

KEY FACTORS FOR BECOMING AN EMPLOYER OF CHOICE IN CONDITIONS OF THE CZECH LABOUR MARKET

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Abstract

This article deals with Employer Branding within the Czech labour market. It is not limited just to the factors of job satisfaction, but it also aims to analyse and identify the key factors involved in employer branding. It includes not only such aspects as the working environment, or anticipated salary, but a wide range of factors which determine the perception and behaviour of individuals on the labour market. These factors are appropriately described in this article, and their consequences for corporate practice are presented here. The results, and their interpretations, can be useful, especially for those organizations which operate on the labour market and are characterized by a lack of qualified workers. The research is based on the analysis of the agency data from the MML-TGI Median Company. This data source is highly accepted in targeted marketing.

The research results provide a new perspective on the issues of employee recruitment, motivation and retention. These issues may be the real base for the application of Employer Branding in all its complexity within organizations operating on the Czech labour market.

Key words: motivation, Employer Brand, job satisfaction, Czech labour market

JEL Code: M31, M51, M54

Introduction

The situation on the Czech labour market, at the moment, is in a state of great disequilibrium, and that does not bode well for employers. Therefore, the study of factors which influence the individual's decision making processes is important for corporate practice. The new situation on the labour market, which is a consequence of the current phase of the economic cycle, is a challenge for many firms. At the same time, permanent changes have been wrought in the work content of many jobs, from the most routine tasks to the most heuristic ones. This is why, for firms, the labour force is an asset which constantly grows in importance and value

(Croce, & Ghignoni, 2012). Some authors present the risks associated with having insufficient numbers of certain professions on the labour market (Bosworth, Jones, & Wilson, 2008).

On the other hand, other problems can arise from having an over qualified workforce with its attendant feelings of frustration and dissatisfaction (Croce, & Ghignoni, 2012). All these risks can influence job seekers in their choice of employer.

Currently, many articles deal with job satisfaction and the factors which influence it. Some of the research analyses the factors of job satisfaction in selected sectors (Shan, Yao, Shi, & Ren, 2014; Tso, Fai, & Li, 2015). Still other studies have conceived their analysis at a more general level and explore, rather, the socio-demographic factors involved in job satisfaction (Urosevic, & Milijic, 2012; Tomazevic, Seljak, & Aristovnik, 2014). To date, the results of complex research into the factors influencing decision making on the Czech labour market have not been published. Research has covered only the perceptions of certain socio-economic factors of organisations (Palíšková, 2015; Dvořáková, 2016; Legnerová, 2015). The aim of this article is to identify the factors which influence the choice of employer in the Czech Republic. Knowledge of such factors can be useful in employer branding, the development of motivational programmes and the stabilisation of people in the organisation.

1 Research methods

Data for this research was obtained in cooperation with the research agency Median, within the framework of the extensive project: Market & Media & Lifestyle – TGI (hereafter, only: MML-TGI). This is a respected source of data used for market analysis and media planning. The collection of data is based on personal interviews with more than 15 thousand respondents. The sample of respondents is representative of the 12 – 79 age group of the Czech population. Random sampling was the method used to collect data. Within the framework of this article, the research was aimed at the working population. Such groups as students, pensioners, the unemployed, etc., were excluded from the research. The research sample consisted of 9,004 respondents.

The significance of the differences which were identified are evaluated through tests for the equality of the means. Tests for the homogeneity of binomial proportions were used. The test was used for comparison of two samples with binomial distribution. Formula for the test statistic is as follows:

$$Z = \frac{\hat{p}_1 - \hat{p}_2}{\sqrt{\hat{p}(1-\hat{p})\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}} \quad (1)$$

$$\text{where } \hat{p} = \frac{n_1\hat{p}_1 + n_2\hat{p}_2}{n_1 + n_2}$$

In some cases, the affinity index is counted in order to explore the differences between the selected categories of respondents. Values lower than 100 mean below average appearance of phenomena; values greater than 100 mean above average appearance of phenomena in the given category, as opposed to the overall group.

