

Competing with the Private Sector: Intangible Employee Motivation Tools at the Czech Statistical Office

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Abstract

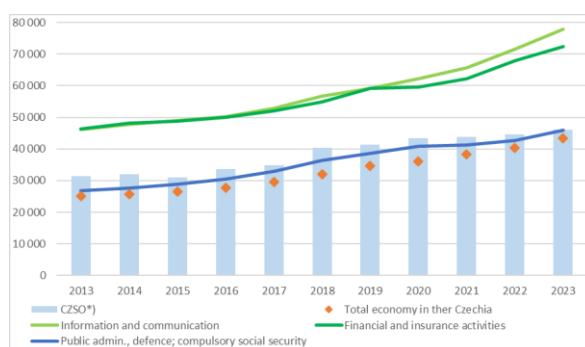
Competent and highly motivated people are the basis for high quality statistics production. Shift to data science paradigm in the production routine increases requirements on human resources. NSIs face ever growing challenges of competing for employees with very dynamic and progressive financial and IT sectors, whose resources are far beyond the budgetary possibilities of state institutions. In this respect, the topicality of intangible employee motivation tools to attract and sustain statisticians in the NSIs grows very rapidly. The presentation will focus on the approach to intangible motivation system and its recent developments within the Czech Statistical Office.

Keywords: motivation, monetary, non-monetary, benefits, tools

1. Introduction

In today's dynamic and competitive data production landscape, NSIs are increasingly realizing the importance of employee motivation. While tangible incentives like monetary rewards do strongly motivate employees, the Czech public administration seems not to be in a position to openly match the level of salaries with the private sector (see Graph 1).

Graph 1 Average gross monthly wage per employee in FTE (in CZK)



Source: CZSO

The average salary in the Czech Statistical Office (CZSO) tentatively reached 46,151 CZK (approx. 1,840 EUR) in 2023. It is significantly influenced by the amount of special-purpose wage funds, mainly for election agenda and community programs. In the long term, it remains above the average salary in the Czech Republic, but lags behind competitive sectors, e.g. Information and communication or Finance.

2. Theoretical and organizational framework

According to motivation theory there is a growing recognition of the value of intangible motivation tools. Unlike monetary, intangible tools may efficiently foster a sense of commitment, engagement and job satisfaction among employees. This paper provides an overview of intangible employee motivation tools applied in the CZSO. The structure of the paper corresponds to the 3 motivation tiers according to existing theory (see Scheme 1).

Scheme 1 Monetary and non-monetary motivation tools

1. Compulsion 1.1 Orders 1.2 Prohibitions 1.3 Commands 1.4 Recommendations 1.5 Rules/regulations 1.6 Instructions	2. Incentives 2.1 Economic 2.1.1 Wage 2.1.2 Non-wage 2.1.2.1 Cash/non-cash prizes 2.1.2.2 Social benefits 2.2 Non-economic 2.2.1 Flexible working hours 2.2.2 Forms of work 2.2.3 Promotions and professional development opportunities	3. Persuasion 3.1 Engagement and consultations 3.2 Goals and feedback 3.3 Leadership and open communication
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Source: Adapted based on Bagińska (2022).

One of the objectives declared by the CZSO in its Vision is to "Become a recommended employer" based on the following principles: an attractive work environment, space for self-realization and personal development, feedback and an effective motivation system. In this regard, the office's strategy is to offer interesting work that enables professional realization and development, to provide feedback, to support Innovation, to increase the competence of employees, to set up a performance-based reward system. An integral part is the very specific corporate culture, where the management tries to maintain team spirit and a good atmosphere in the office and approach people individually (of course within the scope of the law).

3. CZSO Motivation Tools

3.1 Compulsion: Rules and Regulations

Internal regulations are a necessary tool for guiding work behavior. An organization with over 1270 employees, such as the CZSO, cannot do without them. With the aim of reducing the internal administrative burden, the personnel and economic processes are gradually being digitized. Since 2020, a total of 11 support processes have been digitized.

There is also an optimization and introduction of a process approach to the creation of internal regulations. Internal bylaw metadata include information about the version, changes,

and which processes and employees the rule applies to. An integral part is the matrix of activities and roles. 87 percent of respondents to the survey of CZSO employees consider the internal regulations to be clear and understandable¹. A central electronic library of internal regulations offers full-text search. Documents can be sorted according to many criteria, e.g. owner or process domain. All this contributes to the fact that the system of rules is clearer and the information systems guides employees through the set rules and procedures so that they can focus on work goals. 78 percent of respondents to the CZSO employee survey perceive their administrative burden ("paperwork") as reasonable.

