

MEANS OF STAFF NUMBER REDUCTION AND OUTPLACEMENT*

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The paper focuses on staff number reducing in Czech organizations because it is an important issue due to adaptation to changing economic conditions and ongoing financial crisis. The number of organizations reducing their staff number goes up in all sectors of economy including agriculture and the problem is associated with financial costs. The objective is to present the ways of staff number reduction in Czech organizations and outplacement for the laid-off workers and a partial objective is to compare the results with those in the Slovak Republic. Moreover, the paper discusses the recommendation in the sphere of knowledge continuity for organizations and it also examines the cost level of employees' turnover. The results were obtained by implementing quantitative research with the help of questionnaire data collection ($n = 109$) which were analyzed by the tools of descriptive statistics. Results show that 52.3% of organizations have reduced their staff number. However, outplacement was used by only 10.1% of the addressed Czech organizations, out of which 28.6% were agricultural.

employment; Czech Republic; Slovak Republic; costs; agriculture; quantitative survey



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INTRODUCTION

In respect to fast needs for quick reactions to ongoing changes, for most organizations the ability to adapt their staff number to the current situation is a competitive advantage in all sectors of economy (Economic Cycle Research Institute (ECRI) 2012 report – <http://www.novinky.cz/kariera/131792-outplacement-je-soucasti-dobreho-hr-marketingu.html>; Urbancová, Urbanec, 2013). According to Price Waterhouse Coopers (2009); Martins et al. (2012) only few organizations can afford to provide their staff number with such a level of certainty and relative ensuring as it was common before. According to the above-given 2012 report of ECRI, the Czech Republic rates as the eighth country in the world as concerns the requirement of a high flexibility in the workforce sphere, both in the hiring and dismissing process (Urbancová, Urbanec, 2013; Westaby, 2004).

At present, there is a minor demand for agricultural jobs, in particular in industrial and developed economies and in growing and transition economies (Venclová, Kónigová, Fejfar, 2013). Agriculture is perceived as an industry with a relatively lower employment

perspective and the overall employment in this sector is expected to decrease, according to Eurostat 2014 statistical report (http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Employment_statistics/cs), by one third by 2020 compared to the year 2008. With respect to the overall employment in the entire economy, its share is expected to be 2.45%. According to Eurostat 2014 report, this figure roughly corresponds to the current share of this sector in overall employment in developed West European countries. Nevertheless, also this area contends with the staff number reduction and outplacement. Agriculture lacks certain professions and in the coming years the sector will expectedly undergo a change in qualification structure. New trends will support demand for workers with higher or broader qualifications (e.g. the growth of ecofarms and development of agrotourism) and the demand for employees with completed secondary or tertiary education is likely to increase (2014 report of the National Training Fund, <http://www.budoucnostprofesi.cz/chybejici-profese/zdroje.html>). According to the 2013 press release of the Czech Agriculture Federation (www.zscr.cz/o-nas/tiskove-zpravy-a-vystoupeni/tiskove-zpravy-a-vystoupeni/tiskova-zprava-predstavitele-zemedelskeho-svazu).

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a1498193), Czech agriculture is still contending with the decrease in constant prices, which are on the 2/3 of past production, as well as in employment, which is on the mere quarter. The competitiveness of Czech agriculture is also endangered due to the lowering flexibility of the sector to implement the latest knowledge and innovations (Eurostat 2014 report).

Price Waterhouse Coopers (2009) states that the process of staff number reduction ranks among the least favourite activities of specialists engaged in human resource management. However, due to still unrelenting financial crises, discontinuous development of changes, ongoing innovations etc., Wong (2009), Shih, Chiang (2005) say that organizations have been increasingly faced with this problem.

In April 2012, in the industrial sector, the SONY representatives confirmed that to reduce costs and increase profitability in the fiscal year, they were going to reduce the staff number roughly by about 10 000, which represented approximately 6% of the total workforce of the organization.

