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*Employees and volunteers’ motivation in local communities*

**Keywords:** employees, volunteers’ motivation, local communities

Staff and volunteers motivation - the supporters of local communities in relation to the job and trade is in a very difficult position. The biggest problem is the unclear definition of the employees and volunteers status in local communities associations. An employee performs work in local community associations, entire to obtain remuneration, ie. wage. Volunteer work in local community associations is carried out without any financial reward in his spare time. Employees and volunteers motivation is very important and plays an important role in achieving the local community objectives.

In local community associations labour market can be defined as the place where employer demand meets available potential employees and volunteers, where employees and volunteers offer their skills and knowledge on the job market, ie. work. The employer offers his permises and capital. Bringing together supply and demand on both sides there is a space providing funds, time manpower recovery to create goods and services that may be offered to its members.

Industrial relations between workers and employers are strictly defined by law. In the profit sector the relationship is governed by the law. In local communities associations there comes in an important factor which makes
The employee the volunteer (simultaneously) at the same time. From this point of view there is a specific funding system, motivation and assessment of staff and volunteer work. There comes in a specific situation when the employee performs part of his work for the financial compensation eligible for remuneration and part of his work he performs as the volunteer for non-financial - moral benefits. Already existed situation requires from the management point of view a new system for motivation, remuneration and staff funding in relation to the employer and it also provides a new space for communication in this area. That's why there's going to be created a new area for possibilities how to motivate and ethically remunerate staff and volunteers for their involvement and participation in organizations.

In the Act No. 311/201 Coll. Labour Code Section 7 there is defined the term “employer” and in Section 11 there is defined the term “employee”. An employer shall be a legal or natural person employing at least one natural person in labour relations and, if so specified by a special regulation, also in similar labour relations [Zákony III/2010, 2010: 7]. Employee means a natural person who in labour relations and, if specified by special regulation, in similar labour relations, performs dependent work for the employer [Zákony III/2010 : 8].

Through work man must earn his daily bread and contribute to the continual advance of science and technology and above all to elevate unceasingly the cultural and moral level of the society where he lives in community with those who belong to the same family. And work means any activity by man, whether manual or intellectual, whatever its nature or circumstances; it means any human activity that can and must be recognized as work, in the centre of many activities which man is capable of and to which he is predisposed by his very nature, by virtue of humanity itself [Jan Pavol II, 1983].

The market situation defines the position of employers and employees by laws. The labour market is very sensitive to any internal and external influences. These effects are significantly influenced by political decisions coming on the market via laws. During decades, there has been built a
great distrust of mutual relationship among the employer and the employees. We have to submit that this distrust has significantly affected the results and the character of work.

In the employer organizations there has dominated the opinion that the employees have used property, information and organizations material for their private enrichment. On the other hand the employees have perceived, their employers as those who haven’t given them sufficient wages for their work which they did and that’s why in many cases they require above standard social program in the organization. Over time, status and conditions for both sides has been changed. It has been mostly influenced by political decisions which directly influence both sides—employers and employees. There must exist important and clear rules for both sides on the labour market. These rules are conditioned by correct information and mutual trust and respect.

In the market economy the employee is a worker who provides his knowledge, skills, and experience, which means he provides his work to his employer for fixed marked price. The employer buys the "work" from the employee in order to evaluate his holdings and also to be able to generate his profit. Employee labour cost has been varied in relation to character of the work, time consuming level of education, practical experience and skills of the employee. Price for employee effort is called wage. According to Act No. 311/2001 Coll. Labour Code: Employees shall have the right to wages for executed work, to the ensurance of safety and protection of health at work, to rest and recovery after work. Employers shall be obliged to provide employees with wages and to create working conditions allowing employees the performance of work according to their skills and knowledge, the advancement of creative initiative and deepening of qualifications. Employees and employers shall be obliged to a proper discharge of their obligations arising from labour relations [Zákony III/2010: 5].

The labour cost of the employee includes basic labour official, contractual wage. The basic wage may be time or task. Time wage is defined by time and task wage is defined by individual tasks. In addition to basic wag-
Motivation by rewards

Staff motivation by wage rewards may be fixed in the employment contract or in the collective agreement or in internal organisation regulations. Rewards are paid according to the employer instruction and make an important part of employee motivation. The employer can motivate his employees to better job performance which may have direct and indirect share in creating the employer profit by means of rewards. An organization can motivate their employees either volunteers who are actively involved in public activities or in local associations.

