

Hungary: report on emerging themes from the interviews

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Hungary: Electronic and household retail chain

Introduction

The Hungarian case study organisation is a market-leading multi-national electronic and household retail chain, present in 15 countries in Europe. There are 17 stores in the country and a central top management office. Each store operates as an individual company with an own multi-level management structure, superseded by but relatively independently from the central top management. The stores purchase the goods they sell independently, there is no joint purchase for all the stores. The retail chain has been on the market in Hungary for 10 years. Out of the cc. 1500 employees approximately 25% work in offices and 75% are shopfloor workers. Women take 43% of the workforce.

The opening time of the department stores regulates the amount of working hours, thus the long-hours culture that is becoming increasingly characteristic and problematic at Hungarian workplaces does not apply in the case of this organisation. However, due to the organization being a retail chain, opening times do not allow for policies on flexitime, distant work, condensed work-week or career break. The annual pattern of work is rather uneven; the chain focuses on the Christmas shopping period, from November to the end of the year. During this period workloads are heavier than at any other time of the year.

The rather complex organizational hierarchy in the stores is structured in the following way: in the shops there are salespersons (so-called 'consultants') and cashiers. The stores are divided into departments (e.g. the computer department, the small household equipment department, etc.) Above the consultants in each department there is a first consultant, and in each store there is a chief cashier. Each department has a head – a medium-level manager –, who does not work in the shop but supervises the work of the consultants in his/her department. Some of the department heads have an assistant or deputy department head – these people are shopfloor workers. In the office of each store there are administrative workers, headed by an office manager. Above the office manager there is an administrative director and a sales director, and above them, at the top of each store stands the store director.

From the interviews it turned out that there are some problems and challenges characteristic of either one of the three stores. A number of issues came up, and the degree of satisfaction/dissatisfaction seems largely to depend on the attitude and HR skills of the local management. The general atmosphere is also greatly influenced by the commercial success of the given store. One of the three stores is the most profitable one in the country, and that is where employees had the least complaints. In this preliminary report we only present the issues prevailing in all three stores and on the top HR management level.

Organisation of the fieldwork

The fieldwork was undertaken in November 2007, in the 3 department stores located in Budapest. The interviews were organized and conducted by the Hungarian Quality research team and three colleagues associated with the Department of Gender Studies, two of them PhD students. 20 interviews were conducted, the top-level HR trainer, an administrative director, a sales director, an office manager, 5 department heads, 3 deputy/assistant department heads, a chief cashier, 2 first consultants and 5

consultants participated. The office managers of all three stores were requested by the top HR trainer to select the interviewees; we asked them to select an equal number of shopfloor workers and managers, and an equal number of women and men. Eventually, we interviewed 9 managers and 11 shopfloor workers, 13 men and 7 women. The length of the interviews is 1-1.5 hours.

In a few instances we experienced some uneasiness and in one case outright rejection to speak if we were to record the interview. In the latter case another employee was sent immediately to replace the reluctant person. We have no information on what consideration the selection of the interviewees was based on, but we believe that at the deeper analysis of the interviews the issue of (realistic or unrealistic) fear of retaliation in case of complaints about the quality of work or about management and supervisors, and the fear of eventually losing one's job has to be taken into consideration. We discussed this issue with the top HR trainer who has had similar experiences at different trainings, when participants were required to provide feedback, and she agreed that this is a cultural issue very present in Hungary, a heritage of the state socialist regime, and, we add, both the result of and reason for a very low level of interest representation collectively and individually as well. To see whether only relatively satisfied employees were selected for the interviews or satisfaction with the quality of working life is general in the retail chain, a comparison with the qualitative data is necessary.

Organisational change

The retail chain has undergone a large expansion in the recent years, in the number of stores and in profit, as it has become the market-leader in its category in Hungary. This development has induced changes on many levels and has created new challenges. The HR management has improved significantly. With such a size, new positions have to be created in order to be able to do the work efficiently, and the rhythm of working has to be regulated differently. For example, part-time positions and working in phases during the day have to be introduced, because customer frequency is uneven, it varies greatly even in a single day.

The HR management senses a growing dissatisfaction of the employees, which they attribute to the enlarged size of the organization. Shopfloor workers feel that the amount of work is growing, and that salaries are becoming less and less competitive. They also note the changing demands of customers in terms of the kinds of products they tend to purchase, which, in some cases, i.e. at departments whose products are becoming less demanded, cause worry of losing jobs. Shopfloor workers and lower level managers also mention the expansion of competing companies, although the interviewed senior managers do not see any real competition and do not expect the store chain to lose its market-leading position in the future. Workforce fluctuation is also seen as an element of change, especially by medium-level managers. From the organisational data it does not appear to be an even fluctuation but rather an expansion of the workforce (the number of new employees hired in the past one year is approximately twice the number of those who left).

