

# **The State of Knowledge of Demographic Trends and the Evaluation of Diversified Human Resources in Visegrad Group V4 Countries (the Czech Republic, Poland, Slovakia and Hungary) – The Opinions of Organisation Representatives**

**Elwira Gross-Golacka**

## **Abstract:**

The goal of this article is to determine the state of knowledge regarding the future of the labour market and demographic changes, which will be taking place in the Visegrad Group V4 countries in the perspective of the next 5 years, among organisations located in these countries. The additional goal of this article is determining the level of motivation of diversified human resources based on the opinions of representatives from these organisations. In order to conduct the research, the method of a literature review has been utilised as well as a diagnostic survey based on a questionnaire survey method. Empirical research has been carried out in the years 2016-2017 on a sample group of 401 representatives from organisations located in Visegrad Group V4 countries (the Czech Republic, Poland, Slovakia and Hungary). These were qualitative-quantitative studies. The conclusion was that the state of knowledge regarding the future of the labour market and the demographic changes taking place in Visegrad Group V4 countries in the perspective of the next 5 years is low. The research has revealed that the level of motivation of employees is diversified depending on the gender, age and health condition, whereas diversified human resources can contribute to improving business performance results.

**Key words:** human resource diversity, demographic trends, Visegrad Group, V4 countries.

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## **Introduction**

Demographic changes are one of the key challenges facing Europe and the world at large, as in this part of the globe the population is aging (*Global population forecasts*, 2015). The median for age, which today is 30 years, will increase to 36 years by 2050 and to 42 years by 2100, whereas today a quarter of Europe's population is above 60 years of age. These changes are being observed in all European countries, while an aging population is currently one of the most important socio-economic challenges in Europe. Demographic changes will have a crucial impact on the labour market over the next two decades and in the future, both in Visegrad Group V4 countries and other parts of Europe.

As these assumptions being made in the changing conditions of the modern world, an urgent need arises for looking at the most important resource that organisations have, namely people and human capital, which is characterised by competences, subjectivity and responsibility. It is worth looking at this issue from the perspective of demographic changes such as: age, gender, origin or abilities/disabilities. Naturally, these are not one-time changes, since demographics are constantly changing, and in different places in the world, different changes are taking place at different rates, which creates larger challenges for HRM (human resources management) specialists, as they hire, train, manage and maintain certain groups of employees at organisations. According to the Author, it seems that the changes in question have a significant impact on HRM worldwide, as the workforce is becoming more diversified, which forces organisations to make notable changes in the style of approach towards managing human resources. In reality, soon there will no longer be the "average worker" of today, as workplaces can be diversified based on gender, age and culture. Furthermore, today's strategies applied by HRM units could become redundant and obsolete. It therefore seems that the success and competitiveness of an organisation depends on its ability to employ and accept diversity and becoming aware of the benefits it brings (Gross-Gołacka, 2018).

The main objective of this paper has emerged as a consequence of these deliberations, and it is based on the idea of determining the state of knowledge on the topic of the future of the labour market and the demographic changes, which will be taking place in Visegrad Group V4 countries in the perspective of the next 5 years, among organisations of Visegrad Group V4 countries. The additional objective of this article is to determine the opinions regarding

the level of motivation of diversified human resources in an organisation. For the purpose of the analysis, the criteria of gender, age and health condition have been taken into account. When conducting the research, the methods of a literature review as well as a diagnostic survey have been utilised, the latter being based on the technique of a questionnaire survey. This has allowed the author to formulate conclusions, including postulative ones as well as recommendations regarding the necessary changes in management, aimed at diversified human resources.

