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Departures from Enterprises

Tomáš Sirovátka

To understand well the social consequences of the change in enterprise ownership means, among other things, to take into account the mobility and further careers of people leaving the companies. Why and under what circumstances did they quit? What strategies did they use to find another job? What were the outcomes of their professional mobility? What mobility resources proved to be decisive for their subsequent careers?

These were the general questions that oriented our research focused on the careers of employees who departed from the *MECHANICA CORPORATION* and the *DOMUS FACTORY* during the period of their economic transformation.

Our research also yielded information about the shift in the importance of factors which influence professional mobility in a changing society: to what extent did the economic transition and privatization processes influence the relationship of employees to their careers? To what extent did the transformation change the resources and options related to their professional mobility? And, more generally, what “forms of capital” (Bourdieu 1986, Széleányi 1988) are decisive for career chances in a post-communist society?

For the purpose of our study, we have distinguished between so-called “individual” and “social” resources of mobility. Among “individual resources” we rank disposable financial means and property, formal and actually applicable qualifications, competency and capabilities, readiness to make personal sacrifices and to take risks, personal effort, activity and achievement. Among “social resources” we include the former professional and social position, social networks, family background and professional relations, information acquired in the former job, and former or actual political status.

We have omitted the interconnection and mutual influence of the two categories of resources that underlie career opportunities which are evident especially in their long-term formation (cf. e.g. Coleman 1988). Our focus is only on their short-term mobilization and their meaning for the employees departing

from enterprises during the process of economic transformation. We tried to identify the individual strategies of departing employees, changes in their career opportunities and utilization of their mobility resources

The individual reactions result not only from the consequences of the change in ownership in both enterprises, but they are also influenced by individual anticipations of this change. That is why it was necessary to consider the individual reactions as elements of a gradual process linked to the change of ownership, rather than simple results that took effect only after the ownership change was completed. The consequences of the change in ownership within the enterprises gradually appeared, and important career changes preceded the change in factory ownership due to the anticipations of people involved.

Finally, the strategies and the resources utilized by the employees in the process of professional mobility determine the effects of work force mobility on the quality of human resources in the privatized enterprises. “Will the most capable employees depart?”, “Will the enterprise get rid of less capable people?”, “Will those who dispose of a sufficiently strong social capital stay and resist being ousted – regardless of their capabilities?” “Will the people whose strong social capital has opened them access to rare positions outside the company depart?”

6.1 METHOD

We have analyzed the professional mobility and recent careers of departing employees on the basis of 150 semi-standardized interviews with former employees of the *DOMUS FACTORY* and *MECHANICA CORPORATION* enterprises. The interviews took place in February 1993 with respondents who left either firm in the period 1990 – 1992. We interviewed 77 former employees of the *DOMUS FACTORY* and 73 former employees of the *MECHANICA CORPORATION*.

To obtain the respondent sample, we have done a multiple disproportionate selection of a group of respondents. The criteria for the determination of quotas for our selection were: gender, age, type of profession (workers or technical-administrative staff) and year of their departure from the enterprise. Further selection within quotas was made at random. Adequate representation of less frequent types achieved by this method gave us the opportunity for a typological analysis of individual strategies of professional mobility.

As can be seen from the table below, 77 % of departing employees were men, 23 % women (but the selected group of respondents included 56 % men). In a similar distribution, 75 % were workers and 25 % technical-administrative staff (only 58 % of the respondents were workers and 42 % technical-administrative staff).

TAB. 6.1

The sample of interviewed former employees of *DOMUS FACTORY* and *MECHANICA CORPORATION* (in absolute numbers)

	Workers	Technical– administrative staff	Total
Men	43	41	84
Women	44	22	66
Total	87	63	150

We have examined the reasons for departures, plans, goals and self-evaluation of their own opportunities, strategies of individual adaptation to departure from the enterprise from the point of view of utilization of individual and social mobility resources and, finally, the outcomes of the mobility process.

6.2 CAREERS OF PEOPLE WHO LEFT THE ENTERPRISE OCCUPATIONAL MOBILITY

First, we examine social conditions related to the mobility of employees (see **6.2.1 SOCIAL CONDITIONS OF EMPLOYEE DEPARTURES**). The persons we interviewed reflect these social conditions in their personal reasons for departure from privatized enterprises (**6.2.2 DEPARTURES IN THE PERCEPTION OF DEPARTING PEOPLE**). Evaluation of the situation in the enterprise and individual reasons for departure are significantly influenced by the disposable individual and social resources of the employees leaving the enterprise. These resources also influence the choice of strategies of adaptation these individual people follow after their departure from the enterprise (**6.2.3 INDIVIDUAL ADAPTATION STRATEGIES AFTER DEPARTURE FROM ENTERPRISE**). In turn, the chosen strategies influence the results of mobility processes (**6.2.4 RESULTS OF MOBILITY PROCESSES**).

6.2.1 Social conditions of employee departures

During the 1990-1992 period, a gradual reduction of the staff took place in the enterprises of our interest, by about 20 % in the *MECHANICA CORPORATION* and by about 15 % in the *DOMUS FACTORY*. However, the staff reduction took place partly due to the separation of some plants or workshops from both enterprises. About 9 % of the *MECHANICA CORPORATION* personnel and 5 % of the original staff of the *DOMUS FACTORY* thus changed their nominal firms but not their place of work.

After correcting to take account of this fact, the true reduction of staff was less extensive (about 10 %), roughly corresponding with the numbers of employees who retired.

Employees who were entitled to an old-age pension and then continued working on the basis of temporary contracts (men over 60 years of age and women over 55-57 years of age) were laid off first in relatively large numbers. It was considered that their wages represented their second income in addition to the pension. Among the dismissed employees were also others who had not yet reached the retirement age but who, in case of dismissal, were entitled to an early retirement. This right arises two years before such person reaches the retirement age, provided that the employment office is not able to offer him/her another job. In the *MECHANICA CORPORATION*, in addition, contracts with foreign employees (particularly from Vietnam) were cancelled. In this manner, the managers of the enterprises tried to protect those for whom the wage represented their sole income.

