EMPLOYEE ATTITUDES IN THE CZECH REPUBLIC AND HUNGARY AMID OF TWO CRISES

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Abstract

The paper presents opinions received from the Czech Republic and Hungary during the recovery from the COVID-19 pandemic and the outbreak of the Russian-Ukrainian conflict. We analyze the income situation of the respondents and pay attention to the effects of motivational and well-being factors on performance and loyalty. We examine the acquired and desired foreign work experience and the obstacles to obtaining the ideal workplace. Finally, we focus on expectations. Although our analysis does not cover the entire questionnaire, it is worth observing to what extent our hypotheses based on personal knowledge of the labor market are fulfilled. We found that employees are minimally afraid of the spread of automation in the current situation. However, if we inquire about the displacing effect of robots on the labor market in the future, the fears will noticeably increase. Employees are becoming more aware, and under the influence of appropriate incentive factors, they can perform and be loyal at the same time while also finding their calculations.

Key words: Employee, performance, loyalty, well-being, particular economic situation.

JEL Code: J53, J62, J81

Introduction

The COVID-19 pandemic has changed the labor market worldwide almost overnight. As expected, the pandemic seriously impacted the safety of the workplaces from the first moment. Due to its global consequences, the spread of the pandemic was compared to the 1918 pandemic after its outbreak. The World Health Organization (WHO) classified the epidemic as a pandemic on March 11, 2020 (Kovács & Zsigmond, 2020). The pandemic has become an unpredictable global risk, resulting in uncertainty that paralyzed the entire society, as well as the national economies of the European Union, China, the USA, Russia and the economies of other states worldwide. It limited human resources activities, which resulted in a decreasing

performance of the companies in most industries. The global health crisis generated by the pandemic caused a recession in almost all countries of the world. The effects and consequences of the pandemic on the economy were noticeable within a short time (Ivanov, 2020).

1 Literature Review

In public consciousness today, it feels like we are over the pandemic. However, this problem cannot yet be considered a closed fact. No one can know when the situation will return with well-known restrictions. An unexpected and negative event occurred during the rearrangement of people's social relations and economies. A military conflict broke out and is ongoing now in the immediate vicinity of Hungary and Slovakia. The conflict between Russia and Ukraine has caused political and economic problems. The main feature of the COVID-19 was that it threatened employees' health and limited the room to move the human resource (Gavurova, et al., 2022). Depending on the spread of the virus, the countries continuously introduced restrictions to reduce the number of infections. The restrictions resulted in the shutdown of companies, organizations, and state institutions in many cases. The common case was that the employees' representatives were not involved in the crisis management planning (Czirfusz, 2021). The companies had to use alternative solutions to help ensure their employees' health and safety. The employer has been forced to allow employees to work remotely from home. In this way, they could provide the continuous performance of tasks and the functioning of the organizations at a certain level (Fadinger & Schymik, 2020).

Working from home required immediate solutions regarding the way to perform work duties. The use of digital, information, and communication technologies came into view as never seen before, which helped employers manage work from home in many positions (Parker, 2020). Changed working conditions due to the measures linked to the virus have their mark on the preference of individuals as an employee. The weight and range of the individual's well-being factors have been changed. However, what do we mean by the well-being of an individual? Nowadays, many definitions have been created. The World Health Organization (WHO) defines well-being as a "state in which an individual can exploit his or her potential and skills, he or she can cope with the stresses of the normal life, can work effectively, and can contribute to the life of the community" (WHO, 1998). Most research shows that individuals with more balanced relationships are more productive and have much less probability of mental illness. Many researchers examine the factors of well-being. Some researchers use the preference index approach. This combines the equivalence approach and the distance function

in welfare economics (Yang, 2018). A lot of research worldwide focuses on subjective well-being. The results of studies that focused on examining the relationship between gratitude and subjective well-being were different between men and women. The male group reported a higher negative affect score. In contrast, the female group reported more gratitude markers and higher positive affect. The study also showed that older and higher educated male participants reported lower negative affect (Yoo, 2020).

The most influencing factor in the future labor market is robotization. Its application and further development are global trends. Robotization of the production and other activities can reduce production costs, increase the flexibility of the production lines and allow the replacement of human resources by robots for dangerous or repetitive work (Smieszek & Dobrzanski, 2019). Robotization, in practice, now extends to production lines and a wide range of companies' activities. For example, the robots working in logistics have to deal with infinite variables during their tasks. They must perceive the environment in which they must move and collaborate with people. The development of robotization is mostly influenced by scanning technology, faster computing technology, large-scale data analyses, batteries, the use of cloud technology, and mobility (Čujan & Marasová, 2018). The development of robots supported by artificial intelligence is the topic of today. Several studies have been published that point to the risk of the working environment by using artificial intelligence in robot development. These risks are both physical and psychological. Their occurrence should result in further discussion and search for answers (Yarota, 2021). It is also essential to take into consideration the ripple effect of automatization on the company's productivity and employment. Partial public policies or management actions could be counterproductive. For example, promoting the investment in robotics without considering and managing capitalization, training, and innovational mechanism can lead to unexpected results (Ballestar, et al., 2021).

