

# **Sociálno-ekonomická revue**

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## GRANTING STATE AID IN THE AGRICULTURE SECTOR

*Peter BAJZÍK, Peter Nováček*

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### **Abstract**

*The economic aid granted in the agricultural environment is the subsystem of State Aid, that represents the economic instrument for the strengthening of competitiveness of agriculture and for creating new jobs in the agricultural sector. State Aid promoting the economic development of the agricultural and forestry sectors and of rural areas is embedded in the broader Common Agricultural Policy. State Aid or subsidies is a legal term for money given from the state budget in direct or indirect form. However, despite a general prohibition of granting State Aid by national authorities in EU member states, State Aid may be necessary to address market failures in order to ensure a well-functioning EU internal market. State Aid can only be justified if it is in line with the principles of the internal market and with the principles of Common Agricultural Policy. This paper aims to provide an overview of the conditions and criteria for granting State Aid in the agriculture sector from the Government. The analysis also includes the conditions for the provision of State Aid during the COVID-19 pandemic. The paper concludes with an analysis of the measures of the Slovak Republic supporting the competitiveness of economic entities operating in the agricultural sector.*

### **Key words:**

*agriculture aid, transparency, legal act, conditions, common agricultural policy*

**JEL Classification:** L51, M 21, Q 14

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## INTRODUCTION

The current process of globalization does not only influence industrial production, but it also concerns the agricultural production. The economic policies include agriculture as well. Slovakia was considered as an agricultural country in the past. Slovak agriculture was, during ten years of economic reform that took place from 1990 until 1999, exposed to the pressure of market forces towards its higher efficiency, performance and on one hand adaptation to the market circumstances. On the other hand, its development was limited by the restrictive economic policy and the strategy of macroeconomic stabilization that were hampering its restructuralization, providing it with modern technologies as well as its transition to the progressive organizational forms. The gross agricultural production was reduced in the period of the years 1990–1997 by 29,1% (expressed in the constant prices of the year 1995). This decline was caused to a larger extent by the gross plant production (reduction by 33, 2%) than by the gross animal production (reduction by 25,9%). Two phases

can be distinguished during this development. The steep decline in the first years of transformation reached its lowest point in the year 1993. After this year, moderate, but fluctuating, growth started. (Government of the SR, 10.10.2001) The rural decline and the decline of agricultural cooperatives also impacted the unemployment. The rural population thus became dependent on the state social system and big disparities in the regions, including the rural depopulation, started to occur. The agricultural production also ceased to be interesting from the profitability point of view and competitiveness and, in particular, comparative advantage was lost. The capital equipment of Slovak farmers lagged behind and from the long-term point of view they did not have the chance to compete with the agriculture sector in other states. The insufficient investment activity was also reflected in the low added value. The disparities between the salaries in other economic areas also belong to the reasons of why there is no interest of working in the agricultural sector. As a result of the preparation of the Slovak Republic for its

accession to the European Union, the strategy of agricultural policy has begun to converge with the tasks and objectives of the agricultural policy of the EU. The European Union has sought to help farmers produce sufficient food for Europe, to increase the share of investment in agricultural production and to increase efficiency. The strategic interest of the European Union is the safety and self-sufficiency of food. The common agriculture policy's objectives also fall within the scope of the objectives set out in the Communication from the Commission of 3 March 2010 "Europe 2020 - A strategy for smart, sustainable and inclusive growth" and its flagship initiative for a resource-efficient Europe, which set targets in areas such as competitiveness, climate, energy and biodiversity (Guidelines for State Aid OJ C 204, 1.7.2014). Under the instruments of the European Union, Slovak farmers can receive

subsidies in the form of direct payments, which helps improve the position of farmers in the chain of food production in a more equitable and environmentally friendly manner. The direct subsidies are paid from the Slovak state budget and subsequently they are reimbursed from the EU budget. The current legislation enables the farmers to benefit from the concept of State Aid, which helps them to improve their position among other competitors in the market. State Aid in the agriculture sector is granted to enterprises operating in agricultural primary production, food, forestry and fisheries in accordance with the EU legislation and the Law on State Aid (Law no. 358/2015 Coll.). Currently, during the COVID-19 pandemic, the criteria for granting State Aid have been softened, in particular support for the maintenance of operations and employment in order to bridge the unfavorable period caused by the COVID-19 pandemic.

## **THEORETICAL BACKGROUND**

State Aid issues are addressed by several authors, however, appropriate examples related to the clarification of the concept of State Aid can also be found in the relevant case law of the European courts. Crafts, N. (2017) is of the opinion that: "State Aid is defined by the EU as an intervention by the state which gives the recipient an advantage on a selective basis that has distorted or may distort competition, and which is likely to affect trade between member states. Such measures, which are prohibited, can take a variety of forms including grants, subsidies, loans, guarantees, and tax credits."

Prominent experts in the field of EU law define that „state aid as an advantage in any form whatsoever conferred on a selective basis to undertakings by national public authorities.” (Craig, de Burca, 2011) According to Evans, A.(1997) „state aid is a certain advantage of one or several business entities and is a burden on the State“(Evans, 1997). The Slovak expert Zemanovičová, D. is of the opinion that “State Aid represents the advantage in any of its forms provided by the state on the selective basis to business entities. The State Aid has also the

potential influence on the competition and on the trade between the Member States”. (Zemanovičová, 2014) Stachová, P. states in her thesis „state aid in times of economic and financial crisis”: „In broader context the State Aid is understood as the form of aid that distorts the competition policy and disturbs healthy competitive environment“ (Stachová, 2009). Ferri and Piernas López (2019) point to the fact that „traditionally, EU state aid law has been attached to the goals of maintaining free competition and preventing the distortionary effects of Member States’ economic intervention, while social considerations have been considered immaterial to State Aid control. However, in more recent years, EU State Aid law has acquired a clearer ‘social dimension’, indirectly streamlining national subsidies towards social goals.” Mor wrote: „State Aid is generally prohibited in the European Single Market because it can distort competition between firms, discourage investment and cost consumers. EU State Aid rules aim to create a level playing field so that, for example, British firms can compete fairly with German ones.” (Mor, 2017).

Based on the above opinions and determine the systemic features of the concept of State Aid:

a) State Aid is provided from the state budget of the EU Member States.

b) Is the aim to create the conditions for the proper functioning of the internal market.

c) State Aid is has the social dimension, as it also supports the maintenance of jobs.

## GOAL AND METHODOLOGY

State aid to support the economic development of the agricultural and forestry sectors and of rural areas is embedded in the broader common agricultural policy (Recital 5 OJ C 204, 1.7.2014) In addition to industrial production, both agricultural production and breeding animals are important from the point of view of the policies of the European Union. Since agriculture is being modernized and the importance of industry as well as recently also services is growing within the economy, agriculture is important as the source of jobs. Agriculture is at the heart of peoples' lives. Much of what we consume and use every day comes from a farm, from our milk, bread, meat, vegetables and wine to our clothing and cut flowers. The Common Agricultural Policy of the EU (CAP) represents one of the fundamental, and at the same time the most complicated and costly programmes. The complex programme of the support of agriculture was introduced already by the Treaty of Rome. The goals of the CAP were set in this Treaty based upon the balance between the interests of producers and consumers (Kadlečíková at al.2001). In the year 2013 business activity was performed by 10,8 million agricultural businesses in the EU Member States. The farming and the agri-foods industries today represent 46 million jobs and 6% of European GDP. They play a vital role in our economy and society. However, too few young people view farming as an attractive profession. Today, only 6% of farmers are under 35 years of age. The European Union, within the framework of CAP, supports

definitions of the authors, it is possible to Member States and adopts measures to regulate the State Aid provided in this sector. The biggest receivers of the State Aid (2016) in the sector of agriculture are in particular France (15,6 %), Germany (12,8 %), Spain (10,8 %) and Italy (9,8 %). Slovakia received 0,9 % from the overall subsidies of EU 28. As a result of these aids the largest agricultural producers are (2015): France (18,1 %), Germany (14,3 %), Italy (12,3 %) and Spain (10,3 %). Slovakia participated in the EU 28 production in the year 2015 with 0,9 % in the overall value of 2 56,7 million EUR. (Green report, 2016) The biggest number of persons worked in the agriculture sector in Germany (930 000 persons), France (635 000 persons) and in Poland (535 000 persons) (Ministry of Agriculture and Rural Development of SR, 2018), (Green report, 2018).

The main objective of this study is to analyze granting State Aid in the area of agriculture and its effects on the economy of the Slovak Republic. At the same time, we also analyze the conditions and criteria of state aid and point out the positive impacts of this aid on the agriculture sector. The paper also includes criteria for the provision of state aid during the COVID 19 pandemic.

In the interest of reaching the goal of the paper the standard scientific methods were applied. The theoretical and empirical research was mostly based on primary sources and official websites like the Anti-monopoly office of the Slovak Republic, the Ministry of Finance of the Slovak Republic, the Ministry of Agriculture and Rural Development of the Slovak Republic, several textbooks, journals, and the related EU legal acts as well as Slovak legislation. The descriptive techniques were used in analyzing the data collected from sources such as the Anti-monopoly Office of the Slovak Republic, the Ministry of Finance of the Slovak Republic, the Ministry of Agriculture and Rural Development of the Slovak Republic and the EUROSTAT website. These techniques included the use of tables with the calculations of granted State Aid. We start with a discussion of problems and

objectives of the study, including the definition of the State Aid in European law and the Slovak law. Subsequently the thesis analyses the concrete forms of aid in the sector of

agriculture, it points out the productivity of labour in the regions of Slovakia, as well as the volumes of granted aid in the sector of agriculture.

## RESULTS AND ANALYSIS

The notion of state aid relates with the legal order of the EU and with the membership of the Slovak Republic in the European Union. It was during the process of preparation of the Slovak Republic for its European Union membership that the notion of state aid started to be mentioned regularly. In legal terms it was anchored in the Europe Agreement of 4 October 1993 establishing an association between the European Communities and their member States and the Slovak Republic (Coll. No.158/1997). The first state aid Law was adopted already in 1999. Its adoption was one of the priorities of the pre-accession preparation of the Slovak Republic for its membership of the EU. As of January 1st, 2016, the new legal regulation in the Law No. 358/2015 Coll. on Adjustment of Certain Relations in State Aid and *de Minimis Aid* and on Amendments and Supplements to Certain Acts applies. This Law precisely regulates the conditions for providing legal aid, its purpose, forms and it regulates the rights and obligations of providers and beneficiaries of state aid as well as the tasks of the state administration in this process. The Law relates to the protection of competition in the field of State Aid. The Slovak legal regulation does not define exactly the notion of state aid, and therefore the provision of article 107 of the Treaty on the Functioning of the European Union (TFEU) applies. The EU rules applicable to the state aid are also contained in the articles 108 and 109 of the TFEU and in the individual regulations of the Council of the EU and in the Regulations of the European Commission. As a preliminary point, it should be recalled that, according to Article 107(1) TFEU, save as otherwise provided in the Treaties, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods

is, in so far as it affects trade between Member States, incompatible with the internal market. Classification of a national measure as ‘state aid’, within the meaning of Article 107(1) TFEU, requires all the following conditions to be fulfilled. First, there must be an intervention by the State or through State resources. Second, the intervention must be liable to affect trade between the Member States. Third, it must confer a selective advantage on the recipient. Fourth, it must distort or threaten to distort competition. (European Commission, 2014). Based on the applicable legal regulation *state aid may not* serve as the subsidy for the project that would occur to the business anyway and may also not serve to compensate the normal business risk of the economic activity. Without the aid it should not be possible to realize the project, or the project would be realized in smaller scale or extent or in other way that would significantly limit its anticipated gains. Aid is considered to be proportional only if the same result could not be achieved with less aid. (European Commission, 2014/28). Criteria demonstrating the fulfillment of specific horizontal objectives have been introduced among criteria for assessing the compatibility of state aid with the internal market. The solutions for market failures are being stressed. The economic approach aims to find out why the market does not reach the optimum result without public intervention and at the same time it tries to assess in a better way, whether intervention in the form of state aid is justified and, in the given case, the most appropriate solution. It is also important to assess, to what extent the competition can be distorted and to assess the degree of this distortion in relation to the expected benefit of the measure. (Zemanovičová, 2014) In the broader context state aid represents a financial burden for the state budget. The effectiveness of state aid provided in Slovakia can be measured by the achievement of planned value of indicators

after the completion of the realization of the projects. The legislation of the European Union stipulates the general legal exemptions (article 107 paragraph 2 TFEU), when the presumption of compatibility applies. From the general ban of state aid that which is exempted is :

- of social nature and is provided to individual consumers without any discrimination based on the origin of product/service,
- provided with the aim of compensation of damages caused by natural disasters or by other extraordinary events,
- provided to economies of certain regions of Federal Republic of Germany in order to compensate the economic disadvantages caused by the division of the country (Karas, Králik, 2012)

Secondly, on the basis of Articles 107(3)(c) TFEU, the Commission may consider compatible with the internal market state aid to promote the economic development of the agricultural and forestry sectors and of rural areas, provided that it does not adversely affect trading conditions.

In this connection case law of the European courts helps to clarify the procedures and facts relating to state aid. The jurisprudence of the courts also has a significant influence over the comprehensive interpretation of the conditions for state aid.

