	6	2

Source: Own research

**The analysis of present state of focus of organisations on labour relations**

Within focus of our research on labour relations in organisations, we were finding out whether organisations have established a working system of horizontal as well as vertical communication and whether they provide employees the feeling of safety sufficient to submit comments.

We first of all focused on finding out the overall informedness of individual employee categories about formal strategic information on the organisation. The research implied that management is most extensively informed on organisational strategy, financial results and work organisation (*Tables 2-5*). The percentage of informedness of individual categories is gradually decreasing. Least informed are manual workers, while within information on organisational strategy and financial results this value was lower than 50% in 2010 and this trend was even more negative in further years, as information on organisational strategy and financial results of the organisation was provided to employees at the position of manual worker only in less than 25% of organisations.

*Table 2*

Informedness of management about the given issues			
Is management informed about the following issues?	Share of organisations in %		
	2010	2011	2012
organisational strategy	97	92	98
financial results of the organisation	96	90	97
work organisation	93	91	97

Source: Own research

*Table 3*

Informedness of experts and technicians about the given issues			
Are experts and technicians informed about the following issues?	Share of organisations in %		
	2010	2011	2012
organisational strategy	67	48	43
financial results of the organisation	79	42	36

Source: Own research

*Table 4*

Informedness of administrative employees about the given issues			
Are administrative employees informed about the following issues?	Share of organisations in %		
	2010	2011	2012
organisational strategy	60	42	42
financial results of the organisation	60	49	43
work organisation	82	64	63

Source: Own research

*Table 5*

Informedness of manual workers about the given issues			
Are manual workers informed about the following issues?	Share of organisations in %		
	2010	2011	2012
organisational strategy	46	22	23
financial results of the organisation	40	21	21
work organisation	79	41	49

Source: Own research

We subsequently focused on vertical top-down communication. There are various ways of informing of employees: magazine coming out in the organisation, in-house broadcasting, computer network, notices, circular notes, employee councils, meetings, annual reports, informing through a direct superior or through the unions, visits of senior executives at workplaces, on the occasion of social events, etc. Our research implied that most preferred way of organisations to communicate key information to employees is the verbal form either at team meetings and meetings or directly to particular employee. Least used method is communication through an interlink, whether it is an employee representative or a union representative. Some organisations stated that they also use notice boards and a magazine of the organisation for the purpose of such communication (Table 6).

achieving of organisational objectives as well as work and life goals of individual employees. Correct, balanced and satisfactory labour and interpersonal relations create a productive environment with a very positive impact on individual, team and organisational performance. They positively reflect in satisfaction of employees and contribute to balancing of individual interests and goals and interests of the organisation. Labour relations in the organisation have an impact on all other activities of human resources management and often significantly determine their effectiveness [2]. Within labour relations, the focus of our research was primarily on what creates them, i.e. on communication. It is essential in the organisation that so called formal communication works well, which ensures the fulfilment of individual relations among departments, coordination of their activities, observing of procedures in decision making, etc. [6]. It is necessary that this formal top-down as well as bottom-up communication was carried out reliably and effectively in organisations. Organisations which participated in our research mostly preferred top-down communication in the verbal form and secondarily in a direct written form (Table 6), which results from the need of specification in assigning of tasks and determining duties to subordinates.

Positive results were also recorded in using individual methods of formal bottom-up communication, where organisations most often and most effectively use the method of direct verbal communication, which implies significant awareness of management because they created such formal communication channels, since bottom-up communication is a valuable source of information from the position of subordinates for management, respectively superiors. Such information can point out a «bottleneck» and thus prevent many problems [7]. However, it is necessary that subordinates have a considerable trust in order to provide such information to management, respectively superiors already at the beginning of the problem and do not try to hide it due to a worry that the given problem will be pointed out, respectively that they will bear other consequences like salary or bonus reductions, etc. [8].

For the purpose of finding out whether such trust exists in the interviewed organisations, we were finding out how comments are submitted. Resulting findings are not so positive and thus they also question previous results found for formal bottom-up communication. Employees did not submit comments in almost 20% of the interviewed organisations in 2010, because they were afraid, or they only discussed them at the horizontal level. We perceive positively an annual decrease of this amount, and implementation of so called comment boxes, which are to encourage employees to submit at least anonymous comments, is also for the benefit of interviewed organisations. However, every organisation should primarily try to ensure environment in which employees discuss occurred problems openly and without fear.

**Conclusion.** Present human resources management theory puts more and more emphasis on the need to focus on enhancement of work life quality, employee satisfaction as well

*Table 6*

Methods used to communicate key information to employees			
Usage of methods to communicate key information to employees	2010 (%)	2011 (%)	2012 (%)
Through an employee or union representative	32	22	23
Verbally, directly to employees	77	71	71
Electronic communication	65	55	54
Team meetings, meetings	77	67	73
Other (state)	2	1	1

Source: Own research

The basis in vertical bottom-up communication is provision of safe room for employees to express their attitudes to the issues of their workload as well as whole organisation. Like in vertical top-down communication, it is possible to use several ways, e.g.: employee can express their opinions to organisational management through immediate superior, through trade unions, regular assemblies and meetings, through respective boxes, surveys, directly to a superior, etc. The research (Table 7) implies that verbal communication methods, mainly through an immediate superior, are most extensively used by employees to communicate information to management in the interviewed organisations.

