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## The proposal for the procedure of implementation of the concept of freedom at work into the business management system

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Zarządzanie. Teoria i Praktyka nr 2 (20), 23-29

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2017

Artykuł został opracowany do udostępnienia w internecie przez Muzeum Historii Polski w ramach prac podejmowanych na rzecz zapewnienia otwartego, powszechnego i trwałego dostępu do polskiego dorobku naukowego i kulturalnego. Artykuł jest umieszczony w kolekcji cyfrowej [bazhum.muzhp.pl](http://bazhum.muzhp.pl), gromadzącej zawartość polskich czasopism humanistycznych i społecznych.

Tekst jest udostępniony do wykorzystania w ramach dozwolonego użytku.

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Zarządzanie. Teoria i Praktyka 20 (2) 2017

ISSN 2081-1586

e-ISSN 2449-9730

str. 23-29

# THE PROPOSAL FOR THE PROCEDURE OF IMPLEMENTATION OF THE CONCEPT OF FREEDOM AT WORK INTO THE BUSINESS MANAGEMENT SYSTEM / Propozycja procedury wdrażania koncepcji wolności w pracy do systemu zarządzania przedsiębiorstwem

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### STRESZCZENIE

Istota pojęcia wolności w pracy wynika z możliwości pracy pracowników w środowisku, w którym mogą oni wykorzystać swój potencjał i kreatywność, uczestniczyć w rozwoju firmy i osiągać cele zgodne z celami przedsiębiorstwa. Niniejszy artykuł przedstawia wnioski dotyczące procedury wdrażania koncepcji wolności w pracy, do systemu zarządzania przedsiębiorstwem. Podstawą wnioskowania jest teoretyczna wiedza na ten temat, a także wyniki badań pierwotnych.

**SŁOWA KLUCZOWE:** WOLNOŚĆ; WOLNOŚĆ W PRACY; ZARZĄDZANIE ZASOBAMI LUDZKIMI; WDROŻENIE Koncepcji WOLNOŚCI W PRACY.

JEL CLASSIFICATION: M14, J24

### ABSTRACT

The essence of the concept of freedom at the work derives from the possibility for employees to work in an environment in which they can fulfill their potential and creativity, participate on the progress of the company and through the achievement of their objectives to meet the company's objectives. The aim of this paper is to present the proposal for the procedure for implementation of the concept of freedom at work into the business management system. The proposal is based on theoretical knowledge of the issue, as well as the outcomes of primary research.

**KEY WORDS:** FREEDOM; FREEDOM AT WORK; HUMAN RESOURCES MANAGEMENT; IMPLEMENTATION OF THE CONCEPT THE FREEDOM AT WORK.

## INTRODUCTION

Freedom at work is characterized by a corporate culture in which employees have the opportunity to engage in decision-making process about business operations. Freedom at work is an opportunity for employees to behave freely but with a high degree of responsibility and personal self-discipline. It is a way of work organization based on trust and transparency, in which employees have enough freedom to do their job at their own discretion and they are responsible for the results of their work.

Freedom at work is associated mainly with responsibility. Responsibility of workers to accept this commitment.

Geropp (2014: 198) points out that if employees have commitment to behave responsibly, they have to know in what their responsibility is. They have to see the sense of their work, sense of the whole company in which they work. Just so they can contribute to fulfill the vision of the business. If the vision of the company is clear, employees are able to identify with it and they are more proactive in their work tasks.

The aim of this paper is to present the proposal for the procedure for implementation of the concept of freedom at work into the business management system. The proposal is based on theoretical knowledge of the issue, as well as the outcomes of primary research.

## 1. THE THEORETICAL BASIS OF FREEDOM AT WORK

Freedom at work does not mean go to work and do nothing. Freedom activates and motivates people to engagement, initiative and higher productivity (Rolková, 2013: 51). Wilson (2009) emphasizes that successful companies prefer committed employees who are responsible and productive because they feel participation in the management of the company and they are proud of their work. Employees satisfied with the work environment and self-development are willing to accept work tasks and requirements from superiors (Marasová, 2008: 63).