For decreasing the number of analysed statements concerning the perceived importance of job characteristics which were examined, factor analysis was used. Varimax rotation was applied as a rotation method. It maximizes the differences between the loading factors while maintaining orthogonal axes. Varimax method minimizes the number of variables that have high loadings on each factor and thus simplifies the interpretation of the factors. Eigenvalues indicated the final number of factors. Variables (statements) with the highest factor loadings were selected as representative statements for the each factor. These representative statements were then further examined.

Statistical analyses were performed in the Data Analyzer 4.72b and MS Excel 2016.

2 Job satisfaction in the Czech Republic

Within the framework of the research carried out, we first examined job satisfaction in the Czech Republic. 58% of working Czechs are satisfied with their jobs. 19.5% of them are definitely satisfied, while 39.0% are rather satisfied. Only 4.0% are definitely dissatisfied. The agency data from MML-TGI enabled the analysis of the development of job satisfaction of Czechs (see Fig. 1). The analysis results point to a decrease in job satisfaction in the Czech Republic.

We can model the decreasing levels of satisfaction using the linear trend function.

$$y = -1,3645x + 2805,2 \quad (2)$$

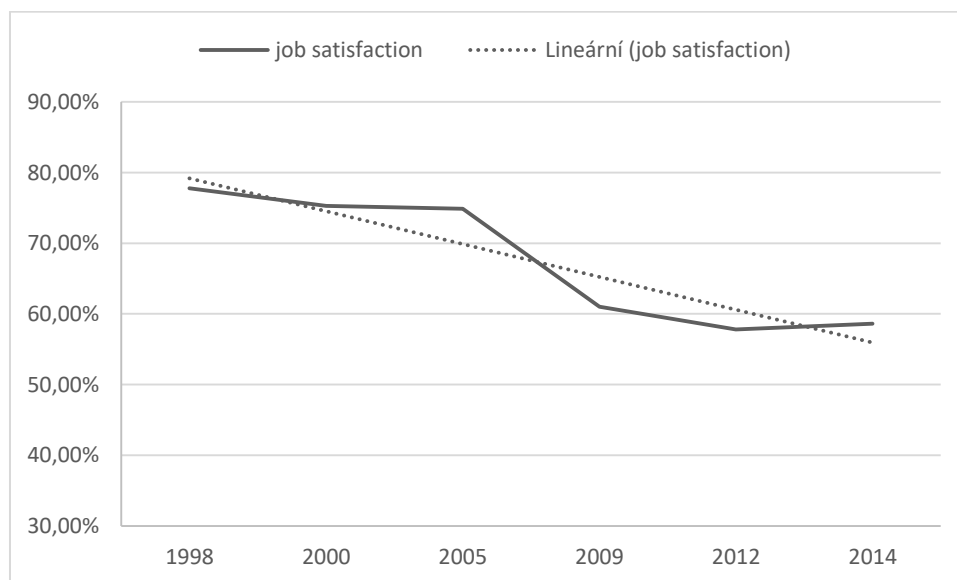
Value y is the level of job satisfaction expressed in percentage points, and value x is the period expressed in the particular year. Coefficient of determination (R^2) covers the values 0,8914, which points to a fairly high level of reliability of the model.

Job satisfaction is determined by several socio-demographic characteristics. The binomial split test has confirmed that the statistically significant differences in job satisfaction are shown by these variables (p-value < 0,05):

- Age;
- Education;
- Net income.

Regarding age, the least satisfied were young people in the 16 – 24 age group. In this category, only 50.8 % people achieved job satisfaction. Significantly more people in the 55+ age group are satisfied with their jobs (61,7 %).