Emerging themes as challenges and supports for organisational health

1. Growing organization

At the managerial level organisational growth is seen as a positive economic and human resource challenge in general terms. Of course, it has presented problems to be solved, including the rationalisation of the work schedule of shopfloor workers, and the creation of new positions for better management of the changing needs of such a growing organization. Some medium-level managers express that the growth in the number of stores means a more even division of customers among the different stores, thus having fewer customers is seen as a positive change in terms of quality of working time. The majority of shopfloor workers, on the other hand, are not so positive about the effect of growth. Complaints are expressed about the lowering real value of salaries, the low amount of benefits, the less attention they receive from supervisors, and the worsening of the quality of work (i.e. more physical work and less good-quality consultant work).

2. Working patterns and rotas

Office workers and managers work regular office hours. Heads of departments work in two shifts, either from 9 am to 18.30 pm or 12 am to 9 pm and at every third weekend from 9 or 10 am to 9 pm. Shopfloor workers work according to the opening time, in a pattern of working from 10 am to 9 pm for three days, then having two days off. Shopfloor workers have one hour lunch break and two twenty minutes breaks in the morning and in the afternoon. The breaks can be used for going out of the store. Smokers can divide the breaks into shorter cigarette breaks. Workers are to schedule their breaks and out-of-schedule days off within their department. Several respondents think there should be more breaks, because of the length and intensity of working time.

The three working days + 2 days off pattern means that every third weekend shopfloor workers and department heads have to work. Several respondents express that they find weekend work to be too much, while one expresses satisfaction with the regularity of the work schedule, which makes it easy to plan in advance. Since the majority of the respondents are young people without a family, they do not seem to mind the schedule so much, and some particularly appreciate that there are two days off after every three-day working period.

Since – as is customary in commerce – the retail chain receives the majority of its annual turnover during the pre-Christmas shopping period (November-December), workload is very heavy in this period. During this season at most departments consultants cannot take their holidays.

3. Conditions of physical and psychological work, coping with customers

Working in the stores appears to be highly demanding physically, especially during the pre-Christmas period. Several shopfloor workers comment that standing all day is uncomfortable, and especially exhausting for older workers. They suggest that there should be chairs in the stores, they do not see the point of not being allowed to sit down, or even lean to something from time to time.

While dealing with people is seen by several respondents as an enjoyable part of their work, comments are also made about the difficulty of smiling and being patient all day – particularly because of the exhausting physical conditions. Besides the physical demand on consultants, they are also required to do the “psychological work” of dealing with difficult customers.

Complaints are made about the too much independence of the stores; some shopfloor workers would prefer more central regulation of work conditions. This is underlined by our observation that a lot depends on the personal attitudes and behaviours of the department heads and local managers.

4. Human resources

According to senior managers, one of the basic principles of the retail chain is that people are in the centre. This approach is reflected by the gradual development of the chief HR department and the training of employees doing HR work in the stores. The interviewed senior HR trainer emphasized that managers need a lot of training in order to learn that it is not enough to be a good merchant, s/he has to treat the employees well, too. Managers on various levels are concerned that there is difficult to find good consultants nowadays, due to the less competitive wages, the uncomfortable and hard work, and the difficulty of balancing this kind of work with family commitments.

5. Social relations, communication, team spirit

It seems that there is a strong spirit of solidarity and loyalty towards fellow team members working at the various departments of the stores. This takes shape in the consensual and flexible way of deciding about the division of work and the schedule of breaks and holidays among themselves, and in supporting colleagues who are facing difficulties in their private life (e.g. divorce, sick family member). Some teams or team members spend some of their free time together, as well. Coping with the seasonal work overload is greatly influenced by the atmosphere at the department and the attitudes of the management towards workers and work.

Some shopfloor workers complain that they are only sent for presentations of new equipment, while team building trainings are only organized for managers, from department head upwards. The company dinners organized once or twice a year are not considered to be enough opportunities for communication and getting to know colleagues.

There are complaints about the flow of information from the central management to the stores. However, the majority of respondents express their satisfaction about the efficient and adequately in/formal, smooth communication with their colleagues, team members and immediate superiors. The open-door policy of the senior managers (i.e. that anybody can go and discuss their problems with the store managers any time) is also mentioned.

It is the managers’ task to keep up the workers’ spirit during the pre-Christmas shopping period, and measures to strengthen the team spirit and improve shopfloor workers’ well-being are mentioned, such as departments going out for dinner before the season starts, ordering hot meals for consultants in the heaviest periods, distributing cakes on Sundays, Christmas presents, and furnishing the kitchen as it is most comfortable for the employees.

6. Wages and benefits, rewarding system

It is a general concern among the respondents that their wages, which used to be the highest among similar organisations, are not competitive anymore and their real value does not follow inflation. Some shopfloor workers also raise the issue that they receive very few tax-free benefits. It is debated whether the fact that salaries do not depend to a great extent on how much profit the given department or store makes is a good or bad system. Some appreciate a fix, steady amount of salary, others would prefer to work on a competitive basis, with certain percentage of their salary depending on the turnover. Anyway, they do receive a premium for weekend work. There is a general understanding that salary increase and promotion is based on the quality of work. One tool to measure this is the records of complaints, and several shopfloor workers complain that ‘nasty customers’ writing in the book of complaints often negatively influence the assessment of their work quality.

