

SOCIOLOGY OF WORK AND PROFESSIONAL ETHICS

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TEXTBOOK

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1. Definitions of basic terms

Fill in the table. First answer YES or NO to the questions of whether something is considered as work, and then specify the criteria by which you responded (e.g., the energy invested):

ACTIVITY	IS IT WORK?	ASSESSMENT
A priest is sanctifying a house.		
A worker is wearing a tool from one side of the hall to the other so that his supervisor would not give him some other task.		
Children are building a sand castle.		
An officer is shooting at a target.		
Waiting for a boss a driver is drinking coffee in a café.		
An officer is sitting on the toilet waiting for the end of the work day.		
A German teacher is watching a play at a theater in the German language.		
An animate lady is persuading guests at the bar to order a bottle of whiskey.		
A housewife is knitting socks.		
Farmers are throwing fruit into the river to protest against low prices.		
A student is writing an essay.		
A man is digging a pit and then filling it again.		
A dog is biting a burglar.		
A wife is cooking dinner for her husband.		
Ants are building their nest.		

Work

Although we feel that we know what work really is, fulfilling the above table shows that it is not always easy to assess whether an actual activity really presents work. Therefore, since the course is called Sociology of Work and Professional Ethics, it is necessary to first define the notion of work.

According to physics, work is the energy transferred by the action of a force over a distance.¹ However, this definition does not help us much in the social sciences, since we would not say for a man who is using force to turn over in bed while sleeping, that he is working. Therefore, we proceed to the definitions that are used in the sociology of work. One of the most frequently used definitions states that work is an activity that transforms nature.²

But even this definition does not seem appropriate. The reason is that it is difficult to say that the person, who left a lot of garbage after having a picnic and did transform nature in an inappropriate way, worked diligently. A definition which is often mentioned says: a work is a paid activity. And indeed, in everyday speech, the work is often identified with a paid activity. For example, proud parents of a girl, who has just graduated at the Faculty of Civil Engineering and has got a construction job at a construction company, will say to their neighbors, “she has finally started working”. And they forget all the dishes she washed, trash she threw away, all departures to

¹ *Croatian Encyclopedic Dictionary (Hrvatski enciklopedijski rječnik)*, 2004., Novi Liber, Zagreb, Vol 9, pp. 66.

² Grint, Keith, *The Sociology of Work*, 2005., Polity Press, Cambridge, pp. 6.

the store, so all her previous work before employment. Thus, the question arises: is only a paid activity considered as work? Should the housekeeper - who does all the housework, takes care of her four children, knits socks and sends the cut coupons to Gloria's contests - be considered as an idle person because she does not earn her salary? It is the feminist organizations that firmly demanded that the work at home should also be considered as work. Therefore, in 1996 the Convention on house work was adopted which made work at home equal to work at the workplace. What is important to us is the definition, according to which, paid work activity is not adequate, because it leaves out a number of work forms. It can be seen from the following fictitious example. Imagine two housewives who knitted sweaters for their husbands. If the work is a paid activity, then their activity could not be considered work because neither one nor the other would sell their sweaters, nor would they receive payment for their work. But, if we assumed that these women knitted sweaters for the other woman's husband and sold these sweaters, then, in that case it would turn out that both women worked because they were paid for their activities. Thus, although there were two produced sweaters in both cases, in the first case it is not possible to talk about the work, and in the second it is. After all, if we accept the definition that work is a paid activity, then that would mean that before moving to the commodity-monetary economy people did not work at all.

Work is also defined as an activity contrary to leisure time.³

So, when we perform an activity that gives us pleasure by itself, then we do not work, and when we perform an activity that brings us benefits, then we do work. However, even this definition is not better than the

³ Ibid., p. 8.

previous ones. Firstly, when Ronaldo scores a goal for Real Madrid, he is generously paid, but he, most likely, enjoys playing soccer. Secondly, lying in bed with the flu does not represent work, and yet we would rather be at work than to suffer from the consequences of the disease. From all this we can conclude that it is not easy to define work. No wonder then, that Keith Grint (2005.) concludes that "an objective definition of work is not possible."⁴

However, it is difficult to agree with his statement. As the existing definitions in the literature are not satisfactory, we will offer an alternative definition: work is the process of creating useful products and services. This definition includes any useful work, and cannot be reduced solely to the paid activity.

In the end, it is important to mention the basic elements of work process, namely:

1. Workers;
2. Work objects (those being processed), may be natural materials (e.g. wood, stone, iron, ore) or raw materials;
3. Means for work (with them work objects are being processed - tools, machines).

⁴ Ibid., p. 8.

Sociology of Work

In order to define sociology of work, it is necessary - after we defined work – to define sociology. There is no major controversy about defining this term among scientists. The simplest definition is that sociology is a science of human society. Other definitions differ only a little. So, for example, Dina Kendall defines sociology as "a systematic study of human society and social interaction."⁵ Along with general sociology that deals with society in general, there are also special sociologies that examine various segments of society such as, for example, sociology of religion, sociology of the village, sociology of professions, sociology of culture, etc. Therefore, sociology of work is a special sociology and can be defined as the branch of sociology that studies social aspects of work.⁵ Every science and scientific discipline, including sociology of work, has its own subjects and research methods. The main subjects of research in sociology of work are the following:

1. Development of techniques and technologies, especially advanced technology (for example, a study of the evolution of information technology and its applications in the work process);
2. Social groups and social processes that take place during work (for example, a study of interpersonal relations at the workplace);⁶

⁵ Haladin, Stjepan, 1993., Tehnologija i organizacija: uvod u sociologiju rada i organizacije, Društvo za organizaciju građenja, Zagreb, p. 8.

⁶ Raw materials are items that are the result of earlier manufacturing processes and are used for further processing and administration (e.g., cast iron). Technology is a set of procedures that are applied in the manufacture of a product. So, construction technology includes processes used in the construction.

3. The impact of work on functioning of the whole society and the impact of society on work (for ex., to which extent contemporary labor migration affects culture in a society, and vice versa, to which extent the growing differences of society affect work).⁷

Sociology of work uses the same research methods that can also be found in other social sciences. The most important of which are the following:

1. Experiment. We can say that the experiment is the most reliable method of proof in science because it allows control of the conditions and isolates the phenomenon that we wish to explore. Thus, the experiment is often used in sociology of work, which will be shown in the following chapters. In the classic type of experiment two groups are formed, an experimental group and a control group. Conditions in the experimental group change, while conditions in the control group stay the same, and then later, the test results of the two groups are compared.
2. Observation. The biggest advantage of an experiment - control of the conditions - has its downside. It does not necessarily mean that people will behave in a real situation in the same way as in the experimental conditions. Therefore, the researchers use observation as a research method. During the observation they record reactions of employees in real working conditions.
3. Observation with participation. It is possible that during the observation, the employees do not react in the same way as they would react if they knew that they were being observed. Therefore, some researchers observe under cover while they participate at work

- process. An example of such a study would be a scientist who worked as a construction worker, and at the same time he observed spontaneous behavior of employees.
4. Survey. A survey is a method of scientific research which, on the basis of standardized questions, examines attitudes, beliefs or opinions of employees. The survey can obtain very important data on interpersonal relationships at the workplace, satisfaction of employees, a potential source of conflict between workers, etc. Therefore, surveys are not only used by scientists but also by many companies that seek to use questionnaires to gather as much useful information on the situation in the company as they can.
 5. Interview. Unlike conventional survey, in which information are obtained on the basis of written responses of predefined questions, during interviews a researcher gets oral responses on the basis of conversations with respondents. The advantage of interview is that it allows respondents to express themselves more clearly about some issues, since in surveys most employees have to choose between the proposed answers (although in the so-called 'open type' of a survey respondents are allowed to formulate a response on their own). In other words, the interviews can get a wider range of information than a survey. However, the greatest advantage of surveys lies in the fact that it is a much faster and cheaper way to do the research in a shorter period of time and it covers a large number of respondents. In addition, the survey is statistically easier to process because of standardized answers.

6. Secondary analysis of existing data. The researcher does not always gather data by himself. There is always a possibility of additional analysis of data which have already been gathered. Thus, for example, it is possible to carry out a research on the number of labor force and skilled labor force in the construction industry on the basis of data that are regularly collected by the Croatian Central Bureau of Statistics.

Each of these methods has its advantages and disadvantages. Therefore, the best way to do research is the one that combines various methods of data collection in order to minimize weaknesses of one method by using additional methods. Thus, for example, the study, which uses interviews and surveys, could analyze the opinion of a large number of employees and then, later complement these 'arid' responses with far more substantial answers that could be gathered from the interviews of a small number of properly selected employees.

Is it necessary for students at the Faculty of Civil Engineering to have a course called Sociology of Work and Professional Ethics? Here only the most important arguments in favor of a course called Sociology of Work and Professional Ethics will be presented:

1. A very important part of the work of civil engineers consists of working with people. After all, one of the characteristics of construction is employment of a large number of laborers, because construction belongs to the category of labor-intensive activity. Other courses at this faculty train future civil engineers how to choose and use appropriate materials in the construction, and they also teach them to develop quality building plans, etc. Sociology of Work and

- Professional Ethics teaches them to manage people and develop good relationships at the workplace, and all of this combined has a positive effect on productivity.
2. Respect of professional and business ethics is an essential element of building a long-term business success of companies. All high-quality business schools have business ethics course in their curriculum. Therefore, this course provides a basic knowledge in this area, which will be an important element of work of the future civil engineers.
 3. In practice, it has been proven that the fundamental knowledge in the social sciences, especially of applied sciences, has a positive impact on the working efficiency of the members of the technical intelligence in general, and civil engineers in particular. Because of this, the most elite Faculties of Civil Engineering in the world include up to 20% of courses from the area of social sciences. At the Faculty of Civil Engineering in Zagreb, this percentage is much lower, but still the existing course in the social science enables students to acquire basic knowledge and skills of this area.

Summary

1. Work is a process of creating useful products and services.
2. Sociology of work is a science that studies the social aspects of work.
3. Subjects of research in the sociology of work are: the development of techniques and work technologies, social groups and processes that occur during the work activity, and impact of the work on the functioning of the whole society and the influence of society on work.

4. The most important methods of research in the sociology of work are: experiment, observation, observation with participation, surveys, interviews and secondary analysis of existing data.
5. Sociology of work and professional ethics enables future civil engineers to carry out a quality management of employed workers.

Examples of exam questions

1. Why is it not acceptable to define work as a paid activity?
2. What is work?
3. What is sociology?
4. Explain the difference between general sociology and special sociologies?
5. Give three examples of special sociologies!
6. What is the sociology of work?
7. What are the subjects of research in sociology of work?
8. What are the methods of research in sociology of work?
9. What is the main advantage and disadvantage of using the experiment in the social sciences?
10. What is the meaning of the social sciences in general, and Sociology of Work and Professional Ethics, especially in the education of civil engineers?

