

UNPAID WORK IN HOUSEHOLDS - SELECTED IMPLICATIONS FOR BUSINESS MANAGEMENT

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ABSTRACT

The aim of this paper is to highlight the possibility of using knowledge about the unpaid work in the management of a company. It is based on research conducted in 2012, which describes unpaid work in Slovakia in terms of its quantity, structure and incentives. The first part of the paper presents the basis of the research. The following section summarizes selected results. The core of the paper consists of the application of these findings on the issue of business management. We put the emphasis on the issue of human resource management (selection, motivation, compensation of employees, alignment between personal and professional life and the quality of work life) and corporate social responsibility.

Keywords: unpaid work, human resources management, business management

INTRODUCTION

The phenomenon of the unpaid work is examined from two perspectives – macroeconomic and microeconomic. From the macroeconomic point of view, the discussion is focused on estimation of its extent. Although, the unpaid work is only partially recorded in GDP, it contributes to the output of economy and therefore it influences the welfare of the citizens. From the microeconomic viewpoint, mostly, issues of work-life balance, gender equality and labour division are examined; however, there appear also the topics of connection between the unpaid work and the labour market or the unpaid work as a market opportunity. A closer look at the unpaid work reveals also the other aspects and relations.

We assume that despite several differences, the paid and unpaid work are in their core related phenomena and therefore the knowledge about character, incentives and extent of unpaid work can be seen as interesting contribution to theory of business management. If the phenomenon of the work as such is recognized as a basis for deeper understanding both work in household as well as work within the business sphere, than examining the actors of unpaid work, its conditions and context, incentives and activities, assumptions and forms can open new and considerably wide area of thinking about the business management.

MATERIALS AND METHODS

The suggested implications for the business management are based on the knowledge summarised within the research project VEGA 11/1141/11 „Labour market in the context of unpaid work specifics, measuring its extent and impact on households,

business sphere and economy“ and continuing research project VEGA 1/0935/13 „Unpaid work as a potential source of socio-economic development and determinant of individual welfare“. For the purpose of the research the unpaid work is defined as all types of human activities recognized as a work (i.e. productive activities) for which one does not get any wage [1]. As the phenomenon of unpaid work is closely interconnected to culture and tradition of certain region, the paper is based on the Slovak context, however, some of suggested implications are universally applicable. The basic information about the unpaid work in Slovakia are drawn from the primary research which was carried out in 2012 on 4435 respondents within 1564 households. The aim of the research was to describe the unpaid work in terms of its extent, content and incentives. In the first step, the paper summarizes the most important results of the research. As the complete methods and results were described elsewhere (e.g. [1]–[5],) for the purpose of the paper we will summarise the most significant information from the point of view of our scope. In the second step, the method of deduction is used to apply the general knowledge about the unpaid work and suggest their usage in the business management.

UNPAID WORK IN SLOVAKIA – SELECTED RESULTS OF THE RESEARCH

The key contribution of the presented research is quantification of the extent of unpaid work in Slovak households. The collected data show that an average Slovak household dedicate 74,5 hours weekly to unpaid work. Recalculated per a respondent, it is 23,5 hours weekly, what is equal to 3,7 hours daily. In international comparison, these data mean that Slovak households spends slightly more time performing unpaid work than OECD countries' average, which is 3,4 hours daily. Researches on the unpaid work, both domestic and foreign, point out significant differences of the extent of unpaid work between men and women. These fact was confirmed also by the research in Slovak households, where men work in average 21,4 hours weekly and women 35,5 hours weekly. As to the content of unpaid work, table 1 displays the ranking of the most frequent activities in Slovak households and time devoted to these activities in average.

Table 1 Content of unpaid work in Slovak households and time devoted (hours/week)

Rank	Type of unpaid work	Average	Standard deviation
1	Food preparation	15,504	11,163
2	Child care	13,381	30,956
3	Household upkeep	11,918	10,369
4	Shopping and services	7,950	6,498
5	Making and care of textiles	4,477	4,353
6	Pet care	4,556	13,046
7	Tending edible plants	3,805	6,666
8	Gardening– tending ornamental plants	2,867	5,549
9	Adult care	2,865	12,333
10	Construction and repairs	2,799	4,305
11	Tending domestic animals	1,895	5,466
12	House construction and repair	1,541	5,313
13	Volunteering	0,994	5,373
	Total unpaid work	74,533	61,997

Source: [4]

Based on the presented research it is possible to say that the extent of unpaid work is higher in villages and small towns. In the county towns, the substitution of the unpaid work with services provided by market occurs.