### **Human resource diversity – theoretical aspects**

The established definition of human resources diversity, understood as a collection of characteristics taking into account all characteristics differentiating one person from another (employees) and their similarities, has been applied by the Author in the following paper for the purpose of empirical research aimed at presenting the influence of employees' diversity on the management processes, especially with regards to realising their motivational function at an organisation. Therefore, proper team management should be based on good communication and take into account the needs of employees related to shaping motivation. Otherwise they could significantly contribute to a decrease in the level of motivation in a team. In light of the above, it seems that diversity at an organisation has many benefits, including those in a macroeconomic perspective – which contributes to increasing the productivity, innovativeness and creative activities or gaining new markets and maintaining current ones. Whereas the improvement of goods and services for the benefit of clients, attracting talents from as wide of a scope of potential employees as possible or decreasing HR shortages and limiting employee fluctuations are all benefits as seen from the micro-perspective (Sonnenschein, 1997, s. 3-4).

The demographic trends presented above will have serious consequences for organisations and managers in the decades to come. Implications include: the need for a better understanding and awareness of different social groups and appreciating how diversity can bring benefits for organisations. Although, this does require elasticity at work, while ensuring quality work through creating non-discriminating environments inside organisations and a better integration between work and life. Classically, (see e.g.: Mor Barak, 2011, pp. 136-

145; Thomas, 1999; Thomas 1991; Loden & Rosener, 1991) diversity has been defined as a mosaic of characteristics brought to the organisation by employees; characteristics such as gender, age, race, ethnicity, religion, family conditions or physical abilities. Diversity among employees can also be concerned with the diversity of functions in a given organisation. It also includes lifestyle, sexual preferences, origin, work experience at an organisation, the status of being let go or employed. Diversity, in its broad definition, can relate to any perceived difference and similarity between people, both observable and otherwise (the effect will be a wide and universal approach). Furthermore, the aspect of diversity should be perceived from the perspective of its influence on the unit and the organisation. Diversity is generally connected with approval, understanding, acceptance and appreciating differences between people. The effect of said diversity in an organisation is a valuable and diversified team, which inter alia contributes to: the conception of diversified experiences, a different point of view contributing to teamwork, creative problem-solving, innovation and creativity. Whereas managing diversity should be defined as broadly as possible, and understood as systematic efforts of a company, aimed at involving diversified human resources in the activity of a company and treating it as a strategic advantage. Fundamentally, managing diversity concerns (Gross-Gołącka, 2018):

utilising all talents available in an organisation, without making references to ethnocentrism and stereotypes, with regards to a group of employees – conducting policy on behalf of diversity, contributing to the growth of innovativeness and creative activity, decreasing shortages in the workforce with specific abilities and improving the quality of customer service, with regards to the company – satisfying the needs of different clients, widening the market, in terms of individual clients, as well as employees and stakeholders.

## **Goals, Research Question and Methodology**

The main research goal was to determine the state of knowledge regarding the future of the labour market as well as the demographic changes, which will be taking place in Visegrad Group V4 countries over the next 5 years – among representatives of organisations located in these states. The additional goal of the research was to determine the level of motivation of diversified human resources according to the opinions of representatives from organisations

located in Visegrad Group V4 countries (Poland, the Czech Republic, Slovakia and Hungary). An additional research goal was also to get insight into social characteristics, which can contribute to unequal treatment and discrimination at an organisation according to the organisation representatives. The conducted empirical exploration was aimed at finding the answer to the following research problems, which had taken the form of the following questions:

1. Do the representatives of organisations located in the Visegrad Group V4 countries have knowledge on the topic of the future of the labour market and demographic changes, which are taking place and which will take place in their country in the perspective of the next 5 years?
2. Are diversified teams at organisations, according to the opinion of representatives of organisations of Visegrad Group V4 countries, able to contribute to achieving better business results?
3. In what way, according to the opinions of Visegrad Group V4 organisations, is the level of work motivation of employees assessed, with regards to their gender, age and health condition?

The main subject of the research was thus the level of implementation of diversity management and the resulting benefits, whereas the subject were representatives of organisations located in countries belonging to the Visegrad Group V4 (Poland, the Czech Republic, Slovakia, Hungary). The quantitative-qualitative research was conducted in the first half of 2016 in frames of the international project entitled „Diversity management in the V4 countries as an answer for demographic changes”, which was supported by the International Visegrad Fund. For the purposes of the research a method of a diagnostic survey was chosen, and the tool used was an electronic questionnaire as the means of asking the questions and obtaining answers. The questionnaire contained closed questions (multi-aspect ones), as well as open questions and was comprised of two parts, with the following titles:

- The Term: Diversity Management (5 questions),
- Workforce Changes (15 questions).