According to the decision of the General Court in case *Frucona Košice a.s. v European Commission* *the concept of aid embraces not only positive benefits, such as subsidies, but also measures which, in various forms, mitigate the charges which are normally included in the budget of an undertaking and which, therefore, without being subsidies in the strict sense of the word, are similar in character and have the same effect* (T- 103/14, paragraph 92). State Aid in the sector of agriculture represents the subsystem of State Aid. In principle it is State Aid applied in the sector of agriculture where special legal rules apply. State Aid to promote the economic development of the agricultural and forestry sectors and of rural areas is embedded in the broader common agricultural policy. Within the CAP, the Union provides financial support to

the agricultural and forestry sectors and to rural areas. As the economic effects of state aid do not change depending on whether it is (even partly) financed by the Union, or whether it is financed by a Member State alone, the Commission considers that there should in principle be consistency and coherence between its policy in respect of the control of state aid and the support which is granted under the Union's own common agricultural policy (paragraph 5 Guidelines for State Aid in the agricultural sector). State Aid in the sector of agriculture is provided for: ensuring the participation of farmers in competitions, trade fairs and exhibitions, establishment and keeping the herd books and registers, payment of insurance, protecting forests owned by the State, drawing the forest economic plans, recovering the potential of forest economy, as well as for investments, reducing unemployment through employment of disadvantaged and significantly disadvantaged employees in the agricultural production, etc. The rules of the European Union define the special guidelines, notifications, frameworks, and codes for State Aid in the agricultural sector, that are published by the European Commission on the basis of Article 109 TFEU to implement articles 107 and 108 TFEU (OJ EU C 83 30.03.2010).

The process of the transformation of Slovak agriculture was not only accompanied by economic reforms, but also by the big change of legal order of the whole State. The creation of a stable economic basis through the legal order presupposes the creation of well-functioning mechanisms. The fundamental legal framework for providing State Aid in addition to the legal regulation of the European Union represents the Law No. 358/2015 Coll. on Adjustment of Certain Relations in state aid and *de minimis aid* and on Amendments and Supplements to Certain Acts. This law regulates the basic rights and obligations of the provider of State Aid as well as the basic rights and obligations of the recipients of state aid and also of *de minimis aid*. The state aid can be provided in areas with extraordinarily low living standards or with extraordinarily high unemployment in the regions with the GDP

around 75% or lower per capita of the average of the European Union. According to the map of regional State Aid for the period from 1st July 2014 to 31st December 2020, that was approved by the European Commission by its decision of 22nd January 2014 state aid can be also provided on the basis of aid schemes. A draft aid scheme is elaborated by the provider. The aid scheme can only be changed by amendment to the scheme elaborated by the provider. The provider can authorize another legal entity in the aid scheme to perform some tasks connected with the provision of State Aid on his or her behalf. For example, a state aid scheme for the support of investments aimed at processing and placing on the market the agricultural products, can enable the provision of state aid in the form of a non-repayable financial contribution from the European Agricultural Fund for Rural Development (EAFRD). and from the state budget, to financing of investment projects aimed at support of investments for processing/placing on the market the agricultural products. The EU rules enable to provide the *de minimis aid* This form of aid is available to entities which within any period of three fiscal years has not exceeded the amount of 15 000 EURO for one enterprise active in the agriculture sector, 200.000 EURO in the sector of processing and marketing of agricultural products and forestry or 30.000 EURO in the sector of fisheries. The decree of the Ministry of Agriculture and Rural Development of the Slovak Republic of 10th December 2014 No. 660/2014-100 on

Providing Support in the Sector of Agriculture, Food, Forestry and Fisheries stipulates that *de minimis aid* can be provided for the following purposes: activities in the primary production in the sector of agriculture, investments for the protection of cultural and natural heritage in the agricultural businesses, activities aimed at the rural development, employment of disadvantaged employees and significantly disadvantaged employees, etc. In providing state aid in Slovakia the secondary EU legal acts are applicable that prevail over the national legislation.

Significant in this context are also European Union Guidelines for State Aid in the agricultural and forestry sectors and in rural areas from 2014 to 2020 (OJ C 204, 1.7.2014). In these Guidelines, the Commission sets out the conditions and criteria under which aid for the agricultural and forestry sectors and for rural areas will be considered to be compatible with the internal market and establishes the criteria for identifying the areas that fulfill the conditions of Article 107(3) TFEU. Furthermore, due to the specificities of the agricultural sector, Article 42 of the Treaty provides that the rules on competition apply to production of and trade in agricultural products only to the extent determined by the European Parliament and the Council.

There are several operators in the agricultural sector. Their operation is evidenced by the ownership of agricultural land or the lease of agricultural land. Table 1 gives an overview of the state of agricultural holdings, which are economic activities in 2018.

**Table 1 Overview of the state of agricultural holdings**

<b>Agricultural land in hectares</b>	<b>2018</b>	<b>2017</b>
<b>Up to 50</b>	358	267
<b>50 to 100</b>	249	228
<b>100 to 500</b>	403	404
<b>Over 500</b>	39	45

Source: Ministry of Agriculture and Rural Development of the Slovak Republic: 20-12-2019 Report on agriculture and foods in SR 2018. [online 20.12.2019]

The data in Table 1 shows that the number of continuously farming holdings on more than 50 hectares has increased. Interestingly, the number of farms of more than

500 ha has been reduced. This means that small and medium-sized farmers are able to withstand competitive pressure and remain in a market with liberalization standards.

With regard to the aim of the paper, we present in Table 2 data on granted State Aid in the period between years 2011 and 2019. We analyzed the data by secondary analysis from the Reports on the provision of State Aid. The

table also contains the data about state aid granted not only from state aid funds, but also from European Union resources (structural funds).

Table 2 Overview of granted State Aid 2011-2019

Period	Total State Aid	Resources EU	State budget	Number of recipients
2019	87,59 mil. EUR	31,56 mil. EUR	56,03 mil. EUR	5156
2018	49,96 mil. EUR	34,72 mil. EUR	15,24 mil. EUR	3 544
2017	50,94 mil. EUR	20,94 mil. EUR	30, 00 mil. EUR	2373
2016	62,76 mil. EUR	51,51 mil. EUR	11,25 mil. EUR	1885
2015	36,92 mil. EUR	29,06 mil. EUR	7,86 mil. EUR	3063
2014	89, 36 mil. EUR	70, 57 mil. EUR	18,79 mil. EUR	3968
2013	25,75 mil. EUR	8,06 mil. EUR	17, 69 mil. EUR	5060
2012	28,58 mil. EUR	15,89 mil. EUR	12,69 mil. EUR	4373
2011	40,74 mil. EUR	20, 42 mil. EUR	20,32 mil. EUR	560

Source: Reports on granting State Aid in Slovakia 2011-2019. Own processing.

The above data shows that the number of recipients of State Aid is clearly increasing and in the recent period the volume of state aid provided to economic operators operating in the agriculture sector has also been increasing.

The above table shows that the beneficiaries of state aid are the disadvantaged regions of the Slovak Republic, namely the Žilina and Prešov regions. These regions also have a high unemployment rate and regional GDP is relatively low compared to other regions.

In terms of the objectives and priorities of the European Union, state aid was provided in the following areas:

1. Management of insurable and non-insurable risks in primary agricultural production
2. Environmental tax relief
3. Co-financing of RDP projects
4. Improving the genetic quality of farmed animals
5. Recovery of livestock farms
6. Presentation of food products and products of agricultural primary production through exhibitions
7. Sustainable forest management
8. Diversifying rural activities towards non-agricultural activities and increasing rural employment. (Report on granted state aid, 2020).

### Provision of *de minimis aid*

Under the State Aid system, state aid may also be granted as *de minimis aid*. The general rules on the granting of *de minimis aid* are laid down in Commission Regulation (EU) No 1408/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis aid* in the agricultural sector (OJ L 352, 24.12.2013). According to that EU secondary act, the total amount of *de minimis aid* granted by a Member State to a single undertaking shall not exceed EUR 15 000 over a period of three fiscal years (Art. 3 (2)). An operator may receive *de minimis aid* of EUR 200 000 in the processing, marketing of agricultural products and forestry sector and EUR 30 000 in the fisheries sector. The criteria for *de minimis aid* are:

- activities in primary agricultural production
- repair of damage caused by adverse weather events and natural disasters according to a special regulation in the agricultural sector
- research and development in agriculture and forestry

- forestry activities
- employment of disadvantaged employees and severely disadvantaged employees.

The Monitoring report on provided state and *de minimis aid* in the field of agriculture and rural development in 2018, which is

prepared regularly by the Ministry of Agriculture SR contains data on provided state aid and *de minimis aid*. From these data, we compiled a table and compared the volumes of state aid already provided in 2018 and 2019.

Table 3 Overview of granted *de minimis aid* 2018-2019 by region

Region	2018	Number of recipients	2019	Number of recipients
Banská Bystrica	915 461,78 EUR	312 recipients	4 110 713, 20 EUR	735 recipients
Bratislava	280 468, 26 EUR	63 recipients	6 525 491,30 EUR	227 recipients
Košice	352 433,02 EUR	193 recipients	3 524 022,54 EUR	559 recipients
Nitra	346 107,78 EUR	173 recipients	7 022 852, 03 EUR	613 recipients
Trenčín	517,169, 59 EUR	166 recipients	2891 313,31 EUR	339 recipients
Trnava	247 529,05 EUR	139 recipients	15 809 031,59 EUR	543 recipients
Prešov	780 988,10 EUR	452 recipients	4 447 362,52 EUR	882 recipients
Žilina	937 429, 64 EUR	260 recipients	3 701 734, 45 EUR	571 recipients

Source: Monitorovacia správa o poskytnutej štátnej a minimálnej pomoci v rezorte pôdohospodárstva a rozvoja vidieka v roku 2018 <https://www.mpsr.sk/prijemcovia-statnej-pomoci/163> Monitorovacia správa o poskytnutej štátnej a minimálnej pomoci v rezorte pôdohospodárstva a rozvoja vidieka v roku 2019 <https://www.mpsr.sk/monitorovacia-sprava-o-poskytnutej-statnej-a-minimalnej-pomoci-v-rezorte-podohospodarstva-a-rozvoja-vidieka-v-roku-2019/163---15811/>

Based on the obtained data, it can be concluded that the largest number of recipients of State Aid and *de minimis aid* amount was in the Prešov Region, while the largest volume of aid was provided in the Nitra Region. The provision of state aid and *de minimis aid* was aimed at achieving sustainable growth and mitigating the effects of adverse market effects on agricultural holdings.

### Provision of State Aid at the time of COVID-19

At present, the European Commission has approved a scheme for preserving employment and supporting self-employed by the coronavirus outbreak and the emergency measures taken by the State. EU member states are to use EU money remaining from their rural development programs to pay out a one-off lump-sum in compensation to farmers and small rural businesses particularly affected by the COVID-19 crisis. Enterprises operating in the agricultural and rural development sector may draw funds for:

- a) temporary assistance to support the maintenance of employment and support for the self-employed
- b) rent subsidy
- c) to support the fulfillment of the basic level of liquidity needs by state resources.

The amount of state aid for food businesses and forestry enterprises is EUR 800,000; for primary agricultural enterprises 100,000 EUR; and for fisheries enterprises 120,000 EUR. Based on the state aid scheme for the recruitment of disadvantaged workers in the form of wage subsidies, economic entities applied to the Ministry of Agriculture and Regional Development of the Slovak Republic for financial subsidies for wage costs for employees. Under the rules set out in scheme SA.57096 (2020 / X) (registered by the European Commission), an applicant of a state subsidy could receive aid amounting to a maximum of 50% of eligible wage costs and a maximum of monthly support of EUR 650 per new job created. (European Commission, 2020)

The Agricultural Paying Agency is a budgetary organization involved in financial relations with the budget of the Ministry of

Agriculture and Rural Development of the Slovak Republic, which provides state aid, pursuant to the Act no. 280/2017 Coll. on the provision of support and subsidies in agriculture and rural development. In 2020, due to the scheme 57096 referring to the Aid for the recruitment of disadvantaged workers, it granted the state aid to 20 applicants in the form of wage subsidies amounting to EUR 115 456.23 (Annual Report, 2020).

Between 25 May 2020 and 3 July 2020, the Agricultural Paying Agency disbursed financial resources amounting to EUR 118 848.69 State Aid to 21 applicants as a support measure for the recruitment of disadvantaged workers in the form of wage subsidies. (Communication, 2020)

#### 4. CONCLUSION

The effectiveness of the measurability of state aid provided to eligible entities can be measured on the basis of exports. However, the increase in agro-imports caused a negative balance - 1,648.1 EUR million. In terms of

territorial structure, the first place belongs to the member states of the European Union, in terms of commodity structure, imported products include mainly meat, soft drinks, chocolate (Report on agriculture and foods, 2018). State Aid for rural development and agriculture is on the rise, but the expectations of state aid providers are not always met, as the state aid provided should also have a positive effect on regional GDP growth. We pointed out the fact that the European Commission is loyal to all Member States and softened the regular provision of state aid in the field of agriculture as well. On the basis of the state aid scheme for the recruitment of disadvantaged workers in the form of wage subsidies, the total state aid provided in 2020 was more than 118,848.69 EUR. In conclusion, it can be stated that the activities of the European Union help the development of agriculture in Slovakia, which seeks to meet the objectives of agricultural policy, while it cannot be clearly stated that expectations were met after the exhaustion of state aid.