However, at the same time we were able to witness a substantial number of employees changing their jobs voluntarily. Unfortunately it is difficult to distinguish exactly between the employees who departed voluntarily and those who were dismissed. The statistics as well as personnel data are confusing. "Mutual agreement" as a reason for departure prevails in the statistics of departures while it is obvious that the category includes both voluntary and involuntary departures. In the year 1992 (the 1990 and 1991 data are difficult to evaluate) the total numbers of departing employees (retired excluded) were 9 % (out of 1.061 employees) at the *DOMUS FACTORY* and 13 % (out of 3.811 employees) at the *MECHANICA CORPORATION*. Men were overrepresented among these persons (see table 6.2).

TAB. 6.2

The structure of departing employees and structure of all employees in 1992

	men	women	blue-collar	white-collar	total
<i>DOMUS</i>					
departing employees	72 %	28 %	90 %	10 %	100%
all employees	49 %	51 %	84 %	16 %	100%
<i>MECHANICA</i>					
departing employees	81 %	19 %	70 %	30 %	100%
all employees	75 %	25 %	64 %	36 %	100%

Based on our interviews with the selected sample, it seems that only 10 % of men but about 40 % of women left their enterprises because they were laid off or forced by their superiors to leave under various disguises. The others left of their own accord.

The above described work-force mobility was caused by two circumstances: first, by the worsening of the economic situation and the decreased sales of goods from both enterprises; second, by the development of greater job opportunities in the growing private sector, particularly in medium-size firms. The transformation of the economy and the loss of Soviet markets in the case of the *MECHANICA CORPORATION*, and the falling demand on the domestic market, as well as the loss of its monopoly position in the case of the *DOMUS FACTORY* confronted both enterprises with the need to resolve sales difficulties. In certain periods they reduced their output, kept wages unchanged or reduced them. In 1991, in particular, the prospects of the two enterprises were uncertain. The uncertainty of employment was also increased by the attempts of the enterprises' management to make production more efficient by changing production content and reducing the number of employees. However, as already mentioned, the management tried to minimize the number of regular work-force dismissals, transferring some employees to alternative tasks.

Some employees did not find these jobs attractive enough (they required less skill, were less well paid, and were associated with inconvenient working hours). Others found the alternative employment too physically demanding. This prompted a number of people to search for a job elsewhere.

The uncertainty of employment and the sharp fall in the purchasing power of workers' wages, together with the more demanding but less rewarding practices of management brought about many unsatisfactions or conflicts. Many able employees from *DOMUS FACTORY* and *MECHANICA CORPORATION* therefore tried to find more attractive and better paid jobs. They found it in the growing private sector, particularly in smaller businesses. Beginning from a zero level in 1989, more than one million self-employed had been registered in the Czech Republic by the end of 1992, while the total workforce was just under five million (Statistical Bulletin, 1993). Only about a half of the self-employed conducted their business as their first and only job, however.

Beside dismissals of people entitled to retirement pensions, another way of staff reduction preferred by the management of the firms was not to resist the voluntary departures with effective counter-offers. The personnel strategy of both enterprises was, in the period of growing uncertainty, passive and lacked vision. Rather, the enterprises were dragged along by the events, and focused only on reducing the social impacts of sales difficulties on the regular work-force. The managers were motivated in part by traditional social considerations of managers and by the need to provide job security for their employees in order to preserve viability of the enterprises' development plans for the future.

Thus, the prevailing proportion of departures were those of employees with a relatively high chance of finding a new job in the labour market. In most cases, the leavers were young male workers. Voluntary departures were less frequent among women and older employees, and also among the qualified engineering staff. Employee departures hit the core staff in both firms, however: approximately one half of the respondents who departed voluntarily had been working at the enterprise for more than ten years, and only 12 % of them worked there for less than one year. Departures of employees who had been working at the enterprise for 20 to 30 years were not rare. Those who stayed consider the departures of these people as a serious loss of the highly qualified personnel of the enterprises.

In contrast, there was relatively less mobility among people who had been forced to depart (and as already mentioned, only a part of them were directly laid off). Managers of the two enterprises laid off or pushed out employees in the productive age only to a small extent. A few employees were laid off for poor work performance, absenteeism and conflicts with the foremen. There were also a few demonstrative dismissals involving a small number of employees. These dismissals were carried out by the management as a signal for the rest of the workforce to strengthen their work ethics and loyalty to the enterprise.

Relatively more employees had been “displaced”, i.e., they departed owing to various forms of pressure from the management, especially after a transfer to an inferior job or as a result of a wage reduction.

Decisions concerning hiring and dismissal of employees had been decentralized. The responsibility for lay-offs in the period under review was delegated to managers of medium rank. The development of personnel policy in the enterprises was therefore influenced to a great extent by the replacement of politically corrupt foremen and plant managers that took place in the 1990-1992 period. As a result of this replacement, the older, well-established employees lost their former positions. If a reduction of staff was carried out, new foremen ousted particularly the older, unskilled, less productive women.

Transfer of responsibilities for employment matters to the managers of medium rank in the *DOMUS FACTORY* was felt in personal and family ties that existed between the firm and the neighbouring small-town locality. The local community has exercised a growing influence on personnel decisions. In the *MECHANICA CORPORATION*, which is located in an urban environment, this influence was not so strong. Personnel decisions there were influenced primarily by the relationships within the work sites.

Political pressures exerted by employees or their protective managers on the management at all levels of the organizational hierarchy also played a certain but very unequivocal role. There were strong attempts to oust representatives of so-called “old structures” linked up with the Communist regime. On the other

hand, the political factors were also behind the departures of some spokesmen of the Civic Forum who “made quite a stir” and, therefore, had to go, in the opinion of the management. An alleged “distrust” also turned into a political tool in the hands of various factory cliques (with their own vested interests) who used it to get rid of a member of management who did not want to join any of the rival groups. Some foremen who, because of their consistent demands concerning work performance, provoked some subordinates, so-called troublemakers, and got themselves into a similarly precarious situation.