The questionnaire was constructed in such a manner, as to allow the respondents to choose from the proposed options or indicate their own answers. In the research, which was of an anonymous character, 401 respondents took part willingly, who were employees (management representatives) or owners of organisations from Poland, the Czech Republic, Slovakia and Hungary. In order to analyse the results, the descriptive statistics method was used. Analysing the qualitative results was done through qualitative analysis, and for quantitative data, statistical analysis was applied through the SPSS program in version 21. The research sample consisted of 51,20% of women and 49,80% men. In terms of age, the largest group of respondents were people of 40-49 years of age (28,90%), followed by the 30-39 age group (26,60%) and below 39 years of age (21%). Essentially, people over 40 years of age constituted almost 53% of all respondents. The majority of respondents were owners/co-owners of enterprises (27,9%) and representatives of the group “other positions” (31%). 17% of the respondents represented the positions of HR specialists and 11% were personnel directors. People representing the position of president/vice-president were in the minority at 3,3%, whereas 11% were PR directors. The majority of the companies that partook in the research were private enterprises (80%), 13% were state-owned enterprises, and only 1,3% were NGOs. Taking into account the size of the organisations that took part in the research, small organisations employing 1-49 people constituted 44,53% (of which: those that employ less than 10 employees – 10,66% and 10-49 employees 33,87%), medium (with 50-249 employees – 27,79%) and large (over 250 employees, 27,55%). Data analysis of the characteristics of the research sample allows to formulate the conclusion that the group of respondents was very diversified, taking into account each diversity criterion.

## **Research Results**

The presentation of the obtained results will begin with an analysis of the results, which illustrates the state of knowledge of representatives from organisations from the Visegrad Group V4 countries regarding the future of the labour market and demographic changes, which will be taking place in the Visegrad Group V4 countries in the perspective of the next 5 years. As it turned out, 50% of the respondents expect more foreigners on the labour market

and in the surroundings of the organisation. A minority of respondents (30%) indicates, that the number of people under 30 years of age (33%) and between 30-39 will increase. Also, only ¼ of respondents assumes that within the next 5 years there will be an increase in the number of older people (those over 50), people between 40-49, women and the disabled. It also turns out that half of the respondents expects that the number of men (53%) and women (46%) will not change. Moreover, a minority of respondents (30%) estimates that over the next 5 years on the labour market and at organisations the number of people between 30-39 and the disabled will not change. The share of the labour market of people over 50 years of age, will also not change, according to 25% of respondents, nor will the number of people between 40-49 (38%). A clear minority of respondents (19%) indicates, that the number of people above 50 years of age will decrease. But also, only 22% of respondents indicate, that the number of people below 30 years of age will decrease. While one can agree with the former conclusion, it is rather difficult to agree with the latter. An analysis of the results from the specific countries allows one to observe that the Czech Republic and Poland were the closest, in terms of their estimations, to the official demographic forecasts. From a general point of view, the results in this area cannot be considered satisfactory, as they are not consistent with the prognosis for the specific states, which should be assumed to be constant and susceptible to change only slightly. According to the Author, it seems that a lack of knowledge on how the demographic structure of the societies will change, can on the one hand, have an important influence on recruiting and retaining employees, whereas on the other hand, it can have a limiting effect on building a competitive advantage through not adjusting goods and services to the needs of specific social groups.