Fig. 1: Development of job satisfaction on the Czech market



Source: Authors' own research; data extracted from MML-TGI, 1998, 2000, 2005, 2009, 2012, 2014

Job satisfaction is greater among people with higher levels of education. University educated people are significantly more satisfied than people with lower levels of education. The declared level of satisfaction among respondents with a university degree is 69.1 %, while 47.7% of respondents with primary education reported being satisfied with their jobs. Job satisfaction is also linked to one's net income. It is no surprise that the group of respondents who earn more, also have higher levels of satisfaction (see Tab. 1.).

Tab. 1: Net income and job satisfaction

| Net income | Job satisfaction |
|---------------------|------------------|
| Up to CZK 10 000 | 43.6 % |
| CZK 10 001 – 20 000 | 55.8 % |
| CZK 20 001 – 50 000 | 66.5 % |
| CZK 50 001 and more | 86.2 % |

Source: Authors' own research; data extracted from MML-TGI, 2014, N = 9004

On the other hand, differences in job satisfaction between men and women are not statistically significant. The difference is only 0.1 % (p-value = 0.89).

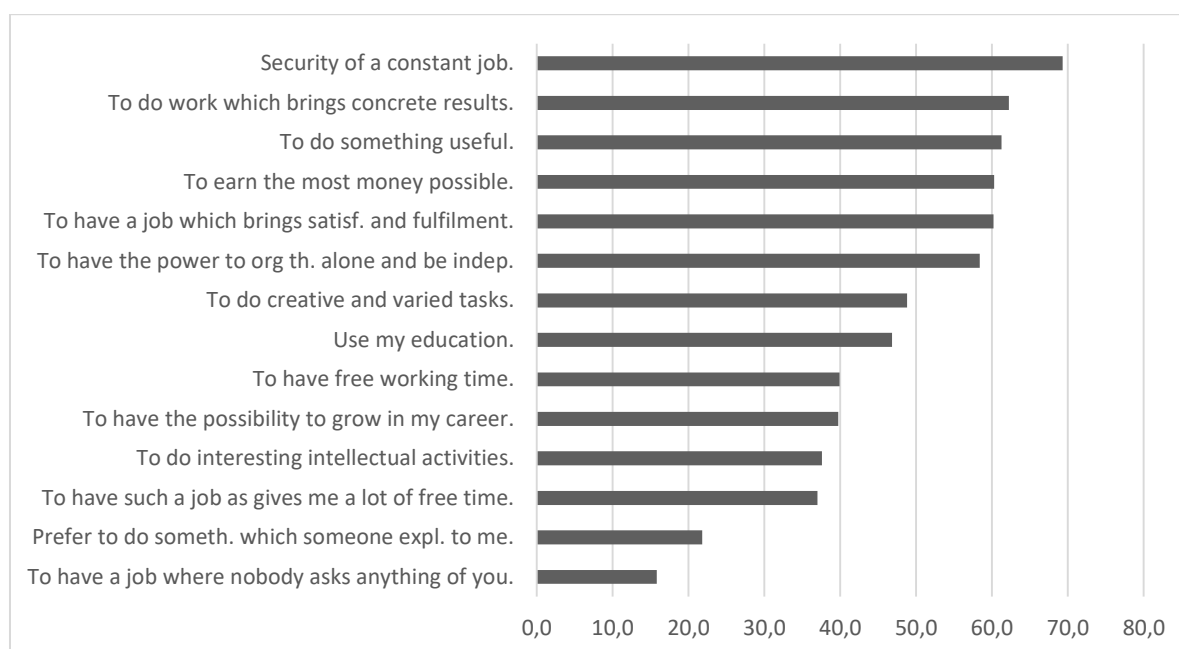
3 Attitudes of the Czech labour force towards work

3.1 Important job features for Czech labour force

Attitudes to work and employment are, naturally, determined by the ideas and expectations which people have towards work. During the course of the research, it was discovered which characteristics of employment are important in the Czech Republic. 14 statements were examined. They are sorted out according to declared importance in Fig. 2.