As to the incentives of unpaid work, the research distinguishes between socio – relational motives (impact of traditions and family relations on unpaid work) and economic – financial motives (absence of market substitutes, their low quality or high price). Statistical analysis confirmed the hypotheses about prevalence of socio-relational motives of unpaid work.

International comparison of the extent of unpaid work and analysis of its determinants using a regression model showed that statistically significant factors influencing the extent of unpaid work are as following[5]:

- Birth rate - positive correlation - child care constitutes a significant part of the unpaid work
- Institutional child care – negative correlation - better availability of kindergartens and nurseries relieves parents.
- Hourly wage - negative correlation - in countries with a higher average income people are willing to substitute unpaid work with market services in higher extent.
- Unemployment rate - negative correlation - despite the assumption that unemployed people have more time to carry out the unpaid work, the regression model showed the opposite relationship - this fact can be interpreted as losing work habits in the case of long-term unemployment[6].

MUTUAL RELATION BETWEEN PAID AND UNPAID WORK

In the business, the work consists of a system of activities for which employees are compensated, thus paid. Employees receive a wage for their work. In case of unpaid work, this important feature is missing and members of household do not receive any wages for performing work activities. This does not mean that both types of work are diametrically different and that knowledge of the unpaid work cannot be used in a corporate environment. The opposite is true. The paid and unpaid work has several common features that create a platform for their mutual creative use. The platform primarily consists of the work itself and also of the human capital, which we consider as a starting point of our considerations and application.

Paradoxically, development of procedures and methods of household management preceded elaboration of business management tools (the word economics is derived from the Greek oikonomikos - household management). Methods applied in households were subsequently applied, modified and elaborated in the environment outside the household. This strengthened the impression that domestic work and work in business are diametrically different and therefore interest in their interconnection was marginalised. Naturally, these types of work show some differences. However, as the similarities prevail, it is possible to draw several useful suggestions for the application of knowledge about unpaid work to the business environment.

To form adequate argumentation base for application of the knowledge about unpaid work to the business environment, we list several common features of paid and unpaid work:

- it is carried out by people, generally by the same both in businesses and households;

- it occupies a considerable part of a day and life;
- its essence is in production of various goods, services and ideas;
- it is represented by purposeful physical and mental efforts of its actors;
- requires adequate material, financial, information and human resources
- to perform it, people must have adequate professional, personal, social and managerial competences, they must have the necessary skills, experience and be motivated;
- activities must be planned, organized, led and controlled, which means that the phenomenon of management is present;
- activities have a group character, i.e. their actors enter into a series of different relationships and participate in many social processes (mutual assistance, cooperation, rivalry, disagreements, conflicts ...);
- through work actors satisfy variety of own needs and needs of other people;
- on the one hand, carrying out the work develops physical, mental and social abilities and skills of its actors but on the other hand, it exhausts their physical and mental strength. On the one hand, it brings them satisfaction (sometimes appreciation), on the other hand, it is usually a source of inconvenience, frustration and fatigue;
- it is always done in a particular cultural setting (business or family culture), what it forms an important framework and significantly influences its character.

Another feature which paid and unpaid work has in common is human capital, which is during both types of work exploited, but also formed. Human capital is defined as a set of knowledge and skills (inborn and acquired) that affect human productivity [7]. The analogy with a physical capital is obvious. Investment into human capital, particularly in the form of education increases its profitability in the form of wages. G. Becker, creator of the modern theory of human capital, in particular, emphasized the importance of education to valorise the human capital. He divided training into two categories - general and specific. While specific training increases employee's productivity especially in a particular company, the acquisition of general skills has the same impact on employee productivity growth in any business enterprise [8]. The general skills are acquired in various ways (at school, at work), but skills gained by domestic work cannot be omitted. Becker in his work also pointed out the impact of family and cultural environment on the formation of human capital. Therefore, knowledge about the nature, volume, motives and determinants of unpaid work in a particular context (in our case in the Slovak Republic) may serve as an important resource for corporate managers.

IMPLICATIONS FOR BUSINESS MANAGEMENT

The main area within the business sphere, in which the knowledge about unpaid work could be utilized to make management techniques and procedures more effective is human resources management. The presented findings on the scope, content, themes and implications of unpaid work and possibilities of their usage in business management evoke the initial question – does a modern human resources management consider such information to be important? or in which areas of the human resources management should this information be recongnized?