2. History of Work

If we assume that the man appeared on earth ... one million years ago and that this time is reduced to the relative duration of one hour ... then the man spent ... 55 minutes in the Paleolithic culture (the Old Stone Age). 5 minutes ago he entered the Neolithic culture ... 15 seconds ago he began to print books, and the First Industrial Revolution began only five seconds ago. The period in which a man makes cars is less than ... one second. (Ch. Walker).

Preparation for the lecture: Watch the film by Charlie Chaplin's Modern Times.

Work Epochs

History of work can be divided into three periods:

1. Epoch of tools (from creation of a man till the discovery of the steam engine in 1785);
2. Industrial epoch (from 1785 till the discovery of electronic computer in 1946);
3. Postindustrial era (from 1946 till today).

The epoch of tools is primarily characterized by the use of human and animal labor, while in the industrial era drivers of production are becoming fossil fuels, and later on the electricity (The Second Industrial Revolution). In an era of information technology, which is called the Post-industrial era, the foundation of progress becomes the use of information that leads to the scientific-technical revolution.

Epoch of tools

Epoch of tools is the longest period in the history of mankind and it lasted approximately one million years, from the Paleolithic times to the 18th century. Since this was the longest epoch, we will break it up into five subepochs:

Paleolithic period

About a million years ago, it was work that differentiated man from other living species. Also, planning, envisioning and designing of future work are what makes a human different from animal work (if the animal activity can be called work). Therefore, Haladin (1993) concludes that the work is an activity that is only typical for man.⁷ In prehistoric times a man already used primitive tools for hunting. He first processed a bone of a hunted animal that could be used as a tool (weapon) in the hunt, and then he started making stone tools. He also organized a division of labor which was initially based on age and gender. Although the animals are familiar with a primitive division of labor, man's advantage is the ability of verbal communication that allows a far greater labor division and organization. In the Paleolithic period man's organization of hunting exceeded animal's hunting by far. The first settlements were caves that people very carefully selected (in the vicinity of drinking water, facing south, with a terrace in

⁷ Haladin, op. cit., pp. 15.

front of the cave). In late Paleolithic period people began building huts and dugouts.⁸

Neolithic

Neolithic culture started about 10,000 years ago. While during the Paleolithic period people lived by hunting and fishing, in the Neolithic period they began to engage in farming. In the Neolithic textile production (clothes) developed first, then cattle breeding, farming, pottery, and metallurgy. Changes in the way of work caused the other changes as well, including the emergence of architecture. The first settlements (villages) were built near agricultural areas, and later the development of cities also started. The first city in history was Jericho (about 10 000 years ago). Jericho's buildings were made from a mixture of stone and earth (and later brick). The walls were plastered with lime, and doors covered with leather. The first furniture, wooden floors and paved roads were also made in that period.⁹

Ancient Period

Particularly significant impact on the division of labor was the organization of river irrigations. In ancient civilizations there was a new division of labor that generated new professions: soldiers, craftsmen, scribes, lawyers, doctors, merchants, clerks, and the technology of construction was being especially developed. Therefore, the building activity from the ancient period can, even today, be considered as technological marvels. For example, the Great Wall of China is the largest building facility ever built.

⁸ See Hawkes, Jacquett, 1966., *Prehistorija (Historija čovječanstva: kulturni i naučni razvoj, svezak 1.)*. Naprijed, Zagreb, p- 1-258.

⁹ For a description of the Neolithic cultures see *ibid.*, pp. 259-419

Some Roman buildings are still in use (water supplies, roads). The Great Pyramid of Giza covers the area of 5.3 hectares, consists of 2.3 million heavy granite blocks which weigh about 2.3 tons. It was built by 100,000 people over 20 years. The ancient Egypt already knew about the profession of civil engineers. Chief designer of the pyramid was a personal adviser to Pharaoh, and construction workers were highly specialized. However, it is important to note that ancient period introduced slavery as the worst form of exploitation of labor.¹⁰

Middle Ages

Compared to ancient period, the period of European Middle Ages was technologically less developed. Rebirth of Europe started in the 10th century with the emergence of universities and restoration of cities. Hydropower started to be used in the production of textiles in the 13th century. As in ancient times, in the Middle Ages, the greatest achievements in the field of work were achieved in the construction industry, particularly in the construction of religious buildings. A profession of a master builder, a forerunner of today's architects and civil engineers, was established. Urban beauty of some medieval towns remained unsurpassed to this day.

Period from 16th to 18th century

In this period, the scope of the states was increasing which enabled mass production. Also, colonization of new continents led to global division

¹⁰ Great ancient civilizations were analyzed in Woolley, Leonard, 1966., *Origins of Civilization (History of Mankind: Cultural and Scientific Development)*, Volume 1, Book 2.), Forward, Zagreb, especially pages 211-41. For a description of the emergence of the first cities see Mumford, Lewis, 1961., *The City in History: Its Origins, Its Transformations, and Its Prospects*, Harcourt, Brace and World, New York.

of labor. Textile industry, which used the energy of water, was progressing fastest. The division of labor in manufactures dramatically increased productivity, because productivity was increasingly dependent on the organization of work, and less on individual skills. Despite the increased productivity of labor, working conditions were deteriorating (14 to 16 hours of a dull work in noisy, stuffy and unhealthy working environments). And the settlements of workers who worked in manufactures were also extremely inhumane places to live in. At that time, slavery was introduced in both North and South America. Therefore, the period from the 16th to 18th century was full of contrasts, which was reflected in the preservation of the negative characteristics of previous epochs, but also in the proclamation of a new epoch - the epoch of the machine - that will fundamentally change humanity. However, before we get to show the industrial age, we will list the most important common characteristics of the epoch of tools (epochs of craft). As Haladin stated (1993), "Work in the craft takes place mostly by using hands and tools ... Typically there is a small number of workers - including the masters and practically no division of labor in such a workshop... The work is usually done and ordered by the piece and the client, who ordered it, is known ... In addition to master whose qualifications are universal ... in the workshop, there are also his assistants (journeymen) and students (apprentices)."¹¹ Of course, such work could not reach mass production. Mass production began to be achieved by forming manufactures, and was fully realized only in the industrial era.

¹¹ Haladin, op. cit., pp. 33-4.

Industrial Age

The Industrial Age began with the invention of the steam engine in 1785, and that year is considered to be the beginning of the First Industrial Revolution. The Second Industrial Revolution began with the invention of electric generator in 1870. The first modern moving assembly appeared in the meat industry in the United States (Cincinnati and Chicago). Henry Ford introduced the moving assembly in automobile industry in 1913. This enabled the mass production of cars, and a drastic drop in their price. The car would soon become available for the average American. There was a maximum simplification of the procedure in the organization of work. However, expertise of employees at the moving assembly was on the lower level than the expertise of former craftsmen. A strict division of manual and intellectual work was created. Manual workers became a supplement of the machine. Specialization of labor was significantly increasing, and thus the hierarchical structure of the company was also being set up. Organization of work in the factory became similar to organization in the military. The global division of labor was being established, because mass production required export of large quantity of products. Poor nations became primarily producers of raw materials and the rich of finished goods. A trend of industrialization and urbanization started - farmers go to the cities and become workers. From the mid-20th century, the tertiary sector (services) became the dominant economic sector. The percentage of people who worked in the administration also increased. The Industrial Age reached its peak during World War II when all the warring states increased their war production to the maximum. However, just at that time the Post-Industrial Age, which lasted until the present day, began to emerge.

Post-industrial Age

In the 20th century, a new period, for which the most commonly used terms are the Postindustrial Age or the Age of Automation, began in the 1950s. The most significant inventions that enabled the development of this period were the following:

1. Production of the first nuclear reactor. (1942);
2. Construction of the first computers (1946);
3. Introduction of robots in manufacturing;
4. Discovery of the Internet (1969).

The most important consequences of the implementation of these inventions in the production were:

1. Tertiary sector of the economy (the service sector), particularly administration was growing. (In the U.S., 75% of the population worked in the tertiary sector, 22% in industry and less than 3% in agriculture)
2. The percentage of the population employed in agriculture and industry was dramatically reduced.
3. Science was becoming the main engine of growth, leading to scientific and technological revolution. Universities integrated with industry and political structures.
4. In some industries (petrochemicals, power plants) 90% of the production was fully automated.
5. Women were being massively employed (causes: wars, household chores simplified, reduction of birth rates, divorce, feminism, new jobs, reducing the meaning of physical labor, technological advances).

6. New technologies do not replace just physical work, but also make intellectual work much easier (Word, Excel, etc.).

Changes did not only happen in the area of production, but were felt in all areas of society. The most important are the following:

1. Frequent changes of residence - a number of social contacts are increasing, but the long lasting friendships are difficult to maintain.
2. Disintegration of the extended family.
3. Thanks to the Internet, most of the scientific and cultural achievements of humanity become available to every individual.
4. However, one of the biggest problems of modern humanity becomes a steady increase of social differences not only within countries, but between developed and non-developed countries as well (particularly disadvantaged are African countries).

Characteristics of modern labor

Although the Post-Industrial Era began in the fifties of the last century and continues to this day, in the early 1990-ies the changes that led to new, more drastic changes in the field of work and society in general took place. These new changes are called globalization, which can be defined as the process of economic, political and cultural integration of the world. These changes were caused by the following events. Firstly, the collapse of the Soviet Union and the Communist bloc in Eastern Europe enabled the economic and political connections not only in Europe but throughout the world. Secondly, the emergence of the Internet enabled the world to connect through information, and this had a significant impact not only on work, but also in all areas of society. Thirdly, improvement of transport facilities

stimulated overall migration of people, from tourists, through education to business. Fourthly, the process of globalization stimulates the creation, expansion and strengthening of the economic and political supranational organizations such as the European Union, NATO and the World Trade Organization. Globalization processes have led to the following changes in the field of work:

1. Intellectual work has increasingly replaced physical labor. Linked to that is the increasing educational level of the population. For example, in the United States today, about 50% of members of one generation completed college. In developed western countries, the tendency is that almost the entire population graduates from high school. So, in order to be competitive in the workforce at the global marketplace, a person must have an adequate formal education.
2. The number of people working at home significantly increases. For example, today, a scientist does not have to go to work or even to the library in order to write a scientific paper. Searching through databases or looking for published scientific articles can be made through their personal computer at home. Journalists do not have to go into the newsroom, since their articles may be sent by e-mail. Scientists from different continents can work together to write a book even though they will, perhaps, never meet. These are just some of the numerous examples of professions that can be performed at home.

Working at home has many advantages. For example, work at home saves time that would otherwise be spent commuting to and from work. This is especially important in large cities where there is a traffic collapse at a

time when people go to work and return from work. Working at home gives a person more time to be with the family and often provides better working atmosphere than in the office. However, working at home has its drawbacks, such as, for example, the lack of personal contact with other employees. Therefore, companies that allow work at home usually require that the employee still comes to the workplace some days in order to ensure the necessary personal contacts of employees. Despite these minor disadvantages, it is certain that, in the future, a trend of working at home is going to be even more spread.