A key precondition to enable companies to operate on the principles of freedom at work is the belief that employees are adults, who are able to make decisions about their work, as well as about the functioning of the company as a whole. People who know how at work responsibly deal with entrusted freedom (Kováčik, 2012). Authors Carney and Getz (2011: 82) state that “freedom at work does not mean a hierarchy, but also it does not mean an anarchy”. Not everyone is willing to be free at work and at the same time responsible for his performance, tasks and decisions and the fulfillment of business goals.

According to Košturiak (2013: 19) “freedom is defined by people who work in the company and create their own system, their own culture in which they feel good”. He points out that employees in a free company environment are motivated primarily by the freedom, the sense of work and the effort to achieve something extraordinary.

Ankli and Palliam (2012: 8) define freedom and competences as essential aspects for the psychological growth of people. Koloc (2014) points to the feeling of freedom at work, as the option to choose what kind of job a person will perform, as well as when and where he or she will perform it. He says the feeling of freedom, as a growing priority for talented employees across different sectors and industries, is one of the key elements of self-fulfillment. Fričová (2012: 31) points to freedom as a key competitive advantage of the current business environment. The company acquires employees' ideas and loyalty by empowering the decision-making power of them, which leads to benefits not only for owners and managers. Satisfied employees are more committed and productive, which means higher profits for companies.

Table 1 summarizes the differences in access to employees in companies applying the concept of freedom at work compared to traditional business organizations.

**Table 1** Comparison of the company applying the concept of freedom at work with traditional company

Area	Company uses the freedom at work	Traditional company
<b>Business organization</b>	Decentralization, independent work in teams	Hierarchy, inflexible departments
<b>Employees</b>	Co-decision makers who define their goals and tasks by themselves	Employees with assigned tasks and goals
<b>Managers</b>	Supporters, who for employees create the conditions for their growth	The personalities that determine the direction of the company and the goals
<b>Motivation</b>	Achieving the vision of the company through the work that makes sense	Cash rewards for achieved goals and tasks
<b>Work discipline</b>	Responsibility, self-discipline	Standards, regulations, control
<b>Conflict resolution</b>	Synergy, value creation based on cooperation	Compromise, only one alternative is possible
<b>Communication</b>	Open communication, free flow of information, ideas, opinions	Formal work meetings and information system, concealing information
<b>Learning</b>	Employees define their own development, 360° feedback	Employee development plans, formal employee evaluation
<b>Control system</b>	Respect, moral and ethical principles, focus on shared results	Superiority / subordination, mistrust, top-down control, control of people and results
<b>Company culture</b>	Employees define and create work environment, trust	Culture defined by management, working environment full of standards
<b>Work load</b>	The employees choose their working time and place of work	Job descriptions, job specifications, work standards, exact working hours

Source: Own processing by Košturiak, 2013.

## 1.1 RESEARCH METHODOLOGY

Based on the theoretical knowledge and the data from the primary research, we proposed a procedure for the implementation of the concept of freedom at work into the management system of small and medium-sized companies. Before the primary research, we studied a large number of resources dealing with this topic. Our aim was to examine the issue of freedom at work in detail, so we have carried out the primary research in three phases.

In the first phase of the primary research we conducted a questionnaire survey on a representative sample of 349 business entities. The sample was representative by three

characters, by business size, by region, and by legal form. The realization of the primary questionnaire investigation ran from 13 October 2016 to 12 November 2016. For the purpose of defining the basic set, we contacted the Statistical Office of the Slovak Republic, which provided us with the current database of business entities consisting of a profit-oriented businesses with the number of employees 10 and more. Basic set consisted of 15799 businesses. In the questionnaire investigation we contacted by a random selection 4500 businesses. 349 respondents were involved in the questionnaire survey, who returned correctly completed questionnaire, which represents 7.76 percent return.