For example, the number of workers in agriculture fell down by 4% (to 109 600) in 2012. The long-term trend of workers outflow from agriculture continues. In 2012, 2.2% of employees of the entire national economy were engaged in this sphere. Almost half of workers in agriculture are 45–59 years old. The aging of labour force in agriculture as well as the rural population is also a long-term problem, since these experienced workers are necessary for ensuring knowledge continuity. One of the main reasons for leaving are low wages (ca. 75% of the national average in 2013 – www.zscr.cz/aktuality/pocet-pracovniku-v-ceskem-zemedelstvi-loni-klesl-o-a2348766.) According to Žídková et al. (2011), investments into agriculture are still important (investment requirements were generally increasing in 1998–2009).

The course of the lay-off process, acceptance and adaptation to a new situation for leaving as well as staying employees should be fluent (Kacháňáková, Stachová, 2011; Martins et al., 2012).

Based on the analysis, the objective of the article is to outline the means of staff number reduction in organizations and outplacement for workers. A partial objective is eliciting the dependence among the investigated qualitative features in the studied issue and comparing the results obtained from the Czech and the Slovak Republic. Moreover, the article discusses the recommendation in the area of knowledge continuity for organizations and it also examines the cost level of employees' turnover. The theoretical part of the work outlines the significance of the investigated issue and summarizes the present state of findings. Further, methods and techniques of obtaining the data for the analysis are presented. The Results chapter, besides evaluation, gives also recommendation for knowledge continuity implementation based on the results. Finally, causes and consequences of the researched issue are

discussed and conclusions applicable in all sectors of economy drawn.

Theoretical background

According to Urbanová, Urbanec (2013) reducing staff numbers can be defined as terminating or restricting employment with a worker selected from the part of the organization. Whiteoak, Manning (2012) say that it can be characterized as a regulation tool of human resource management and it is important but unpopular personnel activity of managers. However, letting go should be a logical consequence of workers' performance and work will. On the other hand, a worker can terminate his or her employment for several reasons, for example retirement, employee turnover. It is connected with costs (Vnoučková, 2013). It confirmed by Bohlander, Scott (2013) which state that employee turnover is time-consuming and expensive for organizations.

The termination of employment is the form of workers' distribution within external mobility. The ways of employment termination are in the Czech Republic specified by Law Act No. 262/2006 Coll., Labour Code, in later amendments:

- based on legal act – contract for work, notice, immediate cancellation, cancellation during a probationary period,
- based on legal action – the expiration of agreed time in the case of definite period employment, death of the worker,
- based on an official decision.

The departure of workers is becoming a crucial problem of personnel work caused by the need for staff number reduction in the organization (Urbanová, Urbanec, 2013). Among the present reasons for staff number reduction in organizations also belong the lack of working skills, inefficient work performance and workers' behaviour, or the cancellation of a significant number of working positions due to the change in economic situation, loss of competition, restricted production, re-organization, technical progress (Westaby, 2004; Whiteoak, Manning, 2012), managing human resources on a global scale and others according to Bohlander, Scott (2013).

According to the Confederation of Industry and Transport 2013 report (www.novinky.cz/kariera/307747-firmy-letos-snizi-pocet-zamestnancu-o-temer-jedno-procento), industrial organizations forecast the 0.84% annual average reduction in the number of employees, which corresponds to several tens of thousands of people. Rather than at the end of 2013, organizations count with a further reduction of the number of employees in 2014. The mentioned report states that the performance of economy and the structure of prices development do not allow organizations to increase wages which will result in increasing employee turnover. Therefore, they will

still need to reduce the number of workers and will strengthen efforts to retain qualified staff. The growth of the average gross wage for 2013 is less than 1% and as a consequence of the present negative results, the wage growth of 1.59% is expected in 2014. That is not very motivational for many employees. At the same time organizations expect the consumer price index of 2.24% in 2014. According to their estimate, prices of major production inputs will increase by 3.15%, whereas output prices should rise by 2%. This development, according to the Confederation of Industry and Transport 2013 report, leads to an increase in pressure on the efficiency of organizations. The main factors the organizations identified as restrictive and growth-impeding are increasing energy prices (41%), prices of materials and raw materials (39%), insufficient domestic demand (30%), competition (22%), and insufficient foreign demand (19%). The negative consequences of reducing staff numbers do not affect only dismissed employees but also current employees and may distort the public image of the organization (Könišová, Fejfar, 2013).

