

# Recommendations for foreigners' employment in context of the Czech industry

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## Abstract

Foreign employees represent special type of labour force, in many economies or economy sectors very important. Its specifics mirror needs of accurate and appropriate approaches of employers. Although is foreigners' employment relatively common praxis, there is still lack of appropriate managerial skills or willingness to modify and customize the approach to this group of employees. Thus, the full exploitation of opportunities and reduction of negatives or risks is limited. We try to react to the situation by formulating several managerial recommendations in context of foreigners' employment. The industry sector of the Czech Republic is our case study. Our recommendations are based on interviewing the managers and professional praxis observations. The recommendations focus on acclimatization, fluent training and qualification of the employees.

*Keywords: foreign employees; industry; management; recommendations*

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## 1. Introduction

Why to pay attention about the foreigners' employment in economy? Many of professionals, politics or academics do not see the need of specific approach to this group of labour force; we can consider it to be a standard, unspecific part of the whole labour force, with no significant importance. On the contrary, many sectors of economy, or whole national or regional economies indicate its significance. Traditionally, industry sector, e. g. in western or middle Europe, employs relatively high number of foreign workers and indicate its specific character. Thus, we want to react on the situation on the Czech industry. The Czech Republic is one of the countries utilizing foreign labour force to saturate the needs of various economy sectors, including industry (see Ministry of labour and social affairs).

Identification of specific needs of foreign labour force and customization of managerial approaches to it is still lagging in many cases. Based on our professional experience, Czech companies in industry are not able to fully exploit the opportunities related to foreigners' employment, eliminate its negatives or risks. This situation is, according to our opinion and among other factors, caused by uniformed and vague approach to foreign employees. The purpose of this paper and our work in this regard was to provide several recommendations applicable in the

managerial praxis. These recommendations should contribute to increase the overall quality in industry companies' performance, regarding foreigners' employment.

Our paper is based on mainly qualitative research (for recommendations formulation), appended by brief quantitative excursion into the issue of the Czech industry situation. We employed inductive and deductive approaches. We structured our paper the following way:

- The second chapter conceptualizes basic theoretical findings considering the situation of foreigners at labour market;
- The third chapter introduces the issue of the Czech industry situation which justify the significance of foreigners for this sector;
- The fourth chapter formulates recommendations for managerial praxis considering acclimatization, fluent training and qualification of foreign employees; based on interviews and our professional praxis experience.

Altogether, we hope to contribute to the managerial praxis and reality of the Czech industry companies employing foreigners in applicable manner. At the same time, we are aware about limitations of our approach, primarily based on qualitative methods that could be biased. Considering this, we truly invite others to contribute to this issue by their opinions and findings.

## **2. Position of foreigners at labour market – basic issues**

The significance of foreigners in economy and at national or regional labour markets is strengthening simultaneously with globalization, interconnectivity of markets, networking and similar global trends (Duszczyk & Matuszczyk, 2018; Suedekum et al., 2009). Considering their characteristics, foreigners are, according to Pocnet et al. (2015) or Suedekum et al. (2009), specific group of employers which deserves special attention of professionals and academics. It is noteworthy, that for various sectors of economy are relevant other groups of foreign workers, respectively groups with different characteristics – e. g. Duszczyk & Matuszczyk, 2018 stress the importance of less qualified or technically oriented foreign labour force for industry or positions with lower prestige; Kaczmarczyk (2015) on the other hand speaks about importance of highly specialized and qualified foreign labour force in healthcare or ICT. Note that foreigners, especially in case of lower qualified ones, are more likely to work for lower wages or more hours than domestic employers (Kubiciel -Lodzińska & Maj, 2017).

