Research Article

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Face-to-Display Workforce: Forfeiting Pay Cuts in Favour of Flexibility

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Abstract

The coronavirus pandemic has highlighted the urgency of addressing flexibility in the workplace. Many employees are still undecided about whether to stay in their office premises or to work from home, as well as about the effect of their choice on income. In other words, would their flexibility in selecting their workplaces affect it? How would they react, if it is accompanied by a pay cut? Is working from home without any cuts the dream of employees? Our paper analyses the opinions of e-employees in three countries: Austria, the Czech Republic and Slovakia. Six hundred face-to-display employees participated in our research. The quantitative study was conducted with the aim of analysing their responses, examining who would like to benefit from flexibility accompanied with his/her reduced salary and what that would mean for the future. The data indicate that Austrian e-employees are much more open to salary cuts than those in the Czech Republic and Slovakia. The results also show that a higher age correlates positively with employees’ readiness to accept pay cuts. Similarly, the smaller the cut, the higher the readiness to accept it. The gender comparison shows that Czech and Slovak male breadwinners agree statistically more frequently ready to accept a reduction of their wages than women of the same nationality do.

Keywords: Face-to-display working model, pay cut, Austria, the Czech Republic and Slovakia

1. Introduction

The COVID-19 pandemic demonstrated the change of human relationships with modern technology and the dependence of humans on the face-to-display world as a return of human/technology
interaction. Compensation is the key element for employees and, often, the greatest operating cost for employers (Gerhart & Rynes, 2003). Work flexibility provides the workforce with a balance between professional and personal lives by increasing job satisfaction and high performance (Davidescu et al., 2020). Simply, this means having various flexible work schedules (their own choices as to when, where, and how they engage in the working process) for better managing their work and personal lives. This raises the question of whether flexibility and productivity can be balanced. As a result of this, employees perform their tasks more efficiently and effectively outside the office premises (Beno & Hvorecky, 2021).

The various kinds of flexibility can be found by considering the actual work practices of employees, namely flexibility of time, flexibility of place, flexibility of contract (Wallace, 2003) and income flexibility. There is a global increase in adopting flexible workplace models that keep costs low and raise productivity while ensuring workforce safety. Since the crisis, more and more people all around the world have begun to discuss the status quo of flexibility, work-life balance and the four-day week (Gilmore, 2019; NEF, 2020; Tiwari, 2022; Weforum, 2020).

The trend between the cubicle and the move toward flexibility has intensified. Some employers seem to think that cubicles are the trend (FutureForumPulse, 2021). For example, a recent study examined a four-day-workweek (Beno et al., 2022). Nevertheless, other research suggests that a growing number of employees think the trend is toward the work-from-home experience (CBR, 2021). Both employers and employees are touting the benefits of flexibility or highlighting obstacles. Bal and Izak (2020) explain flexibility as a sine qua non condition of the current workspace.

The study objective was to examine the degree of acceptance of flexibility with or without salary cuts by face-to-display workers in three selected countries (Austria, the Czech Republic and Slovakia) in January 2022. The sample consisted of 600 individuals. The group was identical to the one in (Beňo et al., 2022) but the research questions addressed different relationships:

- RQ1: Would face-to-display employees be willing to take a pay cut for workplace flexibility?
- RQ2: Would employees be willing to take a (small) pay cut for more workplace flexibility?

This paper consists of the following sections: definition of the face-to-display model and pay pitfalls, methodology, analysis of the data obtained, discussions and summary.

2. Face-to-Display Working Model and Pay Pitfalls

Flexibility is defined (Allen et al., 2013, p. 345) as a freedom “in terms of ‘where’ work is completed (often referred to as telecommuting or flexplace) and/or ‘when’ work is completed (often referred to as flextime or scheduling flexibility)”. Flexibility can be envisaged both on the psychological and the physical level (Bal & Izak, 2020, p. 38). Organisational, employee, employee flexibility, flexible work and flexible work arrangements refer to the types of flexibility (Bal & Izak, 2020).

Beňo et al. (2021) explain that the face-to-display environment is a key factor in moving out of cubicles into homes. This movement also includes the attribute of specifying when/where the e-workers remotely log on to their employer’s computer system. It represents a work arrangement alternative with employees acting from their homes or other locations (Beno, 2022, p. 31). Hybrid working then describes the format in which the face-to-display model is spread among various external locations as well as in traditional cubicles and factory spaces (Beno, 2021).