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## CHANGES IN THE LABOUR MARKET IN THE REGIONS OF SLOVAKIA

Dana JAŠKOVÁ

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### **Abstract**

*Workforce requirements change under the influence of changes in the achieved level of human knowledge in the organization of work and work procedures. These changes are constantly taking place, differing in nature and pace. At present, the rapid pace of these changes is characteristic. This is caused by automation, digitization, and robotics, which penetrate all spheres of society. Knowing the changes in the labour market in regions, is important for the development of society. The aim of the paper is to comprehensively evaluate changes in the labor market in the regions of Slovakia, using multidimensional statistical methods.*

### **Key words:**

*labour market, labour market indicators, Composite Indicator, multivariate statistical methods*

**JEL Classification:** L63, J21, R11

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### **Introduction**

New technologies and a more integrated, globalized world offer many opportunities for creating new jobs, improving the quality of existing jobs, and bringing previously underrepresented groups into the labour market. Both technological change and globalization create jobs by lowering the price of goods and services, increasing their quality and, hence, boosting consumer demand. The quality of jobs can be improved: dangerous or boring tasks can be automated; people can choose where and when to work more freely, resulting in a better work-life balance; work environments can be made safer and healthier. By breaking down traditional barriers to labour market participation, previously underrepresented groups can increasingly participate in the labour market, resulting in greater inclusiveness.

According to Neufeind et al. (2018) workforce requirements change due to changes in the achieved level of human knowledge in the organization of work and work procedures. These changes are constantly taking place, differing in nature and pace. Currently, this pace is very fast. This is caused by automation,

digitization, and robotics, which penetrate all spheres of society. Knowing the impact of these processes, called Industry 4.0, is important for the development of society.

The industry 4.0 becomes in 21st century one of the major trends with global impact. It is known as a boom (increase of production and circulation of global economy), the economic forces in the world are crossing borders (Havierníková and Kráľová, 2018). The Industry 4.0 concept has been gradually adopted by organizations in several countries around the world. This has brought new challenges. These challenges relate to the skill level of the workforce. Skills that are currently preferred in the labor market are likely to lose their priority in the future. A higher percentage of jobs will emphasize cognitive skills. There is currently a debate about job losses in the future. Many experts believe that the adoption of Industry 4.0 will lead to increased use of automation and robots in manufacturing (Schwab, 2015).

The speed and measure of the changes coming about by the fourth industrial revolution are not to be ignored. These changes will bring about shifts in power, shifts in wealth, and

knowledge. Only in being knowledgeable about these changes and the speed in which this is occurring can we ensure that advances in knowledge and technology reach all and benefit all (Xu et al., 2018).

Digitization offers the potential for quality improvement, flexibility, and productivity (Hoellthaler et al., 2018). The intention of using the processes of informatization and cybernetization is the development of society, not its threat. It can be assumed that the use of new technologies will not result in job losses. On the contrary, increased labor productivity and product quality. One of the topics is the expected impact on employment (Vuksannović et al., 2016). The system of work-related skills required outweighs physical abilities. Apparently, some low-skilled jobs will be lost. Increasing capacity will have a positive effect on job creation, which requires a higher level of skills (Berger, 2016).

All the described processes affect the changes in the labour market. Due to regional disparities in Slovakia, it is possible to anticipate various shifts in the labour market in these regions. The aim of the paper is to comprehensively assess changes in the labour market in the regions of Slovakia.

## GOAL AND METHODOLOGY

Multidimensional statistical methods were used to assess changes in the labour market in the regions of Slovakia. For the character of the labour market, 12 indicators were selected from the official database of the Statistical office of SR (DataCube, 2021). The suitability of the indicators was assessed according to the recommendations of the International Labor Office (ILO) organization. ILO launched the Key Indicators of the Labour Market (KILM) (ILO, 2016). The KILM was originally designed with two primary objectives in mind. First to present a core set of labour market indicators and second to improve the availability of the indicators to monitor new employment trends. The selection of the

indicators was based on some criteria. Conceptual relevance, data availability and relative comparability across countries and regions.

The Key indicators of the labour market is a collection of 17 key indicators of the labour market; covering employment and other variables relating to employment (status, economic activity, occupation, hours of work etc.), employment in the informal economy, unemployment and the characteristics of the unemployed, underemployment, education, wages and compensation costs, labour productivity and working poverty. KILM is based on data from ILOSTAT (the ILO consolidated database), augmented by data from other international repositories and with estimates and projections carried out by the ILO Research Department and Department of Statistics. A key aim of the KILM is to present a core set of labour market indicators in a user-friendly manner.

To compare regions in terms of labour market, this phenomenon must be quantified. At present, the methodology of constructing an aggregated indicator, which is called a Composite Indicator (*CI*), is preferred. The OECD published a detailed methodology for its construction. The OECD's Handbook on Constructing Composite Indicators (Nardo et al., 2005) describes different methodologies that can be applied to combine varied information into this index and the difficulties associated with each part of the process. A composite indicator is an indicator that is constructed from several indicators and evaluates the region from different perspectives. The composite indicator should allow a more comprehensive, coherent, and synthesizing view of the level of the region (Minařík, 2013).

The evaluation of the labour market of the region is diverse, considering the purpose pursued, the choice of method and its correct application. The selection of indicators for their evaluation is also important. A key role is played by the way they are integrated into a single indicator and the subsequent correct interpretation of the results. The indicator must

be significant, relevant, understandable, transparent, analytical, complete, internally comparable, and externally comparable. These requirements must be respected in their selection.

The construction of CI can be described by the following steps: creation of a theoretical framework, selection and combination of input indicators, assessment of their material significance, statistical characteristics, weighting, normalization, aggregation, relation to input indicators, visualization of results. Summary indicators have both advantages and disadvantages. They are discussed in detail by Saisana and Tarantola (2002).

### Methods of construction of summary indicator

Methods of construction of the aggregate indicator can be divided into statistical-analytical methods, which are focused on the selection of input indicators and statistical-descriptive methods, which allow calculation of the aggregate indicator.

One-dimensional statistical methods provide an overview of the analyzed indicators. Multidimensional methods are used in the construction of composite indicators to find the optimal number of input indicators, reduce them, and reveal the similarity of the examined objects (cluster analysis, correlation analysis and analysis of main components). The statistical-descriptive methods allow the computation of the aggregate indicator using aggregation techniques and the analytical-hierarchical process, which is based on different ways of determining weights for individual indicators in their aggregation.

Throughout this section, we will use the following designation:  $y_{i,t}^r$  - the original value of the indicator  $i$ , of the region  $r$  in year  $t$  (2010; 2019), where  $i=1,\dots,12$ ,  $I_{i,t}^r$  - normalized indicator value  $y_{i,t}^r$  in year  $t$ ,  $w_i$  - weight associated with indicator  $i$ ,  $CI_t^r$  - value of composite indicator over time  $t$ . The following methods can be used to normalize input indicators: Normalization based on interval scales, Standardization z-scores, Min-Max,

Distance to a reference, Methods for cyclical indicators and Percentage of annual differences over consecutive years. The weight of the indicator can be determined by subjective methods, expert decision, and Point method. Objective methods include methods: Equal weighting (EW), Principal component analysis (PCA), Benefit of the doubt (BOD), Unobserved components models (UCM), Budget allocation process (BAP), Analytic hierarchy process (AHP), Conjoint analysis (CA.)

### Expected changes in the labour market in the Slovak Republic

The recalculations made on job losses and creation differ with the methodology used. Approximate official recalculations were published in the OECD document (OECD, 2019). The OECD Employment Outlook provides an annual assessment of key labor market developments and prospects in OECD member countries. According to this document:

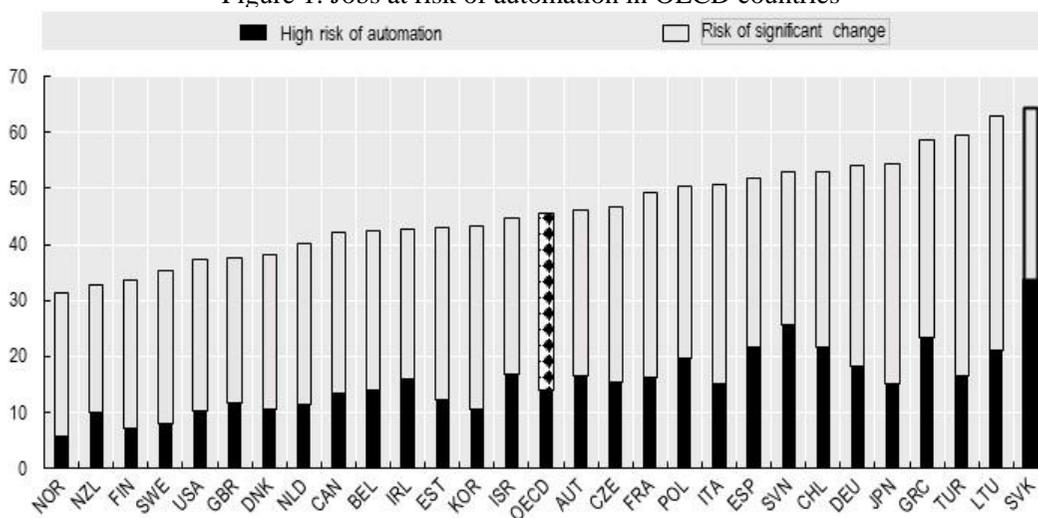
- Risk of job automation is real but varies greatly across countries. OECD estimates that 14% of jobs are at high risk of automation – significantly fewer than some researchers have argued. Populations are ageing fast in OECD countries. The number of 65+ year-olds per 100 people of working age is estimated at 53, in 2050 year. In 2015 it was 28.
- Many adults do not have the right skills for the new job. 6 out of 10 adults lack basic ICT skills or have no computer experience.
- Adult training should better target the disadvantaged.
- Non-standard work is not a marginal phenomenon. 1 in 7 workers is self-employed and 1 in 9 employees is on a temporary contract.
- Social protection needs to be adapted to the future of work. Non-standard workers are 50% less likely to be

unionized and 40-50% less likely to receive income support when out of work.

The latest OECD results show that around 14% of jobs are at risk of complete automation but many more will be affected by deep changes. Jobs are at high risk of automation if the likelihood of their job being automated is at least 70%. Jobs at risk of significant change are those with the likelihood of their job being automated estimated at between 50 and 70%.

The following bar graph (Figure 1) shows country-specific estimates. The lower part of the rectangle represents High risk of automation and the upper part Significant risk of change. As many as 33,6% of jobs in Slovakia are threatened by automation. 30,8% are significant risk of change. For example, in the Czech Republic, 15,5% of jobs are at risk. The OECD average is 14,0%. From this comparison, the bad position of the Slovak Republic is obvious.

Figure 1: Jobs at risk of automation in OECD countries



Source: OECD (2019)

The situation on the labour market in Slovakia will be affected not only by the loss of jobs, but also by their creation. The supply on the labour market will depend on demographic developments, the age of legal entitlement to a pension, remaining in the labour market in retirement age, caring for the family and many other factors. Nevertheless, the decisive factor will be the size of the population in the age of real economic activity of 20-64 years.

In 2019, economic growth was 4% due to investment and exports. Thus, imbalances in the labour market in the form of a shortage of skilled labour grew, and unemployment decreased. In 2019, there was an additional need on the labour market for employees in companies of 150,000 people. Cumulatively,

the needs of the labour market were almost 190 thousand people. Compared to 2018, the number of self-employed persons decreased. This trend is not new, their number is continuously declining for 10 years. Older people predominate in the age structure of self-employed persons. At present, the needs of the labor market in the Slovak Republic are dominated by industry and trade. Approximately 36% of job opportunities in the years 2018-2019 were created in these sectors. The highest share of additional labor needs was in the IT sector.

### Regional differences in the labour market

Regional differences in the labor market result from many factors, such as location, infrastructure, availability of services, concentration of institutions. Labour market flexibility is considered a key factor not only in a country's competitiveness but also within its regions. One of the basic components of labour market flexibility is labour mobility (Eamets and Jaakson, 2014). In general, we distinguish between spatial and job mobility. While spatial mobility is linked to the work of employees, structural mobility reflects the ability of the workforce to move jobs between departments or to adapt to new jobs and skills.

As reported by Niebuhr et al. (2009), labor mobility reinforces regional employment and wage disparities. In the relevant models, the impact of mobility is not only limited to labor supply but is based on the impact on labor demand. According to some models of economic geography (Suedekum, 2004; Epifani, Gancia 2005), due to externalities, migration can lead to widening disparities in regional labor markets. Regional differences in Slovakia are perhaps the most significant in the field of employment. Indicators of economic activity, unemployment, average wage, and the like show a significantly different situation on the labour market in individual Slovak regions.

In practice, the unemployment rate, gross domestic product per capita or average wage are most often used to characterize the labour market. Each of these statistics has its shortcomings. Average wages do not include data on income of self-employed persons, contractual income and the local affiliation of the employee is determined by the seat of the organization. GDP per capita in the regions is hampered by job mobility, official statistics on people's permanent residence or the attribution of the performance of some branches to headquarters in other regions. These indicators are also influenced by the gray economy, which may vary from region to region. Although strong economic growth has led to a significant improvement in the labour market, structural problems persist. (Štefánik et al., 2018)

For this reason, disparities between labour market demand categories (employment, industry) and labour market supply characteristics (education and qualifications achieved) should be closely monitored in the future.

### **Labour market in the regions of Slovakia**

From a regional point of view, the Bratislava region is the region with the highest need for labor. In the period 2018-2019 it was at the level of 35 thousand people. In the Nitra region 26 thousand, in Banská Bystrica 18 thousand and further in Košice 19 thousand people. As in most developed countries, the labor market trend is moving towards specialists. However, the structure of labor market needs does not converge to the most developed countries. This is due to the significant share of labor market needs in assembly workers. In the Slovak Republic, the structure of labor market needs is thus polarized. High and low qualification of workers is needed. The intermediate qualification is in the background. In 2019, the highest share, approximately 65%, of the expansion in the labor market needs of machine operators was the highest.