At present, in case of large-scale dismissing, organizations can help their staff by implementing outplacement which presents a process of support and aid when the employer actively helps the employee find a new job or start a new career. Thanks to this personnel activity performed either by the employees of the particular organization or a specialized institution (outsourcing), both the employees and organization can overcome this, for both parties unpleasant situation, better and easier. Among the main advantages of providing outplacement services indisputably belong improving the morale of remaining workers, relationships with public in the local community, and avoiding problems from the side of experts. However, it can be stated that reducing staff number, both individuals and teams, leaves diverse impact on employees. Some take it as an opportunity to start a better career while for others it is a traumatic experience (Kacháňáková, Stachová, 2011; Martins et al., 2012).

Urbancová, Urbánek (2013) recommended that should staff number reductions be made, it is necessary to put emphasis on each individual concerned in organizations, make use of strategic planning and links between employee's work and organization's goals and respect changing laws.

Based on the above-mentioned, it can be summarized that reducing staff number is always traumatic for organization as well as its employees. This is supported by the fact that only rarely one speaks about laying workers off but expressions like re-organization, rationalization, slimming down, increase in effectiveness, re-structuration and so on are used instead in order for organization to avoid negative associations connected with laying workers off. It is necessary to know psychological basis of these traumas to soften their course and consequences and minimize a negative

impact on the organization and individual (Cabrera et al., 2006).

It is inevitable to realize that human resources, people with knowledge, experience, abilities, and skills affect the value of the organization at present (Haldin-Herrgard, 2000) and it influences economic situation in organization and also in the state. Workers' retiring or leaving for competition can cause the losses of important knowledge and it is therefore necessary to prepare for such a situation in a convenient way (Johannessen, Olsen, 2003; Eucker, 2007; Somya, Williamson, 2008). To prevent the outflow of workers together with their knowledge, it is possible to apply of the knowledge management continuity which is concerned with knowledge preservation and its transfer to potential candidates so that, despite workers' departure, the knowledge remains in the organization (Urbancová, 2012).

The research (Kacháňáková, Stachová, 2011; Vnoučková, 2013) shows that the most frequent methods of staff number reduction include: retirement, voluntary departure, involuntary departure, and non-renewal of temporary contracts. According to Kacháňáková, Stachová (2011), the following precondition (P1) has also been formulated: P1 – Methods of employee leaving focus on the size of organization.

The usage of the above-mentioned methods and their verification will be presented in the article.

MATERIAL AND METHODS

The findings presented were obtained through a quantitative survey, using a questionnaire technique of data collection. The survey was designed in co-operation with the Department of Management, Faculty of Economics and Management, Czech University of Life Sciences Prague (CULS), and with the Department of Management, School of Economics and Management in Public Administration in Bratislava (SEMPA). Within the frame of long-term co-operation, identical quantitative surveys have been carried out in selected organizations both in the Czech and the Slovak Republic. Thanks to this co-operation, it is possible to compare the results regarding the selected activities with the theoretical background published by colleagues from SEMPA.

The survey targeted at human resource activities (the parts of staff number reduction, outplacement, knowledge continuity) took place in 109 organizations in the Czech Republic. They were selected by random quota sampling from organizations presented on Internet and actively participating organizations. The organizations were divided into homogeneous groups according to the selection criteria (industry, sector, and size of organization) and their managers were addressed in order to form a sample whose struc-

Table 1: Relative ranges in number of employees in the selected period

Changes of the total number of employees in %									
Dec. of 50+	Dec. of 25-49	Dec. of 10-24	Dec. of 0-9	Unchanged	Inc. by 0-9	Inc. by 10-24	Inc. by 25-49	Inc. by 50+	TOTAL
1.9	3.7	19.4	27.3	26.9	4	8.4	5.6	2.8	100%

Explanatory: Dec. = decrease; Inc. = increase

Source: own elaboration

ture corresponded to the structure of organizations in the Czech Republic according to the Czech Statistical Office. To ensure the representativeness of the selected sample, evaluation and generalization of the sample results, selection criteria in the research have been established to approximately match the percentage of organizations representation by economy sector, the size of the organization, and industry (private, public). The respondents (organizations) were structured (in % of all organizations in the Czech Republic):

- according to the sector where the organization operates :8.2% primary, 29.4% secondary, 62.4% tertiary,
- according to the organizations size: 49% (up to 50 employees), 29% (51–249), 22% (250 and over),
- according to industry: 71.6% private, 28.4% public.