6.3 DEPARTURES IN THE PERCEPTION OF DEPARTING PEOPLE

We have observed in both our research locations that the perception of a situation related to one’s departure from the former workplace varies between men and women.

6.3.1 Departing women

Traditionally, women have served as a “marginal work force” in Czech industry. They often work at less important positions, do auxiliary work in manufacturing, and hold subordinate, lower functions in management. They are more frequently affected by layoffs, their job assignment is changed more often than men’s, and their relations with superiors are subject to frequent changes as well. This subordinate role of a female employee also corresponds with the self-understanding of female respondents who departed from both enterprises under exploration.

Reorganizations resulting from the change in enterprise ownership tends to affect women more than men. Among those we interviewed, women were twice more likely to say that their departure resulted from pressure exerted by the company management (30 % women, 15 % men) or by fellow workers (8 % women, 4 % men). Forty per cent of interviewed women identified organizational changes, loss of position, or its change as direct or indirect motives for their involuntary departure. Considerably more significant seem to be the indirect consequences of changes in the job descriptions. Women had problems with being transferred to physically demanding jobs that were poorly paid, often belonged to a lower qualification level, or were outside of their qualification. Some women had some health problems during their adaptation. Changes in working hours brought about problems with commuting. Women in more important managerial or technical positions often did not manage to reconcile the growing time demands of their job with their role in the family. Young women tried to solve the situation by searching for a more acceptable job. Older women

usually tried their best in order to stay and were – in their own words – “ousted”.

Women often describe the conflict between the roles of an employee and a mother as the reason for their decision to leave. This was the main reason for 15 % of female respondents, while 8 % of the women said that when they made the decision to depart, family commitments and the pressure of the family members were of importance.

In the Czech society the wages of women are traditionally considered as an important additional marginal source of income for the family budget. That is why the employment of the woman ceases to benefit the family household if conflicts arise between work and family life. In spite of this general tendency, economic activity and the resulting income represent an important value for many women: 18 % of women interviewed by us said that their decision to depart was caused by “financial reasons” and 13 % women left in order to search for “better job opportunities”. This attitude occurs relatively more frequently in younger, qualified women in technical and managerial positions.

One half of the women (particularly older, less skilled workers) began to search for a new job only after the termination of the previous employment. Women were often caught off guard by the situation. However, because of their traditional role as caregivers, departure from employment does not look like a “leap in the dark”. And their liability to “family commitments” makes the choice of a new job more complicated. It must be possible in the new job to accommodate family life, work and commuting.

Women’s perception of their situation in the case of involuntary departure from employment is rather contradictory. On the one hand they take it as a relief from the inconvenient regime of work, or from work that does not correspond to their qualification, and from the pressures applied by their superiors, usually men. On the other hand, they clearly understand that it will be difficult to get a new job. That is why a considerable proportion of women (45 % of female respondents) remain jobless for a certain period of time after the termination of their contract. When the feelings of relief expire, they usually find their situation “oppressive”. They experience feelings of uncertainty and their social position threatened. They take the loss of job as “a blow” or even “a failure”.

Older women are psychologically almost paralyzed by this situation. They think about it a lot. Because they are growing old, have a low level of skill and suffer from frequent health problems, they consider their situation as almost impossible to solve. In some cases they take hard their financial dependence on social benefits, their relatives, their actual partners, or on alimony from their former husbands. This last case applies especially to divorced women with children. Their hard feelings are often exacerbated by the way they left the enterprise. In most cases, nobody thanked them for their years of work, and nobody explained the situation to them. Notice was often sent by mail. Their bosses fre-

quently do not have the courage to take responsibility for the decision and “hide themselves” behind the impersonal procedure of the enterprise. Women take these circumstances as an expression of ungratefulness and disregard: “I feel inferior.” “We did not deserve it after all those years we had worked there.”

Women prefer early retirement, providing that they meet the legal requirement. This solution seems to be acceptable to them for two reasons. First, the difference between the pension and expected earnings is not very great. Severance payments granted by the two enterprises under our study, which amount up to the value of two or three months of pay, reduce the difference. Second, as a pensioner, a retired women can concentrate fully on her household and her extended family, which may be of great value to the extended family. They help their adult daughters with the care of their children, thereby improving the competitive advantages of their daughters’ families in the labor market. Women who had been doing tiring work or who suffered from health problems welcome the early retirement as an opportunity for a “well-deserved rest”.

In contrast, young women only rarely show an inclination to devote themselves to their families after departure from a job. Participation in the labour market is very important to them. However, young and skilled women who are well-connected to influential social networks perceive their departure from the enterprise as an opportunity to find a more interesting and better-paid job.

6.3.2 Departing men

Departure from the enterprise based on one’s own decision is a typical reaction of men to the new situation emerging in the process of privatization. The decision mostly results from an effort to make use of more attractive job opportunities arising in the changing labour market. At the same time, however, it may also result from an open or latent conflict with their bosses. The existence of this conflict usually does not stand in the way of an agreement on advantageous conditions of departure. Monetary compensation is granted under rather unclear circumstances, and the parties usually agree on favourable terms for departure. The departing men often use their experience, contacts and information gathered in the enterprise in their future employment. This has in many cases resulted in a continuing collaboration on a commercial basis. Sometimes, however, the former employee and his former enterprise become competitors.

The reasons for departures of men from the enterprises also reflect the clash between the situation in the enterprise and the importance attached to the career of a man in the Czech society. First of all, departures of young men and men of middle age are motivated by an effort to maintain or increase earnings (30 %) or by an effort to use better opportunities outside of enterprise (20 %). These men feel “held down in the enterprise.” (“It was a dead-end job. One could not have an influence on anything – and friends ran their own businesses.”) A number of

workers and engineers accept offers from the private sector. Some men, however, think of establishing their own business. They try to expand the secondary business that they have run for a long time, or their activity in the so-called “grey economy”. As many as 12 % of our male respondents, especially middle-aged men, have started their own businesses.