The strongest motive of people to work in foreign countries is usually economic and social situation at home country compared to target country (or region). Target regions often provide better employment occasions, higher wages, better life conditions in case of services, health and social care, quality of housing, community environment and similar (see Audretsch & Fritsch, 1994; Armington & Acs, 2002; Delfmann et al., 2013; Wyrwich, 2012; Bishop 2012; Venturini & Villosio, 2008 for wide discussion). The target regions could benefit from foreigners' employment via exploitation of innovative and different approaches to problem solving, work tasks realization or processes; overall diversification of knowledge pool, skills and competencies; multiculturalism etc. (Suedekum et al., 2009; Florida, 2002). Various authors (like Venturini & Villosio, 2008 or

Kubiciel-Lodzińska & Maj, 2017) point at intensification of foreigners' employment across European economies in this regard.

The position of foreigners at labour market is relatively more complicated than in case of domestic labour force. This is true even though guarantees of basic people's rights in western society. According to findings of various authors can foreigners face following barriers or uneven approaches or discriminations from employers but also whole society of target country:

- Language and cultural barriers (Suedekum et al., 2009; Pocnet et al., 2015)
- Negative attitudes or prejudices about foreigners in societies, like premises related to increase of criminality and pathological social behaviour (Gribanova & Vulfovich, 2017; Brantingham & Brantingham, 1995), outplacement of domestic labour force from labour market (Duszczyk & Matuszczyk, 2018)
- Emerging of closed and too autonomous foreigners' communities and their low willingness to adapt to conditions of target country and its society (Ottaviano & Peri, 2005; Venturini & Villosio, 2008)
- Worse wage, career development and employment opportunities in home country or region (Humbert & Drew, 2010; Renzulli et al., 2000; Ruhs & Vargas-Silva, 2015; Venturini & Villosio, 2008)
- Higher affinity of foreigners to become entrepreneurs rather than employees, considering negative experiences at target labour markets (Volery, 2007)
- Higher wage demands of foreigners than employers are willing to offer, considering the issue of remittances (see Giuliano & Ruiz-Arranz, 2009; Telli, 2014; Skeldon & Hugo, 1999; Ghosh, 2006 for definitions and discussion of remittances)
- Legislative demands and restrictions considering work migration (Duszczyk & Matuszczyk, 2018)

### 3. Situation in the Czech industry sector

In this chapter we would like to introduce the situation in the Czech industry, considering primarily foreign employers' issues. We believe that this picture truly justifies the significance of the issue and importance of customized approach of employers to foreigners as their employers.

The chapter is methodically based on descriptive analysis of relevant indicators related to the economic situation in manufacturing industry of the Czech Republic. Namely, we consider:

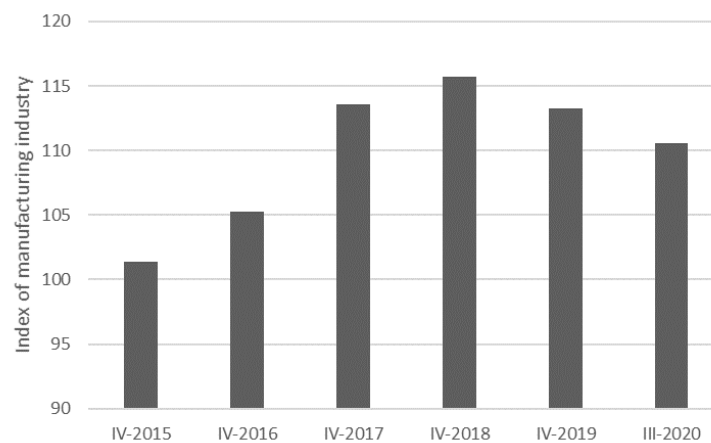
- Index of manufacturing industry – indicator of manufacturing industry performance; data from the Czech Statistical Office (CSO hereafter) for years 2015 to 2020
- Revenues from manufacturing industry - indicator of manufacturing industry performance; data from the CSO for years 2015 to 2020
- New industry orders - indicator of manufacturing industry and economy performance; data from CSO for years 2015 to 2020
- Employment in manufacturing industry – indicator of labour market conditions; data from CSO for years 2015 to 2020

- Employed foreigners – indicator of the position of foreigners at the Czech labour market; data from CSO for years 2015 to 2020
- Average moth wage in manufacturing industry – indicator of labour market conditions; data from CSO for years 2015 to 2020