We believe that presented knowledge and findings on the unpaid work of employees can enrich modern human resources management in following areas.

a) Recruitment, selection and deployment of employees

It is impossible to manage successfully various activities within the unpaid work (for example in the case of Slovak women in the extent of 35.5 hours per week) without a thorough knowledge about organizing activities, application of the time management principles, effective organization and division of labour, without adequate skills, without the ability to perform several activities simultaneously, without adequate preparation, mental condition and motivation. Nor can it be done without a permanent awareness of one's objective, patience and consistency in performing activities, without effective communication and without respecting the limited financial and material resources and compliance with deadlines.

Wise and prudent recruiter and personnel manager should realize the similarity of requirements unpaid and paid work. He should be aware of this fact and take into account the "competences and qualifications" of candidate acquired due to exercising unpaid work, which may be applied in the workplace. These qualifications can be utilised for assessing the suitability of the candidate, selecting the right candidate, but also for deployment of employees and managing mobility in the business.

b) Training and development of employees

Competencies, skills and abilities that people acquire due to unpaid work represent important and however little respected basis and starting point for mastering other more specialized or demanding activities necessary in the work process. Professionals in adult education confirmed that those training participants, who are experienced in performing unpaid housework, acquire new knowledge and practices faster and more efficiently when properly motivated and accessed adequately. It is recommended that education managers in enterprises consistently use that knowledge (corresponding with Becker's idea of general preparedness). We suggest that trainers and lecturers in the company build more on participants' experiences obtained by performing unpaid work and that parallels of paid and unpaid work are more recognized as a base for acquiring new skills.

c) Employee benefits

Consistent awareness of considerable extent of unpaid work (according to the findings of approximately 3.7 hours daily) and its confrontation with the physiology of performance, fatigue and rest after working hours are sufficiently strong argument in favour of a more sensitive and active use of knowledge about the unpaid work and an incentive to their application in the area of employee benefits. If an enterprise has a serious interest in encouraging desirable work behaviour, high performance, loyalty and stability, as well as the activity of their employees by providing various employee benefits, than taking into account knowledge about the scope and structure of unpaid work (i.e. what employees have to do after working hours) can represent effective contribution to the innovative measures of corporate social policy, which are appreciated by employees and increase their effectiveness.

Knowledge and finding of our own research on the quality of working life in a business (QWL) confirm that the selected parts of the unpaid work constitute factors that statistically significantly affect the quality of life of employees. Modern and progressive companies are already working with this knowledge and give them progressively greater importance.

An example of effective use of knowledge about unpaid work is programmes of work-life balance which undertake a number of measures based on the knowledge of unpaid work characteristics.

d) Management of safety and health at workplace

Although the care about the safety and health of employees is among the legal obligations of the business and a lot of companies pay considerable attention to this problem, the knowledge about the unpaid work may give rise to further improvement of this area. Perhaps the most serious signal in this regard is demonstrated by the increasing number of cases of so-called burn-out syndrome. Occurrence of this syndrome can be explained by lack of respect to knowledge and findings about overloading employees not only at work but also outside it. Increase in the use of current knowledge about unpaid work represents an important preventive step to serious health problems of employees [9].

e) Corporate social responsibility

The current trend of modern management – corporate social responsibility – is considered to be another area in which it is possible to effectively use knowledge of unpaid work. Socially responsible approach to the understanding and respecting the extent of unpaid work, its psychological, health and social consequences is only an initial impetus to the development of such a position of the company to its employees, which implements into practice the principles of mutual social responsibility not only for employees working situation, but also for area beyond the company gates. By supporting and facilitating saturation of non-occupational needs of employees (but affecting their work behaviour and performance) in the spirit of socially responsible approach can lead to creation of an important competitive advantage to the company.

CONCLUSION

It is possible to see the phenomenon of unpaid work in the context of business management from two perspectives. It can be seen as a barrier of economic development as underdevelopment of tertiary sphere usually leads necessity of performing higher amount of household work and therefore limits the possibilities (mainly time) to be devoted to the paid work [10]. This leads to the other problems like women discrimination on labour market, as women are predominantly occupied by household work (especially in the connection with child-care) and the potential employer assumes lower performance.

On the other hand, the unpaid work represents the area, where approaches to work, working habits and various soft skills are formed. These competencies are general requirement for performing any employment.

However, regardless of viewpoint, we came to conclusion that it is necessary to reflect the phenomenon of unpaid work in the context of business management. It can be useful for businesses to focus on extent, content, motives and context of unpaid work carried out by their employees within their social analysis and surveys on quality of work life as a basis for adequate and professional reaction. Including the knowledge about the unpaid work can lead to synergic effect both on the side of the business and its employees.

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