Behind the stated reasons for the voluntary departures of men from enterprises there is often a strong, sometimes personal criticism of the organization and management of the firm and its personnel policy. Respondents told us about “discrimination of the young”, the breaking of promises by management, nepotism, and unclear personnel policy based on subjective and unjust decisions of the managers of all levels. Discussed were also personal and political reservations: “There are still Communists at the top of the enterprise”, “They mind only their own business and do not care about the enterprise”. Some men (12 %) mentioned pressures applied to them. One respondent described how he was displaced by a new worker who was brought into the enterprise by the new boss.

Most men spent a lot of time and energy preparing their financially more advantageous secondary activities outside *DOMUS FACTORY* or *MECHANICA CORPORATION* before their departure from the enterprises. (This applies both to blue collar and white collar workers). In a number of cases they continued activities carried on in the past, supported by a wide network of informal ties established in the previous years. About 30 % of male respondents ran a secondary registered business or supplementary part-time job before their voluntary departure. Approximately one quarter of respondents took an active part in the so-called “grey” or “informal” economy – they had a non-registered workshop, in many cases well-equipped, or carried on a trade, and dodged taxes. In Czech society, such activities represented a sort of “preparation” for the formation of the private sector that is now able to develop relatively independently, without the direct support of governmental authorities. This is how the emerging entrepreneurs are able to cope with the lack of credit, bad debts, high taxes, and uncertainties of the market.

Older men and men who left the enterprise for political reasons are more likely to perceive their departure as a “loss” or “stress”. Even they, however, sometimes start their own business activities. They explain this step, for which they often have good social and economic background in the informal economy, by the “necessity to survive.

6.4 INDIVIDUAL ADAPTATION STRATEGIES AFTER DEPARTURE FROM ENTERPRISE

Getting a new job was difficult for approximately one quarter of the male respondents and approximately one half of the female respondents. The average

period of searching for a new job is longer for women than men (see TAB. 6.3). In the group of interviewed women who departed from both enterprises in the years 1990 – 1992, there are still more than 12 % unemployed, while for men this proportion amounts to a mere 5 %. The difference between the genders results from the different structure of “mobility resources” of men and women and their relative positions in the family (see paragraph **Sources of mobility and getting a new job**). These differences result in a differentiated range of options available to people dealing with their situation after their departure from an enterprise (see paragraph **Typology of individual strategies of professional mobility**).

TAB. 6.3

Period of unemployment after departure from enterprise by gender (in %, N = 150)

Period of unemployment	gender		total
	man	woman	
was not unemployed	78	55	68
unemployed for three months or less	8	22	14
more than three months	9	11	10
still unemployed	5	12	8
Total	100	100	100

6.4.1 Sources of mobility and getting a new job

A man’s and a woman’s professional career has a different significance for the family in the Czech society. The man’s career is considered to be primary. For several decades, however, an “additional” income earned by the woman has been considered important for the budget of the family household. The standard of living of an average Czech family is based on two incomes. Over 80 per cent of married women are employed fulltime. The increase of family living expenses and expensive start-up cost of individual businesses in the first period of transition tend to stabilize this pattern of household economy. Because of this need of additional income, the proportion of women who will stay out of the labor market in the household will probably not increase.

The situation of unemployed women contradicts this trend. The efforts of the family to maintain the “second income” by the wife is often complicated owing to the less advantageous position of women in the labour market. That is why women are ready, when they lose their jobs, to lower their expectations concerning the nature and conditions of the new job and their wage require-

ments are also considerably lower. However, if the wife is unemployed, the pressure on her husband to provide for the family increases significantly.

One half of our male respondents and one third of female respondents had prepared their entry into a new job before their departure from the old enterprise. One fourth of male and one half of female respondents searched for their new job after the departure. What “mobility resources” do the representatives of both genders use?

Men identified their individual effort, will and perseverance as the most important resources for getting a new job. These qualities, in their opinion, allow them to concentrate other important individual and social resources represented more frequently for men than for women by knowledge and capabilities, information gathered in previous employment, and contacts with acquaintances and friends. The significance of informal “weak ties” (Granovetter 1974) for resource mobilization has been fully confirmed. Men have wider networks of connections often associated with activities in the formal, and particularly in the informal economy. They mobilize them, if necessary, together with individual resources.

In contrast, women more often than men use the services supplied by employment offices when they seek a new job. Women with a higher level of qualification more often take part in open competitions than men. They also more often than men try to contact potential new employers personally. Psychological support from their families (especially from their husbands), advice and connections of their close and distant relatives, are often more important for women than men.

Different types of “social resources” are used by inhabitants of country villages and towns. While inhabitants of villages (they represented about half of our sample) rely more on their family background and connections to their neighbours, respondents from towns show a tendency to seek support of friends and acquaintances from their professional environment.

6.4.2 Typology of individual strategies of professional mobility

On the basis of Merton’s scale of adaptation patterns (Merton 1957) and using the typology of adaptation of the long-term unemployed in the Netherlands (Engbersen, Schuyt and Timmer 1988), we were able to distinguish six types of individual strategies of adaptation to the situation after departure from the two enterprises under our study:

1. “*conformist*” : Representatives of this strategy try hard to get another job of the same or similar skill level, type of activity or industry. Their aim is to find secure employment and to make use of their qualifications. This strategy was chosen by 39 % of our respondents (32 % men and 47 % of women). Younger women with a higher qualification utilized this strategy by means of

family ties and wider social networks. Transition into private business often allows them to get a job in the place of residence, and to solve the problem of working hours individually. The conformist strategy is chosen more frequently by respondents younger than 25 and older than 40 years, people with primary education, and people with health handicaps. These categories of employees have lower professional positions and have at their disposal social networks that have no significance for getting a job. They do not struggle for an outstanding professional career.