1. More and more employees have flexible working hours. Since an increasing number of employees is engaged in intellectual occupations, it is no longer necessarily to prescribe their working hours from 9:00 a.m. to 5:00 p.m. (or 6:00 p.m.). Given the fact that employees are assessed according to the work done, and not by the presence at the workplace, it is logical that they are allowed to decide when to come to work and leave work, even when they must come to the workplace.
2. There is a big labor migration especially from non-developed countries to developed ones.
3. English has become the global language of business communication and knowledge of this language becomes almost necessary precondition for getting a well-paid job in the era of globalization.
4. The manufacturing process is transferred to developing countries where labor is cheaper. What developed countries sell are "brands". For example, Nike shoes are manufactured in Asia, but the profit remains in the company that owns this brand of sneakers. Of course,

in order for such a type of organization to operate successfully, it is essential to have a good marketing that popularize the "brand", and the need to stimulate consumers to buy the products of large international companies (Coca-Cola is a great example of such marketing).

However, it is important to note that with these relatively positive tendencies in contemporary work, there are also many negative aspects. For example, the number of people who have a steady job is reducing in the world. In developed countries, the number of working hours per year is increasing as well as the time it takes to arrive at work. It sounds almost unbelievable, but according to the World Work Organization around 2 million people die at the workplace every year!¹²

And slavery still exists. Thus, for example, in 2003 the sale of 74 children was discovered. Their parents sold them at a price of 40 dollars per child. Thirteen children from that group died from malnutrition and disease.

There is an intimidating fact that 358 richest people in the world earn more than three billion people who are the poorest. This means that a member of the first group earns 10 million times more than the member of the second group, with a tendency of even further increase of social differences.¹³

Today, while half of the world's population lives on less than 2.5 dollars a day, a Japanese farmer gets a state subsidy for each cow at the amount of \$ 7 a day.¹⁴

¹² Grint, op. cit., p. 314.

¹³ Reinicke, Wolfgang H., 1998, *Global Public Policy: Governing without Government?* Brooking Institution Press, Washington D.C., p. 4.

¹⁴ Grint, op. cit., p. 375.

As a result of the spread of AIDS, life expectancy in Botswana dropped from 61 in 1967 to only 38 in 1999. In South Africa it fell from 63 in 1992 to 48 in 1999.¹⁵

Yet, when we look at long-term trends, there is more reason for optimism than pessimism. Over the past 200 years the standard of living has a constant tendency to increase. One tiny detail, which Haladin states (1993.), illustrates well this fact: "A hundred years ago a wealthy woman would bring a dowry when she got married, and that included five dresses that she wore to death. Today, what girl could even imagine such a thing?"¹⁶

Or some other data: in 1920 the life expectancy in the U.S. was 54 years (at that time it was the highest in the world), whereas today the average life expectancy in Japan is 85 years (in Monaco 90 years!). So, this shows that in the past ninety years the life span, in developed countries, is extended for thirty years. If the trend continues, we can expect that at the end of this century, the average life expectancy in most developed countries will amount to a hundred years. This brief review of the history of human labor and its impact on society is showing a constant tendency of progress, especially in the last two centuries.

Summary

1. History of work can be divided into three periods: Epoch of Tools, Industrial Age and Postindustrial Age.

¹⁵ The World Bank, World Development Indicators, 2001. CD-rom. Washington D.C.:

¹⁶ Haladin, op. cit., p. 272.

2. The Epoch of Tools can be divided into the Paleolithic, Neolithic, Ancient Period, Middle Ages and Modern Age (the period from the 16th to 18th century). In each of these periods some progress was made in the development of techniques and work organization (with the exception of the Middle Ages in Europe).
3. The epoch of craft is characterized by the use of handmade tools, a small number of workers, and a work per piece for famous clients.
4. The First Industrial Revolution began in 1785 and the second in 1870. The Industrial Age, thanks to the division of labor and the use of a moving assembly, made mass production possible.
5. In the organization of work of the Industrial Age there was a maximum simplification of the work procedure. Expertise of employees at the moving assembly was on the lower level than the expertise of former craftsmen. A strict division between manual and intellectual work was created. A manual worker becomes an extension of the machine.
6. The Postindustrial Age began in the 20th century in the fifties and lasted until the present time.
7. The most significant inventions that enabled the Postindustrial Age were: the production of the first nuclear reactor (1942), the construction of the first computers (1946), the introduction of robots in the production and the discovery of the Internet (1969).
8. In the Postindustrial Age there is a scientific and technical revolution. While the tertiary sector is expanding, the number of people employed in agriculture and industry is reducing. Another important trend is the

- trend of production automation and the increasing trend of female employment.
9. Globalization is a process that marked the last twenty years. It leads to further changes in the field of work: work at home, increased migration of the population, replacement of manual work with intellectual, etc.
 10. The general tendency in society, though with many negative phenomena, is the tendency to increase the quality of work (the prevalence of intellectual labor), standards of living and prolonging the life of the population.

Examples of exam question

1. What are the periods in the history of labor?
2. What is the Paleolithic and what is the dominant form of work in this period?
3. What are the basic characteristics of the Epoch of Tools?
4. When did The Industrial Revolution occur? Which invention made it possible?
5. What are the basic characteristics of the Industrial Age?
6. What are the main features of the Post-Industrial Age?
7. How did the Post-Industrial Age affect the daily life of man? Set examples to corroborate the answers!
8. What is globalization?
9. What are the main characteristics of globalization?
10. What was the relationship of changes in the field of work and society?

3. Classical Theories of the Organization of Work

Will a first-class worker do more work a day with a load of shovels which weigh 5 pounds, 10 pounds, 15 pounds, 20, 25, 30 or 40 pounds? This question can be answered only after carefully conducted experiments ... The weight was gradually changed and the conditions under which workers worked were carefully observed for a few weeks. People who were doing this experiment were very skilled researchers. They concluded that the first-class worker can achieve the highest performance when the shovel weighs about 21 pounds (10 kg). (Winslow Frederick Taylor)

Precursors of the theory of work organization

Although the period of the most ancient civilizations, such as Egypt and Babylon, did not preserve works that specifically dealt with the organization of work, the quality of buildings that appeared in those times indicates that these civilizations adopted a very high level of organization of work. The first original records about the organization of society are taken from Hammurabi's Code of Laws (about 1700 BC).¹⁷ From Ancient Greece comes Ksenofont's writing "Oeconomicus"¹⁸ which gives advice about the organization of work in the household. In ancient Rome, Caton and Voron provide rules for the management of estates. From the Middle Ages there is no mention of valuable texts about work. However, during the Renaissance, Leonardo da Vinci (1452 - 1519) dealt with, among other things, planning

¹⁷ About first oldest works in the field of work organization see Sikavica, Pere and Mijo Novak, 1993, *Business Organization*, Informator, Zagreb, pp. 42-3.

¹⁸ The very word economy comes from two Greek words: oikos = house and nomos = law. In other words, originally economy meant to bring order to the household, managing the household.

and rationalization of work. At the turn of the 16th in 17th century, Galileo Galilei explored the impact of fatigue on the reduction of working ability, and at the turn of the 17th in 18th Century Marshal Voban analyzed the impact of workers in performance of earthwork. However, until the 18th century work was relatively rare subject of analysis of great thinkers. However, Adam Smith, the founder of economics as a science, made an important contribution to the study of work, especially the impact of work productivity on the division of work.

Adam Smith (1723-1790)

The most famous work of Adam Smith, *Wealth of Nations*, was published in the 1776 (the same year when American *Declaration of Independence* was published) and is considered the first modern work of economics. Being a philosopher who also deals with ethics, Smith analyzes human nature and concludes that people are egoists. However, this egotism can have a positive impact on the economy, because by striving for self-enrichment, people produce goods used by other people. As Smith says, "it is not goodness of butcher, brewer or baker that gives us lunch, but their own self-interests."¹⁹ However, what we are most interested in is Smith's analysis of the impact of the division of work on productivity. His initial premise is that people do not differ much by talent. It is the division of labor and specialization that develop talent and provide great productivity. Smith tried to prove his theory in the case of the production of needles. One person

¹⁹Smith, Adam, 1776., *An inquiry into the nature and causes of the wealth of nations*, Whitestone, Dublin, p. 18.

can barely make a dozen needles a day during working hours. In contrast, in the manufacture of needles ten workers may one day make 48 000 needles! In other words, labor productivity in the manufacture of needles is 4800 per worker per day, which is 240 times higher productivity than in craft production! The cause of this dramatic increase in productivity, Smith finds in the division of labor, which is the whole process of production of needles divided into 18 very simple operations. Each worker performs only one or two of these operations, which makes production much faster. Smith cites three main reasons why the division of labor increases the productivity of labor:

1. Increases worker's skills because worker performs only a small number of working operations that are specialized;
2. Saves time because no worker moves from one working process to another;
3. Allows the introduction of machinery.

However, it is important to note that even Adam Smith noticed a drawback of division of work, stating that it makes people stupid and destroys human beings by making them ignorant and they do not know how to do anything else in their lives except uncreative work. Hence, Smith's theories did have a tremendous impact on the later development of scientific analysis of work.²⁰

²⁰ Excellent depiction of the life and work of A. Smith is given by Galbraith, John Kenneth, 1977, *The Age of Uncertainty*, Houghton Mifflin, Boston, chapter about Adam Smith.

Winslow Frederick Taylor (1856-1915)

If Smith is considered as the founder of economics as a science, Taylor can certainly be considered as the founder of the science of the organization of work. His life greatly contributed to this: he began to work as an ordinary worker who, after he finished his studies at the faculty of mechanical engineering, climbed the hierarchical ladder to chief engineer. Such working career enabled Taylor to know better the work and workers at all levels of the organizational chart. Therefore, in his works he often cited experience he had as an ordinary worker. He stated, for example, that the workers talked enthusiastically about the athlete who gave his best during the match (he left the heart on the field), but they themselves were prone to lazing at the workplace. Taylor stated that the workers were angry with him because he worked very hard, and they were afraid that their superiors would increase their standards. They went so far that he was threatened to be beaten up if he did not reduce the intensity of his work! Taylor found the reason for these anomalies in the inadequate organization of work, especially in inadequate norms. Specifically, the workers did not have a specific amount of work they had to do during working hours, so they tried to avoid work whenever their superior was not nearby. Based on his experience as a worker and subsequent reflection on the organization of work, Taylor formulated his principles of "scientific management." Both objectives can be achieved simultaneously if productivity of work increases enough. Therefore, Taylor believed that the goals of employers and workers do not clash. Taylor stated how labor productivity could be increased:

1. It is necessary to make a strict division of labor into intellectual and physical (planning should precede the execution of work).
2. Experimentation should find the best way to do the job.
3. Next, the time required for the execution of the task, and each work operation should be determined.
4. When the optimal method is established, workers need to learn how to use it. The engineer should be a "coach" of employees.
5. It is necessary to choose the best tools and machines, and determine the optimal way to use them.
6. Staff should unquestioningly obey manager's orders - a strict discipline is required. Lazy workers should be laid off. However, punishment should be fair, and the money from the fines should be put in the workers' mutual fund.
7. Workers should be rewarded individually. If he/she works in accordance with the scientific organization, the worker's salary should be increased by 30-100% and the worker should get the award as soon as possible.