According to Richardson and Klein’s (2021) data, almost one fourth of workers (23%) take a pay cut. Based on Kossek et al. (2015), flexibility users may report a disappearance of pay increases. Flexibility represents a shift in the employer and employee relationship where employees attach great value to it. Occasionally, companies do not remember when pay cuts were made and working hours were reduced, and employees are still contacted during their days off (Kossek & Thompson, 2016). Workers (especially millennials) would be willing to take a pay cut in order to have more flexible working hours (EY, 2015; Priest & Jackson, 2016). Other research data demonstrate that workers in non-flexible jobs accept larger pay cuts for flexible scheduling (Mas & Pallais, 2017). According to the fifth annual State of Remote Work, almost 46% of workers in the US say they would take up to a 5%
pay cut to continue working remotely (OWLLabs, 2021). As claimed by Barrero et al. (2021), only one out of every 12 respondents views working from home for two or three days a week as a cost or a pay cut.

3. Methodology

To learn whether workplace flexibility is valued differently by diverse societies, research using a quantitative approach was conducted in three countries.

As we now live in a digital society (Lupton, 2015), the WhatsApp tool was used as our primary data collection instrument. It is simple, intuitive and easy to use (Mefolere, 2016). The presented study is a part of larger quantitative research. Its first outputs are published in (Beño et al., 2022). The respondents were recruited through snowball sampling (non-probability sampling technique) using existing social connections and word of mouth. Participation was open to individuals over the age of 18. Only face-to-display workers (two hundred from every participating country) were asked to respond. The communication with them was done using text messages and voice calls.

As also specified in (Beño et al., 2022), the questionnaire included three demographic variables (sex, age, and country of origin). All participants were informed about the aim of the investigation, with participation being entirely voluntary. Their anonymity has been respected. The descriptive statistics method was used to analyse and describe the basic features in developing results and drawing conclusions.

After achieving the total number of respondents from each country, further collection was stopped. Table 1 shows the number of females and males according to their age and country.

<table>
<thead>
<tr>
<th>Table 1: Gender and age range of face-to-display employees (N)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country</strong></td>
</tr>
<tr>
<td>--------------</td>
</tr>
<tr>
<td>Austria</td>
</tr>
<tr>
<td>Czech Republic</td>
</tr>
<tr>
<td>Slovakia</td>
</tr>
<tr>
<td><strong>Age (N)</strong></td>
</tr>
<tr>
<td>Austria</td>
</tr>
<tr>
<td>Czech Republic</td>
</tr>
<tr>
<td>Slovakia</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Fowler (1995, p. 2) highlights that "a good question is one that produces answers that are reliable and valid measures of something we want to describe." The following single-answer questions were asked of face-to-display respondents:

- Would you be prepared to take a pay cut with your current employer if you could have the option of working remotely? (Two options: Yes – No.)
- If so, how much would you take? (Five options for those responding Yes: 1-5%? 6-10%? 11-15%? 16-20%? 21-25%?)

4. Results

The main aim here is to analyse the data obtained and highlight the attitude towards flexibility among face-to-display workers at different Austrian, Czech and Slovak workplaces.

The pandemic forced employees to shift from their traditional ways of working to a face-to-display way of working. But access to face-to-display working is still not guaranteed in the surveyed countries (OECD, 2022a). In 2020, the proportion of e-workers in the surveyed countries grew up
quickly (Eurostat, 2022a). Based on these data, more women than men worked from home, which is in line with our findings in Table 1. This indirectly implies that organisations have a continuing interest in the flexible working environment (OECD, 2022a).

Notice that the formulation “If so, how much would you take?” gives to respondents the option of not replying. This option was chosen by 66 Austrian, 150 Czech and 158 Slovak employees. This corresponds to one third of Austrians not expecting any cuts compared to approximately three quarters of Czechs and Slovaks. This indicates that Austrian e-employees are much more open to salary cuts, than the members of the two other nationalities. A distribution of their responses indicates further substantial differences, as demonstrated in Table 2.