2. *"ritualist"* : Like in the above mentioned type of strategy, the subject pursues a job with a similar description as the old one. This effort, however, is not formed by a clear idea of the final goal. The subject is likely to only go through the motions of job search, and often does not believe in success, because of his/her negative experience from the labour market. This strategy was followed only by 5 % of respondents (2 % of men, 8 % of women). They were often female workers with health problems or women who were attending an ill member of the family. Their situation was characterized by financial problems and difficult orientation in the labour market.
3. *"escapist"* : A pursuer of this strategy gives up the possibility of getting a job. He (or she) is oriented toward deliberate unemployment, remains on the dole, and is often dependent on other persons. This strategy was chosen by only 3 % of respondents (4 % of men and 2 % of women). In most cases this strategy was chosen by men with lower qualifications or with a health handicap, and by singles. They show a tendency toward marginal social position (alcohol abuse, life outside of family and kinship ties, etc).
4. *"enterprising"* : This strategy is oriented toward quite a new type of job, new activities, new opportunities of self-assertion and earnings, very often to self-employment or establishment of a new business .The strategy was chosen by 34 % of respondents (45 % of men, 20 % of women). It is a characteristic strategy of men, manifested in the effort to establish a business in the private sector, both in this country and abroad. Its most typical representatives are the 25 – 40 years old respondents. The strategy is characteristic for people with higher education. They are not motivated by the notion of a short term profit but more likely by prospects of a better future and satisfaction with the new, independent position. An important motive is also "the will to make it". In some cases, this strategy results from the "necessity to survive". Women choose this strategy only when they can run a business together with a partner. In such cases women manage to balance their business activity with their role of mother and housewife.
5. *"calculating"* : These people do not try to find a job; rather, they try to put it off for a later time. They are looking for a substitute solution, trying to ensure an alternate source of livelihood. Most common forms of the strategy are early retirement, getting a disability pension, or maternity leave. A very

different form is a temporary transfer to work that requires a lower level of skill with the aim of establishing a starting point for expected professional advancement in the enterprise, or temporary unemployment that gives one the opportunity to prepare for a future, more attractive job, especially in business. This strategy was chosen by 17 % of respondents (14 % of men and 21 % of women). These respondents often have at their disposal only weak resources for getting a new job: 1. older people characterized by the “less prospective” status, 2. former managers who owing to their “political” handicap lost their background of social networks, 3. young women who solve their problems by means of maternity leave. These traits are not very attractive from the employers’ point of view.

6. “*autonomous*” : Representatives of this strategy seek a position in which they would not be dependent on working activity and career or on alternative incomes. They are looking for a style of life corresponding to the opportunities of their position. For instance, they may prefer an interesting part-time work and accept a limitation on their consumption. This strategy was rather rare in our group of respondents. It was chosen by mere 2 % of respondents. Young men show a slightly higher inclination to this strategy than other groups.

Generally speaking, three strategies dominate: “conformist”, “enterprising” and “calculating”. The “enterprising” strategy is typically a “male” strategy, while the “conformist” and “calculating” seem to be “female” strategies. This difference between genders is probably a function of the difference in the understanding of the role of the woman and the man in the family household (see above). Women give preference to their role of caregivers in their own family. This preference, however, limits their integration into networks outside the family. For this reason, they run into difficulties on the labour market. They often solve these difficulties in a “conformist” way (through the mediation of authorities) or by calculating with the position of young mother who is respected and supported by the society. Men define their role within networks outside the family and – thanks to their former activities in the grey economy – often have at their disposal the necessary equipment to easily begin their own businesses. This allows them to reassume their role as providers for the family in the period of economy transformation.

6.5 RESULTS OF MOBILITY PROCESSES

Most mobility processes of the people we have interviewed were aimed at an employment in the private sector, mostly individual private businesses (nearly two thirds of respondents). Less than 20 per cent of respondents left for the state-owned sector. A “family farming” strategy was not reported by any

respondent, despite the fact that working on private plots is quite usual in the two localities of the study.

TAB. 6.4

Economic position of respondents who departed from enterprises during the process of privatization (N = 150, in per cent)

	men	women	total
1. Running one's own business alone, with a family member or with other partner	29	3	18
2. Employed in a private or family firm	33	37	35
3. Employed in a state-owned or co-operative organization	18	27	22
4. Re-employed in the enterprise from which they departed	3	8	5
5. Unemployed	5	12	8
6. Early retirement	10	8	9
7. Grey economy	2	2	2
8. Maternity leave		3	1
Total	100	100	100

Holding a secondary occupation and moonlighting had been important for many respondents before they left their job at *DOMUS FACTORY* and *MECHANICA CORPORATION*. After their departure, these irregular income opportunities gained new importance as an integral part of or addition to the new private business or as a safety measure in case of the bankruptcy of the business.

The change of job was perceived as a change of life style as well as of social position. Many of the respondents see their new social position as better than the previous one: 40 % of respondents declared to have a higher standard of living while only 20 % of respondents considered their new position to be worse. No differences between genders showed up in this case. Families evaluated job changes of their relatives similarly. The overall positive evaluation stems, in the opinion of respondents, from greater independence associated with the new position, higher earnings and more advantageous work conditions. Relatively more women than men appreciate having more independence and more suitable work, probably because they need to coordinate the need for additional income with their commitments to family households.

Relationships among individual criteria of the success of job change (income, satisfaction with the work, professional and social status connected

with it, self esteem) are not always unambiguous. In this respect the situation of entrepreneurs starting their own businesses is typical. In the initial stage of the undertaking businessmen often invest their time, energy and money (through monthly credit reimbursement to the bank) in the firm, usually to the detriment of the family budget. "Self-exploitation" of the businessman and his family occurs. It is counterbalanced by the positively perceived value of independence and "self-determination". While following this value, both men and women work more now than they were accustomed to work before they changed jobs. This was the opinion of one third of women respondents. One half of men work, according to their own statements, two hours longer per day than before. Many of them say that they "work almost round the clock" or that they "do more men's work". But it does not prevent them from positively evaluating the change thanks to the independence they have achieved. 60 % of our sample stated that their life is better now than before.