Respondents have been asked whether diversified teams could lead to improving the business results of an organisation. The results have shown that the majority of respondents agree with the above statement, including: “strongly agree” (14%) and “agree” (62%), that diversified teams contribute to improving business results. Only the remaining 1/4 of respondents “rather disagrees” with this view, whereas strong opponents are mostly individual persons (2,5%). The biggest proponents of diversified teams are respondents from Poland, then from Hungary and Slovakia. The research results lead to the assertion that while there is a large amount of openness towards diversity by the organisations participating in the study, there is still a lack of sufficient knowledge on the topic of diversified human resources, which has been included

in the previous responses. Respondents have also been asked whether the age and gender of an employee are related to their level of motivation. The respondents have indicated that in relation to both of these characteristics, they are able to observe differences in the level of motivation – indicating age (77%) and gender (65%). In Hungary and in Poland the vast majority of respondents have confirmed this dependency, which cannot be said about the representatives from the Czech Republic. The results have revealed that groups of employees, who are between 40-49 years of age (44% indications) and people over 50 years of age (35% indications) compared to other groups of employees, have received the highest number of indications that they are highly motivated to work. However, these results cannot be recognised as satisfactory. 30% of respondents have also indicated that the disabled are highly-motivated. About 25% of respondents have confirmed that groups such as: employees below 30 years of age, employees between 30-39, women, men are highly motivated in the workplace. On the other hand, according to the opinions of 26% of representatives from organisations, the group of employees with a low motivation to work are employees below 30 years of age. Employees over 50 years of age also, according to 17% of respondents, and the disabled, women, people between 40-49 years of age, according to 13% of respondents are groups with a low motivation to work. About half of the respondents observe that people between 30-39 years of age (53%), men (50%) and women (44%) are characterised by an average level of motivation to work. Also 1/3 of all respondents notice that people below 30 years of age, people between 40-49 years of age, people over 50 years of age and the disabled present an average level of motivation to work. Respondents have also been asked about which group of employees – according to them (maximum of 3 answers) – are most valuable for an organisation, in terms of their competences, opinions and ideas. The results have revealed that the most valued are the following groups of employees:

- employees under 30 years of age – 33,5%
- employees between 30-39 years of age – 54,6%
- employees between 40-49 years of age – 46,9%
- employees above 50 years of age – 16,2%
- women – 15,4%
- men – 31,9%
- the disabled – 1,7%



- none of these groups- 19,7%.

The obtained results show that for employers, the most valued employees are those between 30-49 years of age. In the case of respondents from Poland, Slovakia and Hungary, more indications have been received by the employee group of 30-39 years of age, whereas respondents from the Czech Republic and Hungary most value employees between 40-49 years of age. Next in sequence in the researched context is the group of employees below 30 years of age and men. Unfortunately, only a small group of respondents have indicated the high value of ideas, ideals or competences of people above 50 years of age and women. This case as well as the one previously mentioned, could be interpreted in a way that in the organisations studied there are notable and observable differences in the level of motivation of specific employee groups. This is to the advantage of people between 30-49 years of age and men. However, it is also to the disadvantage of groups such as: people under 30 years of age, people over 50 years of age, women and the disabled. Such an approach can limit equal opportunities of these employee groups, their sense of self-worth, engagement and negatively impact the utilisation of their potential. Moreover, these results confirm the strongly-rooted stereotypes in relation to the indicated groups of employees, i.e. people over 50 years of age or women.

The research also made it possible to determine what are, according to the opinions of the respondents, the social characteristics (age, gender, ability/disability, ethnic origin, religion, education), which can most often contribute to unequal treatment and workplace discrimination. The results showed that according to the opinions of respondents, it is the age of an employee, which is most often the reason for these negative occurrences. This was the opinion of 40% of respondents. In this shameful ranking, what followed the criterion of age, was education (35%), which was followed by ethnic origin (29%). This distribution of responses is different depending on the country in question. The most commonly indicated characteristic (a maximum of 3 characteristics were allowed), which could contribute to unequal treatment and workplace discrimination in the Czech Republic (61,39%) and Poland (29%) was age, whereas in Hungary (56%) and Slovakia (46%) – it was education. The second most indicated characteristic for Hungary (37%), Poland (21%) and Slovakia (42%) was the ethnic origin, whereas for the Czech Republic – it was gender (43,56%).