Generally rewards can be divided into six basic categories:

1st According to the forms:
   a) Monetary
   b) Non-monetary

2nd Depending on the nature:
   a) Linked to the nature of work
   b) Linked not to the nature of work

3rd According to the time period:
   a) Single
   b) Regular (weekly, monthly, quarterly, half yearly, yearly)
   c) Extra
   d) Special

4th According to the assessment:
   a) Personal assessment
   b) Assessment based on performance
   c) Assessment of results
   d) Assessment based on time duration
   e) Assessment based on the quality of work

5th Remuneration according to share:
f) Share in economy  
g) Share in property  
h) Share in activities  
i) Share in sales revenues from customers  
j) Share in contracts  
k) Share in incomes  
l) Non defined share  

6th Others:  
 a) Bonuses (for overtime, for work under difficult conditions, for night work, for work on holidays, for work on Saturdays or Sundays and others)  
b) Contributions  
c) Premiums (monthly, quarterly, half yearly, yearly, premiums in anniversary, premiums from reserves and others)  
d) Other benefits.

**Tax on income from dependent activity**

Income from dependent activity is specified in Act No. 595/2003 Coll. On income tax, as amended, where income from dependent activity is defined in Section 5 subsection 1a as income derived from an existing or a former employment, service, public office, or memberships, or a similar relationship, in which the taxable party performing his/her work for the payer of the income must follow the orders or instructions of such a payer. This category shall also include any income for the work of pupils and students during their practical training [Zákony I/2010: 109].

Income tax is a tax on income which the recipient is not able to shift. There is no one to whom the tax could be shifted, certainly not on the employer who always receives a long period uniform interest long period rate. In fact, vice versa, there are indirect taxes on wages, which are transferred to the recipient in the form of lower income from wages. As an example might be the part of the social "insurance" or contributions for unemployment benefits, which are imposed on the employer. Most employees believe, that this part of the tax, which the employer pays, doesn't con-
cern them. This is completely invalid. As we have seen, the employee cannot shift the tax forward on consumers. Because it is levied in proportion to the payed wages, the tax is indeed moved back to a salaried employee. The amount paid by the employee is the tax which is levied at the expense of the net salary of the employee [Rothbard, 1956: 201-202].

The tax allowances are set up in Section 11 of Act No. 595/2003 Coll. On income tax, as amended. Tax allowances are defined as the part of the employees‘ wages which are tax free. Tax allowances are defined in subsection 2 of this Act as follows [Zákony I/2010: 116 – 117]:

if, in the respective tax period, a taxable party reaches a tax base which
a) is equal to or lower than 100 times the applicable subsistence minimum, the yearly tax allowance for the taxable party shall be an amount corresponding to 19.2 times the applicable subsistence minimum,

b) is higher than 100 times the applicable subsistence minimum, the yearly tax allowance for the taxable party shall be the amount corresponding to the difference between 44.2 times the applicable subsistence minimum and one quarter of the tax base; if this amount is less than zero, the yearly tax allowance for the taxable party shall be zero.

**Taxation and its effect on employees**

Taxation system takes from employees and gives it to others. Any tax increase increases the amount of resources, incomes and usually it also increases the number of people living from the work of employees. There is the production base decrease from which these people take out their livelihood. There is a limit behind which no load can be carried. This restriction results in a reduction of motivation can be brought by tax. The more the tax is levied on taxpayers, the lower is marginal benefit of their work. As soon as reward for the work is reduced, the bigger is marginal benefit of expendable time. Concurrently this is the greater motivation to move from position of taxpayers who bear the burden of tax into consumer tax group as the recipient of state subsidies. People will take more free
time and will try harder to become members of the privileged groups of tax consumers.

In market economy net wage is made up by salaries, interest, rent and earthly gains. If taxes impact the income from these sources, efforts raise revenue will fall down. Under the prospect of taxing of wages, employees will be less motivated to work hard. Those ones whose interest or profit will be taxed, will consume more, rather than save or invest. Landowner who rents will be taxed by government and will be less motivated to attempt to use different parts of land as efficiently as possible. It can be stated that if any additional punishments exist in any human activity, usually the man will stop doing it. In some cases, people can begin to work more intensively to compensate the suffered damage. In this case, it is important to bear in mind the lost of "free time" which is a valuable consumer goods for the man. He will have less free time. Harder work from which the part of the revenue is taken away, represents a situation in which triumph the people who live from the work of staff and now they can get more from selected taxes. As the resultt of it, the workers' standard of living will decrease.