Figure 1 provides initial information about index of manufacturing industry between 2015 and 2020; overall situation in this sector is obviously affected by the latest happenings around COVID-19 pandemic (decrease during the last year) but it is relevant to anticipate recovery and return to increase of manufacturing industry in upcoming period. Figure 2 shows permanent increase in revenues from manufacturing industry since 2015 (which is used as a basis for standardization). Finally, figure 3 provide information about new orders in manufacturing industry that are raising between 2015 and 2019. Even though year 2020 was very specific for the whole economy, the global lock down of economic activities affected manufacturing industry relatively less severely, compared to other sectors.

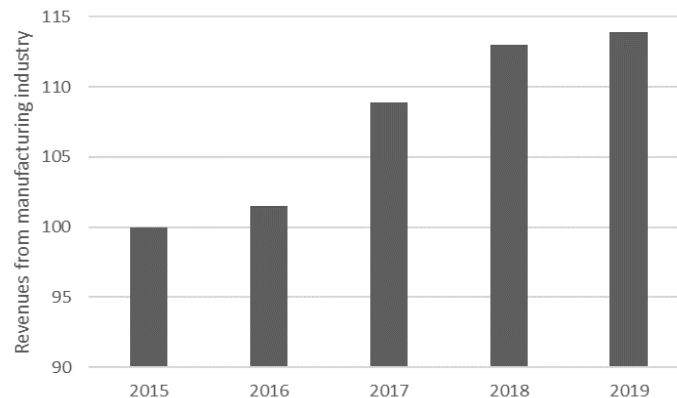
Considering all the trends in manufacturing industry introduced above, it is relevant to conclude that the sector is in good condition and there would be increasing demand for labour force, including foreigners. This assumption is embedded also in anticipated turbulent recovery of global economy in upcoming times.

**Figure 1: Index of manufacturing industry; 2015 to 2020 (3<sup>rd</sup> quartal); 2015 = basis**



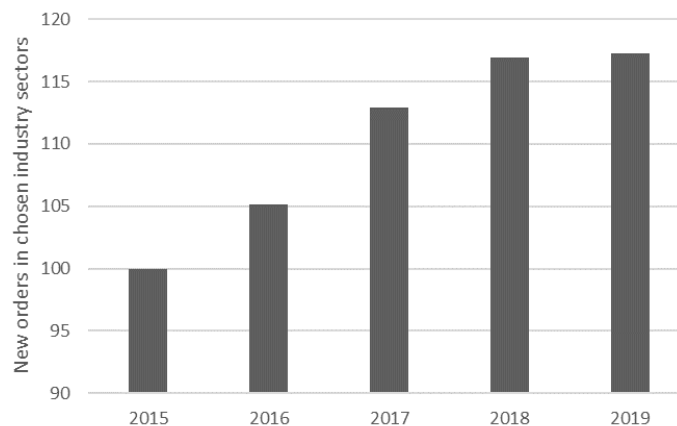
Source: Based on data of CSO.

**Figure 2: Revenues from manufacturing industry; 2015 to 2019; 2015 = mean**



Source: Based on data of CSO.

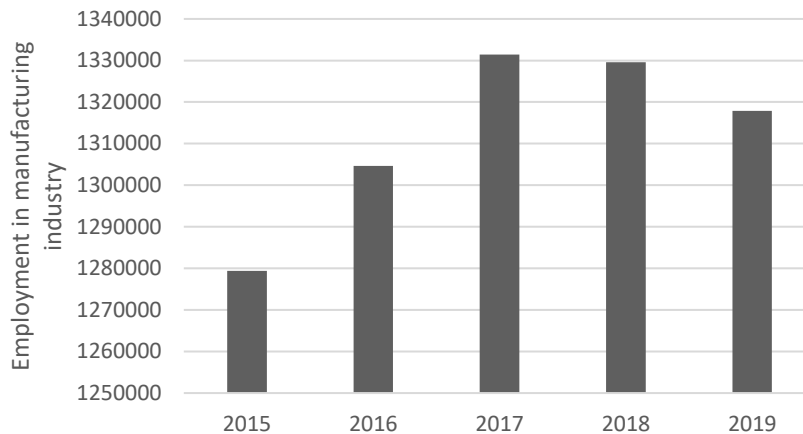
**Figure 3: New orders in chosen industry sectors; 2015 to 2019; 2015 = mean**



Source: Based on data of CSO.