*Table 7*

Methods used by employees to communicate information to management			
How do employees communicate information to management?	2010 (%)	2011 (%)	2012 (%)
Directly to management	24	45	44
Through an immediate superior	76	69	71
Through representatives	32	26	27
Through a personnel professional	30	34	28
Through an anonymous box	16	13	13
Through a survey	6	20	16

Source: Own research

Whether organisation provides its employees the feeling of safety in expressing of opinions and comments can be best declared by the way of their submission itself. In organisations we analysed, employees most often submit comments directly to their superior, or at departmental meetings where there has been room created for the purpose of comments submission, or directly at management meetings. In other cases, employees either do not submit comments at all, since they are afraid to do so, or they only discuss them among themselves, or some organisations have established so called comment box which employees use to submit comments (Table 8).

**Evaluation of present state**

Impact of the department of human resources management on the level of labour relations in the organisation is significant. The need to focus on them mainly results from the fact that labour relations and their quality create a framework which has a significant impact on

*Table 8*

Form of comments submission in the organisation	Share of organisations in %		
	2010	2011	2012
Comments are not submitted, employees are afraid to do so	14		
Comments are not submitted, employees only discuss them among themselves	5	7	6
Employees discuss comments openly with their superior	41	35	43
Room for presenting of comments is created at departmental meetings	25	31	30
Room for presenting of comments is created at management meetings	4	17	14
Other (state).....Comment box	11	10	7

Source: Own research

as better development of employees. The level of labour relations, whose basis is formal as well as informal communication among employees, has the main impact on all these spheres.

The research we conducted at School of Economics and Management in Public Administration in Bratislava in organisations operating in Slovakia implied that organisations prefer a direct verbal form of top-down as well as bottom-up communication, however a significant insufficiency in communication and thus also in labour relations was recorded in the way of comments submission.

Justification of the given part of the research in practice is mainly seen in analysing of the behaviour of organisations operating in Slovakia towards directing and advancing in the sphere of human resources management. On the grounds of presentation of obtained results, organisational managements can compare their own present states within the given sphere to states declared by the interviewed organisations, and consider possibilities of its enhancement on its basis. We also consider as necessary to continue in this research so that individual approaches can be enhanced, modified, streamlined and developed on the grounds of new information obtained from the interviewed organisations.

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## ОСОБЛИВОСТІ УПРАВЛІННЯ ПЕРСОНАЛОМ: ГЕНЕЗИС НАУКОВОЇ ДУМКИ

**Анотація.** У статті проаналізовано особливості еволюції наукової думки щодо управління персоналом, зокрема з позицій відносин роботодавців і найманих працівників. Запропоновано систематизацію альтернативних наукових підходів до гармонізації соціально-трудових відносин.

**Ключові слова:** персонал, соціально-трудові відносини, гармонізація, модернізація суспільства, соціальний діалог.

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**ОСОБЕННОСТИ УПРАВЛЕНИЯ ПЕРСОНАЛОМ: ГЕНЕЗИС НАУЧНОЙ МЫСЛИ**

**Аннотация.** В статье проанализированы особенности эволюции научной мысли относительно управления персоналом, в том числе с позиций отношений работодателей и наемных работников. Предложена систематизация альтернативных научных подходов относительно гармонизации социально-трудовых отношений.

**Ключевые слова:** персонал, социально-трудовые отношения, гармонизация, модернизация общества, социальный диалог.

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**THE FEATURES OF HUMAN RESOURCE MANAGEMENT: GENESIS OF SCIENTIFIC THOUGHT**

**Abstract.** From the moment of its occurrence, and to this day the science of personnel management has developed many concepts and theories, which represent the stages of development of material production, direction or other research, socio-economic conditions of employment in certain countries, etc. Significance of the study of labor relations and prospects of their harmonization also objectively is growing due to increasing exposure to global processes. The features of evolution of scientific thought concerning human resource management including positions of the relations of employers and hired workers are analyzed in the article. The systematization of alternative scientific approaches to harmonization of the social-labour relations is offered. It is important to know the direction and nature of changes in the management of the personnel, since they show a real vector of development of Ukrainian society, the state as a whole. Certainly, to evaluate the evolution of relations in the sphere of work and the possibilities of their development and regulation is advisable only within a particular historical period. From the position of the society's democratization achievements, modern ideas and awareness of the national economies modernization processes, taking into account the effects of globalization is much easier to see how to avoid the devastating strikes and revolution. In this direction it is important to understand the perspectives of development of labour relations.

**Key words:** personnel; social-labour relations; harmonization; modernization of society; social dialogue.

**Jel Classification:** J50