

Factors affecting the methods of employees management in agrobusiness companies in the region Vysočina

Faktory ovlivňující metody vedení zaměstnanců v podnicích agrobyznysu regionu Vysočina

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Abstract: Based on a questionnaire survey carried out among managers of medium size companies (over 50 employees) of agricultural business in the region Vysočina, it was found that the prevalently production and processing companies (86.3%) reside mostly in small and medium size towns and villages (82.4%). According to the opinion of respondents, the companies employ a too big number (9.8%) of employees while 88.2% respondents consider the situation as adequate to the requirements and possibilities. The respondents estimate (35.2%) that the level of present wages is disproportionately low. At the same time, they anticipate the growth of requirements for qualification (66.7%) with respect to the permanent technological development. However, they do not expect (82.4%) a corresponding marked increase of wages. The evaluation of working conditions has to be an indivisible part of the proper management of human resources in the companies of the region. These conditions are evaluated as satisfactory (88.2%) but in the horizon of 5 years, requirements for their improvement are expected by 78.4% managers of the monitored companies.

Key words: questionnaire survey, Vysočina region, agrobusiness, companies, employees, qualification, remuneration

Abstrakt: Průzkumem u manažerů středních podniků (nad 50 zaměstnanců) agrobyznysu v regionu Vysočina bylo zjištěno, že jejich převážně výrobní a zpracovatelské podniky (86,3 %) sídlí z větší části v malých a středně velkých obcích (82,4 %). Zaměstnávají podle názoru respondentů (9,8 %) příliš početný stav zaměstnanců, zatímco 88,2 % z nich považuje stav za přiměřený potřebám a možnostem. Respondenti odhadují (35,2 %), že úroveň současných mezd je neúměrně nízká. Současně předvídají z hlediska trvalého technologického rozvoje růst požadavků na kvalifikaci (66,7 %). Souběžně s tím však nepředpokládají (82,4 %) tomu logicky odpovídající výrazný růst mezd. Nedílnou součástí správného vedení lidských zdrojů v podnicích regionu musí být i hodnocení pracovních podmínek, které jsou hodnoceny z 88,2 % jako uspokojivé, ale v horizontu pěti let nároky na jejich zlepšení předpokládá 78,4 % manažerů sledovaných podniků.

Klíčová slova: dotazníkové šetření, region Vysočina, agrobyznys, podniky, zaměstnanci, kvalifikace, odměňování

The Czech Republic will be affected by globalization and the European regionalization in the coming years. It is connected to the world scientific development, which significantly affects technological development.

It is necessary to take into account that the CR will be subject to all impacts of the global competition, which can be noted already at present in relation to foreign companies coming to our country and their

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international expansion. It will be necessary to take into account the effects of supranational companies and concerns, international organizations and supranational groupings including the EU. Investors, who will behave quite rationally, will search for a business geographical environment which will provide important competitive advantages including safety guarantees.

Qualified personnel, high cultural standards and attractively priced human resources at the regional and national levels are among the advantages that counties and their regions can offer. Thus, human resources are an increasingly important factor among the basic resources determining economic development. At present, it is estimated that the results of companies are affected in 60% by material resources and in 40% by human resources. Thus, human resources limit the possibilities of every organization because they affect the efficiency of using material resources. Far-sighted investors see that human resources are a creative element, the greatest capital in a company (Chládková 2006) and that the results of an organization are not determined by the number of employees only, but also by their qualification, knowledge and skill, the accumulated experience, the willingness to co-operate, communication, remuneration, satisfaction in work and social securities. Thus, the management of human resources is a key factor of the success of efficient companies (Peretti 1997).

It is necessary to take into account (Tomšík 2005) that human resources are expensive because they require costs for wages, insurance, education and training, social security and an adequate working environment. It supports the hypothesis that human resources are and will be expensive but this point of view cannot be the only aspect for companies. It is the fact, however, that such a point of view still predominates in our country. The trend is shown to leave out the contribution for the company, which affects the sphere of management and separately also the management of human resources. In decision making on the investments into human resources, this activity generally differs from the traditional approach to the evaluation of investments into assets. The costs of human resources are identifiable and, therefore, the decrease in the number of employees becomes evident in the improvement of the results of financial character because the dismissal of staff results in the fall of costs. The negative impacts of such a dismissal can be neglected and this disregard of negative impacts can result in the incorrect decision making in the field of human resources. At present, it is suitable to leave the traditional concepts where employees are only the source of costs and to create

a space for a new concept where the staff is considered to be a resource the utilization of which has to be optimized. This concept is linked with the idea of the development of human resources. The development of human resources should be a new personnel vision when it is necessary to activate and develop human resources (men and women) and to invest in them. The development of human resources solves the quantitative and qualitative adequacy, integration with the company development, its profitability and optimisation.