Demographic trends and new production processes have a significant impact on the labour market. The population is expected to decline over the long term (by 2035) and will decline the most in regions already struggling with labor shortages (excluding Bratislava). It is also estimated that 33% of all jobs in Slovakia are highly automated and another 31% are threatened by a significant change in the way they are implemented (OECD, 2018a). These estimates suggest that almost two-thirds of jobs are at risk, the highest rate among OECD countries. Automation can also help create new jobs. This requires significant investment in adapting to new labour market requirements, which require new and more advanced types of skills and qualifications. Only 33% of Slovaks currently have higher than basic digital skills. Employers say they have an increasing difficulty finding employees

with the required skills. The vacancy rate varies considerably from region to region, which has a clear negative correlation with the unemployment rate. Long-term unemployment remains a serious problem. The long-term unemployment rate (as a share of the economically active population) is declining year-on-year, but the average duration of unemployment is among the highest in the EU. Three quarters of the long-term unemployed are concentrated in three regions - Prešov, Košice and Banská Bystrica.

Gender disparities in employment are narrowing, but the employment of women of childbearing age is not improving. For example, the gender employment gap fell by 1,4 percentage points to 12,8% in 2017, which is above the EU average. This improvement was mainly due to the higher employment rate of women aged 45+. On the contrary, the employment rate of women aged 25-34 has decreased, which has contributed to a widening gap in this age group. The overall pay gap between women and men is 19%, which is above the EU average (16,2%) (Štefánik et al., 2018).

## THE RESEARCH RESULTS AND DISCUSSION

Selection of suitable indicators for further analysis is based on database from ILO (2016). For our purposes, the relevant indicators

(Statistical Office of SR), which were officially published at the regional level of Slovakia, NUTS III, were selected. The comparison period was 2010 and 2019. The input indicators are: Economic activity rate (together, university education, secondary education), Average nominal monthly wage (together, industry, university education, secondary education, technicians, operators and fitters), Unemployment rate, Available number of job seekers, Regional gross domestic product per capita. All indicators are calculated per capita in the region. The input data were initially subjected to statistical analysis. Data consistency and multicollinearity were excluded. Normalization of indicators was performed by the Min-Max method. The weight was calculated by individual indicators, using the PCA method. Composite indicator was calculated for each region using a linear aggregation method based on the following formula:

$$CI_t^r = \frac{\sum_{i=1}^n I_i^r w_i}{\sum_{i=1}^n \sum_{r=1}^R I_i^r w_i / R}$$

If the value of the  $CI_t^r \cong 1$ , studied region  $r$  can be considered as the average. In the case of value greater than 1 for an above average and otherwise mediocre.

The composite indicator takes values around an average of 1. The higher the value, the better is the assessment of the region. Resulting values  $CI_t^r$  are in the following table:

Table 1: Composite indicator for individual regions

<i>r</i>	Region	CI	Ran	CI	Ran	difference
1	<b>Bratislava</b>	2,54	1	2,25	1	-0,29
2	<b>Trnava</b>	1,03	3	0,99	3	-0,04
3	<b>Trenčín</b>	0,71	6	0,88	5	0,17
4	<b>Nitra</b>	0,80	5	0,96	4	0,16
5	<b>Žilina</b>	0,94	4	1,00	2	0,06
6	<b>Banská</b>	0,45	7	0,58	7	0,13
7	<b>Prešov</b>	0,45	8	0,47	8	0,02
8	<b>Košice</b>	1,08	2	0,87	6	-0,21

Source: own computation

The table shows composite indicator values in 2010 and 2019. In the years under review, the order of the region is also given. The difference

is the increase or decrease in the value of the composite indicator. The data are shown in the following graph.

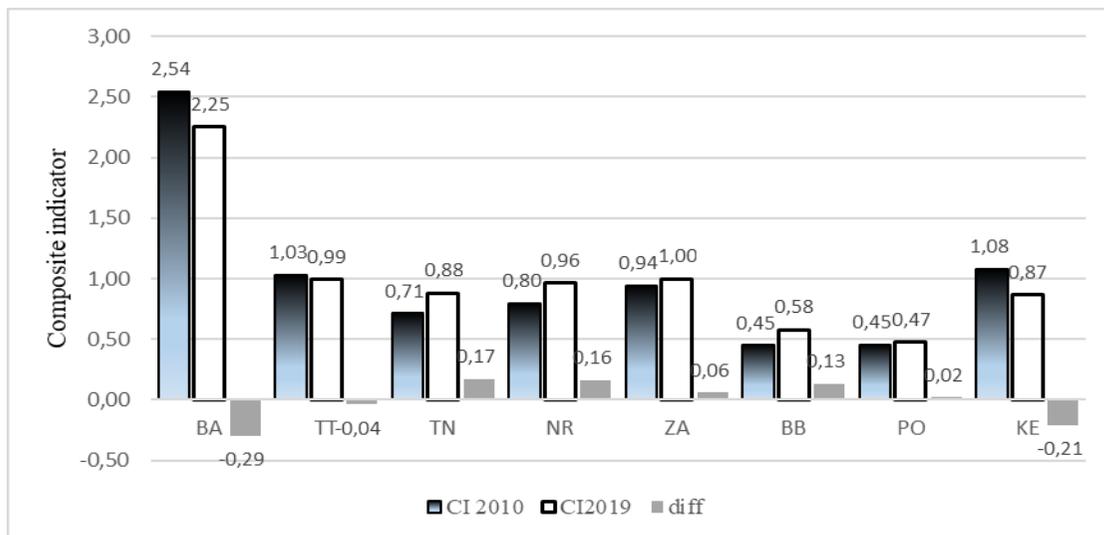


Figure 2: Jobs at risk of automation in OECD countries

Source: own processing

The Bratislava labour market showed the best potential of the labour market in both years. As mentioned, value  $CI_t > 1$  is characterized by regions as above average. There are values for the Bratislava region  $CI_{2010}$  and  $CI_{2019}$  greater than 2,0, which is highly above average. It decreased by 0,29 during the observed period. Compared to other regions, the number of economically active population with a secondary education has decreased. At the same time, the number of job seekers increased. The  $CI$  value also decreased in the observed region in the Košice region, from an average value of 1,08 to a below average 0,87. A negative change was recorded for most indicators. The biggest positive change in the labour market is recorded in the Trenčín, Nitra and Banská Bystrica regions in the period under review.

Technological progress automates existing jobs and at the same time introduces new jobs. If automation exceeds job creation, fears of "technological unemployment" will materialize. Technological progress is constantly increasing. There are indications that advances in intelligent technology, robotics, and algorithms, often referred to as the Fourth Industrial Revolution, are proceeding at an unprecedented pace. However, technological revolutions often have a significant impact if they last. It can be stated that in the last ten years, this change has taken place in Slovakia. It significantly affects the change in the labour market. However, the last period is marked by an unpredictable situation due to the pandemic. The COVID-19 pandemic has caused the worst economic recession since World War II, causing enormous damage to people's health, jobs, and well-being. The Slovak economy is expected to show a decline of 6% in 2020. A pandemic could lead to lasting changes in

**Conclusion**

demand and structural shifts in the economy. Total employment should fall by 2,1%. Well-targeted labour market activation policies should be linked to a strong social safety net to alleviate the necessary costs of adjustment when moving to new jobs.

Changes of key labour market indicators in Slovakia in recent years are mapped. The analysis is performed using a constructed composite indicator. The composite indicator includes officially published key labor market indicators in the regions. The results of the

analysis indicate changes in the labour market. A positive change was registered in the Trenčín, Nitra and Banská Bystrica regions. It is difficult to assess how these changes are related to technological changes in the regions. To do this, it would be necessary to analyze the impact of several input factors on the output factors. It would also be appropriate to compare the results with other methods of labour market analysis in the regions. However, it can be stated that regional disparities decreased during the period under review. This fact should also be statistically verified in a broader context.

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## ATMOSPHERE IN WORKPLACE MIRROR OF SOCIETY

Kristína KRÁLIKOVÁ, Jozef KRÁLIK

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### **Abstract**

*The current atmosphere ruling in the society, the quality of created and contemporary relations among people are in principle simultaneously relatively faithfully projected into the relations inside the family, into the collective. Its approximate reflection is present, therefore, in the living working collective. Deformed social relations are deforming, what is clear, also the environment of economic relations. The atmosphere in the working place is immediately influencing the movement of social relations, from the atmosphere unrevealed from the state of the society. However, the most dangerous for the society and its existence is the creation of such a situation and the social atmosphere that are directly determined and channeled by non legal and unrightful practices of concrete individuals and groups which are typical for the so called social underworld. It is unavoidably necessary also to proceed to the revision of documents concerning the attained education in the interest of the optimal run of the state and its economics that are shovied by managers in all grades and levels of the state and its public administration management. Such a procedure in the private sector should be activated in the facultative base. It would be necessary to eliminate and to remove - on the basis of the exactly achieved results - from management processes and influence such persons that are not showing the achieved declared education by the trustworthy way. It will be also necessary to analyze their justification and ways of their selection into the management functions together with the determination of the concrete personal responsibility for the contingent unstandard way in the selection process. After the moral and material social damages counting up it will be inevitably necessary to require the compensation from persons and institutions that caused the mentioned damages. Means accumulated in such a way will be able to use for the development of public estates.*

### **Key words:**

*society, work environment, cadre, education, responsibility*

**JEL Classification:** J81, M54, O35

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### **Introduction**

Writers are said to be the conscience of the society. Nevertheless the counting that the atmosphere existing in the working place is the miracle of the society is also essential. Everything what is taking place in the whole social space „in a great space“ is taking place in the „small space“, both in the family and in the working place. And the majority of the productive population, not only of the Slovak productive working population, lives in the working collective and spends here the majority of its active biological and social life (Vojtovič, 2006). Therefore, it could be expected that every individual creative working collective of the certain working place has a natural interest on being the working place comfortable. That is why pleasant, peaceful, non conflicted, creative, friendship. At least acceptable. And, of course, oriented the achievement of the most working results not only from the point of view of the

employee personally but logically also from the point of view of the whole collective productivity results. All employees, therefore, presenting work success from the point of view of the whole collective. At the same time it cannot be significant whether the working place is opened or closed, the work is implemented in the narrow or broad, numerous working collective. Or the manual, repetitive mental work. Everybody who is working should concentrate himself (herself) especially on their work for which they are paid and in the secondary place should be concentrate to other connected circumstances. The manager, on the contrary, must take into the consideration predominantly conditions in which employees managed by him (her) are working. Material, organizational, financially as well as what concerns relations. The quality of interpersonal relations is namely the determination factor which parameters have

the final influence on employees working results achievement creating the personal substrate of the managed working collective. Therefore to the quality of the final creation of material or mental values. And principally according to the determination of the professional specification respective the concrete working place target orientation. Such a creative atmosphere is typical predominantly for such working places in which employees are considered as the working power and their creative activities have the character of the correctly managed and executed so called dependent work. Regardless the indicated hypothesis defects begin to run in the certain part of working collectives. Also serious. Including those that determine the mutual intolleration of individual employees who could mutually cooperate themselves in their interests as well as their employers ones. It means to „live“ in the atmosphere for the required effectiveness and the productivity of their working place achievement. Unfortunately, such a destructive state of the interpersonal relations in the working place is conditioned not only by the total bad moral state of the society as the whole but predominately by the noncompetiveness of concrete managers responsible for the „microsocial“ working place situation.

## **THEORETICAL BACKGROUND**

### *Dum canis os rodit, socium, quem diligit, odit*

The ancient Roman statement „as long as the dog bites the bone, he (she) hates even his (her) favourite mate“ is valid for a great part of working places located in the public and the private sphere (Rebro, 1986). Members of the working collective selection according to the indicated principle is also a reality today. Therefore, the inadmissible natural or artificial selection of employees in the working place is visible when the employees are rewarded by managers subjectively. Usually inequitable, not objectively according to the quantity and quality of performed work ,its strenuousness, complexness but according to another formula. Usually exclusively subjectively determined and implemented by managers. The employees sponging on others de facto „bite the bone“. They take possession of other colleagues work fruits. They are afraid very easily of „the bone lost“ (it means every the smallest their benefits). They consume the non

deserved reward. If other employees damaged by a such situation show on it, they are becoming their non welcomed competitors. Actually a natural enemy. The object of sophisticated intrigues. Verbal or physical attack in extremal case.

Productive employees are getting to the paradoxical position. Because they reveal directly deformed situation of the working place and relations existing in its space for which manager is responsible they are simultaneously becoming personally observed enemy of such a manager that stimulates directly the concrete atmosphere in the working place by his (her) way of behaviour. That is why a person who is unable to manage the collective. The history as well as the everyday practice confirm that unable persons acting in the higher management levels prefer to nominate the unable employee for the lower management level subordinated to the higher managers. Such a person is easily controllable, tractable, subordinated. A person nominated into the management position in such a way does not see and even does not find the cause of him (her) managed working place devastation. In his (her) incompetency to manage this working place. He (she) is finding it with grudging among those members that he (she) should support and reward actually for their fairly executed creative work , from results acquires benefits also for him (her). However, in his (her) side, their mind, such a stifled atmosphere in the working place usually recalls the feeling of their threat on the other side. From the side of rightfully protesting, nevertheless highly executed employees. He (she) is finding among them the „internal enemy“. From the position of other, unrightly preferred employees, their servilized manager is assessed usually positively. They accept purpose-built manager position and the way of his (her) chaotic management as the acceptable, it means subjectively optimal, because it enable to „ gnaw the bone“. They actually ignore the tension predominated evidently in the working place. They consider it from their own position as rational. They follow really only their egoistic interest and aim. Such a determined „ working parasitism“ of a part number of a bad managed working collective is possible to characterize supportly by the „sneaked“ statement as „there are not cakes without work“.