TAB. 6.5
Self-perception of mobility trajectories of departing employees according to gender (N = 150, in per cent)
 (based on subjective evaluation of the achieved professional position)

Trend	gender		total
	men	women	
descending	13	15	14
oscillating	9	5	7
stabilized	32	47	39
ascending	31	19	25
unclear	15	14	15
Total	100	100	100

Ascending mobility is quite usual especially among men up to the age of 40 years. Descending mobility occurred more often with respondents older than 40 years, women and people handicapped in some way: those with disability or political handicaps, or people whose family broke-up. Descending mobility is more frequently reported by respondents with lower level of qualification and those who have at their disposal only weaker social networks. A stabilized trend is more frequent with women, middle-aged people, older men and people working in technical professions.

6.6 TYPOLOGY OF DEPARTING EMPLOYEES' CARRERS

Four categories of available mobility resources were identified by means of factor analysis. 1. "Individual activity". To this category belong sources like readiness to reduce one's expectations concerning employment, planning of new activities with good future prospects, individual efforts to get a new job etc. 2. "Utilization of professional position". This category includes the ability to take full advantage of one's expertise and knowledge, former position, and information gathered during former activity in an enterprise. 3. "Networks". This includes ties to and assistance of former fellow workers mobilized in the search for a new job. 4. "Family situation". This last category includes one type of individual strategy, the importance of family background for getting a new job, and the use of available financial resources.

The four described categories of mobility resources were present among our respondents in various combinations which profile the five most common types of mobility curves.

In the order of frequency, they are mobility curves of: 1. businessmen who continue their former activity in the grey economy, 2. businessmen starting their business without previous experience and using a wide range of resources, 3. employees who base their mobility primarily on professional qualification, 4. employees who base their mobility primarily on social networks, 5. people leaving the labour market.

Contractors who extend and legalize their former activity in the grey economy are mostly men, often middle-aged workers (nearly 10 % of all interviewed). Their main resources are "knack", capitalization on individual efforts in the past, and support of the family, particularly of the wife. These people are looking for loyal and capable employees by means of networks. The younger ones and those who have limited individual resources from the past become partners of other contractors. The mobility trend of this category is mostly ascending, sometimes oscillating.

Contractors who start up a new business typically mobilize a very wide range of resources. They are based, in particular, on family networks informal ties. These contractors take advantage of their former professional contacts and positions, use information and the orientation they acquired during their activity in the enterprise of their former employer. Of the same importance for their mobility curves are individual resources – effort, skill, sometimes also financial resources. This wide range of resources is in most cases mobilized by men of middle or older age, particularly former members of technical and administrative staffs of enterprises (they represented about 10 % of all the interviewed). The mobility trend of this category is most frequently ascending but sometimes it is difficult to characterize it unambiguously.

Employees who rely mainly on their own professional qualification and expertise are in most cases women, former members of technical and administrative staffs of an enterprise. This category includes, in part, also younger skilled men, both workers and engineers. When they are looking for information about a new job they use social networks. But they are also able to find their bearings alone. Younger women are more likely to combine their qualification, support of their family, and its network of weak ties. Thanks to it they have relatively good chances to get a job that conforms to their idea of a job. They often find their jobs in the private sector. (This category represents about one fifth of all interviewed). The mobility trend of this category is stabilized or ascending.

Employees who base their careers mostly on social networks of their family usually have at their disposal weaker individual resources and they lack contacts in the wide weak ties network. They represented about one third of the interviewed. With regard to their poorer resources they are also ready to reduce the demands they put on the new job. The mobility trend of their careers is usually stabilized, oscillating or descending. They are mostly women with lower qualification, and young or, on the contrary, older men with various handicaps. Middle-aged women with lower qualification are ready to reduce their requirements concerning a new job because of health problems, the need to harmonize demands of the care of adolescent children with the need to add a second income to the family budget, or the necessity to cope with the situation of a single woman with children. These women are ready to reduce considerably their demands as regards key characteristics of the job (especially professional level and physical exertion, attractiveness of work, working environment, and to a certain extent even wages) in order to get a better paid job and to harmonize the regimes of employment and household. Their situation is very complicated if they have some health problems or if they have to commute to a distant place. The mobility trend of these women is often sharply descending.

Entirely outside the labour market go mostly unskilled, handicapped older people who do not have at their disposal a wider or more influential social network (nearly one fifth of the interviewed). They solve their situation by early retirement but this category includes also the long-term unemployed. They are mostly middle-aged women with disabilities and women who are taking care of an ill member of the family. In some cases this category includes marginalized men who try to take an active part in the grey economy. The mobility trend of this category is descending or unclear.

6.7 CONCLUSIONS

6.7.1 What are the basic elements of individual strategies of adaptation to social change ?

Effective social networks, often associated with pre-1989 activities in the grey economy, represent the basic resources for the formation of a strategy for adaptation to changes in employment for both genders. Cultural patterns of adaptation based on privileges rather than on achievement had been formed in the communist era. The dirigist economy then created such conditions that strategies influencing career chances were based on privileges emerging from the political system and also from informal social networks (see Možný 1990, 1991).

These social networks seem to remain the basis for the strategy of self-adaptation in the process of transition as well. Almost all people departing from privatized enterprises use these contacts. Social networks played a key part in the establishment of new private enterprises for the departees. But for respondents showing an “enterprising” strategy the networks are more often a resource that complements individual preconditions, and an information channel, but not the main vehicle for new activities. Networks of entrepreneurial people are usually wide-ranging and of better quality, facilitating access to better opportunities. These are then combined with individual resources. In contrast, “strong” networks of limited range are more frequently preferred as an exclusive strategy of acquiring a new job in a situation where individual resources are limited (older, unskilled women that had been working in an enterprise for a long time are a prime example of this). Individual benefits resulting from the utilization of networks are small in this case.