The experience of the best and most successful organizations proves that the organizations are successful because they consider people to be the most important assets, they recruit and integrate "good people", have projects how to keep people and use their positive strengthening. Thus, the research was also aimed at the determination of the opinions of managers of medium size companies on the degree of college or university education achieved by employees and graduates and to confirm their willingness to support the development of employees as an important element of the management of personnel to their optimum use towards fulfilling the company objectives.

Such management has to take into account the challenges of the environment in the field of technology, social changes, legislation and of course also economic challenges, e.g. globalization of competition, enhancement of investments, rapid or even chaotic economic changes and inflation, which refers particularly to the system of remuneration of employees because remuneration has to regulate the staff even under the changed conditions and lead to flexibility and adaptability. Jeníček (2006) mentions the importance of changes in production factors in the globalized world, particularly labour, capital, land and information. The remuneration or wage systems are often regarded as the most important activities (Milchovich, Boudreau 1993) of the management of human resources because they support the formation of labour, development of employees, effectiveness and ethics and social relationships including communication between owners, managers and trade unions.

It is suitable to remember the findings of Drucker (2001) concerning the productivity of an employee. He mentions that the fiftyfold increase of the productivity of a manual worker in production was the most important and virtually quite unique contribution of the 20th century management. The most important contribution of the 21st century management is a similar increase in the productivity of labour. Production facilities were the most valuable asset of a company

in the 20th century. The most valuable asset of a company in the 21st century is its trained personnel and its productivity supported by the systems of remuneration and by the suitable working environment. At present, the wage situation of human resources in particular companies is an important tool to achieve company objectives. This trend is an accepted part of the management practice already and, as a rule, theorists support it in their opinions. In order these human resources provide their particularly tacit knowledge, it is necessary to manage them effectively and to apply suitable stimuli of motivation to keep these employees in the company.

The aim of this paper was to accumulate and evaluate theoretical and realistic data and findings from the primary and secondary sources of agrobusiness subjects in the region Vysočina aimed at the determination of their number, object of activities, localization, wages of employees and their development as the stimuli to affect the desirable working activities at their management and corroboration of the manager premise that employees are not managed but led at present (Drucker 2001).

At the same time, to find the opinions of the management of addressed companies on the effect of the employee education on their development and use on labour market with assessing social and working conditions of employees, the knowledge of which results in fulfilling their unsatisfied needs (in terms of Maslow) and their use again at the management of employees. As an instrument how to achieve the objective, there is also the selection of a suitable region and company willing to supply the data on the remuneration of their employees and other data associated with their positive management. These objectives stem from the needs to deal with the institutional research plan MSM 6215648904 and its two lines tackled at the Mendel University (MUAf) in Brno.

MATERIAL AND METHODS

In the autumn months of 2007, the team of authors of this paper under the support of the Polytechnical College in Jihlava and of the authorities of the region Vysočina organized a survey of the opinions of managers aimed at several questions, particularly referring to the condition and anticipated development of the labour market, qualification and remuneration of employees and evaluation of the impacts of the admission of the CR into the EU. For the purpose of the survey, a questionnaire was prepared with the total number of 31 questions, two of them being of the identification character (the object of activity

and the size of the company residence municipality). The questionnaire was anonymous and the respondents had the possibility to answer by two ways, viz. electronically using the questionnaire system *ReLa* (*Research Laboratory*) at the MUAf in Brno (details on the ReLa system, see <http://rela.mendelu.cz/>) or they could complete the questionnaire manually and send it by post).

In spite of the wide publicity of the action when the co-operation with the region authorities as well as with professional chambers was used and also regional press informed on the survey, the return rate of the questionnaires was not too satisfactory.

Some 51 companies out of 177 addressed ones answered, i.e. 28.8%. This return rate can be considered to be rather high, but with respect to the effort, which was exerted for the support and publicity of the action, the expected return was higher. In the accompanying letter, the anonymous and non-commercial character of the action was stressed, the results of which should serve two lines of the research plan of the Faculty of Business and Economics, MUAf in Brno. It is possible to suppose that a number of the addressed persons were the graduates of the Faculty and it is a pity that they did not decide to help their Alma Mater in this way.

