

# Attitudes of Privately and Publicly Owned Organizations towards Atypical Employment in Crisis Time

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*Abstract: The economic crisis has forced companies to make certain decisions - decisions which affect organisational operation, long-term strategy and corporate culture alike. It is not surprising, of course, that employment is an area most deeply affected by the crisis – in fact, to its very foundation - so foreshadowing new, flexible solutions and a reappraisal of atypical employment. Last year a comprehensive research programme was conducted which allowed people to learn more about atypical employment, whilst, at the same time, enabling empirical studies focusing on paradigms of new employment opportunities. In this way suggestions could be directed towards decision-makers encouraging the use of this tool to alleviate the current labour market situation. This study presents some of the results of this empirical research, and with special regard to the theoretical and practical approaches towards atypical employment from the perspective of state and private organisations. The research showed that, in the current economic climate, neither private nor public companies showed any willingness to adopt atypical forms of employment as flexible tools in their employment strategies or to incorporate such forms into their organisational culture.*

*Keywords: atypical employment, state and private organizations, crisis*

## 1 A Few Thoughts on Atypical Employment

What might be called the “classic” pattern of work or employment became the norm at the turn of the 20th century in the United States, thereafter spreading over Western Europe and (still later) over the northern and eastern parts of the continent also (Rifkin, 1995). In the second half of the 20th century, there already existed the widespread practice in large organisations of hiring workers on an employment contract basis, assigning them to tasks detailed in job descriptions and tied to qualifications – work to be completed within a set period of time and for a fixed amount of money.

However, towards the end of the 20th century, new trends appeared in the industrialised world. Increasingly severe global competition compelled companies to look for flexibility and cost-reduction in every facet of production, including of course, labour. Older patterns, previously regarded as out of date, started to reappear in the 1980s: Castel (1998), for example, considers atypical forms to be a resurrection of practices and phenomena which had been the norm in previous centuries.

However, making the world of work more flexible is no easy task. Employees insist on old, well-established practices, and even though “special” or “atypical” forms continued to exist alongside the established ones, the former were regarded as inferior - by their very nature weakened by limited legal/ security. Typically, legal regulations also focused on the “normal” world of work, with both the state and the various representative organisations committed to this (Tóth, 2005).

The fact remains, however: the advocates of atypical employment consider its greatest asset to be the ability to adapt quickly to market changes, which is an especially important factor in today’s rapidly-changing, globalized world (Tóthné, 2002, Frey, 2010 and KSH, 2012).

The relevant literature includes several categories of this form of employment: the most comprehensive of those are the categories suggested by Nacsá (1997), who drew up a system of four clusters (atypical forms, based on the length of the working day, the length of employment, the place of work and the fact that a legal connection is created between more than two people). She defines all atypical forms in terms of these four clusters. Today, these categories can be complemented by the “socially protected” form of employment form as well as by those legal forms which are aimed at specific tasks rather than at employment itself. An examination of the statistics shows that the distribution of the given samples differs by type and region. In 2013 the number of employed grew by nearly 60.6 thousand and since 2010 it has increased by 157.2 thousand (KSH, 2013, 2nd page). Compared to the preceding year, employment grew by 0.9% last year at the budgetary institutions working with at least 5 people as well as at those non-profit organizations which were more important from the employment’s point of view. At the same time, the employment figures of the same period did not change in the private sector at companies which employed at least 5 people. In 2013, the private sector organizations which were examined by KSH produced a 3.3% higher employment figure among the employers who were not working full-

time, while in the public sector, it was public employment, among other things, which had a positive effect on the employment rates (KSH, 2013).

Although statistics show that the numbers in atypical employment in Hungary have also increased due to the crisis, the figures are still lower than the EU average: there are more possibilities, but demand still far exceeds supply. Whilst the average proportion of people employed in part-time jobs in the 28 EU member states had reached 19.9% by 2012, the figure was only 7% in Hungary (Eurostat, 2012).

It is not easy to see the reality behind the numbers, and so there may be many reasons why the number of these forms of employment remains so low. Among other factors, the question remains of the extent to which these employment types suit the Hungarian labour culture and how much they satisfy the preferences of both employers and employees alike.

Whilst a 2011 survey by Sonda Ipsos ([www.tavmunka.org](http://www.tavmunka.org)) claimed that 37% of employees would gladly have accepted teleworking, the 2012 statistics also showed that only 3% worked on such a basis, as opposed to the international average of 17%. The situation is similar with part-time jobs: Seres (2009) pointed out that the potential reserve workforce for part-time employment consists of young mothers, students, young people and pensioners. It can be seen that Hungarian companies are increasingly likely to face the problems of atypical employment due to the timely nature of the topic and the on-going economic crisis. This is because the labour force is a much more complex market commodity than goods or services, as the employer is also obliged to motivate employees to work harder and be more loyal.