3.2 Incentives

3.2.1 Economic incentives: Wages

This area includes base remuneration, bonuses, and rewards. The basic component of the employees' salary is the salary class in which the position is classified and for the salary grade in which it is classified. The salary also consists of non-entitlement components, mainly management bonus, personal bonus, extraordinary remuneration and target remuneration. Extraordinary rewards at the CZSO are paid primarily for extraordinary activities, participation in the implementation of projects (including projects financed from European funds, work on internal grants and Eurostat grants and technical assistance - e.g. in 2023 a total of 17 innovative projects were handled, of which 14 grants from Eurostat). Furthermore for sharing knowledge (e.g. review of articles in the office's magazines, lecturing, or activity in the committee during the civil service exam), active communication of the office's activities (preparation of press conferences of articles in the office's magazines) or for participation in the implementation of elections. A total of 80 percent of respondents to the employee survey are satisfied with their financial income.

3.2.2 Non-Wage Economic Incentives: Cash and non-cash prizes and Social benefits

These tools primarily include additional pension insurance and other prizes from the cultural-social fund including benefit cards. Furthermore, a relaxation zone, kindergarten, sports and sports supporting facilities, canteen, in-house hotel facilities, company recreation site, and appropriate working environment and equipment are in place. One of the benefits for CZSO employees is the possibility to draw financial contributions from the cultural and social

¹The results of the CZSO employee survey from 2021, in which 70% of employees participated, are used here and further.

needs fund. The fund is made up of an allocation from of 1% of the annual volume of wage costs. From 2024, at least 50% of the fund must be used for pension savings contributions. 58 percent of respondents to the CZSO employee survey consider the employer's contribution to supplementary pension insurance very important.

The fund also covers the catering contribution, which has the 2nd largest share in the fund's structure. The employer's contribution to meals is considered very important by 74 percent of respondents to the survey of respondents to the CZSO employee survey. Another significant item is contributions to recreation, children's camps, sports and cultural activities. Contributions are provided from the fund for the organization of mass sports events (for example, bowling, beach volleyball, table tennis, etc.), the purchase of equipment, maintenance and operation of own recreation facility and the relaxation zone at the headquarters of the CZSO, and compensations to regional offices that do not have sufficient space for similar facilities.

A relaxation room for group and individual exercises has been built in the Headquarters. It is equipped, among other things, with a ping-pong table and trainers. Guided trainings with a trainer are organized here. The primary purpose is to help employees reduce possible health impacts of a sedentary job. In order to support sporting, bicycle parking is available at the Headquarters and at selected regional offices. Showers are also available at the Headquarters.

A total of 92% of CZSO employees consider it positive that they can balance their work and personal life. A children's group for a maximum of 12 employees' children between the ages of 2 and 5 is run at the CZSO headquarters on weekdays. There is a playroom, playground and 2 qualified caregivers. The child can attend the group either all day or for a reduced time during the day. The service is provided for a fee, which is more of a regulatory nature. The possibility to use a children's group is considered important by 20 percent of respondents to the survey of CZSO employees.

There is a canteen in the CZSO headquarters. The composition of the menu was set on the basis of an employee survey. It offers at least 1 vegetarian dish and 1 "healthy" item. There is a salad bar and a buffet. The price of meals is subsidized by the employer and the cultural social needs fund. A catering committee is established for the purpose of quality control. Employees at workplaces where it is not possible to operate a canteen, and those who have health reasons, are provided with a contribution in the form of meal cards.

Almost half of the CZSO employees are geographically located in the regions. A hotel with 7 rooms is available at the CZSO headquarters. It is mainly intended for accommodation on work or business trips. In 2022, there were a total of 978 overnight stays. This is a significant saving in transaction costs and also expenses for employee accommodation.

CZSO operates its own recreation facility located in a lucrative location with a wide range of summer and winter sports and activities in the vicinity. The stay is for a fee, which aims to partially compensate the costs of operation. Almost 66 percent of respondents to the survey of CZSO employees consider the possibility to use recreation facility to be important.