Besides, in this phase of economic transformation the traditional household roles of men and women as providers and caregivers, and their labour market roles as members of the regular work-force and marginal work-force, have been reinforced by the strategies of adaptation of households as social units.

6.7.2 Which resources are decisive for getting a job?

Social networks continue to have influence on the selection of individual adaptation strategies and utilization of mobility resources. In turn, there is a growing dependence of work mobility outcomes on individual resources and a growing influence of achievement on career chances. Perception of private economic activity as a sphere of personal development is the motivation for individual entrepreneurship.

Success of work mobility depends to a great extent (particularly within the scope of the enterprising strategy) on individual resources combined with

achievement. Individual activity, will, and daring are more important for success than ascribed social status, former professional position and designated qualification. Personality, abilities and actually applicable knowledge, qualification and skill (individual attributes of “human capital”) play an important role in the process as well.

Moreover, ascending mobility was greater when people used a number of resources and when individual and social resources were combined simultaneously. This process results in the differentiation of people who have departed from an enterprise, ranging from those whose chances are growing or stable to those who find themselves in a marginal situation.

6.7.3 What emerges from the situation for the enterprises’ human resources development?

In the initial stage of transition the enterprises’ managements did not care much about the scope of fluctuation nor about the quality of departing employees. It used no strategies to stabilize the capable workers within the firm. The results of the professional mobility and the complex profile of the resources used by departing employees seem to indirectly confirm the hypothesis that the employees endowed with better human and social capitals were numerous among those who left. These leaving employees preferred the private sector where they found better opportunities to use their skills and capabilities. They found more advantageous, more independent and better-paying jobs. The consequence of these departures has been a loss and degradation of human resources in the privatized enterprises but their management recognized this danger too late. They delegated the employment policy responsibilities down to middle management. Later, however, when the demands on quality and efficiency of production were growing, the managements of the enterprises were faced with the necessity to care more about human resources development. The managements of both *DOMUS FACTORY* and *MECHANICA CORPORATION* have serious difficulties with hiring skilled, experienced and capable people comparable to their former employees who have left.

APPENDIX 6.1

Career profiles

Life stories of individual people resist sociological description. The careers of employees leaving their jobs are based on a rather complicated interplay of circumstances and influences. The following examples illustrate some of the most typical stories.

PAVEL

“STAND ON YOUR OWN FEET”

Pavel is a thirty-year old male trained as a cabinet-maker. He lives with his wife and two children in a small town (about 5000 inhabitants) near a larger town. He worked for eleven years as a worker at an assembly-line and, in addition, ran, legally, a small workshop at home. In 1991 he was scheduled to be sent to the foreign partner of his employer (*DOMUS FACTORY*), a firm in Germany, for training but in the end the employer did not select him for the training. (Pavel takes it as an injustice). After that, he has increasingly concentrated on his own joiner home-workshop. Frequently he was short of time and needed time-off. However, his foreman did not give him the time-off he requested. That made Pavel hand in his notice. He says that the most important conditions for the success of his own business have been good relations with customers (assured sales) but, of course, also his qualification, skill, and the advice and financial support provided by his father-in-law who made it possible for him to set up the home-workshop. Pavel is satisfied now, mainly because he is independent. His wife is starting a business of her own (she is a cosmetician). The question is whether they will be able to run both businesses; at the present time neither business is fully afoot.

EGON

“NEW CONNECTIONS, NEW POSSIBILITIES”

Egon is thirty-two years old and lives with his wife and two children in a small town. He completed his studies at the technical high school. For eight years he worked in the enterprise *MECHANICA CORPORATION* as a technical engineer. After the revolution he was chairman of the trade union organization in the factory. In the course of the last two years he came to an agreement with a colleague (a member of the top management of another smaller firm) who was preparing a privatization project for a local firm the colleague had worked in. Thanks to connections with the *MECHANICA CORPORATION* management Egon managed to buy the factory's storehouse that would later be used as a workshop. He became a partner of his friend whose project was approved. Together they bought the firm. He is very satisfied; not only with his increased income but mainly with the feeling of independence and satisfaction with what he has achieved. It is exactly what he longed for.

MIROSLAV

“LOOKING FOR AN OPPORTUNITY”

Miroslav is forty-six years old and lives with his wife and two children. He worked at *DOMUS FACTORY* for twenty years, in the end as a head engineer of a plant. He completed his studies at the technical high school and is a trained craftsman as well. In the past he did cash jobs on the side. After November 1989 he had some (political) problems but he managed to keep his position in the

plant. In 1990 his friends offered him a one-year job in Austria and he made use of that opportunity. He gained valuable experience there and got a good wage. When he came back home he sold a building that he gained back, as a property restitution, to a manufacturing cooperative under the condition that they would hire him as head of their plant. The whole matter was arranged by his former superior who was employed by the cooperative. Miroslav, however, does not believe the cooperative has good prospects to succeed and is therefore starting his own trade business. He has got enough contacts both in this country and in Austria, and has a clear notion about where the industry is going. However, running a business of one's own is rather tiring and he has not quite decided if he will fully dedicate himself to the endeavour.

KAREL

“AN UNSUCCESSFUL BUSINESSMAN”

Karel is twenty-six years old. He lives with his wife and two children in a small village. He is a tradesman who had worked for about three years in *MECHANICA CORPORATION*. In the past he earned little extras as an occasional waiter in his uncle's pub. Now an opportunity has come up to become a businessman: a friend from the local committee of the “Sokol” (Czech athletic organization) who ran a pub decided to leave for a larger town. Thanks to his connections with the “Sokol” committee and the information they gave him Mirek was able to get work at the pub. He was given four months' severance pay by his former employer and it helped him to prepare himself well for setting up his own business. But all of this came about rather quickly. Karel was enthusiastic about the business, and expected good income and more personal freedom from it. However, after some time the customer turnover dropped off because of competition. The full-time work in the pub gets on his nerves, he has not mastered the book-keeping, and says that if his former employer paid more he would go back.