Respondents from all size classes of companies class were involved in the questionnaire survey. Most respondents involved in the questionnaire survey work in a small companies. It was 279 managers, followed by 57 respondents from medium companies and at least 13 respondents work in a large companies. Questionnaire survey was attended by respondents from six different legal forms of companies. To the questionnaire survey were involved 268 respondents working in a legal form company with limited liability, which represents 76,8% of all respondents. 38 respondents are active in a joint-stock company, 28 respondents act as self-employed and 11 respondents operate under the legal form of a cooperative. 2 respondents work in the limited partnership and 2 respondents work in the public company. Another identifying feature of the respondents' classification was the territorial aspect of the company's activity according to the individual regions of the Slovak Republic. Most respondents involved in the questionnaire survey operate in the Bratislava region. It was 90 respondents, representing 25,8% of all respondents. Representation of respondents from other regions of the Slovak Republic was approximately the same and ranges from 30 to 43 respondents per region.

In the second phase of the primary research, we conducted structured interviews with experts who deal with the issue of freedom at work. Our aim was to compare and verify the results of the questionnaire survey. We were successful in meeting this aim. We conducted structured interviews where respondents asked open questions about the concept of freedom at work. Five experts were involved in the survey, three of them working in Slovakia and the other two in the Czech Republic. They are managers and business owners who know the concept of freedom at work well because they actively use it at work, but they also have extensive theoretical knowledge about it.

In the third phase of the primary research, we analyzed the Slovak company which actively uses the concept of freedom at work. Our aim was to describe the functioning of the company applying the principles of freedom at work. We conducted a case study through a structured interview with the owner of Digital Nomads, who on the question of the reasons for setting up a company operating on the principles of freedom at work, replied that the concept of freedom at work was of great interest to him from the beginning because this idea is very close to him. In his view, the application of the concept of freedom at work in practice is logical, even thinking it should work in every company.

## **1.2 THE PROPOSAL FOR THE IMPLEMENTATION OF THE CONCEPT OF FREEDOM AT WORK**

For the implementation of the concept of freedom at work into practice, it is first necessary to identify and characterize the assumptions indispensable for the effective functioning of freedom at work. In the second step, it is important to define the requirements that the concept of freedom at work requires for effective application, and then, in the third step, it is possible to define the implementation process of the concept into practice. Drawing 1 shows the graphic display of assumptions, requirements and implementation of the concept of freedom at work into practice.

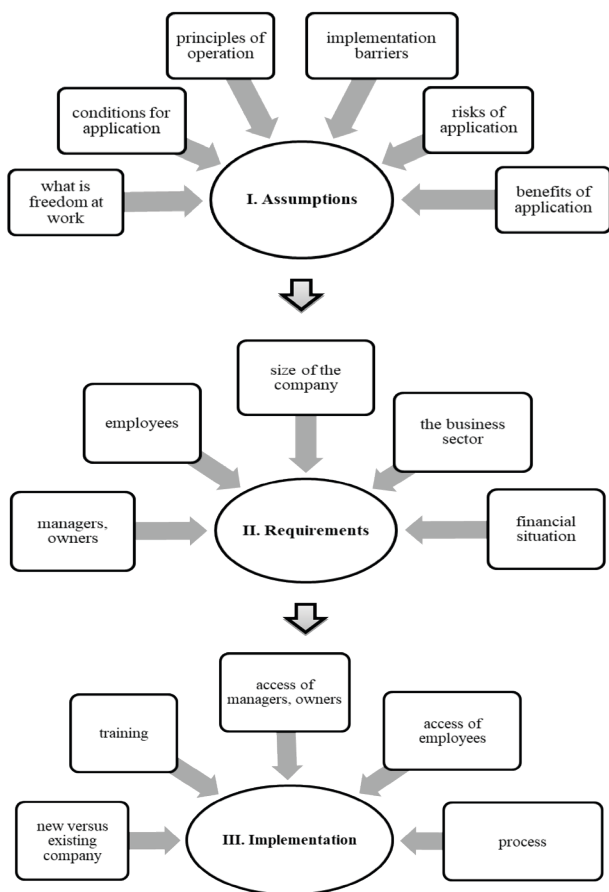
## **1.3 ASSUMPTIONS OF THE CONCEPT OF FREEDOM AT WORK**