Most of the organizations were from: South Bohemia (34.9%), Prague (27.5%), Central Bohemia (20.2%); other regions made approx. 1.5%. Agricultural organizations were represented by 6.4%.

The survey in the Slovak Republic took place in 340 organizations. Representativeness of the sample was ensured by SEMPA. The structure of respondents (organizations) in the Slovak Republic was as follows (in % of all organizations in the Slovak Republic):

- according to the sector where the organization operates: 5.3% primary, 42.9% secondary, 51.8% tertiary,
- according to the organizations size: 72.6% (50–300 employees), 20% (301–1000), 6.2% (1001–5000), 1.2% (5001 and more);
- according to industry: 74.1% private; 25.9% public.

Most of the organizations were from: Bratislava (17.4%), West Slovakia (24.4%), Central Slovakia (33.2%), East Slovakia 19.7 (%), world-wide organizations made 5.3%. Agricultural organizations were represented by 5.0%.

All the primary data were evaluated using the tools of descriptive statistics and also the methods of comparison, induction, deduction, and synthesis were applied. Within the frame of descriptive statistics, the following tools were employed: absolute and relative frequency, the analysis of correlation, association and a non-parametric Pearson's chi-square test was used for testing the results; finally, the level of dependence was measured based on Cramer's *V*, a scale according to De Vaus (2002) was used. The test was suitable because statistical conditions complied with the rules of its application: no interval with zero frequency, up to 20% confidence intervals at a frequency less than 5 (Pecáková, 2011; Hendl, 2012). If the calculated *P*-value of the chi square test was lower

than significance level 0.05 (α), the null hypothesis was rejected and an alternative hypothesis assuming the feature existence was accepted instead (Hendl, 2012). To evaluate the data, the IBM SPSS Statistic 20 programme and MS Excel 2007 were used.

RESULTS

The chapter presents an analysis of the research results aimed at ways of reducing staff number and their verification and a comparative analysis of the results in the Czech and the Slovak Republic. Also the knowledge continuity ensuring is discussed.

Evaluation of the results of different methods of staff number reduction in organizations

Workers of an organization are its most important production factor. The people's work, their abilities, knowledge, and skills are important in all organizational processes. Unless the situation becomes satisfactory for the organization in competitive environment, a decision-making process whether to resolve or eliminate problems by e.g. reducing the staff number may occur. If the staff number reduction is unavoidable, they are usually laid off. However, dismissing the workers does not belong among the most unpleasant personnel activities which need to be performed either on legal or humane side. Personnel officers must count with the fact that reducing staff number will touch not only the laid-off workers but also those staying in the organization. Table 1 presents the staff percentage changes in the Czech Republic.

According to Vnoučková, Urbánová (2014) there was a 52.3% decrease in staff; for 26.9% organizations the situation has not changed in the last three quarters of selected year, and for 20.8% of organizations the number of employees increased. The greatest drop was recorded for the category 10–24% for 19.4% of organizations (i.e. for 21 organizations). Most often it was due to financial reasons (financial crisis), retirement, and organizational changes. The highest increase in the number of employees was for 8.4% organizations in the category 10–24%. It concerned those cases where there was a development in the organization, growth of the organization, expanding business network, and increase in contracts.

The organization representatives (experts responsible for human resource management in the organi-

Table 2: Examined methods of staff number reduction in organizations

Methods for reducing of employee	YES %	NO %	TOTAL %
Retirement	29	71	100
Voluntary departure	62	38	100
Involuntary departure	29	71	100
Non-renewal of temporary contracts	46	54	100

Source: own elaboration

zation) were allowed to select more ways and their combinations.