On this basis, it is felt that the spread of the various forms of atypical employment is greatly influenced by society's opinion and attitudes. This was the basic concept of our questionnaire which aimed to uncover and analyse attitudes towards atypical work. During the survey, we were able to determine the attitude of Hungarian companies towards a type of work whose practical application is not as widespread as employees would wish. Among other factors, this research differed from other surveys in this field in that it was carried out during an economic crisis, so making it possible to assess the relevant preference of various organisations in a special economic environment.

## 2 Introducing the Research

The research into Hungarian organisations was done between Spring 2013 and the beginning of 2014 together with a comprehensive survey conducted along the Hungarian-Slovakian border. The basic aim of the project was to take an overall view of forms of atypical and non-market employment in relation to stimulating cross-border employment in the Komarno and Komárom regions. Typically, the first samples were taken from these regions, after which the research was extended to include the Central Hungarian region, including Budapest. This study

specifically presents the results of the research conducted in Hungarian organisations.

## 2.1 Methodology of Research

The quantitative research was based on a questionnaire which the participants could fill in anonymously. The snowball-method was used during sampling, and so the research cannot be considered as fully representative. The sampling number received from Hungary was 324, but this figure was further reduced by decisions as to whether some samples should be included. Several questionnaires were incomplete or had illegible data; the usual techniques used to complete missing information (such as average and /or case replacement) were not deemed expedient, and so these samples were omitted. Finally, only 207 samples remained.

The questionnaire primarily contained closed questions, with only two open questions to be answered by the respondents. The logical structure of the questionnaire is summarised below (Table 1):

Organizational Specifics	Possible Effects of Spill over Economic and Financial Events	Current Atypical Employment in the Organization
<ul style="list-style-type: none"> <li>• Sector</li> <li>• Sphere</li> <li>• Number of Employees</li> <li>• Ownership Structure</li> <li>• Regional Location of the Organizational Centre</li> <li>• Annual Income and Budget</li> <li>• Chamber Membership</li> <li>• Presence of HR Department</li> </ul>	<ul style="list-style-type: none"> <li>• The effects of the crisis on inflation, profit and organizational growth</li> <li>• Expected duration of the crisis</li> <li>• Crisis effects on employment</li> <li>• Planned employment changes to reduce the effects of the crisis</li> <li>• Opinions concerning atypical employment during the crisis</li> </ul>	<ul style="list-style-type: none"> <li>• Employment forms within the organization</li> <li>• Application of atypical forms by gender</li> <li>• Atypical forms by types of work</li> <li>• Plans concerning atypical forms in the next 2 years</li> </ul>

Table 1  
 Logical Structure of the Organization Questionnaire  
 Source: Authors' own research

The assessment of the results was carried out by single- and multi-variable methods. The former included frequency, average and deviation tests, whilst the latter used cross-table analysis – enabling the correlations between nominal variables to be revealed – and non-parametric methods (Mann-Whitney-test) which made it possible to examine two independent but non-conventionally deviated samples. For the assessment, an SPSS program was used. The specifics of the 207 samples are shown in the following table (Table 2):

Ownership Structure	Sphere of Operation	Regional Location of the Organizational Centre	Profit	Number of Employees
<ul style="list-style-type: none"> <li>• 76.7% Hungarian</li> <li>• 19.9% foreign</li> <li>• 2.4% mixed</li> <li>• 1.0% other</li> </ul>	<ul style="list-style-type: none"> <li>• 76.8% private</li> <li>• 23.2% public or state</li> </ul>	<ul style="list-style-type: none"> <li>• 39.7% Budapest</li> <li>• 38.2% Komárom-Esztergom county</li> <li>• 22.1% other</li> </ul>	<ul style="list-style-type: none"> <li>• 43.3% below 100 m HUF</li> <li>• 16.0% 100 m - 500 m HUF</li> <li>• 3.6% 500 m to 1 bn HUF</li> <li>• 26.3% 1 - 100 bn HUF</li> <li>• 9.8% over 100 bn HUF</li> <li>• 1% other</li> </ul>	<ul style="list-style-type: none"> <li>• 56.1% up to 50</li> <li>• 5.4 % 50 - 100</li> <li>• 13.2% 100 - 500</li> <li>• 25.4% over 500</li> </ul>

Table 2  
Specification of Organizational Samples  
Source: Authors' own research

### 3 Research Results

The research allowed for the examination of several hypotheses, but this study is concerned with the following:

#### *Hypothesis*

*Private and public organisations taking part in the research did not use a different atypical employment protocol and view during the crisis and are still reluctant to use the practice.*

159 private and 48 state organisations took part in the research. To validate the hypothesis, the organisations were all asked whether they had an HR department. The results showed that the practices of private and government or public organisations differed as approximately 32.9% of the private enterprises and 83.0% in the public sphere had such a department. The correlation was also verified by the Chi-square test (Pearson Chi-square test: 36.608 df: 1 sign.: .000  $p < 0.05$ ).