When identifying the assumptions of the concept of freedom at work, we draw from the theoretical knowledge of the issue as well as from the outcomes of all three phases of primary research. After analyzing all the available data, we have divided the bases for the implementation of the concept of freedom at work into six areas, namely: defining the essence of the concept of freedom at work, assumptions of the application of the concept into practice, principles of the concept operation, implementation barriers and the risks and benefits associated with applying this concept.

Freedom at work is perceived as an opportunity for the employees to organize their working hours and work tasks at their own discretion. The assumption of this is to respect the company's rules. It is a style of work organization that uses the natural characteristics of the company's employees. Freedom at work represents the opportunity for employees to work in an environment where

they can fully exploit their potential, ideas and creativity, participate in the progress of the business, and thus achieve their own goals, which at the same time contribute to the achievement of corporate goals. Freedom at work is characterized by a corporate culture with high level of trust, personal responsibility and transparency, in which employees have the opportunity to engage in decision-making process about the business.

**Drawing 1** Assumptions, requirements and implementation of the concept of freedom at work into practice.



Source: Own processing.

The first condition for the implementation of the concept of freedom at work into corporate practice is a corporate culture in which employees can use their uniqueness, experiment with new ideas, use unconventional thinking and self-realization. Employee awareness, as a further prerequisite for implementation, means that employees know the meaning, vision and goals of the company and see the meaning of their work. The choice allows employees to choose their job tasks, place and time of work. An important prerequisite is communication with employees based on open, two-way communication, in which employees can freely express their opinions and

ideas. Another important prerequisite is the confidence of managers in the ability of employees. It is also important to use a participatory style of leadership in which employees can use their full potential and be creative, innovative and active at work. This is connected with the empowerment of employees which develops abilities, skills and self-confidence of employees, and helps employees to make decisions and perform their tasks faster and better. For freedom at work it is necessary to limit control because in a free company, employees are aware of their own discipline and responsibility. Independence and responsibility of employees reduces the need for bureaucratic control mechanisms. Employees in a free company have to dispose certain capabilities, they have to be able to communicate and collaborate, solve problems, they have to be able to learn, justify and evaluate. The last prerequisite for the implementation of the concept into practice is internal motivation of employees.

The first principle of the operation of the concept of freedom at work is the sense and vision when company and their employees know the reason for the existence of the company, they know visions and goals of company and share a common direction. Another principle is communication and dialogue that leads to new levels of interconnection and thinking. Transparency of information means that all information, such as the financial health of the company or strategies and goals, is shared with employees freely and openly.

Responsibility, as another principle, assumes that each employee is responsible for his behavior and decisions. Individuals understand the company's goals, they consider them as their own, and contribute to their achievement. Company encourages each employee to decide freely. Employees and company act as one entity, with common ethical and moral principles. Power is divided into all levels and parts of the company. Everyone gets feedback to learn from the past. Based on the results of our primary research, we add the following principles: teamwork, self-organization, flexible working time, support for education and career growth of employees.

The most significant barrier for the implementation of the concept of freedom at work in practice is considered the fact that employees are afraid and are not willing to take responsibility. Other barriers include fear of the unknown, managers' mistrust in the ability of their employees, time consuming, concealing information, authoritative style of leadership, inadequate skills of managers or employees, excessive preference of management control, and employee mistrust towards managers and owners.