It is important to note that Taylor's methods did not immediately receive the support of workers and trade unions, since his methods were interpreted as an attempt of further exploitation of workers. Taylor himself contributed to this because in his works he often used harsh words when he talked about the workers. However, the use of Taylor's methods in the industry led to an intense increase in productivity, which is why his work was one of the basic works for the understanding of economic growth in the

industrial era. His methods of work organization found a wide application in almost all sectors of the economy.

Frank Bunker Gilbreth (1868-1924)

Gilbreth is important for students of civil engineering, not only for his contributions to the theory of the organization of work, but also because he dealt with construction, specifically masonry. Like Taylor, he learnt from his own experience. He started work as an apprentice bricklayer, but he later became the owner of a successful construction company. While still working as a bricklayer, he noticed that every bricklayer had three techniques: one that the bricklayer teaches to new masons, but he himself does not use, and the slow and fast technique. Later Gilbreth found the most effective masonry technique in which he eliminated redundant moves (bending down) and replaced the slow movements with the fast ones. He reduced the number of movements from 18 to 5 (minimum of just two movements). Bricklayer no longer had to move to reach a brick and mortar as his assistant worker prepared bricks for him. About Gilbreth's innovation Taylor writes: "He has introduced simple equipment, such as, for example, the scaffolding whose height can be changed, and the frames for brick packaging, which, with little collaboration of cheap unskilled workers, completely eliminate the whole series of tedious long-term movements."²¹ Gilbreth's innovation increased the number of bricks laid from 120 to 350 per hour per worker and the workers also became less tired. Gilbreth is also known for having introduced

²¹ Taylor, Frederick Winslow, 1967, *Scientific Management*, Belgrade: Operation, p. 211.

the study of movement and time. Camera recorded the movements of bricklayers, to identify optimal moves. He introduced the so-called chronological graphs that recorded the movements of workers. Gilbreth, as well as Taylor, argued that there was only one best method for performing any physical work and he tried to find such a method. Gilbreth's analyses have found widespread use not only in construction but also in other industries, in the organization of the primary and tertiary sectors. Today even top athletes use graphs of chronological order, to improve their technique, for example, in the high jump. It is important to note that Gilbreth's wife, Lillian Gilbreth (1878-1972) continued his work after his death. Especially significant were her studies of optimal procedures in performance of household chores. Today's housekeepers are unknowingly using techniques and schedules of home appliances that were perfected by Lillian Gilbreth herself.

Max Weber (1864-1920)

Analysis of the classical theory of the organization of work certainly has to include the work of Max Weber. Although he was primarily concerned with the study of bureaucracy, his analyses of ideal types of forms of organization can be applied to almost any kind of work. Weber believed that the work should be based on the following principles:

1. It is necessary to make the maximum division of labor and specialization so that the employee can become an expert of his profession.
2. It is necessary to have a strict hierarchy (each lower ranking employee should be under control of senior employees). Pyramidal structure

- with precise hierarchy of responsibility results in the highest efficiency.
3. All members of the hierarchy, except for the highest and lowest on the scale, communicate only with their immediate subordinate and immediate superior employee.
 4. Superior employee is responsible not only for his own work, but also for their subordinate employees.
 5. The organization should establish a rule of regulation. Written abstract rules should govern the behavior of employees. The organization works independently of the individual who is currently employed.
 6. Recruitment and promotion should be based on qualifications. Regulations determine the educational qualifications required for each position.
 7. The employee should be rational, not emotional. It is necessary to apply the rules equally to all, regardless of who the individual to whom the rules apply is.

Weber stated that no organization is in full compliance with the above principles. However, Weber thought that all organizations should strive for this ideal type of organization if they want to be successful.

Henry Ford (1841-1925)

An industrialist who applied Taylor's principles was Henry Ford. Although he did not give important theoretical contributions to the field of work organization, Ford became a symbol of the industrial era due to the practical application of "scientific organization of labor." Therefore, the term

Fordism is used for mass industrial production on the assembly line. After the introduction of assembly line, the maximum division of labor and specialization of workers for very simple work operations, Ford also introduced additional changes such as the doubling of salaries of workers, providing almost "ideal" working conditions, bright and airy halls, ideal temperature in factories, free hot meals, etc. As a result of the new work organization, he reduced the time required for a car assembly from 12.5 hours to just 1.5 hours. He created a unified production dominated by T-model cars. Ford has become known for his sentence that "buyers of his cars can choose whatever color they want under the assumption that it is black."²² However, such production without much variation enabled the drastic reduction in price of the car, so they become available to the American middle class. However, everything was not so idyllic. One of the problems that appeared in his factories was high turnover of workers (workers used to leave the factory after a short time). Why this was happening, will be answered in the next chapter.

Summary

1. Although it is certain that in the ancient times there was a quality organization of work - as evidenced by the quality of the buildings from that time - there were relatively few texts that systematically engaged in the organization of work until the 18th century. However,

²² Ford, Henry and Samuel Crowther, 1973, *My life and Work*, Arno Press, New York, p. 72.

- there are senior authors who studied some aspects of work, such as Xenophon, Cato, Leonardo, Galileo, Voban etc.
2. Smith cited three main reasons why the division of labor increases productivity: it increases workers' skills, saves time and allows the introduction of machinery.
 3. Taylor introduced the so-called scientific management that is based on finding optimal methods, and machinery and tools required to perform this operation.
 4. Gilbreth introduced the study of movement and time. In the construction industry he found the optimal methods of masonry.
 5. Weber formulated the concept of ideal type of organization, which is based on specialization, hierarchy, formal rules, eligibility and impersonality.
 6. Ford applied Taylor's principles of scientific management, introduced the moving assembly line and he demonstrates the efficacy of proper organization of work in practice.

Examples of exam questions

1. Which authors dealt with the problems of work in the Ancient Times and the Renaissance?
2. Why did Smith believe that the division of work increases productivity?
3. What are the basic principles of scientific management?
4. Why is Gilbreth important to the theory of the organization of work?
5. On which principles should, according to Weber, be based work organization of bureaucracy?

6. What were the greatest achievements of Henry Ford? Why is it important to the theory of the organization of work?

4. Elton Mayo's Experiments (1880-1949)

There was, for example, a worker who complained a great deal about bad food at a restaurant. A few days after the interview, she accidentally met the interviewer and thanked him for making the administration convey her complaint and there was a big improvement. And the interviewer did not do anything, except that he gave the workers a chance to complain. (Miller and Form).

Life and career of Mayo

Unlike Taylor and Gilbreth, who had begun to deal with the theory after starting their careers as ordinary workers, Mayo started doing research work as a university professor (he taught logics and psychology). His career began in his native Australia, where he taught at the University of Queensland. In 1919 Mayo was awarded Rockefeller scholarship at the University of Pennsylvania. From 1926 to 1947 he taught industrial research at Harvard Business School. In the USA, Mayo carried out his famous experiments which founded sociology of work as a science.²³

Experiments with lighting

Stuart Chase (1945) describes Mayo's experiment with lighting that significantly influenced the later formation of his theory:

In 1924 Western Electric agreed to study the impact of lighting on work. It was assumed that the better the lighting, the better the productivity. Two groups of workers were selected. The control group

²³ For a more detailed description of the life and work of Mayo's see Miller, Delbert C, and Willian H. Form, *Industrial Sociology: an Introduction to the Sociology of Work Relations*, New York: Harper and Brothers, 1951, pp 14-9 and 53-112.

worked under the same lighting all the time. The lighting was gradually intensified in the experimental group. And in that group productivity increased. Excellent! It might be expected. However, the productivity of the control group also went up, although the lighting was not better for a candle! This was totally unexpected. There were also some other strange results. They reduced the brightness of the experimental groups below the level of brightness of the control group. The productivity of experimental group increased! And the same happened in the control group!²⁴

How to explain these unexpected results of the experiment? How to explain that productivity was increasing in the experimental group until it reached the level of light such as moonlight!? Mayo had no answer to the questions while doing the experiment. He found the answers to these questions only after his later experiments.

Experiments with relays

To answer these questions and to explore additional factors that affect the productivity of labor, Mayo organized a new experiment in the test room, where six female workers – who were chosen in such a way that the two chosen had to choose the other four remaining co-workers – worked on telephone relays. During the experiment, some policies were changed and they measured how these changes affect the productivity of labor. The experiment had the following stages:

1. The first condition was a working week of 48 hours (six days a week for eight hours of work). No break while working.

²⁴ Descriptions of the experiments taken from Chase, Stuart and Marian Tyler Chase, 1945, *Men at Work, some democratic methods for the power age*, Harcourt, Brace and Company, New York, pp. 9-27.

2. Introduction of a group payment according to performance - productivity increased.
3. Workers were given two breaks for 5 minutes – productivity increased.
4. Breaks were extended to 10 minutes - productivity greatly increased.
5. Introduction of six breaks for 5 minutes – productivity slightly decreased.
6. Breaks were reduced to two, but with a hot meal paid by the company - productivity increased.
7. The working day was reduced for half an hour - productivity greatly increased.
8. Another half-hour shortening - productivity remained the same.
9. Extension of working day for an hour - productivity increased.
10. Working conditions were returned to the beginning of the experiment – productivity maximally increased!

How to explain these unexpected results? Do they mean that it does not matter what the lighting is at the work place, or if the workers have a break or not, or if you give them their meal or not, or what their working hours are? The answer to these questions is negative. All this affects productivity, but there was another factor, that was until then neglected, and that is the pleasure of men in the workplace. When Mayo discovered this, until then neglected factor, a special branch of sociology was founded - sociology of work.

Explanation of experimental results

Later, research results of the experiment showed that the decision, when the two staff members had to choose their co-workers, might have been crucial for the experiment. This created a compact working team in which the workers felt comfortable or at least far more comfortable than at their usual working place, where they had never been asked about anything, especially not about who they wanted to work with. However, this was just one of the reasons for relatively high productivity of workers for the duration of the experiment, especially in its final stage. Another very important factor was that the workers felt that someone appreciated them and they felt important (which was not the case before) because they knew that they were participating in the experiment. The sense of importance increased their satisfaction at work which positively affected the productivity. This even led to a decrease of absenteeism. Sometimes there was the impression that the girls could not wait to get to work! They selected the method of work themselves, which encouraged creativity. (Was this in accordance with Taylor's advice?) Job satisfaction led to a sense of relative freedom in performing their jobs, which workers did not abuse, and it also increased their sense of responsibility. Positive relationships were also reflected in the fact that they were not just workers helping each other at work, but they also began to socialize extensively in their spare time, and when the arguments broke out, they had a characteristic of a family feud rather than disrupted human relationships. All this greatly reduced mental fatigue of workers, and it was a new factor found in Mayo's experiments. Until then, researchers had been fully focused on the elimination and

reduction of physical fatigue. In previous studies humans were treated as a kind of machine, in which the work had to reach an optimal ratio between the energy invested and the performance accomplished. However, Mayo's experiments showed that the man should not be treated as a machine, and that we must take care of his mental mood at the workplace. This was one of the greatest achievements of Mayo's experiments.