Among the most important characteristics of work in the Czech Republic belong: certainty of employment [69,3%], then work which brings concrete results [62.3%], and work which is perceived as something useful [61.3%]. Conversely, the least important thing is to have work where not much is expected, or asked, from employees [15.8%]; doing tasks which were neither explained nor assigned to the employee [21.8%], as well as work where one has a lot of free time [37.0%].

Fig. 2: Important job features on the Czech labour market



Source: Authors' own research; data extracted from MML-TGI, 2014, N = 9004

The importance of individual characteristics can vary according to socio-demographic markers, and the perception of the significance of different aspects of work can have an influence on job satisfaction. The examination of all 14 statements in relation to several variables would, however, be unclear, and in view of possible correlations between the statements, without purpose. Therefore, factor analysis was carried out, and only those statements which best represented the resulting factors were examined. So, the statements with the highest factor load for a given factor, only, were examined. Tab. 2 illustrates the rotated factor matrix (the Varimax method was used).

The results of factor analysis are 4 factors which can be interpreted according to the main variables in the following way:

- Factor 1 – job aspects related to self-realisation (activities and tasks, carrier, education).
- Factor 2 - job aspects related to perceived utility and (money, results, certainty of job).
- Factor 3 – job aspects related to free time and flexibility.
- Factor 4 – aspect related to the non-demanding nature of the job (ease of job completion, little or no responsibility).

Tab. 2: Rotated factor matrix

| | Factor 1 | Factor 2 | Factor 3 | Factor 4 |
|---|--------------|--------------|--------------|--------------|
| To do interesting intellectual activities | 0.742 | -0.209 | 0.105 | |
| To do creative and varied tasks | 0.715 | 0.145 | | -0.141 |
| To use one's education | 0.657 | 0.100 | | |
| To do socially useful work | 0.536 | 0.417 | | -0.154 |
| To have the possibility to grow in one's career | 0.524 | | 0,50 | 0.137 |
| Security of a constant job | | 0.722 | | |
| To earn the most money possible | | 0.690 | | |
| To do work which brings concrete results | 0.353 | 0.532 | | -0.252 |
| To have a job which brings me satisfaction and the feeling of life fulfilment | 0.403 | 0.411 | 0.225 | -0.321 |
| To have such a job which gives me a lot of free time | | | 0.827 | |
| To have free working time | 0.204 | | 0.775 | |
| I would rather do something which someone has explained to me, or which was assigned to me | | 0.124 | | 0.842 |
| To have a job in which nobody asks too much of me | -0.171 | | 0.397 | 0.587 |
| To have the power to organise things oneself and to be independent | 0.362 | 0.204 | 0.264 | -0.424 |

Source: Authors' own research; data extracted from MML – TGI, 2014, Median 2015, N = 9004 (note: factor loads less than 0.1 are hidden)

Variables (statements) with a highest factor load are in bold in Tab. 2. They are as follows:

- To do interesting intellectual activities;
- Security of a constant job;
- To have such a job which gives me a lot of free time;
- I would rather do something which someone has explained to me, or which was assigned to me.

It was discovered in other parts of the research, the categories of the working population among whom these ideas about employment and work are above average. This

index expresses the calculated affinities. Tab. 3 gives an overview of relatively different sociodemographically defined categories.

Tab. 3: Key job characteristics and their relation to sociodemographic variables

| Job characteristics | Sociodemographic variables | Affinity index |
|--|---|----------------|
| To do interesting intellectual activities | University Education | 167,3 |
| | Net income 20,000 – 50,000 CZK | 124,1 |
| | Net income above 50,000 CZK | 177,1 |
| Security of a constant job | No Significant Differences | 94,4 – 103,1 |
| To have such a job which gives me a lot of free time | Net income above 50,000 CZK | 164,6 |
| I would rather do something which someone has explained to me, or which was assigned to me | Under 25 years of age | 115,5 |
| | Basic Education | 125,6 |
| | Apprenticeship, Secondary Education without School Leaving Exam | 124,0 |
| | Net income up to 10,000 CZK | 116,7 |