Employment in manufacturing industry indicates increasing tendencies until 2017, after this year, it is possible to observe slight decrease (figure 4). This trend could be related to economy transformation and re-structuralizing tendencies or automatization of manufacturing. Such processes should be intensified in future, on the other hand (considering also relatively turbulent changes in other sectors related to COVID-19 situation), thanks to industry recovery, there could be increasing demand for labour force.

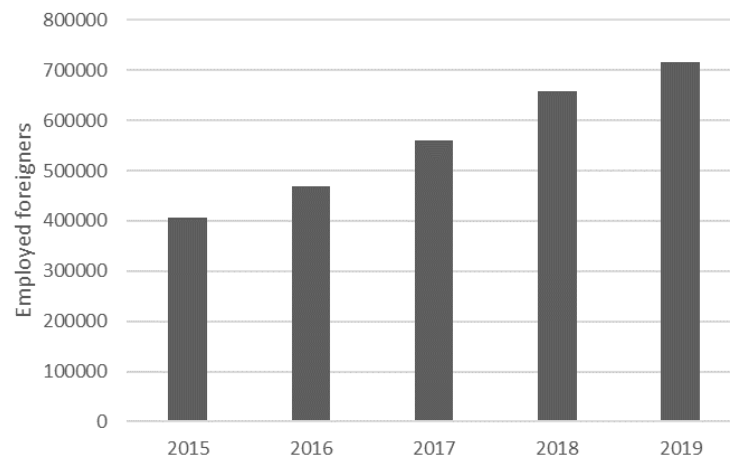
**Figure 4: Employment in manufacturing industry (mean number of employees); 2015 to 2019**



Source: Based on data of CSO.

The situation of foreigners' employment is relatively different from overall employment trends in last 5 years. Thus, there was stable and relatively significant increase in the number of employed foreigners (figure 5). This trend could be affected in both manners – (a) positive preferences of employers and demand for foreign labour force; (b) negative influence of COVID-19 travel restrictions. Nevertheless, it is justified to be optimistic about continuous increase of number of foreigners employed in manufacturing sector.

**Figure 5: Employed foreigners (number); 2015 to 2019**

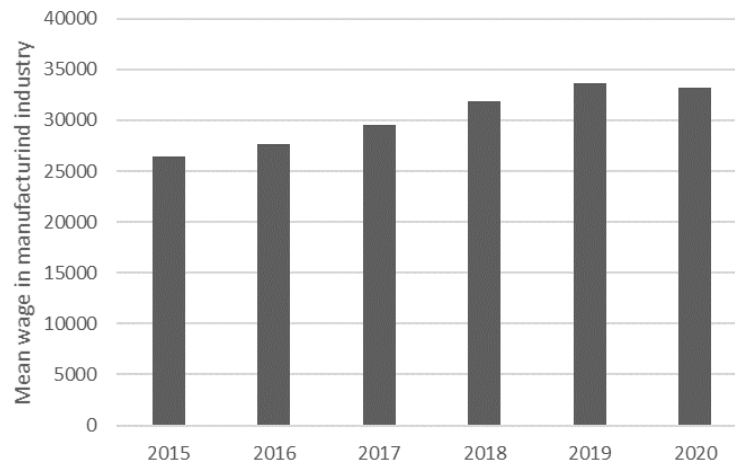


Source: Based on data of CSO.