The above-mentioned results show that the most frequent way of reducing staff number in organization is voluntary departure (32.1%). 23.9% of organizations use the non-renewal of temporary contracts. Totally 15.6% of organizations prefer involuntary departure on the basis of the organization representatives' decision and 14.7% of them prefer retirement of the workers serving extra time or approaching the retirement age while reducing their staff number.

If the selected ways of arranging the staff departure are observed at organizations with a decrease in staff only (57 organizations), the structure of the used means is as given in Table 2.

Based on the above-mentioned, we can state that the organizations which experienced the decrease in staff (of 62%) used the way of voluntary departure. The organization must inform the employees about the need for staff number reduction and can offer departure payment for several months and benefits to those who will volunteer. For some employees it offers a tempting opportunity of how to receive redundancy payment for six months and at the same time find another job. 46% of organizations used the means of non-renewing temporary contracts. A new possibility for organizations to close a three-year contract with the employee at a maximum range of 9 years (i.e. the contract of work can be closed for 9 years in total) brings a certain relief in today's business environ-

ment. For employees it may at the same time present a long-term uncertainty of employment. In total 29% of organizations used the possibility of involuntary departure and also 29% of them used retirement of a certain number of staff.

In the case of the staff number reduction due to voluntary departure and retirement, not due to the release from the organization resulting from the above reasons, in most cases it is necessary to recruit a new worker. The employees' turnover is connected with costs (Vnoučková, 2013). Vnoučková (2013) enumerated the total loss for an organization due to an employee's departure (the sum of all incremental costs) and the cost of finding and training his/her successor giving 184 635 CZK on the average. Supporting processes for a single employee turnover amounted to 24 585 CZK on the average (planning for new employees and other personnel activities that lead to finding a suitable replacement). Direct costs of employees' turnover then include obvious items that must be incurred during the employees' leaving and the arrival of their successors. Most organizations take these items into account. In total, they amount to 13 200 CZK (for entry courses, materials, etc.). Indirect costs of employees turnover in organizations are often hidden costs that must be 'orked out' – i.e. non-repayable investment in employees, whose work in the organization (their productivity) fails to balance the invested funds. Emphasis should be placed on the leakage of knowledge, experience, know-how, and reduced performance. All in all, the average cost is about 145 200 CZK per an employee. Last but not least, the overheads of organizations include some amount that organizations must spend for the necessary records relating to human resource activities. It includes the salary of workers who must execute the indispensable official acts. This sum makes 1650 CZK in total (Vnoučková, 2013).

Taking into account the fact that, generally, there are differences in the means of reducing staff number in small-sized, medium-sized, and large organizations, contingency Table 3 was established to observe the

Table 3: Contingency table between qualitative variables

Utilized methods		Number of organizations by size in %			%	
		under 50 employees	51 to 249	250 and more	Sum in line	TOTAL
Retirement	NO	28	26	17	71	100
	YES	7	11	11	29	
Voluntary departure	NO	12	12	14	38	100
	YES	23	25	14	62	
Involuntary departure	NO	32	28	11	71	100
	YES	3	9	17	29	
Non-renewal of temporary contracts	NO	26	19	9	54	100
	YES	9	18	19	46	

*Note: respondents had the possibility of giving more answers

Source: own elaboration

Table 4: Testing the relationship between selected qualitative characters (method of leaving X size of the organization)

H ₀	Null hypothesis	p-value of Chi ² test	Significance level (α)	Rejection of H ₀	Power of dependency
H ₀ 1	Retirement does not depend on the size of the organization.	0.509	0.05	NO	X
H ₀ 2	Voluntary departure does not depend on the size of the organization.	0.540	0.05	NO	X
H ₀ 3	Unvoluntary departure does not depend on the size of the organization.	0.002	0.05	YES	0.464 (substantial)
H ₀ 4	Non-renewal of temporary contracts does not depend on the size of the organization.	0.032	0.05	YES	0.348 (moderate)

Source: own elaboration

Table 5: Relative ranges in number of employees in the selected period

Changes of the total number of employees in %									
Dec. of 50+	Dec. of 25-49	Dec. of 10-24	Dec. of 0-9	Unchanged	Inc. by 0-9	Inc. by 10-24	Inc. by 25-49	Inc. by 50+	TOTAL
0	2.9	17.6	21.2	16.5	14.7	15.0	7.9	4.2	100%

Explanatory: Dec. = decrease; Inc. = increase

Source: own elaboration

relation between the means of reducing staff number in organizations (where the staff number was reduced) and the size of the organization. It was found out that small and medium-sized organizations (25 and 23%) use voluntary departure most while non-renewal of the contract is mainly used by medium and large organizations (19 and 18%, respectively). Retirement or involuntary departure is mostly used by large organizations (11 and 17%, respectively).