## **Research Conclusions**

The research has revealed that the state of knowledge regarding the future of the labour market and demographic changes, which will be taking place in the Visegrad Group V4 countries over the period of the next 5 years – within organisations located in Visegrad Group V4 states – is low. Unfortunately, the organisations, which were the subject of the study, have not displayed knowledge of what supply levels on the labour market should be expected, which is certainly not a favourable condition, when it comes to retaining employees and developing the competitive advantage. What is optimistic, however, is that the representatives of the organisations have observed that diversified teams can contribute to improving the business results of an organisations, which allows one to believe in creating and utilising such teams – consisting of diversified employees. It has turned out that according to the opinions of respondents, the differences stemming from gender, age and health condition have an impact on the motivation level of employees. According to the respondents, the best motivated group are employees between 40-49 years of age, whereas the average motivation is seen among people between 30-39 years of age as well as men and women. Furthermore, a low level of motivation pertains also to employees below 30 years of age, employees above 50, women and the disabled. When asked about the competences and opinions of which group are most valuable to organisations, the respondents have indicated people between 30-49 years of age, followed by people below 30 years of age and men. The competences, opinions and ideas of people over 50 years of age, women and the disabled have turned out to be of little value – according to the companies, which partook in the survey. The confirmation of this negative tendency is also found in the respondents indicating that the highest vulnerability to unequal treatment and discrimination on the labour market (and in the workplace) is based on age and education level. The conducted research has additionally provided a few postulative conclusions. Firstly, the notion of building diversified teams and the resulting benefits for organisations should be propagated. Both with regards to the employers and employees. The concept of managing diversity should be included in the strategic concepts of companies, at all levels of activity, from their strategy and mission statement to implementing solutions pertaining to managing diversified human resources, including recruiting and retaining employees or the process of motivating them.

## **Conclusion**

The goal of this article, namely determining the state of knowledge regarding the future of the labour market and demographic changes, which will be taking place in the Visegrad Group V4 countries in the perspective of the next 5 years and determining the level of motivation of diversified human resources based on the opinions of representatives from organisations from Visegrad Group V4 countries (Poland, the Czech Republic, Slovakia, Hungary) has been realised. Moreover, it has been determined with regards to which social characteristics can discrimination and unequal treatment occur on the labour market. The conclusions and results presented in this paper have allowed to confirm both of the hypotheses, which have been stated at the beginning of the research process. The state of knowledge regarding the future of the labour market and demographic changes, which will be taking place in the Visegrad Group V4 countries in the perspective of the next 5 years is low. Moreover, according to the respondents, diversified human resources at an organisation can act in favour of improving business results. It is therefore necessary to continue activities in the area being analysed. Furthermore, it is necessary to continue to popularise the topic of diversified human resources as well as the trends that will be taking place in this area. This does, however, require multi-aspect activities in the research scope. Moreover, the research results have allowed the observation to be made that gender and age are chiefly related to the level of motivation of employees. The respondents have been least favourable with regards to employees over 50 years of age, people under 30, women and the disabled. Naturally, such results give premise to finding the reasons for why this is the case. Firstly, such a sort of a situation seems to be related to the approach and mind-set of the interest groups (which cannot be fully determined, as this was not the focus of the study). Secondly, this situation requires wide-scope education/training activities for all employees in an organisation (including the management level) aimed at eliminating stereotypes and prejudice as well as all forms of discrimination and unequal treatment at the workplace in addition to promoting the concept of diversity management. Thirdly, attention should be drawn towards the benefits, which can be obtained by an organisation when it comes to recruiting, retaining and utilising diversified human resources at an organisation in order to develop the competitive advantage. Fourthly, showing the needs of specific employee groups and adjusting motivation tools, since the study has shown that motivation to work differs depending on age and gender, which means that this is

related to demographic characteristics. In light of the above, it is worth recommending that organisations research the needs and expectations of their employees, or simply the motivators relevant for specific social groups at the organisation, for instance young people, older people, women, people of different nationality or religious beliefs. Similarly, to how organisations research new products or services, they should research the demographics of the present workforce and the expected demographics of the future workforce, in order to determine what expectations will they have towards their workplace.

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