The most significant risk associated with the application of the concept of freedom at work is considered a wrong perception of freedom by employees. These risks associated with the concept of freedom at work are: high demands on employees in the form of their high responsibility, loyalty and trust, the risk of abuse of entrusted competences into the hands of employees, the lack of trust in the ability of employees, the unwillingness of employees to take responsibility, the lack of communication in the workplace, a wrong perception of freedom by employers and risk of the reduction in employee performance.

In general, it is possible to identify as the most significant benefit of the application of the concept of freedom at work into practice a higher employee satisfaction. Freedom at work, however, also brings many other benefits, such as higher employee productivity, higher employee initiative and creativity, higher loyalty of employees towards the company, higher employee engagement, outstanding results, greater company competitiveness, healthy human relationships, better employee lives and better goodwill of the company.

#### **1.4 REQUIREMENTS FOR SUCCESSFUL IMPLEMENTATION OF THE CONCEPT OF FREEDOM AT WORK**

Based on the analyzed and processed data, we divided the requirements into five areas, namely requirements for managers and owners, requirements for employees, requirements for the size of the company, the business sector and the financial situation of the company.

The right choice of people, both employees and managers, is a necessary prerequisite for the effective working of the concept of freedom at work. Managers and owners of the companies should be able to create the conditions in which freedom can work. This means they have to trust other people, know how to listen and let others do their job the best they know. We define the requirements for managers and business owners as follows. They should communicate unwritten rules and build on equality when employees feel like people, not as resources. The tasks of managers is not give orders, but advice and inspire and encourage employees. An unavoidable requirement for managers is also to create working conditions in which employees can motivate themselves. Managers should listen to their employees and replace control according to precise standards and regulations by coordination, and provide employees with wider pos-

sibilities to check the aspects of their work. At the same time, they have to be willing to give up their power and create a space for employees to participate in management. This means that an important requirement for managers and owners is to create an atmosphere of trust, freedom and responsibility.

The most important requirement for employees working in a free business environment is to take a commitment of personal responsibility for their behavior and decisions, and to use self-regulation, self-control and self-discipline, and to know that no one will check them for compliance with deadlines, tasks or attendance. In a free company, it is necessary to respect the unwritten rules, to identify with the vision of the company and understand the business plan. Another requirement for employees is the willingness to communicate, listen and collaborate and thus contributing to the overall success of the company. Freedom at work places high demands on the professionalism and competence of employees, who have to be willing to work independently, responsibly, with the necessary qualities in the form of knowledge, skills, experience, and personality characteristics.

From the point of view of the requirements of size of the company, the business sector, or the financial structure of company, we have come to the conclusion that these aspects do not affect the functioning of the concept of freedom at work and therefore freedom at work can be applied in any company without distinction. In the questionnaire survey, we focused on small and medium-sized companies, but experts took into account also large companies. This conclusion is also supported by companies using the concept of freedom at work. Of course, every company has its own specifics that need to be respected, but if there are created suitable business conditions, freedom at work can work anywhere.

#### **1.5 IMPLEMENTATION PROCESS OF THE CONCEPT OF FREEDOM AT WORK**

For the implementation the concept of freedom at work into the business management system, we have identified five areas that need to be taken into account for the successful implementation of this concept into practice. First, it is necessary to distinguish whether it is a newly created company that will operate on the principles of freedom at work or it is an existing company that wants to implement freedom at work. In terms of implementation, it is also important an access of managers and busi-

ness owners, an access of employees, employee training and the implementation process.

In our opinion, it is ideal to apply the concept of freedom at work from the beginning of the existence of the company. In this case, it is possible to set rules and principles of business operation from the beginning, which all employees will be familiar with during the selection process. Management of the company should take into account all factors that influence the use of freedom at work in practice when creating a company environment. On the other hand, it is not excluded that companies that currently use traditional ways of leadership and the organization of work cannot be progressive and start applying a new approach to working with people in the working process. In this case, it is a more complicated process. It is necessary to introduce gradual changes, to inform employees about these changes, as well as to overcome many obstacles, for example in the form of employee resistance or distrust.