The basic elements of Mayo's theory

Based on his experiments, Mayo formulated a theory which is also called the theory of human relations (human relations approach). The basic elements of this theory are the following:

1. So far the studies have focused on the individual motivation of workers. However, Mayo showed that, at the workplace, workers act as a team, not just as a group of isolated individuals.
2. Collaboration at the workplace does not always occur spontaneously - it needs to be stimulated. One possible way to achieve this is to let the workers choose their own co-workers.
3. Individual problems with workers may be due to social problems. For example, a good worker can suddenly perform badly at work if he gets into conflict with his colleagues at the workplace, and family problems can have an impact on a person's work as well.
4. Work is not just a means of earning money, but it can also be a source of human satisfaction.
5. Money is just a means to stimulate workers.
6. Productivity of work depends, among other things, on workers' acceptance of the formal supervisor as a real leader. Specifically, if

- the supervisor is not an authority to workers - because the supervisor does not know or cannot organize work - then the production effects will be worse than expected.
7. Physical working conditions, although significant, have a smaller impact on productivity than the psychological and social factors.
 8. Feelings and satisfaction of employees at work have a great impact on productivity.
 9. Mental fatigue is worse for labor productivity than physical fatigue.
 10. It is necessary to allow the workers to say what bothers them (see the example at the beginning of this chapter).
 11. Work and leisure can never be completely separated. The situation at home significantly affects productivity of work.
 12. Employers who care about the needs of workers and respect workers achieve greater productivity. It is in the interest of employers to have a humane attitude toward workers.
 13. Informal groups are very important for the functioning of the company.

Criticism of Mayo's theory

Although Mayo's theory had a strong influence on the sociology of work, many authors have disputed his conclusions. The most common criticism is that Mayo came to his conclusions based on the experiments, and there is no evidence that the workers at the actual workplace behave in the same way as in the experimental conditions. Therefore, the claim, that at workplace workers respond positively to human employer-employee relationship, is disputed because it just happened during the experiment.

The second type of criticism alleges that the Mayo suggested manipulation of workers - a more humane attitude of employers towards workers in order to exploit them more. Mayo concluded that workers operate on the basis of emotion, but employers act rationally - based on the logic of profit.

The third type of criticism, which could conditionally be called Marxist, argues that Mayo does not notice an objective opposition of interests between employers and workers. Humane treatment cannot resolve irreconcilable conflict of interests that exists between the capitalist class and the working class.

Contingency approach in sociology of work

After the Second World War, a new theory called conditional access in sociology of work became dominant. This theory tried to reconcile the achievements of classical theory (Taylor) and modern theory (Mayo).²⁵ While these two authors tried to find the universal principles that would work for all types of work, contemporary authors suggest that different activities require different behavior of managers. For example, the police station and the university cannot be managed in the same way. Even at the university, a different model of behavior is expected by a Dean at Academy of Art in relation to a Dean at the Faculty of Civil Engineering. Therefore, researchers need to identify all the relevant factors that influence the selection of the proper methods to administer workers. This does not mean

²⁵ For a detailed description of the conditional approach see Vecchio, Robert P., 2003, *Organizational Behavior: Core Concepts*, Thomson / South-Western, Mason, Ohio, p. 11-3.

that Taylor and Mayo were wrong. Indeed, the modern organization of work uses both, a scientific organization of work and the achievements of the theory of human relations. However, the art of management is not just about the dilemma of whether to motivate employees with a higher salary or to have a good relationship with them or not. The art of management is to take into account many other factors: the type of activity, the educational structure of the labor force, the situation at the market and the size of the organization in which people are employed. At this point we will not go into further presentation of conditional approach because the chapters that follow are based precisely on this approach, and the basic characteristics of the conditional approach will become evident on the basis of analyzing the mode of selection of workers, their work motivation, rewards etc.

Summary

1. Elton Mayo is the founder of the sociology of work, especially because he introduced the experimental methods in the research of work.
2. Experiment with lighting gave unexpected results because productivity increased even when the light intensity was decreased. In addition, labor productivity grew steadily in the control group in which the intensity of light was always the same.
3. The same thing happened in the experiment with the relay because productivity grew almost continuously despite many changes: the introduction and elimination of break, shortening and extending working hours, providing hot meals etc.

4. Mayo's experiments stressed the importance of psychological factors in labor productivity. In other words, increased satisfaction at work - which was the result of workers ability to choose co-workers themselves, their greater freedom to work and humane treatment of workers - lead to increased efficiency.
5. On the basis of experiments, Mayo formulated his theory of (human relations) according to which it is in the interest of employers to have a humane attitude towards the workers and they should take care of their physical and mental needs, because such an approach leads to an increase in productivity.
6. Mayo has been criticized for not proving that workers behave the same during the experiment and during every day work. He only enhanced a further exploitation of workers and his proposals cannot resolve the fundamental conflict between work and capital.
7. A dominant approach in modern sociology of work is a conditional approach that tries to combine the classic (Taylor's) and modern (Mayo's) approach of the organization of work. The conditional approach seeks to identify all the relevant factors that affect the proper organization of work.

Examples of exam questions

1. Why is Mayo significant for sociology of work?
2. Describe an experiment with lighting!
3. Describe an experiment with relays!
4. Why did not Mayo's experiments achieve the results that he expected before the experiment?

5. Identify the basic elements of Mayo's theory!
6. What is the main criticisms Mayo's theory?
7. What is a conditional approach in sociology of work?

5. Selection of workers

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CAREER

- Excellent results in schooling and initial work experiences.

EDUCATION

FACULTY OF CIVIL ENGINEERING, UNIVERSITY OF ZAGREB

Student

October 2008 - today

- Completed the first semester
- GPA 3.9 / 5.0
- Excellent grades in Maths, Descriptive Geometry and Sociology of Work and Professional Ethics

FIRST GRAMMAR SCHOOL, ZAGREB

Student

September 2004 - June 2008

- Graduated and exempted from writing the school leaving exam due to excellent grades
- GPA 4.6 / 5.0
- Excellent grades in subjects that are relevant to the job: Mathematics, Physics, Chemistry, Croatian, English, German

- Praised by the Council of Teachers for excellence in all four years of schooling

ADDITIONAL EDUCATION

FIRST PRIMARY MUSIC SCHOOL, ZAGREB

Student

September 1998 - June 2000

- Completed the first two grades
- Courses: Music Theory (Solfeggio), Guitar

ADDITIONAL SKILLS

- Driving license (categories A and B)
- Excellent knowledge of computer programs Word, Excel and AutoCAD

AWARDS

2007 – won the first place at the city competition in physics

WORK EXPERIENCE

CONSTRUCTION COMPANY «BRICK»

Assistant at construction site

July and August 2008

BAR "SPRITZER"

Waiter

July and August 2007

FOREIGN LANGUAGES

- Excellent knowledge of English (learnt throughout schooling)
 - A good knowledge of the German language (learnt for four years in high school)
-

How to choose the workers?

One of the skills you need to have as a civil engineer is the ability to select the best of those workers who are competing for a post. Successful organization and management of workers is far easier to implement if a civil engineer has a skilled labor force. However, it is not easy to make the right selection. After all, people often try to find a right spouse for years, and yet, they still make mistakes, which can be seen from the percentage of divorces. No wonder that employers make the mistake when choosing the right candidate since they use relatively scarce data and candidates try to portray themselves in the best light. Therefore, it is not always easy for those who need to make a choice, to choose the person best suited for a post. Therefore, in this section we will show some techniques that increase the probability of correct decisions in order to choose the right candidate for a post.²⁶

Application form and CV

Candidate selection process begins by publishing a tender which should clearly specify what is required of candidates for the job. Insufficient criteria will only unnecessarily burden the committee to decide on the selection of workers, since the committee would be filled with a number of applications for the competition by the people who do not have the required quality. Prohibitive criteria can cause no one to apply for the job. An

²⁶ For a more detailed analysis of the candidate selection process see Dessler, Gary, 2005, *Human Resource Management*. Pearson Education, Upper Saddle River, USA, especially pages 110-265, and Arnold, John et al, 2005, *Psychology of Work: Understanding Human Behavior in the Workplace*, Prentice Hall, London, especially pages 132-201.

application form can be either free or on the attached form. After they apply for the competition, the committee should eliminate candidates who do not fulfill the criteria of the tender. However, the application forms provide additional information about the candidate. For example, numerous grammatical errors in the text of the application or résumé are neither a good recommendation for a secretarial position, nor for the job of Croatian language teacher. In some western countries (for example, in the U.S.) members of the committee check with previous employers whether the information given in the application for the tender are correct. In this way it is possible to obtain further information about the work performance and character of the candidates. Sometimes the candidate is asked to submit a written recommendation from previous employers or professors. However, practice has shown that the data in the recommendations are not particularly useful because the people who write recommendations usually describe their candidates in a better light than they really are, wishing to help them find employment. Somewhat greater objectivity can be achieved if the recommendations are sent directly to the committee, so that the candidate is not able to read what is said in the recommendation letter. There are major differences in writing a CV from state to state. Thus, in Germany, it is expected from the candidate to submit his photo, but in the U.S. it is not the practice. French employers often use the services of a graphologist, and the candidates are asked to write an application form and CV by hand. However, there is no scientific certainty that one's character can be judged on the basis of handwriting. While in France the data on the marital status and age of candidates are mandatory, such data are not even mentioned in the US, in order to avoid discrimination on the basis of age or marital status. In short,

the applications, CVs and recommendations may be important in the selection of candidates. However, high-quality selection of staff should include other checkups that are listed below.

Candidate testing

Today modern psychology offers many additional methods that can be used to check the quality of applicants for a job. Here we will deal with the IQ tests, knowledge tests, psychological tests, tests of physical fitness and sociodramatical tests. Today, the IQ of a person can be exactly measured by standardized tests. Therefore, some companies use these tests in the selection of workers, because it is logical that the more intelligent people will be more successful in their work. An additional advantage of these tests is that they are relatively simple and inexpensive. For example, it is relatively easy to obtain standardized computer tests of intelligence that can measure intelligence of candidates in a short time. Intelligence tests are certainly a very useful tool, especially for tasks that require creativity of workers (intelligence is the ability to cope with new situations). However, these tests are not enough, because intelligence is just one of the traits that affect work performance. For example, a person may be intelligent, but it could be ignorant for specific type of work. In this case it is better to hire a person that has a slightly lower IQ, but is an expert in his/her field. Some very intelligent people can be antisocial, which makes them incapable to work in a group. Therefore, a complete checkup of candidates should include other tests.