That is why employees who are profiting unlegitimately try to use manager's weak working and personal parts at least temporarily and purpose-builtly. Predominantly his (her) self-loathing and to achieve benefits for themselves utilizing the manager strategically untenable position. The „chief opantated“ by them is becoming in their eyes the object of a silent ridicule, hidden content, backstage slanger and telltale to persons in the higher level than their manager. „Pragmatically non working employees“ reckon upon naturally also with the change in the management position. As they are usually able to assess the manager of working collective non stabilized position and evaluate his (her) situation realistically. That is why they are immediately ready to continue in the similar way also in the relationship to potentially new manager. However, the tactics of fawning upon, buying the trust, servilism or „sub-subsuing“ valid effectively in the relationship to one manager need not influence the new manager. Of course, if their tactics is disclosed by him ( her) and when he (she) analyzes the real situation in working and interrelative relations pulsated in a new working place managed by him (her). An predominantly causes of existing tension. However this problem is connected with his (her) spritual equipment. The character, etics, moral, intuition. And ,of course, with his (her) really achieved not only declared education. Professional qualification, practical knowledges.

It is possible to say that the prerequisite concerning the fact that only the working collective outstandingly managed by the „complex“ personality is able to achieve outstanding working results. The excellent, very good and good manager can simultaneously notice the situation of the working place managed by him (her), the working morale of his (her) employees, their mutual working and personal relations. They are able to select individuals according to their working results, producted values as well as they are possible to reward morally, materially and financially individual employees. The space for the dissociation interpersonal nor the working relations in the working place managed by them is not created. The opposite is the situation of employees and the working place that came to managers hands defected personally, civilian, moral and social. That is why

a person that is not capable even professionally to manage the collective of subordinated people. That time the struggle for the place at the „ gnawn the bone“ as it is expressed pertinently by the remembered Rome proverb is starting. It is not possible to speak in such a moment about the non existence of the manager authority .

The authority“ is the capability of the subject to be able to function on other subjects in such a way that they feel the acknowledgement, respect and simultaneously in the professional sphere towards such subjects and to achieve a position that other subjects not contest it professionalism and qualification. The aim of the such a competence to affect the public can be, for example, the achievement of the concrete level of behaviour in the interest of the required order in the society. The subject authority can be either natural or constituted. The authority in the interest of the social relations functioning is usually created, respectively constituted by the relevant institution whereas its way up is the generally obligatory legal standard or its su“ (Králiková, 2020).

Comming from the indicated prerequisite it runs that the degree the concrete state authority achieved in the population eyes achieved in the population and its representation influence immediately the size of leading managers authority achieved in the employees working collectives. And especially functionaries of the state power and public administration bodies. Including the public institutions functioning in the resort of the education, social services, health care, protection of environment, justice and the defence. Specifically in the state police structures. Of course, the life of the society is reflected directly in the life of individual elements and constituencies. That is why also in communities ,families and working colectiveness. The bad personal relations of individuals ,conditioned in a certain size by the not good state of the society and the interpersonal relations pulsated in its space can not only be but also usually must be reflected in the vital state of working collectives state too.

***Fundamentum est iustitiae fides***

Cicero's famous statement "honesty is the basis for justice" may have been true in ancient Rome, where it is spiced (Rebro, 1986). Although the history of this ancient empire refutes this statement as a universal principle applied in the

everyday life of the Romans, and if this principle was accepted more broadly or completely by the "Roman people", then at first only in the private sphere (Maškin, 1957). In the current social conditions of Slovakia, however, justice seems to be on the very edge of the interest of the power structures controlling the state and thus also of the interest of their representatives. In the everyday life, their inclinations to greatness, self-admiration and godliness, inviolability and uniqueness are manifested. It means, to the so-called papalism, that is, to the feeling of one's own choice and superiority. And even above the law, above the act. There is thus a visible deep deformation of the personal equipment of the "leaders" of the teams. Intoxication by power distorts especially those persons working in public functions, whose personality parameters show a more primitive mental resp. intellectual base and essentially only a fictitious professional qualification. As a result of the parliamentary elections in 2020, uneducated, greedy, selfish, immoral people became involved, even en masse, even with a potential criminal history of their own. The result of such a personnel transformation of the political background of the state is a shift of the social atmosphere to the border of negativism and nihilism. The air spreading in society signals the beginning of its fundamental rebirth. Namely, the changes in the constellation of society passing from "classical" democracy through the bankless liberal democracy with elements of anarchy and open democracy gradually to the so-called authoritarian democracy. Of course, ending in the field of so-called totalitarian democracy. Clearly only a formal "people's government", infected by usurped power and already resembling a "democratic" dictatorship. That is why, in the modern era of the development of the so-called Euro-Atlantic political and legal culture of "democracy" by civil society, it is absolutely unacceptable. More precisely, a pseudo-democracy that does not know the principle of the competition of opinions, rejects the principle of truth, camouflages the principle of legality and distorts the principle of justice. Honesty is no longer considered at all in the highest political circles. Well, and such a "crooked" atmosphere prevailing in society has the same parameters of propagation as fog. The positions of such a "mixed" social atmosphere appear to be creepy, insidious, confusing and

opaque political scenes hiding the essence and goals of their machines and senders. Neither accepting nor the reference of the prevailing public opinion. The "opinion mix" confusing and its addressees, but counting on unpredictable consequences and impacts on the Slovak national community.

The roots of the problem of seepage (penetration) of the social atmosphere thus infected into the environment of working communities therefore undoubtedly lie and evidently manifest themselves mainly in the problem of applying the principle of honesty as well as applying the principle of justice in social relations, including industrial relations. If society as a whole, made up of human individuals, feels a marked lack of honesty and justice in global social relations, this shortcoming is certainly directly or indirectly reflected in the environment of work collectives, as honesty at work and fairness in remuneration 3) that are the cornerstones of the working communities stability. The erosion of both mentioned principles testifies not only to the erosion of labour relations between employees or between employers and employees, but in fact to the disintegration of all social relations. On the basis of ignoring the principle of honesty and the principle of justice and thus the created negative image of the structure of employee groups, the pseudo-transparent way of selecting the leaders of work teams also helps considerably. In spite of the so-called selection procedure, which, however, is carried out mainly formally and already "sewn" in advance on behalf of the "victory" of the pre-selected candidate, a number of people who are otherwise unacceptable for the management position appear:

- a) do not have the natural personal leadership qualities and competencies necessary to lead a staff;
- b) they do not have the character, will and moral preconditions to lead a working team;
- c) do not have the qualifications for professional management of the staff; (Kovalev, 1967)
- d) do not have social, ethical and protocol training that determines the successful management of the staff;
- e) do not have the necessary social or professional experience.

Disqualification of candidates for the position of manager in the absence of such preconditions is obvious in advance. Despite the non-fulfillment of some, even all the required criteria, management positions, especially in public and state institutions, are often occupied and damage is caused to them by ineligible individuals. Publicly referred to as so-called mental peasants. Persons not only professionally, morally, but also humanly selected by a team of employees acceptable. However, even in such personnel cases, especially in the so-called post-socialist states, the political recommendations of political parties, oligarchs, but also other similar entities, which have previously occupied illegally leading positions in the state, predominate. That is why clientelism, nepotism, bossing, ie corruption, control the actions of many individuals and the institutions run by them. We adhere to the publicly perceived opinion of the public that the selection of candidates and officials of state institutions, including business and public benefit, is often undemocratically carried out according to the political template by so-called non-profit organizations from cadres, which they themselves "managed" and "professionally" according to external instructions.

However, the "incomprehensible" actions in the area of "governance" of the state and its institutions are usually quickly exposed to such excerpted and appointed officials of the public. Including entities, some political donors, behind the "selection" of the (ir) responsible manager. Only in this way can the ever-living foreign influences on the administration of the state and the management of its infrastructure, evidently directed against the interests of the Slovak nation and its homeland, be manifested and subsequently revealed in public life. They are therefore unfair and negatively affecting the economic, social and legal status of society. e.g. in the form of the so-called natural monopolies privatization (Nicholsn,2012). In the case of strict implementation of the requirement of honesty and fairness in the interest of the priority of protection of the rights of the state and the Slovak nation placed on candidates, ie candidates for public office in their selection, the principle of justice would probably apply in relation to privatization and property management. Also, if a natural person whose personal qualities are incompatible with the required management potential, do not guarantee

management expertise and do not meet the public interest, settle at the head of the employer's staff, the team of such employees will quickly identify the causes and consequences of "appointment" (Vojtovič, 2008). The unprofessionalism, dishonesty, injustice, the lower character and self-love of the leader of the working team are the fastest and easiest to detect by subordinates. Such revelation is a certain beginning of the process of disintegration of the working team (Králík, 2006).

### *Dum spiro spero*

That is, as this ancient Roman proverb refers, "as long as I breathe, I hope" (Rebro, 1986). In other words, often the working team has nothing left but hope. Hope for change positive. That is why also incapable, resp. primitive and therefore even everything - a capable manager, in a personal moral portfolio whose hyenisme, hypocrisy, malice, insidiousness, selfishness, benevolence, godliness, greed, or in relation to him the oppositely manifesting five-legged persons, time is ripe. That is, it will also be discovered and subsequently convicted and possibly punished. It is clear that a manager who does not have personal moral qualities, personal physical fitness and fitness, personal mental fitness and resilience, personal legal preconditions and personal qualifications must not only not "occupy", but even remain in his position. Moral or even material damage caused by his tolerance by a higher management level is indelibly directly signed under the disintegration of employment relationships in the staff he manages.

Honest, honest, responsible, truthful and just-honest hard-working employees are internally devoured by the current state of such a team. If the superiors do not solve the problems with the obviously incompetent manager, feelings of disappointment, resistance, demotivation, unhappiness, despair appear in their mental state, which can result in hatred towards superiors and servile "silent" co-workers. Stress-activated defiance of disadvantaged to bullied employees often results in personal revenge, revenge against the employer. And even in the form of sabotaging his own personal and joint work. The work results and performance of individuals and, indirectly, of the "quarreled" team of employees are generally below average. Such a severely

damaged workplace run by a mentally and professionally immature manager does not fulfill its tasks, lags behind in activity and initiative and thus externally in the eyes of the public also dishonors the work of employees of other workplaces integrated into the joint employer's portfolio. It can even seriously damage its know-how, or even completely destroy the good business name, i. e. the reputation of the company (Vojtovič, 2013).

A rational solution to such a situation, despite its fragmentation and complexity, becomes a vital necessity for the employer. Not just an economic need! However, if at least at the employer's minimum level, such an in-house workplace still produces (ie at least "breathes"), measures can always be taken that can realistically return it to the previous level of effective production of required work through consistent validation of employment relationships (i. e. "hope"). "In line with the proverb that only "hope dies last." In that case, however, it is necessary to implement radical measures in the personnel or organizational structure of the workplace by its founder.

The founder of a non-functional or insufficiently functioning workplace must examine not only the potential causes and reasons for deficiencies manifested in the structure of its personnel base, but also the suitability of internal organizational construction of the workplace and its systematic integration into the body of an integrated institution, but usually a legal entity of the employer. Both interventions in the workplace organism should be balanced in order to revitalize it. First of all, however, it is necessary to address the "sick head". Of course, the person of the responsible manager, so that the personnel exchange does not replace one person who is incapable of managing the team with another. A simple finding of real qualification parameters of a candidate for a management position can become a problem in this context. Experience has shown that a significant number of people in the work environment are able to prove their education with relevant documents, such as a school-leaving certificate or a diploma attesting to attaining a university degree. Given the originally slow, latent disintegration of the Slovak education system after 1990, which in Slovakia grew dynamically, especially after 2000, into an open disintegration of the qualitative side of education, it is now

impossible to rely on documents of such provenance as verifiable constitutive indicators that really tell and correspond to the "educational reality" of the person concerned.

In Slovakia, many holders of various diplomas, certificates and certificates of education were discovered, but they never actually completed any high school or university studies. Thus, they clearly got to the "confirmation" in a so-called punitive way, usually "for a fee", to which the Slovak legislation also partially responded after 2020. Nevertheless, such persons continue to work not only in private and public institutions, in the management positions of state business entities, but also in the structures of state authorities and public administration. It is obvious that such unqualified resp. uneducated persons cannot objectively convey to society what the public expects of them in view of the function they are currently performing. The failure of these people in management positions is therefore natural, but often unresolved, because their superiors shared the same "fate". Thus, the personnel substrate of the vertical hierarchical structure of many institutions has become the subject and subject of the same "career". This statement also applies to higher education institutions. Within their framework, there was also an overpressure of "non-teaching" and "non-publishing", ie purposefully "produced" associate professors and professors, but also academic officials.

Such, even the senior officials of the university, after a thorough in-depth and objective examination of their career and their own personal "equipment", would have to leave their work on the university campus without delay. Of course, if the executives are then produced for the company and from the alma mater environment also distributed by such dubious educational entities operating on the premises of such educational institutions, objectively no significant positive shift in the way the state, its bodies and institutions are managed can be expected. However, it is clear to everyone that in the quality of the functioning of any system in which such individuals settle and take control, non-standard conditions cannot be remedied. Employment relationships and interpersonal relationships in the workplace also belong to such a circle. This confirms the "eternal truth" that the atmosphere in the workplace directly depends on the state of society, on the

atmosphere affecting the movement of social relations.