Table 2: Readiness to accept pay cuts by country and age

<table>
<thead>
<tr>
<th>Country</th>
<th>18-34</th>
<th>35-49</th>
<th>over 50</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Austria</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5%</td>
<td>22</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>6-10%</td>
<td>6</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>11-15%</td>
<td>5</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>16-20%</td>
<td>0</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>21-25%</td>
<td>0</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td><strong>Czech Republic</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5%</td>
<td>4</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>6-10%</td>
<td>0</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>11-15%</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>16-20%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>21-25%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Slovakia</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5%</td>
<td>4</td>
<td>17</td>
<td>21</td>
</tr>
<tr>
<td>6-10%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>11-15%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>16-20%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>21-25%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The table contains only the results of those who are prepared to accept a pay cut (and shows its presumed maximum range). There are two interesting outcomes based on the figures observable in all countries:

1. **The higher the age, the greater the readiness to accept a cut.** This conclusion has no exceptions.
2. **The smaller the cut, the greater the readiness to accept it.** In this case, the proportions between the (hypothetical) cuts are not identical. While Austrians (with the exception of the youngest) are ready to accept any of the cut options offered, Czechs are not ready to go above 10%. Slovaks reject all cuts higher than 5%.

The data confirm the earlier results showing the finding the right compensation scheme for a firm’s workers is an intricate challenge for management (Krueger, 2019, p. 2). In recent periods, all three countries exhibited many of the same trends in terms of face-to-display working environment. Accordingly, we first tested the differences of opinion on pay cuts in terms of gender. Combining the data of the three surveyed countries, we identify statistically significant differences between men and women in terms of pay cuts ($\chi^2 = 14.722$, $p = 0.012 <0.05$) in the Czech Republic and Slovakia, in particular, the statistically significant difference between men and women in terms of a pay cut in the Czech Republic ($\chi^2 = 6.11$, $p = 0.047 <0.05$). Czech male breadwinners are statistically significantly more likely to agree to a 1%–5% wage cut, while Czech women are statistically significantly opposed to a wage cut. According to Cramer’s association coefficient, the dependence is weak. A similar trend was detected in Slovakia. There is also a statistically significant difference between men and women.
in terms of a wage reduction ($\chi^2 = 6.76, p = 0.009 <0.05$). Slovak male breadwinners more often agree to a reduction in wages of 1%-5% and Slovak women are statistically significantly opposed to wage reductions. According to Cramer’s association coefficient, the dependence is weak.

Further analysis of the difference in opinion on a pay cut according to country of origin showed a statistically significant difference ($\chi^2 = 172.91, p = 0.381 <0.05$). Austrians would be willing to take a pay cut (1% to 15%) for the flexibility to work remotely, instead of being required to return to the office. This raises the question of whether there are some factors that influence their decision. A possible explanation is the Austrians’ high median income earning in euros (€) in 2020 (Eurostat, 2022b). In the Czech Republic and Slovakia, the proportion of median income earning in 2020 was below the average of the EU27 rate (Eurostat, 2022b). The higher Austrian Quality of Life Index compared to those of the Czech Republic and Slovakia suggests additional reasonable interpretations of the differences (Numbeo, 2022).

5. Discussion

Since the COVID-19 pandemic, workplaces have fundamentally changed. The flexibility trends between cubicle-based and home-based work seem to be more employee driven now (Burrows et al., 2022; Samek Ludovici et al., 2021). Our research analysis of to what degree employees are ready to start bargaining over selecting the workplace opens further questions: Can the employer apply salary cuts as a type of compensation? Is work from home with such cuts a dream or a reality?

Based on Maslow’s hierarchy of needs (Maslow, 1943), some workforce needs are fulfilled right at the workplace. In this study, salary (cuts) and flexibility have been juxtaposed. In principle, stability of salary belongs among security and safety needs whilst flexibility falls under esteem needs, because it is present only when the appreciation and respect to the employee are provided (Uysal et al., 2017). The former is second from the bottom while the latter is second from the top in Maslow’s hierarchy of needs. The need for financial security is a matter of putting into operation the need for security that holds true for many, but not all, people (Desmet & Fokkinga, 2020). To learn more about their interconnection in the considered countries, we asked our respondents to what degree they were prepared to sacrifice their basic needs for more advanced needs. Our results demonstrate substantial differences between the countries. Austrians are most prepared to do so, followed by Czechs; Slovaks are at the end of this virtual queue. According to Hofstede’s cultural dimension (1983), individualistic countries prefer individual variable compensation and collectivistic countries favour variable compensation. Based on this assumption and the scores for both countries on this dimension, Austrians and Slovaks should prefer a group compensation model and Czechs an individual compensation model. In this respect, the results from this study indicate that all countries prefer having the individual form of a pay cut. As Hitka et al. (2021) indicate, Slovaks are strongly motivated by finance.