Proficiency tests are conducted to assess whether a person who has completed training really has enough knowledge to perform a job. For

example, people who have completed medical studies outside the U.S. - and want to get a job in that country - must pass The United States Medical Licensing Examination (USMLE).²⁷ This test is used to check whether a person, who has a formal education in medicine, really has enough knowledge to work as a physician. Similar tests can be carried out in other sectors, including the construction industry.

Psychological tests are also used in the selection of employees. These tests measure the motivation of work, temperament, ability to control emotions, authoritativeness of people, social intelligence, the ability to accept criticism, etc. However, unlike IQ tests, whose results are relatively easy to interpret, for psychological tests it is necessary to hire professional psychologists who will correctly interpret the test results. For some jobs, such as, for example, members of the special forces of the army and the police, they use tests to check the physical abilities such as endurance, strength, agility, accuracy, etc.

In the end, we have to mention sociodramatical tests whose primary function is to investigate the spontaneous behavior of candidates.²⁸ During these tests, the individual does not know what is really tested. One example of sociodramatical test is a situation where a group of candidates is sent to a camp. What is observed is how the candidates will organize themselves spontaneously (since there is no organization previously made), in order, for example, to get water supply, collect food, prepare a camp etc. Particularly monitored is the person who will spontaneously become the leader of the

²⁷ Information about this test can be found at:
http://www.usmle.org/General_Information/bulletin/2009/2009bulletin.pdf

²⁸ A good description of sociodramatical tests can be found in Miller and Form, *op. cit.*, pp. 516-23.

group. Such a person shows the characteristics of the "born" leaders, and thus is identified as a suitable person for a managerial position. For such a test, the person in charge is engaged to observe the candidates, but the candidates do not know which person is responsible for their evaluation.

Task

One of the simplest and most effective ways to screen candidates is to give them a task. For example, if one wants to hire a ceramist, giving him a task to put tiles in the bathroom is a way to check his quality and speed of work. A good way to check a university teacher is to ask him to give a lecture. Today, there are standardized work tasks for other professions, for example, for a career of a manager. However, it is not always easy to find the right way to select tasks for all types of careers.

Interview

All the techniques are extensively used in the selection of workers. However, the interview is certainly the most widely used method of selection. The reason is simple. It is relatively easy to imagine that the workers are not being tested, but it is almost inconceivable not to interview the person one wants to employ. Therefore, it is necessary to specify the results of research in this area. Interviews are divided into structured and unstructured. Structured interviews have predetermined questions, basically the same for all candidates, while in the unstructured interview questions are changed. Therefore, the unstructured interview is much more similar to everyday conversation. It should be noted that the structured interviews are

better for the objective assessment of candidates, especially when combined with a quantitative assessment of candidates for each answer. The advantage of unstructured interviews is a greater spontaneity of conversation and a greater opportunity for free expression of interviewees.

According to the type of questions, we distinguish a situational interview and a behavioral interview. In the situational interview candidates are examined how they would behave in a hypothetical situation, and in the behavioral interview we test how the candidates behave in real situations. There are also the so-called stress interviews in which candidates are deliberately asked provocative questions to test their ability to control their emotions. For example, if a candidate was unemployed, an interviewer is trying to provoke the question: What mistakes have you done at work since no one wanted to hire you for six months? Some problem issues are also used to see what is a candidate reasoning when under stress (and the interview itself is a stress). An example of such a question is the following: John and Anthony together have 21 dollars. How many dollars does John have if Anthony has 20 kunas more than him? Although it is a simple mathematical question, many candidates give the wrong answer because they feel nervous during the interview.

Number of examiners in the interview may vary from one to relatively large number of committee members (usually the committee has three members, but there are times when there are more members). The reason for the lack of numerous committee members is a costly procedure as for selecting the candidate all committee members must be paid. However, the committee in that case is much more objective because the chance of the subjective assessment of one man's judgment in choosing a candidate is

reduced. The most common form of interview is an immediate conversation, but the interview over the phone is also often used, especially when the candidates live far from the place where the interview takes place. An additional advantage of telephone interviews is the elimination of candidate's physical appearance as a factor in decision-making about which more will be said later. In recent times, a teleinterview, at which committee members communicate with the candidate over the Internet using the camera, is used more frequently. Due to the reduction in travel costs, the use of that technique is likely to increase in the future.

In the end, it is important to say how efficient interviews are for quality selection of employees. In short, studies have shown that unstructured interviews leave a large probability of subjectivity in assessing candidates. It is proven that the physical appearance of the candidate, his attractiveness, humor, firm handshake and looking into the eyes of the examiner are much more important in the selection of the candidate than quality responses. So, it is advised to use structured interviews, a larger number of committee members, the evaluation of each answer from 1 to 3 or 1-5, determining in advance which answer is correct and which is incorrect. In this way a greater objectivity in decision-making is achieved. However, it is proven that even such a method has been less efficient than the most efficient method, and that is giving the task to the candidate.

How to be selected?

So far, the methods of choosing a good employee have been analyzed. However, now new tips will be given on how you can increase the

probability for getting a job. Basic tips for writing CVs and how to behave during the interview will also be presented.

Curriculum Vitae

At the beginning of the chapter there is an imaginary CV of a student from the Faculty of Civil Engineering. A few more tips for writing a CV will be added here.

1. Write concise and readable CVs. CV should be easy to read and should attract the attention of the committee. Therefore, omit unnecessary details, for example, hobbies that have nothing to do with competition.
2. If education is your strength, put the data on schooling at the beginning of a CV. Otherwise, put the experience in the first place. Sort the data in reverse chronological order, because the recent data is more important to your employer than the old data.
3. If you finished college, high school is not mentioned. If you graduated from high school, elementary school is not mentioned. The faculty should always be stated, even if you have a master's degree or a doctorate.
4. Specify the languages you can speak, and knowledge of computer skills.
5. Specify hobbies that may be important for the job and those in which you have achieved great successes.
6. Check possible spelling and grammatical errors in your CV because they leave a bad impression.

Rules for good behavior during the interview

1. Before the interview collect as much information as possible about the employer. Call the company and ask for details about the offered job.
2. Read your CV well and be prepared for questions related to your CV.
3. Dress classically (suits for men and costumes for women). Avoid bright colors, excessive jewelry and heavy makeup, but do not hide strengths of your appearance because studies have shown that physical appearance is one of the most important factors that influences the selection of employees.
4. Prepare for frequently asked questions, such as:
 - a) What is your greatest quality?
 - b) Do you have any drawbacks that you would like to change?
 - c) What salary do you expect?
 - d) What work experience do you have for this job?
5. Be sure to come to the interview before the scheduled time. Your late arrival at the interview is almost a certain reason for elimination. In addition, the earlier arrival will calm you down and you might find out some additional information about the interview.
6. Do not underestimate yourself. The very fact that you got enrolled at the Faculty of Civil Engineering is an indicator of your quality, especially in a country where only 8% of the population has a college degree. Your chance of getting a job will increase significantly when you successfully finish your studies. If we add your knowledge of foreign languages, the ability to work on the computer and your other qualities, which should be clearly stated in your CV and during the

interview, then there is no reason to be afraid of the selection procedure of candidates for the job.

7. Be confident, but not arrogant.
8. Look the examiners in the eyes and be smiling. In addition to physical appearance, nonverbal factors, which affect the impression you leave, are also important.
9. Learn your presentation by heart. Be sure to mention your work experience, education, ability to speak foreign languages and special qualifications.
10. Listen to questions carefully and answer them directly. Ask for an explanation if you do not understand the question.
11. Do not forget to praise the examiners for asking the questions and conducting the interview because it increases your chance to be chosen.

Summary

1. Employee selection is a very important element in the management of workers because the proper selection of workers increases the chance of a successful business.
2. Workers are usually selected on the basis of an application for the tender, CV, letter of recommendation, task completion, and interview.
3. The most common tests for the selection of workers are intelligence tests, achievement tests, psychological tests, physical fitness tests and sociodramatical tests.
4. Giving work tasks has proven to be the most objective method of selection of workers.

5. Interviews are divided into structured and unstructured; they can also be divided into situational, behavioral and stress interviews.
6. Candidates may be interviewed by an individual or committee. The Committee is a better (though more expensive) solution because it reduces the possibility of subjective selection of candidates.
7. Objectivity of the selection is greater when using a structured interview, and when the members of the committee evaluate the candidates for each question on the basis of predetermined criteria.
8. Physical appearance and non-verbal communication play an important role in selection of a candidate.

Examples of exam questions

1. What are the main problems that make selection of employees harder?
2. What methods are used to select employees?
3. How valuable are recommendation letters in the selection process?
4. Which tests are used to select the employees?
5. What is the most objective method in selection of workers?
6. What types of interviews are there?
7. What are the advantages of a structured interview?
8. What kind of interview is a stress interview?
9. How can objectivity of the interview be increased?
10. What are the benefits of telephone interviews?
11. List the basic rules for writing a good CV!
12. Specify the rules of a good behavior at the interview!

6. Work motivation

What will be the most important factors to you when choosing a job?
(rank = 1 the most important, the least important = 7)

- Interesting job
- Job certainty
- Salary
- Working conditions
- Possibility of advancement
- Good relationships with co-workers
- Human treatment of employees

Motivation

Croatian encyclopedic dictionary defines motivation as "that which moves us to some activity."²⁹ Thus, exploring the motivation to work, we explore the reasons why someone is working and the ways with which we can encourage someone to perform high quality jobs. This topic has already been discussed in the chapters on the history of the sociology of work. While Taylor reduced motivation exclusively to money, Mayo discovered additional factors that motivate workers. This chapter will present additional findings from the area acquired by the sociology of work. However, it is necessary to emphasize that the motives are relatively difficult to analyze because different motives can result in the same behavior. For example, someone could get enrolled at the Faculty of Civil Engineering because his parents have a construction company, because they have failed to enroll at the Faculty of Architecture or because they fantasize about how to build

²⁹ *Croatian Encyclopedic Dictionary (Hrvatski enciklopedijski rječnik)*, op. cit., pp. 235.

bridges. So, different motives can result in the same effect - admission to the Faculty of Civil Engineering. Similarly, one motive may result in different behavior. The desire to have a lot of money can motivate an individual to work hard, and the other person may try to rob a bank. Furthermore, the satisfaction of needs can reduce motivation, but it can also increase motivation. Successfully solved problems at mathematics exam may be a reason for one student not to study that subject after passing the exam, while another student may decide to change the faculty and instead of studying at the Faculty of Civil Engineering, he/she will study mathematics. Scientists themselves make matters further complicated since they have different, often conflicting theories on motivation. For example, in contemporary psychology there are divided opinions on Freudian theory. In other words, the analysis of work motivation is not easy because people are different, and the social sciences are trying to find regularities that exist in people's actions, even in the motivation to work.