However, every organization, disregarding its size, must realize that the employer can give the employee notice based on the reasons stated in Labour Code only. Labour Code also states that the reason for notice must be defined (described) factually so that it is not possible to confuse it with another reason, otherwise the notice is invalid. A mere formal reference to a particular act in the Labour Code is insufficient. The applied reason for notice cannot be additionally rendered.

Within the verification of the above-mentioned results, dependencies of determined qualitative features were tested. Taking into account the fact that the carried out research (Urbancová, 2012) confirmed the dependency between ensuring knowledge continuity and organization size (*P*-value chi-square test = 0.005, Cramer's *V* = 0.334; mean direct dependency), the dependency between staff number reduction means and organization size was tested even in this research focused on staff number reduction (P1). In total, four null hypotheses assuming feature non-existence were determined and two null hypotheses were rejected (H₀3; H₀4). The summary of all tested hypotheses including the calculated values is presented in Table 4.

Based on the results, we can state that the dependency between applying involuntary departure and contract non-renewal while reducing staff number in organizations in relation to their size was verified (P1).

These ways are mostly used by large organizations, i.e. the rule of direct proportion applies. The bigger the organization, the more of these ways of staff number reduction is applied.

Comparative analysis of the results in the Czech and the Slovak Republic

Based on the research carried out in the Slovak Republic (Kacháňáková, Stachová, 2011) we can state that staff number was reduced totally in 46.76% of organizations in the Slovak Republic. In the Czech Republic this percentage is a bit higher, it amounts to 52.3%. Table 5 presents percentage changes of staff in the Slovak Republic. The means of staff number reduction in the Slovak Republic are presented in Table 6 and contain relative formulation.

The results show that the addressed organizations in the Slovak Republic prefer voluntary departure (65.4%), which is identical with the results in the Czech Republic (most voluntary departure in 62% organizations). This is followed by retirement in 50.3% of organizations in total. At this point the results in both countries differ as in the Czech Republic this means of laying off staff was recorded for 29% of organizations only. Another

Table 6: Examined methods of staff number reduction at organizations

Methods for reducing of employee - Slovak	YES %	NO %
Retirement	50.3	49.7
Voluntary departure	65.4	34.6
Involuntary departure	37.1	62.9
Non-renewal of temporary contracts	38.4	61.6

Source: own elaboration

Table 7: Ensuring of outplacement in the Czech and the Slovak Republic

Outplacement ensuring	the Czech Republic		the Slovak Republic	
	YES %	NO %	YES %	NO %
Yes, we provide psychological counseling.	4.6	95.4	4	96
Yes, we offer training focused on finding a new job.	5.5	94.5	8	92
Yes, we offer training on social and legal obligations.	5.5	94.5	11	89
Yes, we provide financial advisory services.	0.9	99.1	1	99
No, we do not ensure outplacement.	89.9	10.1	82	18

*Note: respondents had the possibility of giving more answers

Source: own elaboration

means is a non-renewal of temporary contracts (38.4% organizations) and involuntary departure (37.1%). The difference between these two ways was minimal in the Slovak organizations while the results for the Czech Republic showed a greater difference between both means. In the Czech Republic the contract non-renewal is preferred by 46% of organizations, the difference between a relative frequency in the Czech and the Slovak organizations amounts to 7.6% and in the case of involuntary departure the difference is 8.1%. The difference between the percentage of organizations preferring involuntary departure and contract non-renewal is only 1.3% in the Slovak Republic, while the difference between both ways preferred in organizations in the Czech Republic amounts to 17%. Thanks to the possibility of work contracts for definite time period and a greater possibility of quicker and more successful staff number reduction implementation (as opposed to notices in the case of indefinite time period contracts), organizations in the Czech Republic prefer the contract non-renewal to involuntary departure.