Income tax taxes earnings from investments represents threat for savings and investments by reducing return on investment below the level which is determined by time preferences of market. Lower net interest purchase leads employees to adjust the ratio of savings and investments according to earnings in new situation. Simply said, marginal savings and investments made in higher yields are now lower than the evaluation of consumption, which therefore fails. There is another reason behalf which the income tax will affect savings and investments rather than consumption. Employees believe that if the income tax confiscates a certain part of their earnings and they can decide about allocation of the remaining difference between consumption and investments. Since the time preferences have not changed, income tax will not affect the amount of consumption in relation to savings and investments. So it is not. Real earnings of taxpayer
were reduced because of taxes payment decrease. the fair value of its cash assets.

The lower is level of real asset money of the employee, the higher is rate of time preference and the higher is ratio of consumption spendings to capital expenditure.

**Insurance payments - an employment relationship under an employment contract**

In addition, taxes are made by payroll deductions and insurance charges. This is a premium to social insurance and levies to health insurance. These levies are paid by the employer and the employee defined by statutory rate. Levies to Social insurance company is imposed by Act No 461/2003 Coll. Social Insurance, which governs the scope of social insurance, legal affairs in the implementation of social insurance organization and financing of social insurance, state supervision over the implementation of social insurance and proceedings in matters of social insurance. It also provides selection, registration and transfer of levies to superannuation.

Social insurance according to Section 2 of this Law is [Zákony III/2010: 146]:

a) sickness insurance as insurance in case of loss or decrease of income from gainful activities and to make sure for an income due to temporary incapacity for work, pregnancy and maternity,

b) pension insurance, particularly

1. old-age insurance as insurance to make sure for an income in old age and in case of demise,

2. disability insurance as insurance in case of decrease in ability to carry out gainful activities due to long-term adverse health condition of insuree and in case of demise,

c) accident insurance as insurance in case of damaging to health or demise due to a working accident, service accident (hereinafter referred to only as „working accident“) and occupational disease,
d) guarantee insurance as insurance in case of insolvency of employer to meet claims of employee,

e) unemployment insurance as insurance in case of losing income of employee’s activities due to unemployment and to make sure for an income due to unemployment.

Health insurance is governed by Act no. 580/2004 Coll. on health insurance and amending Act no. 95/2002 Coll. the insurance and amending certain laws. The subject matter of this Act pursuant to Section 1 is health insurance, the legal affairs arising in the health insurance premiums and the disbursement of public health insurance [Zákony III/2010: 296]. Health insurance is [Zákony III/2010: 146]:

a) compulsory health insurance and voluntary health insurance, which is provided to policyholders under the terms of this Act and health care services related to providing health care under the terms of a specific act,

b) private health insurance, pursuant to health care is provided to policyholders in the range defined in contract under the terms of a specific act.

Implementation of public health insurance is defined in Section 2 subsection 2 of this Act as the activity in the public interest, which manages public funds. Public health insurance is provided by health insurance companies under the terms of a specific act [Zákony III/2010: 146]. The employer and the employee pay monthly levies to health insurance company in which the employee is insured.

Employee’s labour cost for work which he has done is not the only amount of the financial reward which he has received from his employer. It is a complicated system, clearly determined and precisely imposed by laws which cannot be influenced neither by the employee and by the employer.

Laws are dependent on political will. They can be affected only in the parliamentary elections or in referendum.
## Overview of levies to social and health insurance companies in Slovakia

<table>
<thead>
<tr>
<th>Overview of levies</th>
<th>Employer</th>
<th>Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public health insurance</td>
<td>advances - 10% from the employee’s earnings in the month</td>
<td>advances - 4% from the employee’s earnings in the month</td>
</tr>
<tr>
<td>Health insurance</td>
<td>1.4% from the employee’s salary base</td>
<td>1.4% from the salary base</td>
</tr>
<tr>
<td>Retirement pension</td>
<td>14% from the employee’s salary base</td>
<td>4% from salary base</td>
</tr>
<tr>
<td>Individual pension</td>
<td>3% from the employee’s salary base</td>
<td>3% from salary base</td>
</tr>
<tr>
<td>Accident insurance</td>
<td>0.8% from the employee’s salary base</td>
<td>does not pay</td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>1% from the salary base</td>
<td>1% from salary base</td>
</tr>
<tr>
<td>Guarantee insurance</td>
<td>0.25% from the employee’s salary base</td>
<td>does not pay</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td>4.75% from the employee’s salary base</td>
<td>does not pay</td>
</tr>
<tr>
<td>Total</td>
<td>35.20%</td>
<td>13.40%</td>
</tr>
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</table>

Source: Charges of insurance 01 07th 2010, Annex monthly ADVISERS.