Maslow's theory of motivation³⁰

Maslow is certainly one of the most important authors who dealt with motivation. He is particularly significant because of his classification according to the needs of the motivational force. In fact, every man is constantly confronted with different needs that may be in conflict. When the student wakes up in the morning, he knows he should learn, but he also feels the need for food. Which of the two activities will be done first depends on

³⁰ This and the next chapter are based on Vecchio, Robert P. 2003. *Organizational behavior: core concepts*. Mason, Ohio: Thomson/South-Western, pp. 70-122.

their motivational force. Maslow first identifies human needs and then classifies those with the greatest motivational potential to least motivational potential. The hierarchy is the following:

1. *Physiological needs* are the needs for oxygen, water, food, sleep, warmth and sexual needs.
2. *The need for security* is the need to be protected against potential attacks on us as people. These services are provided by military, police, firefighters and etc.
3. *Social needs* are the needs for love, friendship and harmonious relationship with the community. Man is a social being and outside the community he could barely survive. That is why he needs close relationships with other people.
4. People have a need for self-esteem (a good opinion of himself) and a need for *appreciation* by the society.
5. The need for *self-actualization* is the need to develop one's own mental and physical abilities to the maximum.

Generally speaking, the physiological needs have the greatest strength of motivation and self-actualization has the least strength. Higher needs become important when the lower needs are satisfied. However, this rule has many exceptions. For example, during the war, people are often willing to deprive themselves from the natural physiological needs by defending their homeland. In such cases, the need to respect yourself (you are not a coward), and social needs become more important than the need for security, food, warmth and sleep (physiological needs). Lower needs are instinctive, while higher needs are more rational.

If needs are not being met, they are activated by various defense mechanisms - sublimation, rationalization, fantasy and aggression. Sublimation is the replacement of one activity with another, so, for example, women who cannot have children often tend to have pets as a subconscious substitute for a child. Rationalization is an attempt to diminish the significance of something that is missing, so if someone does not have money to buy grapes that one would like to eat, one would often comment that surely the grapes are sour. In addition, people fantasize about what they get and some can use aggression to throw out their own frustrations.

This brief review of the basic terms of psychology aims to teach us how the work motivation is associated with the general motivation. If we apply Maslow's theory on the work field, we can conclude that it is often easier to meet lower needs of employees (wages, nutrition), than the higher needs such as the need for appreciation and self-actualization at today's workplace. The value of Mayo's theory is that he suggested that the higher needs must be taken into account for work motivation. In a situation when a man spends a great part of his life at the workplace, it becomes significant that he is appreciated by his working environment. In addition, the feeling that one has attained his physical and mental potentials during his working years becomes an important element of a happy life. Thus, the possession of a degree is not only a good basis for a higher salary, but also one of the important elements of self-respect, including respect from the environment. Persons who fail to complete college often try to cure their frustrations with constant criticism of intellectuals or emphasizing their wealth to compensate their failure in school. However, it is important to emphasize that people with lower education have a need to have their work appreciated, which was

shown in Mayo's experiments. Therefore, a successful manager needs to be aware of all the employee's needs and strive to meet them in order to increase productivity. Lack of Taylor and Ford's approach was that they concentrated only on the lowest needs of workers.

McClelland's theory of motivation

When talking about work motivation, then one should definitely mention McClelland because he has investigated the reasons why many people are unmotivated to work. The causes of this situation McClelland found primarily in childhood. His research has shown that children whose parents encourage autonomy (for example, storing toys, going to school and crossing the road by themselves) achieve, on average, better performance results when they grow up. Constant support and praise from their parents stimulate children's work motivation which later remains for life. The stories that kids read in childhood may also have a positive or negative effect on the motivation of work. For example, Snow White creates the wrong value because the girls are encouraged to believe that marrying a rich prince will solve their problems. In contrast, story by Mate Lovrak *Pero Kvržica's Group*, create a positive value because it positively values work. However, it is important to note that McClelland does not absolutize childhood as the only period in which the work habits are formed. On the contrary, the author has formulated a training program for workers who have little motivation to work. In this program, concrete achievable tasks, from easy to more difficult, are set for workers. Workers have the ability to constantly observe their progress at work. In this way their confidence and work motivation are being strengthened. So motivation is possible to develop throughout life -

because there is an adequate training which increases motivation - but managers should be aware that some workers have lower starting position because they were inadequately educated in childhood.

Methods of encouraging work motivation

In practice self-fulfilling prophecy and management towards objectives are two proven methods of increasing work motivation. What is self-fulfilling prophecy will be best explained with the description of one experiment. Two groups of students were created whose task was to train rats in a rapid passage through the labyrinth. The first group was told that their rats were very intelligent, and the second was told that their rats were not intelligent. After a while they measured the success of rats passing through the labyrinth. Of course, the first group achieved far better results. However, the point was that the leaders of the experiment deliberately put equally successful rats in both groups. This means that subsequent differences in the results between the two groups were a result of convictions of their „coaches" that they can achieve good or bad results. The accuracy of these findings was confirmed by similar experiments with students and experiments with soldiers in the Israeli army. In these experiments, the instructors were told that one group is really successful and in the end this group achieved better results, although at the beginning of the experiment both groups were completely equal. From these experiments, we can conclude that people achieved better results when you trust in them, and when you expect good results from them, and that is exactly what the effect of self-fulfilling prophecy methods is based on. In other words, managers should encourage a positive atmosphere at the workplace with statements

such as: "I can do it", "we are the best", "we will make it," because such an approach increases the motivation to work and increases the likelihood of success. One can generally say that optimism feeds itself with consequences. Similarly, pessimism (the belief that one will fail) increases the likelihood that this will really happen.

Another method, which has also been successful in practice, is the management towards objectives. It is the method in which employees determine their working goals together with their superiors. In a private agreement with his superiors an employee and a superior make plans what they will do in the upcoming period, usually within six months to a year. After that period has passed, the superior with his employees checks whether the agreed objectives have been achieved. In this way, the employee is positively motivated because he has determined his goals by himself, and thus assumed the responsibility for achieving the goals. The prerequisite for the application of methods of management towards objectives is measurable productivity, which is not always easy to accomplish. However, with the proper method measurable goals can be determined to most employees. The norm can be determined for executive workers, and higher positioned managers could, for example, set a goal to increase production by a certain percentage, reduce costs, improve sales, etc. A good example of management towards objectives is the way the university teachers are being controlled. They are re-elected every five years, and it is checked whether they are eligible to remain in the current position (assistant professor, professor), or whether they can be upgraded to a higher position. Thereby, measurable criteria are being determined - the number of published papers, the grades they receive from students etc. Thus, even in sectors that are not

easily quantified, it is usually still possible to apply the method of management towards objectives. It is important to emphasize that the tasks should be challenging, but attainable. If tasks are not sufficiently challenging, human resources companies will not be exploited enough. However, there is a bigger problem if the tasks are not attainable, because in this case frustration of the management and employees will only pile up. In addition, it is necessary that the workers get feedback on the quality of their work in order to know if the way they work is successful. So the workers are in a similar position as the students since after the exam they want to get grades as soon as they can, to determine if they are in a good command of the material. Finally, it should be noted that with the management towards objectives it is desirable to give a relatively high degree of autonomy to employees. Ultimately, whether the methods chosen by the worker are correct will be seen when the effect of his/her work is periodically tested. However, if the method of management towards objectives is to be successful, it must be complemented with adequate rewards to workers and workers who do not fulfill the objectives should be punished. That will be the topic of the next chapter.

Summary

1. Motivation is relatively difficult to investigate because the same behavior can be the result of different motives, and the same motive may cause different behaviors.
2. Maslow identifies five types of needs: physiological needs, safety needs, social needs, the need for appreciation and the need for self-actualization.

3. Generally, the lower needs have greater motivational force, and higher needs occur when the lower needs are satisfied. However, there are many deviations from this rule.
4. Maslow's theory is important for the motivation of work because it shows that it is not enough to just give the workers a salary, but they also have a need to achieve social needs at the work place, the need for appreciation, even for self-actualization.
5. McClelland stresses the importance of childhood for future work motivation. However, childhood is not crucial because motivation can be strengthened with adequate training even among adults.
6. Self-fulfilling prophecy is a method in which positive previous expectations are used because they have a large impact on the final result of the work. Therefore, positive work environment, optimistic spirit and praising the employees have a positive impact on work motivation.
7. Management towards objectives is a method in which employees determine their operational goals together with their superiors. This method has been a very successful method in increasing work motivation.

Examples of exam questions

1. What is motivation and why is it relatively difficult to analyze it?
2. How does Maslow classify human needs?
3. What is the need for self-actualization?
4. What is the significance of Maslow's theory for the analysis of work motivation?

5. Compare Mayo's and Maslow's theory!
6. What are the basic elements of McClelland's theory?
7. What is a self-fulfilling prophecy and what does it mean for work motivation?
8. What is the management towards objectives? Give an example!

7. Rewarding and punishing workers

When they asked Drakont why he introduced the death penalty for most criminal offenses, he answered that he believed that small offenses [for example, stealing apples - MA] deserve the death penalty, and that he could not think of a more severe punishment for more serious offenses. (Plutarch about Drakont)

The role of reward and punishment in motivation for work

Psychology distinguishes two types of work motivation: intrinsic and extrinsic. Intrinsic motivation is internal, which comes from the worker himself. For example, when someone is playing the piano for one's own enjoyment, one is driven by intrinsic motivation. Such a person does not need any additional reward because he finds fulfillment in the activities he is carrying out. We encounter this type of motivation even at the workplace. For example, teachers sometimes really enjoy teaching, especially when students are interested in learning. Extrinsic motivation is external motivation. An example of extrinsic motivation is a wage. A worker at the assembly line does not work because this works causes him pleasure, but because he needs the money. In previous chapters, the topic of intrinsic motivation was mentioned, and in this chapter the emphasis will be on extrinsic motivation.

Extrinsic motivation is based on rewards and punishments. However, in order for rewards and punishments to be effective, it is important that the behavior of the person, who imposed these measures, is exemplary. For example, a manager who is late for work will not achieve the same results – if he is trying to prevent delays of his workers - as a manager who regularly

comes to work before office hours. It is important to emphasize that the praise and award have a much better effect than punishment and rebuke.

Types of rewards

Managers have the full range of rewards at their disposal, among which the most important will be mentioned:

1. *Praise* is a verbal reward for performing good work. Although it is free, it has a very strong positive effect on work motivation. After all, anyone can recall how being praised by a teacher further motivated us to learn the subjects or, how well we were motivated after our parents praised us. Otherwise, it is best to praise a worker in the presence of other employees because then they become further motivated. In contrast, the criticism should be given in private because only then it has a positive motivational force. Criticism in front of other workers is perceived as an attack on one's own personality, and he may become demotivated to work.
2. An integral part of the organizational culture of successful companies is giving *awards* to workers. This includes declaring an employee of the month, a worker of the year, celebrating anniversaries of the employee in the company (tenth, twentieth, and other anniversaries), granting diplomas for a well done job, etc. And these types of rewards have an important motivational role, among other things, because they reinforce a sense of belonging. Moreover, the Faculty of Civil Engineering in Zagreb proclaims the best students, and their pictures are posted on the notice board of the Faculty.