Further, it was also researched how the problem of production slowdown is dealt with in organizations in both the Czech and the Slovak Republic and whether or not these differences are significant. Based on the results, crisis management in the Slovak Republic resolved the production slowdown by departure (32.4%), shortening work hours (9.4%), training and re-qualification (2.4%), and in 55.9% the situation did not have to be solved. The situation in the Czech Republic is similar. In 25.7% of organizations in total the production slowdown was resolved by redundancy (laying off), 5.5% amounted to shortening work hours, 7.3% training and re-qualification and in 61.5% crisis management did not need to resolve the situation. There did not appear any significant differences between the two researched countries.

Outplacement services in the Czech and Slovak organizations

To reduce the staff number, some organizations apply or use complete services of the outplacement programme or its particular parts. Some employers provide their leaving employees with valuable advice

or necessary information according to a set programme. The programmes can help the dismissed workers with information on new work possibilities, identification of their strong sides, and with orientation at the labour market. Based on the carried out research, we can state that quality outplacement can strengthen positive perception of the organization as a responsible employer and it is therefore good investment in the future. Thus the outflow of key workers can be avoided. Table 7 presents relative frequencies of providing outplacement in the Czech and the Slovak Republic.

K a c h a ň á k o v á , S t a c h o v á (2011) state that more than 80% of addressed organizations in the Slovak Republic do not realize that quality outplacement does not only mean a possibility of how to help the employee in his or her difficult life period while searching for a new job, but it also presents a possibility for the organization to build actively its positive image both externally and internally. Furthermore, it declares image and values; it contributes to creating positive organization's culture which consequently has a positive impact on the overall climate in the organization. By such approach, the organization does not only declare its social responsibility, but at the same time it appeals to its environment as a trustworthy employer who is sensitive to the problems of the employees and is interested in participating in their tackling.

According to a carried out comparative analysis, most of the organizations in the Czech Republic (89.9%) and in the Slovak Republic (82%) do not apply outplacement. In both countries, the Czech Republic and the Slovak Republic, within outplacement the possibility of training is used, focused on social-legal duties and training focused on the new job search. Financial advisory services are used to a lesser extent (10.1% in the Czech Republic and 18% in the Slovak Republic). Apparently, people do not want to solve their financial situation with organization representatives or with representatives of specialized agencies concerned with this particular area of outplacement. The main reasons for not using outplacement are lack of experience and organizational and financial demands. Organizations applying outplacement find it beneficial and plan the implementation of other outplacement activities such as crisis communication for managers

or motivational programmes for staff in the period of personnel changes. However, the organizations at the same time claim that they would prefer more information on the issue. The benefit of outplacement is generally seen in the presentation of organization's sense of responsibility, calming down the atmosphere, and in improved welfare of the staff.

A typical user of outplacement in the Czech Republic and the Slovak Republic is an organization with international share, which regards the service as a part of its organization structure and provides it to its employees in all countries of its activity. Those organizations try to stand up to their name of good and responsible employers even in times of redundancy due to organizational reasons. Regarding individual branches, typical outplacement users are organizations from the area of IT, telecommunications, pharmacy, banking, certain production segments and retail chains.

The results show that only 28.6% of agricultural organizations in the Czech Republic use outplacement. If they offer outplacement activities, they prefer psychological counselling (50%) and provide trainings focused on finding a new job (50%). The situation in agriculture in the Slovak Republic is different. All organizations do not provide outplacement activities. The surveys show (Bettač, 2013; Kacháňková, 2013) that outplacement activities are important for the current situation characterized by staff number reductions and Bohlander, Snell (2013) add that it is primarily important for larger organizations. They often provide outplacement services to help terminated employees find jobs elsewhere. The results of survey correspond with the fact.