However, the most dangerous for society and its existence is the emergence of such a situation and social atmosphere, which is directly determined and directed by illegal and illegitimate practices of certain individuals and groups, so-called oligarchs, so-called non-profit organizations and financial corporations, owning the so-called social underworld. In order to ensure the optimal functioning of the state and especially its economy, it is necessary to proceed to the revision of documents on acquired education, which prove the management staff at all levels and levels of government and its public administration (Krajniak, 2015). In the private sphere, this procedure can be activated on an optional basis. On the basis of such exactly obtained results, it will be necessary to eliminate and remove from management processes and influence those persons who do not prove the acquisition of the declared education in a credible manner. Subsequently, it will be necessary to analyze the justification and the method of their selection for the management position, together with the determination of specific personal responsibility for any non-standard procedure in the selection procedure. After quantifying the moral and material social damage, it will be necessary to demand compensation from the persons and institutions that caused them. The funds thus obtained can be used for the development of public goods.

Of course, in order to remove tensions and optimize the social climate in the Slovak Republic, which is also reflected in labour relations, it will be necessary to implement many other radical interventions in the development of current socio - political and economic relations. The goal of the brachial power of the state must be, for example, the gray and black economy, but also the way of governing political subjects, the management of the environment of the population or the way of spilling public goods into the private sector (Murín, 2013). However, the success rate of the activities of all social components held in the interest of the population of the state depends directly on the people, especially on their human maturity, political outlook, social maturity, cultural maturity and especially on the education actually achieved. Achieving these parameters must be constantly hoped for.

## THE RESEARCH RESULTS AND DISCUSSION

How do they feel the atmosphere

What is the whole of society, so are its amounts. It is possible to confirm whether this hypothesis can be refuted by serious scientific research. However, our goal was to find out approximately the state of the atmosphere currently prevailing in Slovak workplaces. This is through a probe into the opinions and experiences of a small, unrepresentative sample of employees. Persons performing the so-called dependent work, but also persons working at workplaces in managerial or managerial positions. Using the pars method used for this (part instead of the whole), we therefore tried to outline only the possible "work" situation of Slovak society. We assume that the depicted attitude of employees to work resp. The interpersonal relationship and their place in the work team, which we obtained through a survey of the "working microworld", can also diagnose the state of the environment of the "Slovak macro world". The collection of answers of 238 respondents to the questions we asked served us. All of them verbally or in the written form, confirmed the acquisition of secondary education. In general, also professional, with and without a high school diploma.

All of them verbally or in writing confirmed the acquisition of the secondary education. Generally, also professional, with and without a high school diploma. In their answers to the survey questions, anonymous respondents from the municipalities of Bernolákovo, Ivanka pri Dunaji and Veľký Biel in the district of Senec in the Slovak Republic in September 2020 commented on their work matters. We distributed the questions through a questionnaire. We have formulated them deliberately so that, if possible, they overlap to some extent. Through this "cross-questioning", we tried to eliminate the expected acute one-time spontaneity of the answer, and thus potentially increase the degree of accuracy of the answers to the questions asked. The content of the questionnaire therefore consisted of the following questions:

1. You rate the working atmosphere at your workplace as
  - a) excellent

- b) very good
- c) bad
- d) very bad

2. It has the largest share in the created working atmosphere

- a) working environment
- b) a manager
- c) social situation
- d) a team of employees

The employer creates for you working conditions

- a) above standard
- b) standard
- c) sufficient
- d) insufficient

3. You consider the remuneration of your work to be

- a) reasonable and proportionate work demands
- b) sufficient and partially corresponding to the work intensity
- c) sufficient but partially unsuitable work intensity
- d) disproportionate and inconsistent work demands

4. You consider interpersonal relationships in your workplace to be

- a) very good
- b) good
- c) acceptable
- d) unacceptable

5. You consider the results of the work of the team in which you work to be

- a) very good
- b) good
- c) acceptable
- d) unacceptable

6. You consider your share in the results of your work team as

- a) decisive
- b) average
- c) below average
- d) negligible

7. Have you considered changing your workforce and employment

- a) daily
- b) occasionally
- c) often

- d) I didn't think

8. You evaluate the leader of your work team as working

- a) a man in his place
- b) average
- c) below average
- d) incapable

9. You perceive the human qualities of the leader of your work team as

- a) excellent
- b) average
- c) sufficient
- d) insufficient

The resulting answers to the questions asked have a limited informative value. It cannot be generalized and applied to the atmosphere that currently prevailed in workplaces in the Slovak Republic. In particular, some frustration with society, including employers and employees, as determined by the COVID 19 pandemic, needs to be taken into account. These results can help as a starting point for the establishment and direction of further, more extensive and deeper scientific research that would provide a qualified answer to the degree of interaction between the social atmosphere on the one hand and the working atmosphere on the other. Their final classification created on the basis of the answers of 238 respondents (100%) has the following structure: root

ad 1. 16 (7%) respondents rate the atmosphere at their workplace as excellent, 117 (49%) respondents as very good, 91 (38%) respondents and 14 (6%) respondents as very bad.

Conclusion: If we add up the number of positive answers to the question, i.e. evaluating the atmosphere in the workplace as excellent and very good, we find that satisfaction with the atmosphere in their workplace is felt by a narrow majority of respondents 133 (56%). Dissatisfaction with the working atmosphere was expressed by almost half of respondents, i. e a total of 105 (44%). The survey thus suggests a poor state of the working atmosphere for Slovak employers through the answers obtained by the probe through the probe. The task of further, representative scientific research will therefore be to confirm or refute this signal sent to society, at the same time to look for and find the causes

of this condition. Of course, there must be a subsequent attempt to eliminate disorders of the working atmosphere in a targeted manner, which must be a task for the relevant state authorities. More than half of the respondents are satisfied with the atmosphere at the workplace.

ad 2. The largest number of respondents stated that 163 (68%) have the largest share in the created working atmosphere. Only 38 (16%) of the respondents consider "other", i.e. the staff, to be decisive for the quality of the working atmosphere. The impact of the working environment on the working atmosphere is perceived as decisive by 22 respondents (9%) and 15 respondents (7%) consider the influence of the social situation to be a determining factor on which the state of the working environment atmosphere also depends.

Conclusion: The finding that employees consider the person of the manager as a decisive element in creating a suitable atmosphere in the workplace was to be expected. However, the unexpectedly low number of respondents considers the current social situation to be a determining factor in the atmosphere in the workplace. A relatively small part of respondents sample think that the work environment has a decisive influence on the working atmosphere. Even the team of employees does not perceive a certain smaller part of respondents as a more important tool for shaping their working atmosphere. However, the human factor is considered by most respondents to be crucial in creating a work-friendly climate, whether it is the leader of the work team or its other members. The structure of the collected responses encourages each employer to pay much more attention to the quality of the employees he selects and appoints to management positions. The human factor, especially the leading employee of the workplace, has the greatest contribution to the quality of the working atmosphere.

ad 3. According to 26 (11%) respondents, their employer creates above-standard working conditions for them. 91 (38%) respondents have created standard working conditions. 85 (36%) respondents consider their working conditions to be sufficient. 36 (15%) respondents evaluate

their working conditions as insufficient, i.e. actually unsatisfactory.

Conclusion: The survey on a selected sample of respondents confirms almost half the acceptance of working conditions of the interviewed employees (117, i.e. 49%). However, a slightly higher half of the respondents (121, i.e. 51%) are not satisfied with their working conditions. Of course, we cannot estimate exactly what the respondents imagined under their working conditions. This implies the obligation of the state to take a more consistent interest in the working conditions of all employees and at the same time to put pressure on employers in order to improve them.

Approximately one half of the employees surveyed consider their working conditions to be either acceptable and about half as equal to be unacceptable.

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ad 4. Among the remarkable results of the survey can be included the structure of answers to the question, subjectively evaluating the remuneration of their own work by the addressed respondents. As many as 92 (39%) respondents considered their remuneration to be adequate and corresponding to the work intensity, and 76 (32%) respondents considered their remuneration sufficient and partially corresponding to the work intensity. This means that up to 168 (71%) employees are completely satisfied or relatively satisfied with the remuneration of their work. If we add to this heading more or less with the remuneration of satisfied respondents who consider their remuneration to be sufficient, but partially unsuitable for work intensity 13 (5%), we get the value of satisfaction with remuneration for work with a total of 181 (76%). It follows that from the examined sample of respondents, he considers his remuneration to be disproportionate and inconsistent with the work intensity 57 (24%). This would encourage the opinion that employees in Slovakia are satisfied with their income from work and would thus question the travel of Slovaks for work abroad.

Conclusion: Given the media and media knowledge gained through uncontrolled interviews about the degree of employee satisfaction with the remuneration of their work,

the structure of respondents' answers can be considered surprising. They refute their widely held view of the "bad" remuneration of the work of persons employed by employers in the Slovak Republic. Only less than a quarter of respondents do not feel that they are adequately remunerated by their employers for their work.

Most respondents are (relatively) satisfied with the remuneration for the work performed

ad 5. 19 (8%) respondents consider interpersonal relations in their workplace to be very good and 24 (10%) respondents to be good. 108 (45%); respondents consider interpersonal relationships in the workplace to be acceptable. Unfortunately, this type of social relationship in the workplace is perceived as unacceptable by up to 87 (37%) respondents.

Conclusion: Only a small part, i.e. 43 (18%) of respondents are completely satisfied with interpersonal relationships in their workplace. In fact, respondents relatively satisfied with interpersonal relationships in their workplace form the largest group, reaching almost half in number. The term "satisfaction" with co-workers could therefore be theoretically assigned to a set of 151 (63%) respondents. However, more than a third of the respondents consider interpersonal relationships in their workplace to be unacceptable, i.e. extremely bad. It would therefore be appropriate for employers to address workplace issues on a regular basis, not superficially. And at the same time to solve emerging problems between employees immediately, in a timely manner, including through appropriate personnel and organizational measures.

Most respondents are (relatively) satisfied with the level of interpersonal relationships in the workplace.

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ad 6. You consider the results of the team work in which respondents behave very good 23 (10%) and 56 (24%) respondents good. 127 (53%) of them feel acceptable and 32 (13%) consider them unacceptable.

Conclusion: Based on the sum of answers, in which respondents expressed relative satisfaction with the results of the staff work of which they are members; it can be stated that the workplaces perform the assigned work tasks of

high quality, as such a view is inclined to respondents.

The majority, i.e. 2/3 of respondents, consider results of the staff work in which they work to be acceptable to the employer. of seepage (penetration) of

ad 7. 16 (7%) respondents consider their own share in the results of the working team to be decisive. 213 (89%) respondents consider the average own contribution to the work results of the work team, which is the majority. Only 7 (3%) respondents think that their work initiative is below average and 2 (1%) consider their work performance in the team to be negligible.

Conclusion: Almost all respondents (229, i.e. 97%) evaluate their own personal work initiative as an indisputable contribution to having a significant share in the achieved results of the entire work team. Only 9 respondents (4%) consider their share of work in the result achieved by their work team to be non-standard (below average or negligible). This means that the employer would need to develop a rationally conceived initiative that would purposefully integrate and effectively involve the remaining employees in achieving the maximum possible work performance.

The vast majority of employees are aware of their own share in the results achieved by the work team of which they are a part.

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ad 8. We received interesting answers to the asked question, through which the task was to find out whether the respondent was considering a change of work team and employment (employer). Every day, 9 (4%) respondents and occasionally 213 respondents (89%) consider changing jobs. The answer "often" was not marked by 0 (0%) of the respondents and 16 (7%) respondents never considered a change of job.

Conclusion: Despite the indicative results, which we formulated on the basis of previous respondents answers, expressing relative satisfaction with their position in the workplace, up to 222 (93%) of them are considering a change of work team and employer. Only a negligible part of employees did not think about changing their workplace at all. However, the relatively paradoxical results

of the opinion poll on this issue need to be confronted with the structure of the answers obtained in relation to questions 1, 3 and 5.

The vast majority of interviewed employees consider the change of work team and employer (employment) in number.

ad 9. 39 (16%) of the respondents and the average of 101 (43%) evaluate the leader of their work team as a person in their place. However, what concerns a person with below-average management skills, 62 (26%) respondents evaluate their superior and even 36 (15%) respondents consider their own manager working in a managerial position to be unable to manage the work team.

Conclusion: The majority of respondents consider 140 people, i.e. 59%, to be a person qualified and therefore also entitled to manage the staff of their workplace. Nevertheless, significantly more than a third of the respondents are of the opinion that their superior head of the workplace is not able to manage the workplace at all or that this workplace is managed by a below-average competent manager. The mentioned facts implies the need to re-evaluate the selection procedures and regularly pay attention to the inspections of managers in terms of personal, qualification and practical ability to lead the entrusted staff (e. g. administrative skills).

An extraordinarily large number of respondents assess a self-employed employee as having below-average professional qualities, including the ability to lead a team.

ad 10. 12 (5%) of respondents perceive the human qualities of their team leader as excellent. 131 (55%) respondents consider their superior to be a human average person. Their leader seems to be humanly sufficient to his subordinates with the number of answers 89 (37%). 6 (3%) employees consider their manager to be insufficiently endowed with human qualities.

Conclusion: Basically, it is possible to agree with the opinion that human resp. human characteristics, although dosed in a differentiated way, are part of the vast majority of senior work teams, which include a sample of activated respondents.

Most managers are considered by their subordinates to be human resp. humanly acceptable persons, even if their personal characteristics are predominantly average.