The rate of inflation was predicted in 2013 by most organisations (45.7%) as being between 3% and 5%, whilst 28.6% believed that it would be fewer than 3%. It is not surprising that 59.1% of the companies believed the crisis had had a negative effect on growth, whilst 32.8% were of the opinion that the decline had not been too serious. The various organisations had different opinions concerning the degree of the crisis effects (Pearson Chi-square: 8.040 df: 3 sign.: .045  $p < 0.05$ ). The state organisations were essentially more optimistic, 53.3% believing that the crisis had produced negative growth but 35.6% that the crisis had had no serious effect. On the other hand, 60.8% of private enterprises believed that they had been

a decrease, whilst 32.0% did not consider the effects of the crisis on growth as having been important.

Most companies in the sample (41.3%) predicted that the crisis would be over in less than 3 years, although one company in five forecast a much longer period - over 5 years. In the latter case, state organisations tended to be more pessimistic (one in 3), whilst only 18.1% of private enterprises were of this opinion. It is worth mentioning that only 8 companies – most (7) being private – believed that there would be no further crisis.

The crisis may influence age-related policies and long-term plans of the companies, and so our research also looked at these factors. The results show that largely the same proportion of companies believed that they would not increase salaries or wages in a variety of positions. Every second organisation (47.1%) did not intend to give an overall increase, and whilst for manual workers, 45.3% of companies had no plan to increase wages, 54.8% were also not thinking of increasing the salaries of middle management.

The logical division of the questionnaire shows our research paying specific attention to the effect of the crisis on employment within the organisations. The respondents were asked to answer questions on a 5-point Likert-scale concerning how typical of their organisation was a given effect of the crisis. The general results are shown in the following table 3:

Effects	Not Typical %	Slightly Typical %	Moderately Typical%	Very Typical %	Greatly Typical %	Average	Deviation
Lay-offs	43.8	26.3	13.9	13.9	9.3	2.11	1.295
Dismissing contract workers	58.2	18.5	12.0	6.5	4.9	1.82	1.173
Reducing shifts	71.9	15.7	5.4	5.9	1.1	1.49	.921
Reducing weekly work-days	79.9	10.1	5.8	1.6	2.6	1.37	.875
Wage reduction	63.7	19.2	7.8	6.2	3.1	1.66	1.064

Table 3  
 Employment Effects of the Crisis for Your Company  
 Source: Authors' own research

The results indicate that the organisations typically introduced methods which most hurt employees, including lay-offs among permanent and contract workers alike, as well as wage reductions. It is clear that methods which produce immediate cost reductions tend to predominate in the organisations, although these are also mostly short-term solutions.

One of the focuses of the research was to determine how the companies operating in different spheres differ from each other. Due to the irregular distribution of the samples, the examination was conducted with a non-parametric method (Mann-Whitney-test).

The results showed that organisations differed in three respects: lay-offs, dismissing contract workers and reducing wages. Our research verified that, in all three cases, state organisations are more likely to introduce these measures.

The research analysed not only organisational crisis effects but also company practice aimed at minimising them. As in the case of the effects, the organisations were asked to assess the opportunities on a 5-point Likert scale, depending on the frequency of a given reaction at the company. The results are summarised in the following table:

Provisions	Not Typical %	Slightly Typical %	Moderately Typical %	Very Typical %	Greatly Typical %	Average	Deviation
There is no need to act	72.8	11.4	8.2	4.4	3.2	1.54	1.032
Increased typical employment	43.8	25.4	14.2	12.4	4.1	2.08	1.205
Hiring cheaper labour force	45.1	21.4	20.2	8.7	4.6	2.06	1.192
Outsourcing	56.1	15.2	15.9	7.3	5.5	1.91	1.228
Discontinuing freezing wages	63.5	18.2	8.2	6.3	3.8	1.69	1.103
Lay-offs	48.6	26.3	12.0	5.7	7.4	1.97	1.229
Technical improvement, buying new machinery	36.1	21.7	21.1	10.2	10.8	2.38	1.351
Product development, creating new product	34.9	13.9	15.1	24.1	12.0	2.64	1.465
Increasing organizational efficiency	8.0	12.5	24.4	31.3	23.9	3.51	1.209