Figure 6 completes the picture with information about mean wage in manufacturing industry that was increasing until 2020. Stagnation of the mean wage tendency could be embedded into overall withdrawal of economy in 2020. Relatively satisfactory level of mean wage (compared to Eastern Europe or Asian region, that are traditional sources of foreign labour force in industry)

in manufacturing industry could play role of motivational factor for foreigners to come and work in the Czech Republic.

**Figure 6: Mean wage in manufacturing industry; 2015 to 2020**



Source: Based on data of CSO.

We tried to provide basic picture about the situation of the Czech manufacturing industry, considering the issue of foreign employees. Thus, it is relevant to anticipate positive trend in foreigners' employment in the nearest future (of course considering the uncertain situation around COVID-19 pandemic and related restrictions).

#### **4. Recommendations for foreigners' employment**

In this chapter, we would like to summarize findings from interviews with managers in manufacturing industry and professional experience in the context of foreigners' employment. Even though there is strong tradition in the Czech manufacturing industry, especially in employment of workers from Eastern Europe, it is still possible to identify opportunities or weaknesses. Considering them, the ability of the Czech manufacturing industry companies to fully exploit the benefits from foreigners' employment is limited. Based on the findings of previous chapter and qualitative research mentioned in at the beginning of this chapter, the importance of foreign employers is significant. We are fully respectful to wide praxis of employers in foreigner's employment, but we feel that managers still need robust support. Thus, employers in manufacturing industry should pay attention about suitable and motivational recommendations formulated below. The logics of recommendations is based on formulation of opportunity or weak point and reactive inspiring theses or instruments.

#### **4.1 Opportunity 1 – adaptation of foreign employees into organization and collective**

First opportunity, respectively problematic point is insufficient attention paid about adaptation process of foreign employees into working collective and organization itself. Many managers consider foreigners to be just temporary work force without special needs, able to adapt on their own. This premise could be misleading and cause various inconveniences in working collectives. Following instruments or recommendations can be considered in praxis:

- Establishment of the Czech language programmes or courses. These programmes or courses should target mainly at two topics – common language for basic communication in society; and professional language used in the organization. All the organization and working collectives could benefit from fluent and clear communication, without unjustified misunderstandings or prejudices.
- Establishment of mixed working teams or project groups, including both – native and foreign employees. Thus, exploitation of benefits related to diversification of knowledge, opinions and cultural viewpoints would be more fluent and natural. Diversification of working teams and project groups enhance overall quality of processes, decision-making, problem-solving etc. (see the discussion above).
- Establishment of mentors or tutors who could lead the new foreign employees through their initial time period in the organization. These mentors or tutors could be established e. g. for groups of several new employees. Shortening of adaptation process would be anticipated in this regard (considering experience of organizations using this tool).

#### **4.2 Opportunity 2 – fighting stereotypes and prejudices**

Second opportunity is related to overall fight against stereotypes and prejudices that persist in society and in organization employing foreigners. Considering this, native workforce could approach to foreign colleagues disrespectfully, with negative attitudes and without willingness to help. To prevent and overcome these difficulties and negative behaviour (that negatively influences also economic performance of organizations and organizational culture and internal relationships or loyalty), it is possible to formulate following recommendations:

- Realization of teambuilding events that could be dedicated to various countries or cultures. According to experiences of organizations, teambuilding thematic events help understand native people to foreign employees and their opinions and life strategies. Cultural burdens are overcoming in a natural manner, without need of special tools or difficult formal interventions. Teambuilding events organised for employees have also significant positive spill-overs to the whole local or national society. Unformal teambuilding events contributes additionally to better organizational culture, communication and goals accomplishment.
- To overcome traditional attitudes about weak work performance, low quality of outcomes or some kind of laziness or bad working habits of foreigners, it is practical to widely communicate and present working outcomes and products of these employees. This tool



should be applied cautiously, without any sense of discrimination or disproportionality in relations to native employees.