7. Gender issues

As far as the wage gap is concerned, there is a unanimous statement by all types of respondents that there is no such thing at the company; wage differentiation is based on merit and seniority. However, gender inequalities are present on several other levels. It is claimed both by managers and workers that there is no direct gender-based discrimination, but a rather traditional division of the work force and male dominance in the management applies. Two of the 17 stores have women directors – this is mentioned by several respondents as a positive, progressive fact. All office managers and the great majority of office workers and HR staff are women. Most cashiers and the majority of consultants at the departments of small machines and kitchen equipment are also women. Some respondents claim that these “feminine” departments are the only ones where women have the chance of promotion – many small machines and kitchen equipment departments are headed by women. At departments of big machines, computers and hi-tech equipment most consultants are men, and only men work in the storage rooms. One of the store directors declares that women are not assigned for heavy physical jobs, e.g. lifting big machines, and an office manager says that the reason why all office managers are women is that they are more precise and industrious than men. Some respondents note that men have better chances of promotion.

A range of stereotypical attitudes about women and men are brought up by respondents of both sexes and employees on all levels. Arguments for the traditional work force distribution include that shopfloor work is not suitable for women with small children; that men are better at technology and are physically stronger; that ‘healthy women’ are better at dealing with small household equipment, and they are also more interested in them; that women don’t know much about televisions and other technological equipment; that it is ‘genetic’ for women not to be interested in computers.

Not only the workers have stereotypical views about gender roles. It is a general observation (and complaint by some) that customers discriminate. If there is a woman consultant available at a “manly” department, customers often do not consult her or demand a male consultant, because they think women are incompetent with larger machines, computers and high-tech equipment. The opposite happens at the “womanly” departments, e.g. female workers are consulted and males are refused about small household equipment (a curious exception is vacuum cleaners!).

8. Quality of life, stress and well-being

Despite the above described difficulties and complaints about certain issues, all respondents like working at this company, either because the atmosphere is good or because they like the kind of job they do (or both). Apparently the informal atmosphere, the loyalty and team spirit greatly contribute to a good quality of working life. However, shopfloor workers require more attention to their physical well-being from the management.

Stress has not come out as a major negative factor to the quality of working life, but it is noted by employees on various levels that high commercial expectations, i.e. the production of the highest possible annual turnout in customers and profits, upholding the company's market-leading position, make work stressful from time to time.

Several respondents have grounds to compare the company with other retail chains, and it is generally ascertained that this company is better in terms of work conditions and atmosphere, even though the wages are not the highest anymore.

9. Impact on family and free time

The above described work schedule is generally seen as a barrier to having a satisfactory family life. There appears to be a general agreement among respondents, that such a work schedule makes it impossible for people with small children, especially women, to work at the company. It is noted by several workers that they are not able to spend much time with their family, and some add that their partner is working at the company, as well, therefore s/he is more understanding in this respect. The general character of the workers reflects this difficulty of work-life balance: The majority is young people without family – men a majority out in the stores and women a majority in the office – and the older workers are either divorced or have grown-up children.

Future challenges

The issue of future challenges has produced quite a mixture of answers. There is no general feeling of optimism or pessimism, some don't even have anything to say about the future. Opposing views about the same issue – especially relating to the growth of the organisation – are expressed. On the individual level (mostly in the case of consultants and lower level managers) the most frequent concerns for respondents are low salaries and promotion – some are hoping to be promoted, some are hoping not to be promoted. As for the stores' operation the necessity of hiring more consultants, the re-regulation of the work schedule and the market position of the retail chain are seen as important issues.

As for change agents, the government and the management of the retail chain are named most frequently. The government is expected to turn around the worsening economic conditions of the country, the impact of which is directly felt by employees, regarding both their personal well-being and in the future prospects of organisational development. Trade unions are not strong in this sector, and employees are sceptical about their relevance and impact. The European Union is generally seen as insignificant, in terms of impact on the organization, except by the senior HR trainer, who mentions EU applications as important funding agencies to support growth and the improvement of working conditions.

Some future issues anticipated or discussed include:

- The retail chain might lose its leading market position, which can lead to labour force reduction.
- Because there is no real competition, motivation to do good quality work might decrease.
- Because there is a heavy competition, working conditions may become worse and worse.
- If the retail chain continues to grow, the market will eventually be saturated.
- After acquiring the strategic spots, growth will stop, which may lead to the improvement of working conditions.
- More consultants are needed because the workload is becoming heavier.
- The worsening economic situation of the country will negatively influence people's quality of life.
- The worsening economic situation of the country may negatively influence customers' consuming patterns, which will slow down the growth of the organisation.
- If customers' demands change, due to their worsening financial situation, supplies need to be changed accordingly. This is how growth can be maintained.
- Wages have to be made more attractive for good quality workforce.
- Management has to find the ways to cope with the human resource side of growth.
- Work schedule patterns and positions have to be better adapted to customer turnover and workforce needs.
- For more efficient operation, the stores should cooperate instead of competing.

Healthy organisations

In the interviews examples of the dual agenda appear. It seems that the HR management basically understands that the economic success and sustainability strongly correlates with employees' quality of working life, even though there are significant improvements to be made.