FRANTA

“A TROUBLESOME GUY”

Franta is fifty-six years old and lives separately from his wife in a small village, 15 km away from a district town. He is a tradesman and worked in a factory for more than twenty years. In 1990 he fell out of favor with his boss who threatened him with wage reduction because Franta had refused to substitute for workers who had left the firm (“I called him a communist”). Then, excited as he was, he handed in his notice. Although his friends tried to persuade him to withdraw the notice he refused. He took the situation hard (he lost the job he liked, and with it the contacts with his colleagues who represented his only social relationships). On top of that he fell ill (“my lungs have been affected in the foundry” he says; but, in fact, he tends to drink). The doctor did not give him permission to take up another job in his line of work so that he lost a

job that had already been arranged for. (Franta says: "I made a mistake when I did not accept the partial pension I was offered but I was a reckless fellow and wanted to work in a foundry".) Then he was unemployed for eighteen months, including five months when he was placed in temporary public jobs. Later on he was withdrawn from the Labor Office registration file, allegedly for breaking the rules of cooperation with the agency. He believed this exclusion unfair but "he did not care a damn about it". The agency did not offer him a job that he would like anyway. He had no money for eight months and had to borrow from his daughter. Since he had not found a job corresponding to his qualifications, Franta took a job with a private businessman in the village (he cleans up a workshop and keeps the building in good repair). Although he earns the same amount as before, he suffers from a feeling of frustration: "I play the man servant but I have to make my living".

HELENA

"NEIGHBOURS WILL HELP EACH OTHER AFTER ALL"

Helena is a twenty-six years old single woman who lives in a small village about 15 km from a larger town. She completed her training and worked as a skilled worker. Since the public transport service to her village was shut down she could not commute to the afternoon shift and had to look for another job. A local businessman who heard about her problems came to her and offered her a job in the village. He needed a skilled worker. But he insisted she should first register as unemployed, so that he could collect a contribution from the employment agency for establishing a new job. Helena agreed: to commute to the town would not be worth the trouble, she would not be able to run a business of her own, and the job in the private business is quite interesting, better than her former one in the factory.

JANA

"LIFE IS TOUGH FOR A LONELY WOMAN BUT FORTUNATELY SHE IS NOT QUITE LONELY"

Jana is twenty-eight years old, single, and has one child, a schoolboy. She lives in the flat of her mother who is unemployed. Jana completed her studies at a secondary-level hoteliers' school but because of problems with the care of her child she did not want to work in the hotel business for the meantime. Instead, she had worked in a factory for about four years where she was given initial training. As a result of production cut-backs she was transferred to another job that she managed only with difficulty; also her wage was low. She handed in her notice believing that she would find some new job but she fell ill at the same time. Jana then worked briefly as a barkeeper in a nearby town but was mistreated by her employers: she had no contract. Because of that, she left after a short time. A friend helped her: he found her an illegal job as an unskilled worker in Germany in a restaurant (Jana speaks German quite well). Jana travels

to Germany irregularly when her employer rings her up. Her mother takes care of her child during these periods. Her earnings are relatively high (she would not earn that much in this country), but the future is uncertain: "I must watch my job, I make a call to them several times a week". Her main goal is to save up money, buy a flat and perhaps get married, and then find a more stable job in her line of work.

ALICE

"HE WHO IS GOOD AT HIS PROFESSION NEEDS ONLY A LITTLE HELP"

Alice is a forty-eight year old widow who cares for one child. She graduated from the Institute of Economics and worked in an enterprise for two years in a leading position, as a company chief accountant. She got involved in the Communist Party organisation in the enterprise and after the revolution, under the pressure exerted by Civic Forum ("decisions on the management were taken in the yard") was removed from her job. The company transferred her to the position of personnel manager. Her husband died at that time. She was in bad physical condition and preferred to leave the company to relieve the pressures brought on her. She made every effort to find a new job. A friend recommended that she enter a job in a savings bank where she was hired on the basis of an interview. In a short time she worked her way up to the position of the deputy department manager. She also helps some businessmen she knows with book-keeping. Alice regained her peace of mind and feeling of self-confidence, and even though she does not earn as much money as in the past, she is satisfied.

DANA

"COMING BACK"

Dana is forty-three years old, married, she has two children, and lives in a small village about 8 km from the company's site. Her husband draws a disability pension. She worked in the company for nine years as an unskilled worker. Because of reorganization, she was laid off (she is one of those who received notice through the mail). Dana was offered a job in another workshop of the factory (shift work, more difficult) which she refused because of bad transport and health problems. Then she was unemployed for three months, she could not find a job in the neighbourhood. In the meantime some of her co-workers from the factory were re-employed in their original or, in some cases, even better places ("but I have no friends in the White House", she sums up). After three months, financial problems forced her to take the job she had refused before, and she lowered her demands. Both the commuting and the shift work are unpleasant for her ("the night shift is horrible"). She does not know how long she will be able to hold on (she considers the work very hard).

STELA

“THERE IS STILL A HOPE”

Stela is fifty-three years old, married, her husband has retired. Her children are already grown-up. She had worked as an unskilled cook in the canteen of an enterprise. She lives in a small village 8 km away from the company's location. In 1990 she was transferred to another job as a result of reorganization. By drawing up a new contract with her at the time of her transfer, the enterprise took advantage of her ignorance and dismissed her within the probationary period (after three months). The dismissal came as a great blow to her because her employers did not tell her of it until the very last day of the probationary period. At first she did not look for a job; she wanted to retire prematurely. This proved to be impossible, however, because she still needed to do nine more months of work. Then she tried all possible avenues: friends, authorities, employers, advertisements. She grew short of money and now she lacks it even more: “I have to find something”. She has been unemployed for two years now. There is no work in her neighbourhood, it would not pay for her to commute, and they have a homestead (animals) that she must look after. Now, however, she relies on her son: he is setting up a private business and building a shop where she could work as a shop assistant.