## CONCLUSION

The stability of a community, and often the life of a person, frequently depends on the co-worker or on the attitude of the manager towards the subordinate. That is why great emphasis is placed on managers and especially on their activities in social relations. However, the importance of a minister, director or other manager in a company position and of his work acceptance often completely contests his (not always surprising) personal failure. Professional, social, human. Most often it is his moral downfall. Outwardly, the most pronounced by his willingness to enter into the tangle of corrupt relationships. And even at his workplace. However, it is the compulsivity to submit urge to get rich illegally at the expense of others. Unfortunately, it often happens that only the manifestation of such personal misery is actually the only personal contribution of the manager to the story not only of his own life, but also to the life destinies of others controlled by him. A bitter contribution to the working (non) culture. Thus, the entire apparatus of the enterprise, the institution, and in many cases the state, its bodies and institutions, dehonestets. Believe me, it can be so sad to see the spiritual emptiness of some people dressed in the "director's coat" of a manager. Despite their illegally built material prosperity, and even undisguised wealth and pride, in the recent period one can also feel significant public pressure in the Slovak Republic on state authorities to radically punish so-called rich people from crime. Despite their arrogance and inaccessibility, the disobedience and ignorance that have so far led the actions of some oligarchic individuals in life, even the "modest" part of society acknowledges the modest results of law enforcement agencies. Steps leading to their detection and punishment. Therefore, even when evaluating each person's working life, society must no longer look at what has been said, but at what has been done.

Taking the above mentioned facts into the consideration, it is clear that the atmosphere prevailing in society is reflected in both

interpersonal relationships and labour relations. Also our survey resp. the probe into the opinion orientation of a small, ie unrepresentative sample of respondents, clearly, albeit only indicatively, points to the fact that:

More than one half of interviewed persons are satisfied with the atmosphere in their workplace.

1. The human factor, in particular the manager of the workplace, has the greatest share in the quality of the working atmosphere.

2 About half of the employees interviewed consider their working conditions to be either acceptable and about half of them to be unacceptable.

3. More than half of the respondents are satisfied with the atmosphere at the workplace.

4. Most respondents are (relatively) satisfied with the remuneration for the work performed.

5. The majority of respondents are (relatively) satisfied with the level of interpersonal relationships in the workplace.

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6. Most respondents consider the results of the work of the staff in which they work to be acceptable to the employer.

7. The vast majority of employees are aware of their own share of the results achieved by the work team of which they are a part.

8. The change of the work team and the employer (employment) is considered by the vast majority of the interviewed employees.

9. An exceptionally large number of respondents assess a self-employed employee as having below-average professional qualities, including the ability to lead a team.

10. Most managers are considered by their subordinates to be human or. humanly acceptable persons, even if their personal characteristics are predominantly average.

The collected answers certainly encode the essence of the prevailing public opinion on the current Slovak society quality of life.

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## SELECTED ELEMENTS OF CHANGE MANAGEMENT AND BUSINESS PERFORMANCE OF MICROENTERPRISES

*Karolina OKRĘGLICKA, Maryna PICHUGINA*

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### **Abstract**

*The change determines the development of all types of market institutions and organizations through the need to introduce innovative, modernizing and adaptive organizational solutions. Hence, organizational change cannot be separated from organizational strategy, and change management is a set of activities aimed at achieving the expected state in the organization. Change management is one of the elements of enterprise efficiency, therefore it should be implemented in all enterprises, regardless of their size. The aim of the article was to diagnose and evaluate selected aspects of change management in a microenterprise and to indicate the correlation between change management and the business performance of micro-enterprises. In order to achieve the set goal, the author conducted a survey in 2021 among micro-enterprises in Poland. The research confirmed the implementation of solutions for change management. The positive correlation between the elements of change management and the performance of enterprises was partially confirmed.*

### **Key words:**

*micro-enterprises, strategy, change management, process approach, business performance*

**JEL classification:** L26, M21

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### **INTRODUCTION**

The 21st century has emphasized the need for the organization to respond to turbulence in the socio-economic environment by implementing effective change management. While the last decades of the 20th century are dominated by such management concepts as: quality management, benchmarking, reengineering and a learning organization, and then, knowledge and information management, more and more violent market crises, especially the financial crisis after 2008 and a deep crisis related to COVID-19 pandemic showed that enterprises have more and more problems with existing in the market, not to mention their development and achieving a high competitive position. Hence, change management has become one of the most popular and at the same time one of the most necessary trends in management sciences (Dziadkiewicz, Juchniewicz, 2013, pp. 15-23), and its effectiveness often determines the success or failure of the enterprise (Olejniczak, Nabiałek, 2015, pp. 17-24).

The aim of the article was to diagnose and evaluate selected aspects of change management

in a microenterprise and to indicate the correlation between change management and the business performance of microenterprises. The article consists of the following parts: introduction, review of international literature in the field of change management, research methodology, results of own research and conclusions.

### **Literature review**

Change is one of the main factors contributing to the development of man and entire civilization. It also determines the development of all types of market institutions and organizations, through the need to introduce innovative, modernizing and adaptive organizational solutions. According to Burnes (2004), change is a feature of life that is always present in an organization, both at the operational and strategic levels, therefore there should be no doubts as to the importance of the ability to determine for each organization where it is going in the future. as well as how to manage the required changes. As a consequence, organizational change cannot be separated from

organizational strategy or vice versa (Rieley, Clarkson, 2001).

Change can be defined in many ways. Very generally, a change is defined by Clarke (1997, p. 242), who believes that it signifies a transition from the known to the unknown. On the other hand, Pszczołowski (1978, p. 289) accepts as a change a certain transition from the present to the future state, different from the initial one, which is made due to a specific feature in a specific period of time.

There are many possibilities of changes in systems and processes functioning in enterprises. Armstrong (2000, p. 70) in his research indicates that there are two types of changes in economic units: strategic and operational. The strategic change is always connected with the transformation of the company. It concerns problems of significant importance to the organization, which often translate into the overall functioning. Strategic changes also relate to a longer time perspective, and their assumptions are visible in the mission or goals of the organization. An example may be changes in the scope of improving the quality of products or services, development, innovation, technology, etc. Operational change is related to the day-to-day functioning of an enterprise and translates into the creation and modification of systems, procedures, structures or work organization. This type of changes is considered in a short period of time and has an immediate impact on the existing relationships within the organization.

The scope and reference of the changes is therefore very wide. They may take place at the individual, group or organizational level, they may concern the entire company or only selected specific areas of it. The division of organizational changes, which is very important for the enterprise, includes planned and adaptive changes. Planned change, ahead of future events, is introduced in a thoughtful and systematic manner. It is undertaken as a result of specific actions of decision-makers - people or groups actively promoting the process of change and managing its course (Schermerhorn 2008, p. 328). In the analysis of issues related to planned changes, the concept of efficiency gaps appears, defined as the difference between the desired state and the current state, or, in other terms, as the difference between the goals of a given

organization and the results that this organization is able to achieve (Kulawik-Dutkowska, 2016). On the other hand, adaptive change is introduced ad hoc, often intuitively as a reaction to new situations and problems (Griffin, 2004, p. 409).

Another division of changes is presented by Karnouskos (2015), distinguished here by:

- incremental changes - require only minor modifications;
- discontinuous changes - a significant transformation is necessary;
- anticipatory changes - noticed, but without immediate need to react;
- reactive changes - being a direct response of the enterprise to a change in the environment.

Change management is a very contemporary phenomenon. Most enterprises constantly change their activities and organizational culture, because due to technological progress, changes in production techniques, changing customer behaviour, economic changes, and changing activities in the business world, the organization has to keep up with new conditions and requirements. Change management can be seen when an organization decides to change its current mode of business to a new style or model to deal with the rapid changes in the business world, but with profit maximization in mind. The change may concern the organizational structure, organization employees, company technology, production techniques, administration or management change (Hashim 2013), and each of them requires time and the necessary resources (Meißner et al. 2021).

There are many approaches and definitions of change management in an enterprise in the literature. Change management is a set of activities aimed at achieving the expected state in the organization (Brzozowski, Kopczyński 2009, p. 190). It is also emphasized that change management refers to the creation of flexible management opportunities, as well as quick response to the present and creating such an economic unit that will successfully prosper in the hardly foreseeable future (Brzeziński 2005, p. 18).

The need for change is difficult to plan, therefore it tends to be reactivity, discontinuity, ad hoc and is a response to the organizational

crisis (Nelson 2003). Effective management of change is now seen as a necessity to survive and succeed in today's highly competitive and constantly evolving environment. Despite this, the reported failure rate can be as high as around 70% of all initiated change programs. It may be suggested that this poor success rate indicates a fundamental lack of an important framework for implementing and managing organizational change (Todnem 2005).

The change management task is not an easy task, as it requires many different competences and skills: business, analytical, political, systemic, personal, and often depends on the participation of various consultants who currently perform change management duties in various organizations. Change management plays an important role in the development of the organization, as it keeps the organization stable and "up-to-date" by examining internal and external changes. Continuous change also provides a solid foundation of a company's value and reputation, and contributes to economic performance. Change management also builds an appropriate organizational culture and a healthy work system in the company. Although change management often uses a top-down approach, i.e. to some extent management dictates the scope and way of introducing changes, it seems necessary due to the need to promote an organizational culture based on change, where at the same time employees perform their activities in an effective and efficient manner. The top-down approach also offers the possibility of better human resource management when employees perceive changes poorly and resistance arises in the organization (Hashim 2013).

Efficient change management means planning, initiating, implementing, controlling and stabilizing change processes both at the enterprise and individual level. Change management assumes constant influencing people, which is difficult for many managers. Change may create or intensify various problems, such as the strategic direction of activities or the need to provide increased support for employees who have difficulty adapting to the new operating conditions. However, strategic, technological and structural changes, as well as changes in the attitudes and behaviour of personnel, are aimed at the

competitiveness and profitability of the enterprise (Teczke, Bespayeva, Bugubayeva 2017).

Managing change to be ultimately effective requires a vision of the target state, without which the change becomes inconsistent and intuitive. Proper definition of the vision of the target state refers not only to the future structures and processes in the organization, but also to the quality maintenance required by decision-makers, the desired value system or the attitudes of the members of the organization. A key role in this process is played by the change manager, who is a person with very specific character traits and communication skills - sometimes useful only during the transformation of the company (Nadziakiewicz 2015).

It should be noted that organizational changes may refer to the organization as a whole or refer to particular levels of functioning, which requires the use of different strategies and change techniques. These can be changes at the level (Goodstein, Burke 1991):

- people working in the organization,
- organizational structures and systems,
- all activities influencing building a specific organizational climate.

Factors that force the need to introduce organizational changes can generally be classified into two categories (Paton, McCalman 2008, p. 30):

- external factors - inherent in the organization's environment,
- internal factors - inherent in the organization itself.

The observations show that external causes occur much more often and are of primary nature, because it is the market environment and changes taking place in it that impose the necessity of changes on the organizations (enterprises). Internal factors are connected with the necessity of changes in the organization itself. They can be directly related to the development of a given organization, a new market strategy, a change in the company's operating profile or a new vision of the manager / owner regarding the company's operation. It is worth noting that these two groups of factors are closely related and most often changes are implemented under the influence of both factors.

The basic problem in the change management process is establishing the correct path of action. The scope and direction of the course of change management require in practice the identification of the factors influencing changes in relation to the change design, personnel, organization and implementation. In order for this process to run correctly, it is appropriate to establish such elements as: organization goals, analysis of the interaction network of individual elements, analysis of the strengths and weaknesses of the organization, the specificity of the enterprise, analysis of possible change scenarios, strategy of operation for the selected solution (Bubel 2016).

One of the basic and best-known change management processes was presented by K. Lewin in 1951 and consisted of three main phases (Düren 2013, p. 10):

- unfreezing - all members of the organization must be aware that something needs to change, and management informs employees about the reasons for the change and the purpose (s) of the process.
- moving - the organization performs the required change activities and determines who is involved, what needs to be done by when and what tools are needed.
- refreezing - this is the time needed to stabilize new methods, structures etc. and to evaluate the actions taken.

In the literature, there are many modifications to the change management process, specifying more general or more detailed stages of change implementation, but they basically emphasize the need to use a process approach to change management.

### Methods

Empirical research should always be preceded by a review of the literature on the subject, so as to be able to confront the achievements to date in a given area of knowledge with the results of own research and conclusions built on their basis. The author reviewed domestic and foreign literature, which allowed to improve the quality of the subsequent empirical research.

The author carried out a survey among 62 micro-enterprises in Poland in May 2021.

The aim of the article was to diagnose and evaluate selected aspects of change management in a microenterprise and to indicate the correlation between change management and the performance of microenterprises.

The research tool was a questionnaire. All the surveyed companies are micro-enterprises, i.e. entities employing from 0 to 9 people. The selection of the research sample was random, therefore the conclusions drawn on the basis of the study should be treated as preliminary conclusions, requiring further confirmation in studies on a larger group of entities.