In 2023, extensive renovations of the headquarters in Prague and 2 regional offices were completed by using the Energy Performance Contracting method. This brought a modern look to the workplace and an increase in employee comfort (e.g. more efficient lighting, reduction of noise from the outside environment or air conditioning). A total of 88 percent of respondents to the survey of CZSO employees state that they have everything they need for their work available.

3.2.3 Non-Economic Incentives: Flexible working hours

This tool mainly includes flexible hours and free days / extra holidays. The length of the specified weekly working time is 40 hours. A shorter weekly working time with the employee can be agreed upon. The possibility of working part - time is perceived as very important by 24 percent of respondents to the survey of CZSO employees. The working hours of most employees (with the exception of mainly interviewers) are divided into a basic part during the week (Monday to Thursday from 9:00 a.m. to 3:00 p.m., Friday from 9:00 a.m. to 2:00 p.m.) and an optional part (Monday to Thursday from 6:00 a.m. to 9:00 a.m. and from 3:00 p.m. to 6:00 p.m. and Friday from 6:00 a.m. to 9:00 a.m. and from 2:00 p.m. to 6:00 p.m.). The CZSO offers 5 weeks of vacation, 5 days of sick leave, 2 days of leave for the father after child birth, 1 day of leave to arrange personal matters. The length of vacation and other paid time off are considered important by 90 percent of respondents to the survey.

3.2.4 Non-Economic Incentives: Forms of work

This is primarily about the Home Office. CZSO employees have the option of taking 2 home office days per week, as long as the activities don't require personal contact or communication, or workplace equipment. The possibility of Home Office is perceived as very important by 90 percent of the survey respondents.

3.2.5 Non-Economic Incentives: Professional development opportunities

This includes education courses, education-visits abroad, technical assistance, and conference participation. Providing active employee training and enabling all-round professional realization and development are among the main objectives of the Strategic Plan of the CZSO. The CZSO has established rules for employee training, which specify the

principles of training, specifically dealing with initial training, follow-up professional, ICT and social skills training, management training, and language training. The total of 87 percent of the respondents to the CZSO employee survey perceive that they can educate themselves and develop professionally. One third of the educational events are lectured by employees. In 2023, each employee attended an average of approx. 3 courses. 93 percent of the respondents to the CZSO employee survey have the opportunity to complete the training required for work.

Employees and their supervisors can influence the training program. Educational needs are identified through direct contact or analysis of employee evaluation results, which includes educational goals. Educational and developmental needs/activities are also identified e.g. in connection with changes in legislation, when introducing new projects, processes and activities. CZSO also supports selected employees to complete courses in the field of IT, MBA, MPA managerial education, or in the field of project management, etc. As part of onboarding, employees are provided with support for preparation for the civil service exam. Employees are offered a simulator of questions, tests, and training for the exam.

In accordance with the development of employees' competences, opportunities for foreign education are used, especially the European Statistical Training Program (ESTP), National Experts Professional Training (NEPT), or courses at the Joint Vienna Institute by IMF. In 2022, 18 CZSO employees took part in foreign courses.

In accordance with the Strategic Plan of the CZSO, forms of bilateral and multilateral cooperation with foreign partners are supported. The transfer of experience takes place within development programs, projects or short-term activities financed from external sources. Among other things, these activities enrich the knowledge and experience of the employees themselves and contribute to professional self-realization within a knowledge-based institution such as the CZSO. In this context, the employee may receive an extraordinary reward. In 2023, 136 days of technical assistance and study visits were provided.

The CZSO also supports the participation of employees in international conferences. A common condition for participation is, in addition to professional contribution, also an active presentation.

CZSO in cooperation with the University of Economics in Prague has so far implemented a total of 28 runs of the Specialized Statistical Study. The study was intended for university graduates. The study program included 384 hours of teaching divided into four semesters. The study ended with the defense of the final thesis. Currently, this study has been discontinued and a new MPA data analysis course is being prepared in cooperation with the University.

3.3 Persuasion

3.3.1 Persuasion: Engagement and consultations

This tool mainly includes employee satisfaction survey, adaptation process and employee idea collection. The CZSO conducts an anonymous employee satisfaction survey once every 2 years. The results of the survey are communicated to all employees, and measures for improvement are implemented. The survey topics include conditions for the performance of service, internal communication, management, workplace relations, benefits, work organization and environment. An integral part of the survey is the opportunity to add comments and provide feedback.