### Volunteer work opportunities

In the labour market we often face up high unemployment. Unemployed person finds himself in an indisposed living situation. There are short term and long-term unemployed people. Short term unemployed people may be defined as people who are out of work for less than one year. Long-term unemployed people are those who are unemployed for more than one year. The long-term unemployed people mean a high loss risk of working habits. Long-term isolation from work or prolonged dependence on public
or private support threaten freedom and creativity of the human person and his family and social relationships and cause great suffering in psychological and spiritual plane. The first principal which has to be protected and to be valued is the man and his integrity: Because the man is the creator and the center and the object of economic and social life [Benedikt XVI., 2009: 34].

The work of volunteers and supporters in local community organizations is very important and irreplaceable. Unemployed people as volunteers, who work without any financial reward can obtain far more that they can give. Although they receive no remuneration, they can invest in themselves, which means that this is their largest investment. As the volunteers, they do not loose their working habits, they are in permanent contact with people, improve their knowledge and skills acquired during the period of employment. The most important fact is that they stay optimistic and mainly they do not loose their creativity. During this period family and social relationships are often strengthened. In organizations where their work is proved to be necessary and beneficial this fact can lead to their employment. But this will require ongoing work on their personalities and responsible attitude for volunteering.

Classification of volunteers:

a) Permanent volunteer - regularly participates in activities and projects of civic associations, where in his free time he makes available his resources, to be used to achieve a predetermined goal. A volunteer works without financial and material reward. The experience, skills, knowledge, and new personal contacts are the indirect remuneration for him.

b) Occasional volunteer - at least two times a year, is actively involved in projects and activities of civic associations, where in his spare time he makes available his resources, to be used to achieve a predetermined goal. A volunteer works without financial and material reward. Unquestionable aspect is the indirect remuneration in the experience, skills, knowledge, communication skills and new contacts.
c) Possible volunteer - is more than 30 years, is passively engaged in activities and projects of the Association, where he spends his free time and perceives the work of members, experts, professionals and volunteers.

d) Potential volunteer - a person who is partially involved in short-term activities and projects of the Association, where he learns how to use his free time effectively and to develop his knowledge, skills and talent.

e) Youth volunteer – is a person who is at least 15 years old, not older than 30 years and with respectable character. If a volunteer has not attained the age of 18 years, guardian consent is required to perform voluntary service [Zákon č. 282/2008 Z. z., 2008].

Volunteering as such offers many opportunities for people self-realization and brings them profit that can not be quantified or measured. Volunteering teaches people how to engage in public affairs and how to participate in the life of local communities.

In local community associations all people must realize that the success of the organization depends on their cooperation. There is a need to create conditions that will be benefit for all. The specific features of the labour market are given by the fact that the the worker is not only the supplier of the production labour factor and it is not possible to separate the worker as the human from his job performance. For the worker is important what kind of work he performes, which he is able to perform, the place where he works and in what kind of conditions and under which circumstances he Works [Mises, 1949: 559]. Here it is necessary to set objectives of the organization in order to respect the man as the bearer of the work and it is also necessary that staff has made every effort to ensure that the organization has benefited. Because from the point of sense and faith, work does not humble the man, but it dignifies him to earn his living honestly. Inappropriate for the man is abusing him as a thing to get rich, disregard him more than the value of his muscles and forces [Lev XIII., 1891]. That is why it is important to make an effort on labour market to function and relationship among the employer, the employee and the volunteer to be “healthy“. Although the rules are clearly defined by law, success of the organization
depends on mutual trust, willingness and cooperation of employers with employees and volunteers, and vice versa.

Here is the space for all people who care about healthy labour relations whose human attitude will help to fulfill the organization goals and also will motivate and encourage themselves to personal growth, cooperation and responsibility for their organization and its culture. If we want our society to grow and to develop, we must help each other to improve our mutual responsibility.