### **4.3 Opportunity 3 – strengthening professional competencies**

Third opportunity is related to professional competencies of foreign employees. The issue has high importance not only for foreign, but for all employees. Current world is characterized by continuous changes and increasing demands on people and organizations. Considering this, orientation on strengthening of professional competencies of foreign employees is justified. Mentioned theses were confirmed by all of interviewed managers and also by professional experience of authors. It seems to be useful and beneficiary to implement following tools:

- Formation and realization of regular and comprehensive development programmes or courses oriented on working tasks of employees. These programmes could be realized internally, using e. g. mentoring, peering or coaching of experienced employees. This approach is favourable considering either costs, either relationships or loyalty in organization. Internal mentors or peers understand the working system and its requirements, have excellent working outcomes and represent core workforce of the organization. Realization of programmes or courses could be included into workload of employees. This concept brings, according to practical experience, developmental benefits not only for participants but also for mentors or peers.
- Formulation of employees' evaluation system. This evaluation is not widely used in praxis of manufacturing industry organizations. Regular and formalized (standardized) evaluation of working outcomes of employees is essential for performance increase of the whole organization and quality of all realized processes. According to praxis experience, the evaluation could be realized using standardized form, targeting to professional and general competencies of employee and to his work performance. The second part of the evaluation could consist of face to face interview with the employee. During the process, developmental plan of employee could be formulated.

### **4.4 Opportunity 4 – building and increasing of capacities**

The fourth opportunity is related to building and increasing of capacities of manufacturing industry organizations, considering their needs and possibilities. The opportunity reflects readiness of organizations to employ foreign workers, of course it is applicable for all employees. This opportunity could be grasped via following tools:

- Specification of needs of the organization, related to characteristics of potential employee. The specification could be standardized for various working positions, e. g. via creation of position descriptions, competence models in other words. Competence models are modern tool for personal management and planning. The praxis of the Czech organizations is unfortunately rather lagging in this regard. For manufacturing industry, the issue is relevant, bringing significant potential benefits in personal area. If the selection of

employees would be based on competence models, it would eliminate hiring of incompetent employees and increase the quality of workforce in the organization.

- Strengthening of professional approach to selection process and improvement of cooperation with personal agencies. Standardization or formalization of selection process, e. g. via assessment activities or centres, professional interviews etc., could bring benefits considering employees' quality. Ex ante evaluation of potential employee by personal manager or manager of the organization (in case of smaller ones) is essential in this regard and is closely connected with utilization of abovementioned competence models. Cooperation with personal agencies is highly relevant issue for the Czech manufacturing industry organization. Considering this, creation of portfolio of reliable and high-quality personal agencies to cooperate with seems to be advantageous. These agencies play role of evaluator and selector of high-quality employees for organization itself.
- Building and empowering of housing and boarding infrastructure for foreign employees. These capacities are essential for intake and fluent adaptation of foreign employees who are usually without suitable background and possibilities. Of course, the capacities can be used by all employees of the organization, not only foreigners. Nevertheless, relatively high initial costs of such solution, it could bring significant benefits in future. To make the issue more favourable, it is possible to share the capacities with other organizations clustered in the region.

## 5. Conclusion

Presented issue of foreigners' employment is important for many national and regional economies, considering globalized world of today. Foreign employees represent significant part of workforce in various sectors, the Czech industry sector is one of them. Purpose of our paper was to introduce basic background of foreign employees' issue, situation of the Czech manufacturing industry, and to introduce recommendations for foreigners' employment in organizations of this industry. Recommendations are based primarily on realized interviews with managers of manufacturing industry organizations and on professional experience of the authors.

Considering our findings, it is relevant to anticipate future increase of importance of foreign employees for the Czech manufacturing industry. Managerial praxis and experience on the other hand is not fully ready to this trend. Many organizations or their managers do not distinguish between native and foreign employees, don't know how to approach foreign employees or utilize inappropriate managerial techniques. Because of this, potential benefits and opportunities of foreigners' employment are not fully exploited. Our recommendations are related to foreign employees' adaptation, fight against stereotypes and negative attitudes to foreigners, development of competencies and building and increasing of organizational capacities.

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