The analysis of change management in microenterprises was carried out on the basis of 12 questions assessed on the 5-point Likert scale. They were:

- A. I believe that organizational changes are necessary and good for the company
- B. I pay attention to communication in the company before introducing changes
- C. I try to adjust the changes to the organizational goals and strategy of the company
- D. Before introducing a change, we analyse our own possibilities and environmental conditions to make the change as effective as possible
- E. Employees are informed and involved in the process of introducing changes
- F. We are aware that the changes arouse resistance among employees and we know the methods of eliminating it
- G. We try to encourage and motivate employees to participate in the change process
- H. Introducing changes in our company is planned over time
- I. We know what costs and needs (assets, human resources, etc.) will be related to a given change
- J. We always have the knowledge and skills to implement a given change
- K. The implementation of changes always takes the form of a planned process
- L. After introducing the change, we evaluate the effectiveness of the changes in relation to the initial plans and draw conclusions for the future

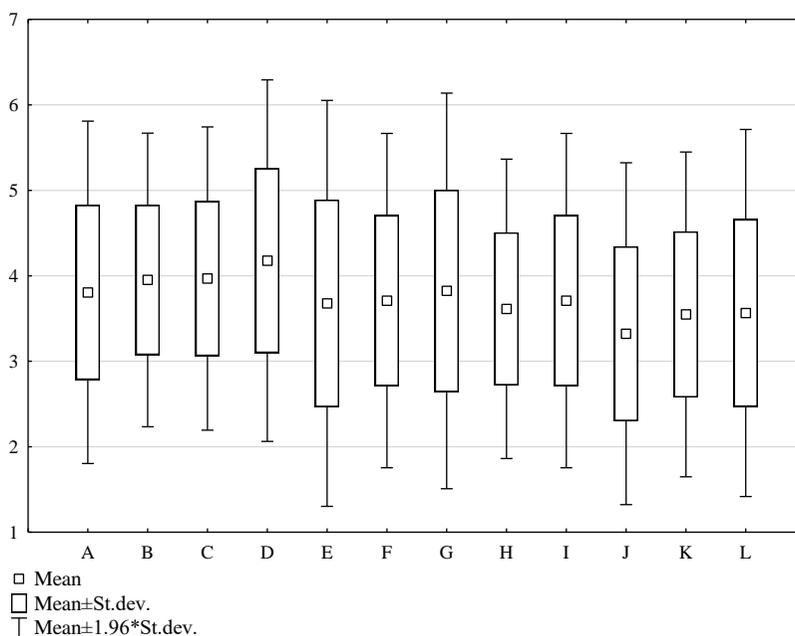
**Results**

Changes are an integral part of the company's operations. It can even be said that in the present times of increasing competition, globalization and crises of various causes, changes are more frequent and require more and more attention from the management of the company.

While in large enterprises, managed by professional managers, changes are not only analysed and managed, but often constitute an element of strategic management, in smaller entities the perception of changes may be different. Some companies perceive change only as a threat, and not as an opportunity for a new, better quality.

Change management, in a professional understanding, is the domain of primarily large or medium-sized companies. Small entities are not aware that many activities carried out by owners or managers fall within the definition or in the process of change management. Hence, in order to assess whether change management activities and processes take place in the studied microenterprises, the respondents were presented with a list of questions that they assessed on a 5-point Likert scale, i.e. from the answer "I strongly disagree" to the answer "I strongly agree" (Fig. 1). Aspects that, in the author's opinion, may appear / occur in such micro entities were selected for the study.

Figure 1: Assessment of change management activities and processes.



Source: own research

When ranking selected aspects of change management according to the average rating given by the respondents, the item concerning the period of preparation of the change was ranked the highest, when the analysis of own possibilities and environmental conditions was made to make the change as effective as possible (average 4.2 on a 5-point scale). It is also the only question for which the median answer was 5.0. Therefore, one can express the opinion that

introducing changes in micro-enterprises is mostly based on rational premises.

Another issue related to change management, which was rated 4.0 by the respondents on average, is adjusting changes to the company's goals and strategy. This indicates a certain consistency in the process of introducing changes, which is generally

consistent with the long-term planning and vision of the entrepreneur.

The owners of the surveyed companies relatively often also pay attention to communication in the company before introducing changes (average 3.97). In the case of this question, a relatively low level of standard deviation suggests a significant agreement of the answers.

When analysing the assessment of the change management elements, it is clear that many questions rated fairly average by the respondents concern human resource management in relation to change. This indicates that effective implementation of change is not possible without the participation and commitment of all members of the organization.

The lowest scores were assessed by microenterprises relating to the professionalism

of change management, i.e. implementing changes in the form of a planned process (average 3.53) and having adequate knowledge and skills to implement a given change (average 3.30). Entrepreneurs confirm that the management of a micro-company is often intuitive and informal, with a low degree of planning.

When trying to define the relationship between the actions of micro-enterprises for change management and business performance, it should be stated that it was achieved in 4 cases (Tab. 1). Thus, a positive, moderate relationship was observed between business performance and the awareness of the need to use human and material resources when managing change, assessing the effectiveness of changes in relation to the initial plans and drawing conclusions for the future.

Table 1. Kendall's Tau correlation analysis (p<0.05)

	Firm's performance
A	-0,023
B	0,176 <sup>i</sup>
C	0,186 <sup>i</sup>
D	0,161
E	0,132
F	-0,129
G	0,046
H	-0,044
I	0,496 <sup>i</sup>
J	0,148
K	0,111
L	0,350 <sup>i</sup>

<sup>i</sup> p<0.05

*Source: own research*

Statistically significant, but weakly positive, was the correlation between business performance and communication within the company in the process of introducing changes

and adapting changes to organizational goals and the company's strategy.

### Conclusion

Organizational change refers to any transformation occurring in various areas of the organization's functioning, which may occur under the influence of both internal and external factors. It should be noted that nowadays changes in enterprises are constantly taking place, determined by globalization, digitization, shortening the life cycle of products or increasing competition. Organizational changes are the response of companies to the requirements of the environment and are an attempt to increase the effectiveness of the operation of a given company. Adaptation to changing conditions of functioning requires a professional approach of managers to change management. This is because activities are

undertaken in many areas, which requires a holistic approach.

The research confirmed both the fact that micro-enterprises manage change. Although this management can be described as informal and to a limited extent, the changes are undoubtedly of interest to the owners of micro-enterprises. Moreover, it was possible to confirm that some elements of change management have a positive impact on the performance of a microenterprise.

The limitation of the study is primarily a small research group, therefore the research should be treated as preliminary research.

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## DIVISION OF ONE EMPLOYMENT CONTRACT BETWEEN TWO EMPLOYERS

Andrej PORUBAN, Karol KRAJČO

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### Abstract

*The paper deals with the possibility of division of rights and obligations arising from employment contracts for one employee for several employment relationships part-time. The conclusion of the pre-contractual process in employment relations is the conclusion of an employment contract, which establishes an employment relationship. Within it, one undertakes to perform dependent work for pay for the other. It is a socio-economic relationship, because its nature is not only property but also personal, not only in the sense of personal performance of work. By including the employee in the organizational structure of the employer, a close personal bond is established, which activates a whole range of subjective rights and legal obligations of the subjects of employment..*

### Key words

*lifelong learning, education of seniors, University of the third age*

**JEL Classification:** : I2, I24, O1.

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### Introduction

The employment contract "is a bilateral legal act and at the same time a concretization of the principle of contract in labor law, through which the constitutional right to free choice of profession, employment and the right to work is realized" (Janičová, 2010, p. 180). Due to the fact that the Labor Code mainly regulates the content of the employment relationship, it does not require much for a valid employment contract. Pursuant to § 43 par. 1 of the Labor Code, the employer is obliged to agree with the employee on the essentials, which are:

- a) the type of work for which the employee is hired and its brief characteristics,
- b) place of work (municipality, part of municipality or otherwise designated place),
- c) day of commencement of work,
- d) wage conditions, if not agreed in the collective agreement.

#### Ad type of work

The type of work is essential because it defines what work the employee is obliged to perform. "It can be defined by a certain job function, or by a specific classification, or as a set of activities that can be determined alternatively or cumulatively." (Matlák, 2014, p. 136). However, if an excessively high number of types of work is agreed, it cannot be ruled out that the law is

being circumvented. Assessing whether the type of work has been validly agreed is always a matter of a specific case.

#### Ad place of work

There is no law specifying how the place of work is to be defined. It can therefore be agreed very narrowly, but also very broadly, while allowing more places to work. As a place of work, a specific workplace, address of the employer's registered office, municipality, region, etc. can be agreed. However, it must always meet the needs of the employer and be proportionate to the nature of the work, provided that "the agreed place of work need not be identical with the registered office of the employer". (Križan, 2020, p. 37)

#### Ad the day of the start of work

From the day when the employment relationship arose, the employer is obliged to assign work to the employee under the employment contract, pay him a salary for the work performed, create conditions for performing work tasks and comply with other working conditions laid down by law, collective agreement and employment contract. According to the employer's instructions, the employee is obliged to perform the work in person according to the employment contract at the specified working hours and to observe work discipline. The employment relationship shall take effect on the date agreed in the employment contract as the date of

commencement of work, regardless of whether the employee actually commences employment on that day; for example, he does not start because he becomes ill - it is an obstacle at work.” (Treflová, 2012, p. 242) The way in which the day when an employee starts work can be expressed is not prescribed by law. This day can be agreed not only by direct time data, but also on the basis of other objectively verifiable facts not marked by a specific date, about which the subjects of employment when concluding the employment contract may not even be sure when exactly they will occur. However, they must not leave any doubt that the date of commencement of work has been indistinguishably marked by them and must allow a clear conclusion as to which day the employment relationship will take place.

#### Ad wage conditions

If the wage conditions are not agreed in the collective agreement, they are a necessary part of the employment contract. If they are agreed in a collective agreement, it is sufficient to make a reference to its provisions; otherwise it is sufficient to refer to the relevant provisions of the Labor Code. In wage conditions, the employer shall agree in particular on the forms of remuneration of employees, the amount of the basic component of wages and other components of benefits provided for work and the conditions of their provision. The basic component of the salary is the component provided according to the time worked or the achieved performance (§ 119 para. 3 of the Labor Code). "The contractual freedom of the contracting parties is not unlimited, but limited by the legal requirements of the minimum level of remuneration." (Olšovská - Láclaviková, 2017, p. 17) In addition, wage conditions must be agreed without any discrimination based on sex. This applies to any performance for work, as well as to benefits that are or will be paid in connection with employment.

#### Findings

*Transfer of rights and obligations from the employment contract to several employers*

From the text of the Labor Code as well as from its purpose, it can be deduced that an employment contract is always negotiated and

concluded by one employee with one employer. There is no indication that it could cover two or even more relationships with different employers. However, during the employment relationship, various structural changes may take place at company level in order to achieve better competitiveness and efficiency. In such transactions, employees do not appear as participants and are exposed to unilateral decisions of the employer, or the employer and the future employer. (Schwarz, 2017, p. 4) However, the employees concerned should not be placed in a less favorable position as a result of a sale, merger or lease. In order to mitigate their social impacts, a 'legal transplant' - the transfer of an economic unit - was incorporated into the Slovak legal system (Dolobáč, 2011, pp. 118-123). It found its place in the Labor Code in the section entitled 'Transfer of rights and obligations arising out of an employment relationship', which transposes Council Directive 2001/23 / EC of 12 March 2001 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in transfers of undertakings, businesses or parts. undertakings or establishments (hereinafter referred to as Directive 2001/23 / EC). The purpose of the legislation is to preserve the rights of employees by allowing them, as far as possible, to continue with the new employer under the same conditions as agreed with the transferor. Pursuant to § 28 par. 1 of the Labor Code, "if an economic unit is transferred for the purposes of this Act, the employer or part of the employer, or if the role or activity of the employer or part thereof is transferred to another employer, the rights and obligations of employment relations with the transferred employees are transferred to the employer". The assumption is that the economic unit according to § 28 par. 2 of the Labor Code "maintains its identity as an organized grouping of resources (tangible components, intangible components and personal components), the aim of which is to carry out an economic activity, regardless of whether this activity is main or ancillary".

However, what if, in adapting to new market conditions, a situation arises in which only part of the rights and obligations arising from the employment contract pass to the transferee and the rest remain with the former employer, or

several parts of the undertaking are transferred simultaneously to two or more employers?

From the use of a single number ('taking over employer') it appears that such a construction does not fall under the transfer of rights and obligations under the Labor Code, but this is not explicitly excluded.

## Conclusion

It is clear that education and the need for education is a traditional value, the importance and essence of which plays an irreplaceable role today. However, the stereotypical view of the senior as an individual who is passive and dependent on society persists to a large extent. The author of the article tried to refute this statement thanks to the cooperation with the students of the University of the Third Age at the Alexander Dubček University of Trenčín in Trenčín. Students are surrounded by a number of stimuli, they learn to master new technologies and playfully manage the work with them. Energy and zeal could often be an example to younger generations. The author encountered a problem in the form of differences between the past and the present from the perspective of seniors. Relationships between people but also within families themselves were more integrated in the past, but nowadays people communicate little with each other and isolation often occurs. The result is a decline in respect and esteem not only for the elderly but also for society as a whole. Based on the following statements, it can be stated that the biggest problem in the future in the lifelong education of seniors will be the great isolation of the population. Therefore, the question arises as to

how lifelong learning institutions will be formed. As a certain solution, there are modern and innovative forms of intergenerational education, with which the author identifies. Lifelong learning changes the lives of seniors to a great extent, slows down the aging process, socializes, finds new friendships and loves, and is generally active. However, it is also necessary to focus on seniors whose state of health, remote residence or other reasons do not allow them to take an active part in education. The solution lies in the use of modern technologies, we are talking about education through the Internet, the so-called online University of the Third Age. A new and interesting experience is the use of virtual reality and game consoles. Thus, seniors can actively play sports even in bad weather (tennis, golf, fishing, ...) or, thanks to virtual reality, dive in the sea, discover the secrets of the forest and travel around the world. The basic knowledge for the practice lies in the opinions of seniors, because they know best what can help them in life and what is important to focus on. You need to listen to them. The author also perceives as positively the positive and touching evaluation of the University of the Third Age at the Alexander Dubček University of Trenčín in Trenčín. He chooses the following statement from his opinions: "I was looking for a change in life and had just found it thanks to this place, it was in the form of new experiences, expanded education and finding new friendships. It speaks of this institution as a place that helps people with different life stories, whether they want a challenge or find the meaning of life." Which captures the whole essence and meaning of such an institution. The contribution of the paper is to evaluate and inform about the connections between the lifelong education of seniors and the University of the Third Age.

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- Abstract (8 – 10 lines) – English language (9-point font size, TNR *Italics*);
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**Abstract Times new roman Italics Body text (9)**

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