DISCUSSION

Since the survey conducted is of a long-term nature, it is possible to compare the presented results with the preliminary results of the follow-up survey which is currently in progress and which targeted at human resource activities in organizations in the Czech Republic (n=364). Based on the year-on-year comparison in the Czech Republic, it is possible to say that the majority of organizations that participated in the survey come from the private sector (63.5%). 70.9% of organizations are from the tertiary sector, 23.3% of organizations are from the secondary sector and 5.8% of organizations are from the primary sector. 37.1% of the organizations surveyed have less than 50 employees, 27.5% of these organizations have 50 to 249 employees and 35.4% of these organizations employ more than 250 people. Most of the organizations were from: Prague (34.9%), Central Bohemia (13.5%) and South Bohemia (27.7%). Agricultural organizations were represented by 5.2%. The results of the survey show that 87.4% of organizations do not apply outplace-

ment and none of agricultural organizations in the Czech Republic use outplacement.

Other result (Kilcrease, 2013) shows that to offer outplacement counselling internally is inferior to external outplacement counselling delivery. The survey shows that most organizations did not offer internal outplacement counselling even when they see it as important. However, both groups had deficiencies in measuring their outplacement counselling relative to gender, age, and effectiveness. Internal outplacement counselling organizations rated the quality of their outplacement counselling service as 4.77 at a scale of 10, whereas external outplacement counselling organizations rated their services as 7.96 (Kilcrease, 2013). Alwell, Huff (2013) state that there is differentiating between specific outplacement activities and asking in detail about motives and rationales of outplacement. They say that different types of motives can be identified. The types of motives have an impact on the termination benefits offered to redundant employees. It is important to retain knowledge of workers who are leaving the organization.

Especially in times of reducing staff number there can be unintended loss of key workers and, consequently, a decrease in organization performance. To eliminate the threat organizations should prevent the situation by the systematic knowledge continuity ensuring. The results of the research show that altogether 71% organizations, where the staff numbers were reduced, to some extent provide knowledge continuity for leaving workers. However, it is not a systematic ensuring of the process; it is rather a random activity which is not done on the basis of knowledge audit or depth and with knowledge continuity implementation. 15 organizations which suffered a decrease did not record or shadow any knowledge of their departing employees.

In the survey, respondents were also queried whether the departure of a key worker jeopardized the organization. A total of 34.9% of Czech organizations state that the organization is threatened by the loss of knowledge and most are afraid this knowledge will be used to the benefit of their competitors (57.9%). In contrast, in the Slovak Republic a total of 69.6% of the organizations (44.4% companies are threatened by a loss) are afraid of the knowledge being used by their competition. However, when ensuring knowledge continuity, it is necessary to put a great emphasis on high performance and competency of the management, interest of the staff, effective communication, high motivation, team spirit and will to share, transfer and preserve knowledge and experience and also a positive climate in the organization.

CONCLUSION

Totally 52.3% of the Czech organizations reduced their staff number in the following period, usually by

applying voluntary departure (62%), temporary contract non-renewal (46%), and involuntary departure and retirement (29%). The voluntary departure prevailed in medium 25% or small-sized 23% organizations while large organizations preferred the non-renewal of temporary contracts. Current research conducted by international advisory organizations based in the Czech Republic (Price Waterhouse Coopers, 2009) states that dismissing staff number increases the level of a long-term stress in the organization. These factors can be eliminated by outplacement. However, the results show that at present the outplacement is used only in 10.1% of addressed organizations in the Czech Republic from which 28.6% are agricultural organizations. Based on the results it can be stated that application of outplacement services will be important in the future which corresponds with Bohlander, Snell (2013) and also preservation of knowledge and knowledge continuity can be ensured by qualified knowledge management. This should be a continuous task topical not only when the organization decides to lay the staff number off.

The theoretical contribution of the article was to outline the situation of staff number reduction and outplacement, including its positive and negative aspects, and to emphasize the significance of this issue nowadays in agricultural organizations. Its practical contribution is in presenting the research results showing the situation on outplacement in the Czech Republic and its comparison with the Slovak Republic. The results have confirmed that the outplacement can eliminate negative impacts on staff reduction for both the workers (e.g. they will be informed about their new job possibilities) and organizations (image).

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