At the same time, the comparisons indicate that the positions of Czechs and Slovaks are closer to each other than to that of the Austrians. A glance at their Hofstede dimensions shows just one similarity – in indulgence. Here, Austria has 63, while the Czech Republic and Slovakia stand on 29 and 28 respectively (Hofstede-Insights.com, 2022). This factor still deserves a deeper investigation and analysis.

There are also differences between other groups. Howell et al.’s (2013) findings demonstrate that when the economic standing of older adults rises, their individual financial security does too; this in turn increases overall life satisfaction and the ability to reach out for more abstract values. The data obtained in this study corroborates the finding that the higher the age, the greater the readiness to accept a pay cut and, conversely, the smaller the cut, the higher the readiness to accept it. It is in the vein of Layard’s statement (2022, p. 11) that we all have a part to play in this happiness revolution. The current study found that Austrian e-employees are much more open to salary cuts than Czech and Slovak e-employees are. These data can be taken to be supporting the happiness score of the surveyed countries (Worldpopulationreview, 2022) and the work-life balance OECD Index (OECD,
to a certain extent. Employees’ biggest stress addresses maintaining their work-life balance (Bencsik et al., 2020).

Mas and Pallais (2017) show that an average worker is willing to give up 20% of wages to avoid a schedule set by an employer on short notice, and 8% for the option to work from home. Our findings demonstrate that Austrians (with the exception of the youngest) are prepared to accept all the pay cut options offered, Czechs are not ready to go above 10% and Slovaks reject all cuts higher than 5%. The present findings seem to be consistent with other research which found that 46% would take a pay cut of up to 5%, 40% would take a pay cut of up to 10% and 37% would take a pay cut of over 10% (OWL Labs, 2021). Another study shows that 65% of an American e-workforce was willing to take a 5% reduction to stay at home (Fleisher, 2021).

Some income inequality has grown in nearly all countries (Chancel et al., 2021), with different negative consequences. This is confirmed by the data presented in this study where age and gender play an essential part in accepting the pay cut. Our results show that the smaller the cut, the greater the readiness to accept it. As it could be expected, male Czech and Slovak breadwinners agree statistically significantly more often to a reduction in wages than women do. This outcome is in a good correspondence with Mas and Pallais (2017, p. 3752) saying that neither men nor women are willing to pay much for flexibility in their schedules.

6. Conclusion

This study provides clear-cut evidence of the impact of pay cuts on e-employees from three different countries. In addition, the paper provides a novel direct comparison of the acceptance of pay cuts among different members of the e-workforce. Still, its conclusions deserve a deeper analysis due to the fact that, as a result of the selection method, the population sample is not entirely random. So, the results should be considered as having a specific orientation. At the same time, because of our orientation toward a specific working group (e-workers), it would be extremely difficult to state what a “random sample” looks like.

As it has been demonstrated, there are significant differences in employees’ preferences. The data obtained in responses to our research questions show there are substantial variations in their views.

(i) RQ1: Would face-to-display employees be willing to take a pay cut for workplace flexibility?
At this point, it can be concluded that Austrian managers are more prepared to bargain over their e-employees’ pay cuts than their Czech and Slovak counterparts. Nevertheless, all of them have to be cautious in their approach as to how much they wish to reduce the salaries of their younger staff and/or women.

(ii) RQ2: Would employees be willing to take a (slight) pay cut for more workplace flexibility?
Some are willing to take a pay cut in exchange for a better schedule, but many are not. The higher the age, the greater the readiness to accept a pay cut. The smaller the pay cut, the higher the readiness to accept it.

Notice that our study covers three neighbouring countries and the answers differ considerably from country to country. Further investigation among a larger group of countries is necessary in order to draw definite conclusions concerning this issue, because managers in certain regions could obtain ideas about how to organise their activities in turbulent times. As we see, circumstances are constantly changing: the COVID-19 epidemic has not stopped yet, a war has started in Ukraine. Who knows what else will happen next?

Employers and employees will have to rethink their salary policies and become flexible in their new or continuing careers. This means there is an additional reason to prevent our outcomes from being taken as final and to require us to verify them repeatedly because the pay cuts will directly impact everyone’s financial situation and, conversely, the state of the organisation’s financial affairs will affect individuals’ welfare. Also, in working environments there are other trade-offs that have to be studied, for example the relation between the salary and the length of the working week.
References