Successful implementation of the concept depends on both sides – on owner and manager and also on employees. It is essential that everyone in the company will be identified with this concept and accept it as their own. If the management of the company decides to introduce the concept of freedom at work or its chosen elements into the company management system in an existing enterprise, it is necessary to choose a rational procedure that will avoid problems and misunderstandings. The implementation requires a large number of changes in the behavior of people at all levels of the company.

For the implementation of the concept of freedom at work into the management system of small and medium-sized companies, we propose to choose the gradual release of established operating procedures. It is important to look at the current state of work organization as well as to find out whether employees are ready to change, to find out their values and opinions and thus to implement the principles of freedom at work. For this reason, we suggest using change management techniques. Each change is characterized by three phases, by defrosting the current level, moving to a new level, re-freezing the company in a new state. This three-phase model shows that accepting a new state preceded by cancellation of the previous state (Smejkal, Rais, 2006).

During the defrosting phase, it is necessary to analyze the current state of the company, to identify areas that affect the change, to allocate the necessary resources. At this stage, the main role belongs to the owners and managers of the company, because the implementation

of the changes belongs to the strategic tools affecting the business operation. In the first stage of implementing the concept of freedom at work into the business management system, the following questions need to be answered:

- What is the current state in the company?
- What work organization system is currently used in the company?
- Why is it important to make a change?
- What are our expectations of changing the company environment?
- What do we want to achieve by changing the company environment?

Based on questions relating to the first phase of the implementation of the concept into practice, this phase can be described as the theoretical basis necessary to make the change. The second phase of implementation of the concept of freedom at work is characterized by answering the following questions:

- What tactic is chosen to implement the change?
- Who will be responsible for managing the change?
- How will the change be communicated to employees?
- What will be communicated to employees?
- What obstacles and problems need to be overcome?

The most important activity in the second phase is to persuade employees about the necessity of the change, to inform them about the positive consequences that the change will bring and to create suitable conditions for change. The final phase of the implementation of the concept of freedom at work is to re-freeze the company in a new state. This phase involves the process of stabilization the established changes. The aim is to ensure that new working methods, principles, habits, and organizational arrangements become relatively resistant to regression. Adoption of change by all persons as well as the stabilization of change will not be done without trust and constant open communication between the company management and the employees. Managers have to lead their subordinates to positive acceptance of changes after its introduction, for example through feedback from employees and by detecting whether employees properly understand the principles and rules of the new business environment.

## SUMMARY

One of the basic prerequisites for success and competitiveness of the company is to have the right people in the right place. It means to have employees who are satisfied with their work, who know the sense of their job and who perform their work responsibly, quickly and efficiently because they have at their work sufficient freedom to organize their working time and performance at their own discretion and know how their work contributes to the overall progress of the company.

Our aim was to create and to present the proposal for the procedure for implementation of the concept of freedom at work into the business management system. We created the procedure for implementation of the concept of freedom at work into practice based on the theoretical knowledge and the results of the questionnaire survey, structured interviews with experts and case study.

In the proposal, we set out and characterized the assumptions for the effective functioning of freedom at work, we defined the requirements of the concept of freedom at work, and in the third step we defined the procedure of implementation of the concept into practice.

We distinguished the implementation process into two approaches depending on the duration of the company's market presence, for the conditions of the newly established company and, on the other hand, for the existing company that has been operating on the market for some time. For this reason, we have proposed to use the change management principles and procedures, which define the three phases needed to achieve the new expected state, namely the phase of defrosting the current level, the phase of the transfer to the new level and the phase of re-freezing the company in a new state.

In the next survey, we would like to make a questionnaire survey in the Czech Republic and then compare its results with the results of a questionnaire survey conducted in Slovakia. Furthermore, we would like to make interviews with employees who work in a free work environment and summarize their insights about the concept. We would also be interested in the operation of other companies operating in Slovakia that use the concept of freedom at work.

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