Table 4

Organizational Measures to Reduce the Negative Employment Effects of the Crisis

Source: Authors' own research

The table shows that organisations did not typically use short-term measures to handle the crisis. This means that the tools showing long-term corporate strategy and operation are increasing organisational efficiency, product development and the creation of new products. Approximately two-thirds of the companies do not wish to increase atypical employment, which means that the widespread use of this tool will not occur at these companies in the near future. The data also indicate that the great majority of the organisations (84.2%) believe that some measures are needed to handle the crisis.

The research also examined whether the companies operating in the private and public sectors differ in the type of measures they prefer. The method of examination was non-parametric procedure (Mann-Whitney-test). There were no significant differences between the organisations in terms of the 4 methods implemented: increasing atypical employment, increasing organisational efficiency, product development and the fact that steps must be taken to counter the effects of the crisis. Even so, whilst increasing atypical employment was a solution more typical of state organisations, the other three methods were more characteristic of the organisations in the private sector.

Regarding actions implemented where the examined companies used significantly different practice, state organisations typically turned to hiring a cheaper workforce, outsourcing, freezing wages and lay-offs, whilst technical development was more widespread among the private companies than in the public sector. Although figures indicate that most organisations do not think in terms of increasing atypical employment, a separate part of our research examined the knowledge and attitudes of the companies concerning this flexible form of employment. Respondents graded statements on a 5-point Likert-scale, and the results are shown in Table 5:

Opinions and Experience of Atypical Employment	Not Typical %	Slightly Typical %	Moderately Typical %	Very Typical %	Greatly Typical %	Average	Deviation
I don't know the atypical employment methods and we cannot deal with it now either.	44.8	24.1	17.2	5.2	8.6	2.09	1.267
We applied it, and we had bad experiences with it.	43.0	24.2	25.5	5.5	1.8	1.99	1.036
I know it, but we don't want to change our established employment system.	18.8	14.8	17.6	29.5	19.3	3.16	1.397
I heard about it, but we don't have cases which would require atypical employment.	32.8	26.0	9.0	15.3	16.9	2.58	1.495
Leaders are generally more likely to accept normal employment types before any atypical form.	19.3	17.0	15.8	30.4	17.5	3.10	1.396
I think my employees would more gladly work in atypical employment forms.	19.4	25.9	27.6	17.1	10.0	2.72	1.240

Table 5  
 Opinions and Experience Concerning Atypical Employment  
 Source: Authors' own research

The opinions show that, although two-thirds of the organisations know atypical employment forms and had had no negative experience with them, traditional solutions are still more strongly preferred among corporate managers. The organisational pursuits and operation are built on traditional solutions, and companies do not want to change this. The organisations refuse to turn to atypical solutions – let alone spread them – even though the results showed that a quarter of the companies examined know that their employees would like to work in such ways.

The non-parametric research (Mann-Whitney-test) also showed that there is one significant difference between the claims made by companies in the private and public sectors: workers would be significantly more willing to work in atypical employment in state organisations than in the private sector.



Finally, we asked what forms of atypical employment are most frequently met in Hungarian organisations. We found that the solutions typically used the most often included - flexible working hours, part-time work and contracts for specific tasks and periods, whilst the solutions least used among these companies were concentrated working time, atypical working positions due to changed working capacities, job-sharing and teleworking.

## Conclusions

This study examined the typical crisis measures of Hungarian organisations, with special regard to flexible employment, especially atypical forms. Based on the results, the examined hypothesis can be considered verified. The research showed that the effects of the crisis are particularly drastic for employees, and that the economic challenges force most organisations to take some steps to mitigate the effects and compensate for them.

The research also showed that state organisations tend to react more rapidly and drastically to a crisis by such means as lay-offs, dismissing contract employees and wage reductions. However, it is also true that these same state organisations are more open towards atypical employment forms in a time of crisis.

It is obvious that the companies and organisations examined think in terms of the longer-term, and in this way their most typical method is to increase their efficiency, which may also involve structural changes and the development of further long-term strategies.

At the same time, the research also verified that the same companies typically refuse to consider flexible employment methods as a means of increasing efficiency. These methods are supported by neither the organisation nor by management, and the firms are not prepared to use these opportunities as widespread solutions. This is important since there is no actual demand for these forms of employment among employees, and, until demand exceeds supply, this situation is unlikely to change in the near future in this country.

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