2   Methodology and sample

Within the VEGA project framework (1/0688/21) the collection of employer and employee quantitative information has started. A significant amount of data is already available in the two countries. The Hungarian and Czech samples can be compared on the basis that the sampling took place in the same period of time and under the same economic conditions. These conditions mean that the recovery from the crisis caused by the pandemic has begun, however, the war in our neighborhood can result in a highly negative impact on our food security and energy supply. The data collection interval was between 29.03.2022 and 07.06.2022 in Hungary and between

24.04.2022 and 21.06.2022 in Czech Republic. After data cleaning, we were able to examine 248 responses from the Czech Republic and 151 from Hungary. The demographic composition of our samples is different. The Czech sample roughly corresponds to the composition of the population; however, young people and women are predominant. Meanwhile in Hungarian sample represents a basic population with a better financial situation and higher education (Table 1).

Table 1: Demographic distribution of the sample

	Czech Republic	Hungary		Czech Republic	Hungary
	Gender			**Residence**	
male	35,9%	24,5%	I live in the same settlement, within 25 km of my workplace.	59,5%	73,5%
female	64,1%	75,5%	I live in the same settlement, more than 25 km from my workplace.	1,6%	0,0%
	Age		I live in another settlement, within 25 km of my workplace.	22,7%	9,9%
age between 18-29	69,8%	51,7%	I live in another settlement, more than 25 km of my workplace.	6,5%	7,9%
age between 30-39	14,5%	25,8%	I live in another settlement, more than 50 km from my workplace.	5,3%	4,6%
age between 40-59	14,9%	21,2%	I live in another settlement, more than 100 km from my workplace.	4,5%	4,0%
age above 60	0,8%	1,3%			
	Education				
vocational school	1,6%	1,3%		**Income**	
high school graduation	56,9%	6,0%	far below average	4,6%	0,7%
higher education	3,2%	4,0%	below average	31,5%	14,0%
bachelor's degree (BSC/BA)	31,5%	's	average	47,7%	52,7%
master's degree (MSC/MA)	4,8%	13,9%	above average	14,9%	30,0%
PhD, scientific degree	2,0%	0,7%	far above average	1,2%	2,7%

Source: Authors' own research

Based on the knowledge of the two countries' labor market, the crisis's negative effects, and partly the geographical conditions, we set up five hypotheses. For transparency, we only list our assumptions in this chapter. In the next chapter, we describe how we reached a conclusion for each hypothesis and then checked them. The main and sub-hypotheses are as follows.

H1: The members of the Hungarian sample rate their own income situation more positively than the members of the Czech sample.

H2: In the two countries, similar phenomena and characteristics can be observed in the samples in the case of motivational and employee well-being factors.

H2.1: Examining the order of correlations of the motivational and well-being factors with the employee's own performance and loyalty, it can be observed that non-salary type factors are gaining ground, and remuneration is taking a back seat.

H 2.2: During the years spent in the shadow of the pandemic, the role of hygienic factors is more important in increasing loyalty and performance.

H3.1: Over time, the sense of danger of losing the workplace increases due to robotization.

H3.2: As the dimensions (country, company, own workplace) narrow, the sense of danger of losing the workplace decreases due to robotization.

3 Testing hypotheses

Our first hypothesis is based on two facts. On the one hand, as the Czech Republic is neighboring Austria and Germany, the residents compare their income situation to these two countries. On the other hand, the Hungarian sample comes from a special stratum - Budapest correspondence students with master's degrees - whose income makes it possible to cover the relatively high tuition fees, whose work for multinational companies in the capital where wages are higher than average (Table 2). H1 hypothesis was confirmed with strong signification (p<0,01). Hungarian respondents rate their financial situation as more positive. We will use this finding in our further analyses.

Table 2: Subjective assessment of the income situation

Country	Far below the average	Below average	Average	Above average	Far above average	Total
Czech Republic	4,6%	31,5%	47,7%	14,9%	1,2%	100,0%
Hungary	0,7%	14,0%	52,7%	30,0%	2,7%	100,0%

Source: Authors' own research

Our second hypothesis is based on the fact that Hungarian research from the last decade has already shown that the role of remuneration as a motivation factor is decreasing (Gergely & Pierog, 2016). On the other hand, we have already seen in the CoronaHR research that workplace hygiene factors played an essential role in human resource management during the pandemic. Based on this, we assumed that its role also increased the individual's motivation. We examined twenty-five factors, and we do not include all of them in the tables, only those necessary for positioning. In the case of the Czech sample, it can be stated that the primary performance-enhancing conditions are an excellent co-working community and challenging, creative work. Right after comes the proper cleaning and dressing facilities representing the minimum respect. Workers must be provided with decent human conditions. The safety actions to prevent the infection placed the distinguished 11th place. Wages are only far from 14th place (Table 3.)