The adaptation process for new employees is formalized through the relevant regulation. It defines the employee adaptation process and sets out the responsibilities for effective enrollment. It defines the role of a mentor, prescribes activities that must be carried out, and sets out the content of the individual adaptation plan, including the setting of objectives and other forms of wider familiarization with processes, procedures, and colleagues. It assumes an ongoing evaluation ensuring continuous feedback. A special New Employee Handbook is developed on working hours, attendance, work background (telephone, cards, and equipment), IT area (e-mail address, access, technology, instructions, signposts), security and GDPR, and benefits and a guide to legal and internal regulations.

Along with the new Change Management Policy, an anonymous mailbox for ideas and innovation initiatives was also set up on the intranet. This is one of the ways for passing on ideas or improvements. It also exists in the form of an e-mail box inovace@czso.cz. The mailbox is managed by the President's Office, which ensures that all suggestions are discussed by the Management Council and provides feedback. A total of 62 percent of respondents to the survey of CZSO employees perceive that the CZSO is interested in hearing new initiatives from employees.

3.3.2 Persuasion: Goals and feedback

This is about evaluation (i.e. feedback concerning performance), personal goals including education goals. Regular employee evaluations are carried out. The aim is to assess knowledge, skills and performance. The output is feedback on what results the employee achieved in the past period and possibly a proposal to change the personal allowance. This is also where educational and development needs are identified. A total of 84 percent of employees agree that their direct supervisor regularly gives feedback on work.

Internal communication policy also deals with meetings. The rules for conducting meetings are set out in the directive on internal communication. This indicates the recommended frequency of meetings at individual levels of management. Training was also implemented for all senior employees with the aim of making these meetings more efficient. The goal is for the leader to communicate the important information to their subordinate colleagues they need for their work. It is also a space for questions, so that everyone has the opportunity to find out what they are interested in, as well as the opportunity to provide feedback and perhaps ideas for improvement. 68 percent of respondents to the employee survey consider department meetings to be an important source of information.

3.3.3 Persuasion: Leadership and open communication

At CZSO this set of tools includes communication policy, newsletter and official journal as means of public acknowledgment and recognition (i.e. open communication), internal communication activities and social events as means of expressing gratitude and sports events supporting informal communication.

The office has a comprehensive internal communication strategy, including an internal communication plan. In 2022, an internal quarterly newsletter for CZSO employees called MY&Statistika (We and Statistics) began to be published. Its main goal is to ensure that the most important news about what is happening directly reaches as many employees as possible from all departments in all regions. It is a tool for improving internal communication. It allows one to get to know the office itself, as well as interesting people who work in it.

Teambuildings are included in the internal communication strategy among the main personal tools of internal communication. These include events, sports activities, mass meetings, etc. Events such as bowling, beach volleyball, and table tennis are regularly held. Pre-Christmas meeting are also organized with employees. The opportunity to participate in sports and cultural events is considered important by 59 percent of respondents to the CSZO employee survey. Information about these planned activities is regularly published on the intranet, photos or videos from the events are provided via an electronic newsletter.

In 2023, the CZSO published 376 different statistical outputs with varying frequency. Since 2011, the magazine Statistika&My (Statistics and Us) has been one of the tools for publishing the results of the CZSO's work. Articles with CZSO data place them in a wider perspective and present them in interesting contexts. Among the main creators of the content are employees of the office. It is a way to introduce the office's experts behind the processing of the numbers and present their expertise. Similar tools are also press conferences where managers or senior

employees present. Other tools are press releases and employee quotes. In 2023, 9,618 citations of CZSO employees in the media were registered.

4. Conclusion

Above mentioned examples of non-monetary incentives reveal positive impact on employee engagement, satisfaction, and overall performance. While monetary rewards will always have their place in employee motivation, by embracing a diverse range of non-monetary tools CZSO holds its position in an ever-evolving data production landscape. The total of 63 percent of respondents to the employee survey consider the remuneration system to be fair. The voluntary turnover rate at CZSO is as low as 3.9 percent. The share of long-term vacant positions is 0.92 percent. Finally, 83 percent of respondents state that they would recommend CZSO as an employer to their friends and family. All this shows good results of the current monetary and non-monetary motivation scheme of the Office.

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