An interesting method was used by the respondents for answers. The *ReLa* system makes it possible to register even unsatisfactory attempts to complete the questionnaire and there were dozens more of these questionnaires. Finally, only 18 persons (i.e. 35.3%) replied using the electronic form (although it referred to a trivial matter) and the rest of respondents completed the questionnaire manually and sent it traditionally by post. Thanks to the post stamp of the sender (without examining the questionnaire content), the authors of the survey could note that also some of the largest employers of the region working in the field of agrobusiness participated (16 companies have more than 250 workers). The complete results of the survey were made accessible to the respondents in the form of simple tables being available on the website www.mendelu.cz/~minarik.

The authors propose to carry out a similar survey also in the South-Moravian region where the number of subjects falling under the definition of "agrobusiness" amounts to about 5 500 and so it is impossible to address them through the traditional post (with regard to the high costs). Electronic address is not a component of the register of economic subjects and also in case that it is found out the electronic contact would be regarded (without the previous notice of the relevant profession chamber or association) as an unsolicited mail. Consequently, also in this case the

method of a basic massif will be selected (only the largest employers will be addressed). The authors of the survey have a possibility to learn from the partial shortcomings, particularly regarding the object of activities (to differentiate the production of primary raw materials from the production of final consumption products – evidently, it was not understood by respondents).

Moreover, it would be useful to include a question relating to the level and possibilities of electronic communication with the company. It is startling that there is a considerable number of unsuccessful attempts in completing the electronic form of the questionnaire, which exceeded the total number of answers obtained.

RESULTS AND DISCUSSION

Managers of those companies (legal entities) were addressed in the survey, which allows to be included to the field of “agrobusiness” due to the character of their activities. The view on economic subjects, viz. legal entities with the company residence in the region Vysočina, was obtained from the *Register of Economic Subjects of the CSO* (Czech Statistical Office). Companies with the object of main activi-

Table 1. Company allocation

Class	Answer	Frequency	Percent
1	in a larger village	23	45.1
2	in a small village	19	37.3
3	in a town agglomeration	9	17.6

Table 2. The subject of the company main activities

Class	Answer	Frequency	Percent
1	production	42	82.4
2	processing	2	3.9
3	trade or services	7	13.7
4	other activities	0	0

Table 3. Number of employees

Class	Answer	Frequency	Percent
1	too high	5	9.8
2	adequate to needs and possibilities	45	88.2
3	non-proportionally low	1	2.0

ties were selected from the register according to the *Branch Classification of Economic Activities* (BCEA) A, B, D15, D20, G51.11 to G51.39 and G52.11 to 52.27, i.e. companies with the main activity in the sphere of raw material production, its processing, transportation, storage and business in the field of agriculture, forestry and fishery as well as carrying out services for these companies.

For further information on the BCEA (OKEC), see the CSU website: <http://www.czso.cz/csu/2003edicniplan.nsf/p/0216-03>.

It has been found in the register of economic subjects that nearly 1000 such subjects, however of small size, were found in the Vysočina region in the period under study. On behalf of the minimization of costs associated with the survey, 177 largest employers with the number of workers exceeding 50 persons were addressed. In Table 1, the position of business subjects addressed was evaluated. The subjects develop there their business activities in relation to the size of the town/village.

According to the findings, the employers decided to place their enterprises mainly in villages and thus to approach the place of the job to the locally allocated human resources. The object of activities of these enterprises consists namely of primary production, viz. 82.4%. Subsequent business activities with services represent 13.7% and raw material processing 3.9%. For further evaluation, it will be necessary to specify the differences between production and processing for the questionnaire respondents. The results are given in Table 2.

The importance of the human factor for an organization is that people are its productive element. They design and propose goods, provide services, check and monitor quality, take care of the use of products in the market, distribute financial sources and determine the general strategy of the organization. From the point of view of this important company resource, we have primarily to deal with the question if the number of employees is optimally used. In relation to data in Table 3 on the number of employees, we have to examine why the company management (9.8%) sustains their too high number.

In these companies, a number of explanations can occur but the basic stimulus to study this excessive number is the necessity to co-ordinate the general company strategy with the personnel strategy. In the first group, it can refer to “investors” who intentionally keep the increased number of employees since they have a spectrum of products, which are liable to seasonal fluctuations and thus it is useful for them to keep the employees for the period of boom. So, they do not lose time and money due to the continuous

recruitment and selection processes and thus also accumulate experience.

The basic idea of the following Tables 4 and 5 is simple. People are motivated by their needs, either consciously or unconsciously. If a manager identifies the needs of his/her subordinate employees and creates conditions so that the people can achieve them under the acceptable costs then he motivates and manages. If the opinion predominates at present that social conditions of the employees of the monitored companies are satisfactory (76.5%), then within the horizon of 5 years, the managers can expect their increase (78.4%). If at present they learn this fact regarding their employees, they should begin to create a strategy of motivations or stimuli for the period specified in this way and to use the potential of the effects of the unsatisfied expectations and needs of their employees in their management. Thus, they would not avoid the considerations on the change of the whole company strategy.