Source: Authors' own research; data extracted from MML-TGI, 2014, Median 2015, N = 9004

Socio-demographic variables differ in the perception of important characteristics of employment in most factors, with the exception of job security. There, the greatest index affinity is 103,1 with women, who, unlike men, prefer this aspect of employment somewhat more. In general, utility factors are of major importance. Self realisation is of above average importance to people with higher incomes and a university education. People with the highest incomes accord above average significance to free time. We are talking, logically, about the strong motivational factor at that moment when one's job brings enough tangible benefits. On the other hand, undemanding work, with little or no responsibility, gets an above average welcome from people with low income and low education. Relatively often, this type of work is sought after by the youngest age group; i.e., people under 24 years of age.

Tab. 4: Key job characteristics and job satisfaction

| Important job characteristics | Job satisfaction | p-value |
|--|------------------|---------|
| To do interesting intellectual activities | 68.8 % | 0,00 |
| Security of a constant job | 63,9 % | 0,00 |
| To have such a job which gives me a lot of free time | 59,1 % | 0,42 |
| I would rather do something which someone has explained to me, or which was assigned to me | 60.9 % | 0,02 |

Source: Authors' own research; data extracted from MML-TGI, 2014, Median 2015, N = 9004

Perceptions of key characteristics of employment are also significant factors in job satisfaction. People whose key characteristics are presented in Tab. 4 consider it important, declare a significantly higher level of job satisfaction. With a level of significance of 5%, the difference is statistically significant for most of the characteristics, except for free time. The

difference in satisfaction between people for whom it is important to have a job which gives them a lot of free time, and people for whom it is not important, is not statistically significant (p -value > 0.05).

3.2 Attitudes towards work

Perceptions of the employer's brand will certainly be linked to the job satisfaction of his/her employees. The above mentioned results of the analysis concern the perceptions of key characteristics of the job and their connections with job satisfaction. Among the factors which can shape the predisposition of behaviour in the labour market, job satisfaction and perception of the employer, we can also include more general attitudes. The results of the research carried out on these more general attitudes can be seen in Fig. 3.

Fig. 3: Attitudes towards work



Source: Authors' own research; data extracted from MML-TGI, 2014, Median 2015, N = 9004

The research results show the prevalent attitudes of the labour force in the Czech Republic. Czechs consider a good job to be an important factor in having a happy life (65.9 %). At the same time, however, most working Czechs, without a doubt, place personal life in the first place, ahead of work (56.4 %). Significance is given to the fact that work must be enjoyable and never boring (64.6 %). This attitude is even supported within the minority opinion that work is only a means of obtaining money (46.6 %). A more important piece of information is the fact that more than half the working Czechs are afraid of unemployment (55.1 %). It can be expected that there is less of a willingness to change jobs just because of

dissatisfaction with the job. On the other hand, only very few people consider it the ideal situation to stay in the same job for the whole life.

Conclusion

Extensive research has been carried out on the Czech labour force, and it points to a lot of important facts, which employers could take into account when taking strategic decisions in the management of Human Resources. The results show a long term decrease in job satisfaction, which in these days of insufficient numbers of job vacancies, is an alarming discovery. An even more disheartening discovery is that the people who are least satisfied at work are the youngest generation. On the other hand, this fact is, at the same time, an opportunity for increasing the attractiveness of employers. The Czech population's expectations of the labour market are, however, high. On the basis of factor analysis, there were identified 4 key areas of important characteristics of work and employment. The perceptions of these factors are different in some socio-demographic groups, in particular, those divided by income and education. The connection between the factors and job satisfaction was proven here. The research also identified the prevailing general attitude of the Czech labour force to work and employment. The factors which were discovered to be influencing people's decision making on the labour market, along with their satisfaction; including the socio-demographic characteristics, contain important information for employers. This is both when they are building the employer brand and gaining people from the labour market as well as in the stabilisation and motivation of employees on the job.

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