Table 3: Correlation between motivation and performance, based on the Czech sample

Czech sample: correlation between motivational and performance elements		
1	$,304^{**}$	Good co-working community
2	$,286^{**}$	Challenging, creative work
3	$,254^{**}$	**Adequate cleaning and dressing facilities**
11	$,195^{**}$	**Safety actions to prevent the infection**
14	$,169^{**}$	**Higher salary**

Source: Authors' own research

Different factors can induce workplace loyalty than performance. The most crucial element of loyalty is the workplace the employee can be proud of. The employee's self-esteem increases if he or she can work for a responsible company that does as much as possible to preserve our environment for future generations. Hygiene is even more important in achieving loyalty. These two factors are ranked 5th and 6th this time. Higher wages only came in 15th place (Table 4). In the Hungarian sample, hygiene factors also rate in a prominent place (Table 5 and 6). The higher salary does not play many roles in performance; however, the members of the sample are ambitious, and only in the case of high salary they remain loyal. The particular group linked to capital expects to be remunerated and will quickly look for another job if this does not happen.

Table 4: Correlation between motivation and loyalty, based on the Czech sample

			Czech sample: correlation between motivational and loyalty elements
1	**	,475*	A workplace the employee can be proud of
2	**	,455*	Good co-working community
3	**	,445*	Capable leaders
5	**	,409*	**Adequate cleaning and dressing facilities**
6	**	,405*	**Safety actions to prevent the infection**
15	**	,254*	**Higher salary**

Source: Authors' own research

Table 5: Correlation between motivation and performance in Hungary

		Hungarian sample: correlation between motivational and performance elements
1	,321**	Good co-working community
2	,259**	Professional respect and recognition
3	,231**	Capable leaders
9	0,143	**Adequate cleaning and dressing facilities**
11	0,099	**Safety actions to prevent the infection**
20	0,015	**Higher salary**

Source: Authors' own research

Tab. 6: Correlation between motivation and loyalty, based on the Hungarian sample

			Hungarian sample: correlation between motivational and loyalty elements
1	*	,519*	Professional respect and recognition
2	*	,492*	A workplace the employee can be proud of
3	*	,473*	Capable leaders
8	*	,361*	**Higher salary**
14	*	,284*	**Adequate cleaning and dressing facilities**
22		0,151	**Safety actions to prevent the infection**

Source: Authors' own research

H 3.1 and H 3.2 hypotheses were partially fulfilled, see Table 7 and 8.

Table 7: Opinions of Hungarian employees about robotization

Dimension	Time	1*	2	3	4	5**	Median
Country	Now	14,9%	24,8%	12,1%	39,7%	8,5%	3,02
	5-10 years	5,7%	18,4%	11,3%	42,6%	22,0%	3,57
	10-20 years	5,0%	12,1%	9,2%	39,7%	34,0%	3,86
Own company	Now	27,7%	28,4%	14,2%	24,1%	5,7%	2,52
	5-10 years	17,0%	25,5%	19,1%	29,1%	9,2%	2,88
	10-20 years	11,3%	17,7%	17,0%	34,0%	19,9%	3,33
Own workplace	Now	70,9%	17,0%	4,3%	5,0%	2,8%	1,52
	5-10 years	51,1%	20,6%	11,3%	12,8%	4,3%	1,99
	10-20 years	36,2%	16,3%	17,7%	19,9%	9,9%	2,51

Source: Authors' own research

Table 8: Opinions of Czech employees about robotization

Dimension	Time	1*	2	3	4	5**	Median
Country	Now	12,3%	25,8%	21,6%	33,1%	7,2%	2,97
	5-10 years	7,7%	18,3%	22,1%	39,6%	12,3%	3,31
	10-20 years	5,5%	11,5%	21,7%	42,6%	18,7%	3,57
Own company	Now	14,0%	22,5%	20,3%	36,4%	6,8%	3,00
	5-10 years	20,5%	27,4%	19,2%	26,1%	6,8%	2,71
	10-20 years	15,5%	21,0%	27,0%	24,9%	11,6%	2,96
Own workplace	Now	48,9%	26,0%	15,7%	6,4%	3,0%	1,89
	5-10 years	39,1%	25,5%	18,7%	11,9%	4,7%	2,17
	10-20 years	30,6%	24,7%	26,0%	10,6%	8,1%	2,41

Source: Authors' own research

* Robotization does not threaten the workplace at all.

** Robotization puts workplaces at extreme risk.

We have only one contradictory data: the value of Czech own company. In this case, the fear of losing the workplace is extremely high. The possible explanation is that robotization is a strategic decision. The Czech employees fear that their companies can change their automatization strategy and will also have financial resources. Hungarian employees are not

afraid of this; they probably believe their companies would not have the resources to change their robotization strategy.

Conclusion

In our study, we compared several aspects of the labor market situation of Czech and Hungarian employees. However, the questionnaire of this publication allows for countless analyses. Since the data collection is continuous, we will continue these studies on a more extensive and closer representative sample. We will also examine new factors such as robotization, fluctuation, and the impact of demographic factors on employee behavior. We believe the employees will be more and more informed about economic issues, know the organizational goals well and soberly try to reconcile them with their own aspirations. It is worth getting to know their opinions and values by country and demographic characteristics. This can result in improved working relationships and more efficient task performance. Successful companies appreciate loyal and good-performing employees, both financially and morally.

Acknowledgment

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