Before a manager begins to envisage increasing the productivity of employees through wage stimuli, it is suitable to use also the non-monetary means for motivation. For that purpose, it was examined how far the managers of the addressed companies were

Table 4. Evaluation of the social conditions of employees

Class	Answer	Frequency	Percent
1	satisfactory	39	76.5
2	rather bad	6	11.8
3	very good	5	9.8
4	without answer	1	2.0

Table 5. The future development of demands of employees on social conditions

Class	Answer	Frequency	Percent
1	will remain on the present level	8	15.7
2	will increase	40	78.4
3	without answer	2	3.9
4	will decrease	1	2.0

Table 6. Present working conditions of employees are evaluated as

Class	Answer	Frequency	Percent
1	satisfactory	45	88.2
2	very good	3	5.9
3	rather bad	3	5.9

aware of the conditions of the working environment, which they created for their employees. In the following Table 6, the finding is given that 88.2% managers consider the conditions to be satisfactory and only 5.9% to be rather bad.

If the view of the future five-year period was evaluated, then the respondents estimate the necessity to pay a marked attention to this important factor of non-monetary stimulation because the demands of employees will increase owing to globalization processes occurring in the society and probably also under the effects of migration. The growth of demands for improvement is supposed by 78.4% managers and only 19.6% of all respondents expect their stagnation as given in Table 7.

In the following Tables 8 and 9, the opinions are evaluated of the level of the present wages of the assessed companies and their future five-year development. In the context of the previous evaluations of social conditions of the employees, it appears to be important to aim at the systems of remuneration, which generally represent the effective and complex remuneration offering wage for work done and employee benefits. Their objective is to support the enforcement of the company strategy and the development of the company culture, to affect the recruitment and stabilization of employees, to motivate them for education, development and work stimulation. Before the creation of the system of remuneration, the companies under monitoring have to clarify their own philosophy and strategy of remuneration. The philosophy of remuneration determines generally the approach of an employer to the treatment of wage problems. Thus, the phi-

Table 7. The future development of demands of employees on working conditions

Class	Answer	Frequency	Percent
1	remain on the present level	10	19.6
2	will increase	40	78.4
3	without answer	1	2.0
4	will decrease	0	0

Table 8. The level of present wages

Class	Answer	Frequency	Percent
1	non-proportionally low	18	35.3
2	adequate	32	62.7
3	without answer	1	2.0
4	non-proportionally high	0	0

losophy of remuneration formulates the position, which is to be taken by the employer in the field of wages in the market as compared with competitors in the branch and locality and which methods and procedures should be used.

The strategy of remuneration has to start from the general strategy of a company and, of course, from the personnel strategy. It affects the market, legal regulations, company culture, manager procedures, the structure of employees, collective negotiations, the past and present of wage regulations. Systems of remuneration cannot be rigid and unchangeable. Due to the changes occurring in the internal company environment as well as in the external environment it is suitable to change or create new systems of remuneration. This fact has to be the object of the actual interest of the management of the monitored companies because the management mentions that employees have disproportionately low wages in 35.3% of cases and at the same time, it is estimated in 82.4% that wages will increase only slightly, which does not correspond with the hypothesis that the demands of employees for social conditions will increase (Table 5).

In the recent years, the marked development of technology occurs towards automation and robotisation, the development of information technologies, the acceleration of processing and transfer of information, acceleration of transport, improving the situation in communications and consequently increasing the mobility of capital and the necessity of adaptation and slower mobility of human resources and changes in the international distribution of labour. It all affects the opinions of increasing the qualification of employees from the aspect of the company manager and owner (66.7%, see Table 10). If such a view predominates, it has to reflect on the company strategy of remuneration and thus a skilled work is required and such a criterion has to be adequately compensated.

Table 11 shows that in evaluating university education, 96% of the present respondents are aware of the trends in the international environment accepting also the possible absence of practical knowledge and generally also higher total personnel costs for a company. They learn that the development of employees provides competitive advantages and shows to its neighbourhood a willingness to take part in

Table 9. The development of wages within the horizon of future five years

Class	Answer	Frequency	Percent
1	wages will only slightly increase	42	82.4
2	wages will markedly increase	6	11.8
3	wages will not exceed the present level	2	3.9
4	without answer	1	2.0

Table 10. The future development of demands on the qualification of workers

Class	Answer	Frequency	Percent
1	this proportion will remain on the present level	16	31.4
2	the proportion of highly qualified work and qualified workers will increase	34	66.7
3	without answer	1	2.0
4	this proportion will rather decrease	0	0

Table 11. Opinions on workers with complete university education

Class	Answer	Frequency	Percent
1	it will not pay off to employ workers with this education	1	2.0
2	it will pay off to employ workers with this education only when they obtain practice	17	33.3
3	it will pay off to employ workers with this education even if they have no practice	21	41.2
4	pros and cons are virtually balanced	11	21.6
5	without answer	1	2.0

Table 12. Opinions on graduates of higher secondary professional schools

Class	Answer	Frequency	Percent
1	they have the same qualification as graduates of secondary schools	26	51.0
2	they have a better qualification than graduates of secondary schools	17	33.3
3	without answer	6	11.8
4	they have a worse qualification than graduates of secondary schools	2	3.9

Table 13. Opinions on graduates of the lower degree of university education

Class	Answer	Frequency	Percent
1	they have a comparable use as graduates of secondary schools or graduates of higher secondary professional schools	32	62.7
2	they have good qualification to assert themselves (comparable with graduates of the five-year study)	16	31.4
3	without answer	3	5.9
4	they have a worse qualification to assert themselves	0	0

the transition trend through these employees to a knowledge organization.

The employability of workers with the education of higher secondary schools is not questioned by the respondents, but they point out by their answers the same expectations regarding the grammar school graduates (Table 12 – answer 1 i.e. 51%). Other respondents mention that their expectations are better – 33.3%.

Graduates of the first level of the university education can be employed (according to the opinion of respondents of the monitored companies in Table 13) similarly as the graduates of higher secondary schools (62.7%). Of 31.4%, they are comparable with the graduates of the second level of the university education (i.e. Ing, Mgr etc.)

CONCLUSION

In order for the universities and faculties of the management and economic orientation to be able to fulfil their social function in the field of education and scientific and research activities, they need above all the quality information from the area of the economic practice. In some areas, it is possible to use secondary data (obtained particularly by the ČSÚ /Czech Statistical Office/, department statistics etc.). The information potential of such data is, however, limited and cannot replace primary investigations carried out directly in the “field” at the relevant companies.

No university-trained worker is able to maintain contacts with such a large number of companies,

which can be addressed in a survey. Data obtained by an individual approach are only of a limited “monographic” character. The basic condition to obtain relevant data from questionnaire surveys is a demonstrable non-commercial character, anonymity and that the questions referring to the sensitive and exploitable themes are not included (“foisted”) into the questionnaire. The possibilities of the practical implementation of a questionnaire survey are brought by the development of *IS/IT* (even at the large range of respondents) and thus electronic questioning. The authors of the paper consider that the greatest contribution of the questionnaire consists in the determination of subjective opinions, attitudes and experience of experts from practice, which is a drawback of the “official” statistics (with the exception of “expectation surveys” or boom surveys carried out in industry, building, trade and services).

Unpleasant complications of such surveys consist in the fact that under the conditions of our country, companies (and finally also inhabitants) are not accustomed to this method of obtaining information yet. On the one hand, it can evoke a certain enthusiasm, but on the other hand, also scepticism particularly in relation to anonymity and menace to the possible misuse of the research results. Unfortunately, respondents doubt that their opinions are of interest to anybody and do not believe that somebody will work with them.

By the means of the survey carried out at managers of medium-size agrobusiness companies (over 50 employees) in the region Vysocina, it was found that the prevalently production and processing enterprises

(86.3%) reside particularly in small and medium-sized towns and villages (82.4%). According to the opinion of the respondents, they employ a too high number of employees while 88.2% respondents consider the situation to be adequate to the needs and possibilities. They estimate that the level of present wages (35.2%) is too low.

At the same time, they anticipate the growth of demands for qualification (66.7%) from the point of view of the permanent increase of technological development. However, they do not suppose (82.4%) a marked growth in wages. Nevertheless, the addressed companies cannot avoid the necessity to develop a strategy of the system of remuneration, which would respond to the growth of requirements for qualification, social conditions, development of technologies constraining the mobility of specialized human resources and, at the same time, the possible growth of inflation in relation to the introduction of EURO as the system of payment in the Czech Republic.

The evaluation of working conditions has to be an integral component of the management of human resources in the companies of the region. These conditions are evaluated as satisfactory (88.2%) but in the horizon of five years, their improvement is expected by 78.4% managers of the questioned companies. On the basis of the evaluated answers, we can identify the willingness of managers to lead their co-workers as well as understanding their unsatisfied needs in the field of social and working conditions and the subsequent satisfying their personal development, which

will result in increasing the company competitiveness through employees and their knowledge.

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