3. *Advancement* is also a significant form of rewarding and therefore motivating workers, especially if workers feel that they are being advanced according to their merit and for their work. Therefore, managers are advised to consult their workers before advancing the employees, to make sure that they chose the right person for this form of reward.
4. *Free days* can also be a form of reward. If the worker has done his job well and before the deadline, giving him a few days off can be a good form of reward for his work.
5. Employees can be rewarded in many other ways - by providing official cars and official cell phones, providing a larger office (which is also an indicator of employee's status), by offering him personal secretaries etc.
6. As much as the previously mentioned types of rewards are effective, money remains the most effective form of motivation to work, and it will be specifically addressed in the next section.

Prize money

Prize money, as the most effective motivator, can be successful when it is actually in line with the results of one's work. However, if employees believe that prize money is given, for example, because of the closeness to the general manager, regardless of the quality of work, then the money reward might even have a negative effect on other employees. In other words, there should be a clear link between the results and the amount of prize money. However, it is not easy to achieve this, and this is seen in the

fact that only 22% of workers in the United States believe that their salary is directly dependent on the working results.³¹

The researchers were intrigued by the question of how the prize money can achieve the best effect of motivating employees, so they did the experiments to find answers to the following questions:

1. Is it more efficient to reward individually or in groups?
2. Is it better to have objective criteria (standard) or it is better to enable managers to subjectively evaluate workers who should get the reward?
3. Is it better to pay the reward immediately or in addition to a monthly salary, or in the form of annual bonuses?

Lawler's studies have shown that in most cases the best results are achieved by rewarding individually on the basis of objective criteria and with an annual bonus.³² However, the disadvantages of individual rewards are: it causes jealousy, ostracism (refusing the winning individual) and possible falsification of results. In contrast, the cooperation within the group is increased if workers are rewarded according to performance of the group or performance of the entire organization. However, in this way the competition between workers is reduced, which can also have negative consequences. Thus, Lawler concludes that there the best way of rewarding

³¹ Ibid, p. 95.

³² See Lawler III, E.E. and G.D. Jenkins, Strategic Reward Systems, in M.D. Dunnette and L.M. Hugs (eds.), 1992, *Handbook of Industrial and Organizational Psychology*, Consulting Psychologists Press, Paolo Alto; Lawler III, E.E., 1971, *Pay and Organizational Effectivness*, McGraw-Hill, New York; Lawler III, E.E., New Approaches to Pay: Innovations That Work, *Personnel* 53, II-23; Lawler III, E.E., 1981, *Pay and Organzation Development*, Addison-Wesley, Reading, Mass; Lawler III, E.E., 1984, Whatever Happened to Incentive Pay, *New Management* 1, pp. 37-41.

for all activities, does not exist. In some industries it is better to reward individually, and in others in groups. Generally, in those industries in which the individual contribution is important to the (job of a Salesman), it is better to pay individually, and in activities that require team work (Medical Advisory Board) it is better to reward the whole group. However, the best solution is often a combination of rewards. So, for example, football clubs give different amounts of money to buy players, depending on the quality of individual players, but if the club wins the European Champions Cup, then the premium is allocated equally, in other words on the basis of group payments. As far as objective and subjective evaluation is concerned, it is logical that the objective criteria give better results because they are measurable, so it is easier for everyone to assess who deserved the reward. However, it is sometimes useful to reward employees on the basis of subjective estimates because it is not always easy to quantify a person's work performance. A similar example is the right of teachers to award students extra points for being active in the class. Although it is better to evaluate on the basis of measurable results, such as the number of points on the test, it is useful to additionally reward the students who enabled the quality of classes at seminars through their discussions. Probably the biggest surprise of Lawler's conclusion is that it is best to pay the rewards in the form of annual bonuses. Specifically, it would be logical to conclude that the greatest motivational force is a reward that is paid immediately after performed work. But perhaps the annual bonuses are the most effective because of large amounts of money, which are paid at once, and they are more stimulating than the reward that is distributed throughout the year in small amounts.

Annual bonus has an effect of a "positive shock" that stimulates employees for further efforts.

Punishment of workers

It has already been stated that the rewards are a much more motivational force than punishment. After all, anyone can think of a situation in which the punishment had just the opposite effect from what was expected. For example, a student who gets a bad grade in a subject often loses interest in that subject. Therefore, successful managers must avoid punishing workers, except in cases where the punishment is the only option. Therefore, alternatives to punishment will be listed first:

1. *Ignoring.* Sometimes it is good to pretend that you have not noticed some tiny misdemeanor. For example, students in a lecture can sometimes make inappropriate remarks or start talking with a colleague during a lecture. If comments are not too inappropriate or if a student stops talking soon, the best thing a professor can do is to pretend that such behavior was not noticed. Similarly, a supervisor does not need to react to every little flaw workers make because a constant scolding demotivates employees.
2. *"Scowl."* If someone does not want to tolerate one's conduct any further, and it is a small misdemeanor, sometimes it is enough to show that the employee's behavior is not approved with facial expressions and a body language. People have learned to understand non-verbal communication, and sharp look, with which can eliminate unwanted behavior, can sometimes be quite enough for "punishment".

3. *Prevention.* It is not said by coincidence that opportunity makes the thief. If an activity, which brings costs to the company, wants to be stopped, then prevention is usually a much better solution than punishment. For example, if the phone bills are too high, a good solution is to dial zero when an employee wants to call, because in this way overseas calls or calls to mobile phones are prevented. In this way we will achieve better results than punishing workers who use the phone for personal use.

However, alternatives to punishment sometimes do not work, and then the punishment must be approached or otherwise, the supervisor will lose the authority. During his working years every civil engineer will probably be in a situation when he will not be able to change his employee's behavior and the only choice will be to threaten him with a fine or punishment. Punishment has three basic functions. Firstly, if it is properly used, a change of offender's behavior can be achieved. Secondly, the punishment may temporarily or permanently eliminate the offenders. Thirdly, penalties deter potential offenders. If an employee sees that someone has been fired due to theft, he will certainly think twice before and he does the same offence.

Rules of punishment

In order for a punishment to achieve its goal, while sentencing the following fundamental principles should be observed:

1. *Impersonality.* Punishment should not be based on personal animosity. Inappropriate behavior should be punished, not the person. The punishment will not be educational if a person who is being punished

- thinks that it is due to his superior's dislike towards him, and an even worse situation would be if the other employees feel that the manager is subjective and that he is punishing that person just because he is obnoxious.
2. *Universality.* Universality of punishment is connecting with impersonality. It is not enough to justly punish only an individual, but it is also necessary to punish all who make some violations. Only in that case a sense of just punishment can be achieved. For example, in Rogoznica near Šibenik some people's houses, which were illegally built, were pulled down, and some other people were able to subsequently legalize their illegal houses. It is logical that those, whose houses were pulled down, have experienced injustice, even though they broke the construction law.
 3. *Consistency.* It is not enough that all are equally covered with punishment, but it is necessary to always determine the same punishment for the same offense. Inconsistent punishment is the punishment in which one is punished with a wage reduction, and the second time another employee for the same offense, is punished only with a warning.
 4. *Appropriateness* is the principle according to which a minor offense is punished with a smaller punishment and a major offence with a serious punishment.
 5. *Embarrassment* means that punishment, in order to have the effect, must cause some discomfort to those who are punished. For instance, in the public there was a negative reaction to the news that Biljana Plavšić, a person who was convicted of war crimes in Bosnia and

Herzegovina, has the right to have horse-riding lessons, massage, sauna and other privileges while serving time in prison. So, if the employee is penalized by being relocated to a new working place where there are better working conditions, then such punishment does not have a preventive effect.

6. *Immediacy*. The punishment should be imposed immediately after the offence is being committed because it would then have the greatest educational impact. However, the need to implement appropriate disciplinary proceedings often prevents the implementation of the principle of immediacy.

Types of punishment

Previously, it was stated that one of the principles that should be taken into account during the punishment is a principle of adequacy. Therefore, it is necessary to specify the punishments from the least to most severe. Although *isolation* is not a formal punishment, it is worth mentioning because it is one of the most common informal sanctions. In small towns people often isolate people who do not fit the unwritten moral rules of that place. Also, workers often isolate their colleagues who do not want to join the strike, which the majority of union members decided to participate in. The mildest form of punishment is an informal *verbal warning*. It is being used for minor violations of work discipline - uncivilized behavior (shouting, swearing, etc.), delays at work, laziness, ignorance and inefficiency at work and for the unauthorized departure from work. Of course, if such a violation is repetitive, it is necessary to impose more severe sanctions.

Serious offense immediately requires a *written warning*. Such violations are: sleeping at the workplace, professional negligence causing property damage, disobedience (mild violations of written rules or orders of a superior), and absence from work without notifying authorities. In case that such violations tend to be repeated, we must apply even tougher penalties.

If a written warning does not work, the employee may be on *probation*. For example, his daily or weekly salary may be deducted, noting that the decision will not be implemented if in the next three months he does not make a single offense.

Some powers can be taken away from a negligent employee (*removal*) or he can be moved to another location. Thus, the military often punishes officers by moving them into the province (*transfer*). More severe punishment is to move to a lower rated and poorly paid job.

Eventually the most serious penalties will be listed, such as *fines* (unpaid monthly wages), permanent *salary reduction*, *suspension* from work or being *fired*. Being fired is the most severe punishment an employer can give. All other penalties are the responsibility of the state. A person can be fired for the following offenses: theft, destruction of companies' property, fights, drug use at the workplace, disobedience of regulations and orders, document forgery, falsifying diplomas and other documents, lying at an interview for a job, being absent from work without notifying your supervisor for three or more days, refusing to carry out duties, intentionally taking actions that cause serious damage or endanger the life or health of

workers.³³ It is important to note that managers must take into account that all the penalties, and especially the most severe, must be implemented in accordance with the law, so that decisions would not be dismissed later in court for failure to comply with regulatory procedures.

Disciplinary meeting

In the end, it is necessary to mention a few tips regarding the disciplinary meeting with an employee. Before the meeting, it is necessary to prepare all the relevant facts about the employee's violations (which he did, where, when and how). The first such meeting should be held with the employee in private. It is very important that the superior remains completely calm during such a meeting (anger is a sign of weakness). At the meeting it is necessary to tell the employee what he did wrong, what is expected from him and what will happen if he does not change his behavior. It is extremely important that supervisor keeps his word because if in the end he does not punish a worker he threatened, his authority will be permanently diminished. It is important for a punishment to be appropriate and in accordance with these instructions, and the fact that the function of punishment is not revenge, but a change of behavior must be taken into account.

³³ Description of penalties for certain offenses is taken from Oberle, RL, 1978, Enforcing discipline measures, *Personnel Journal*, p. 30.

Summary

1. Reward and praise have a stronger motivational force than punishment.
2. The following rewards are available to supervisors: praise, acknowledgement (diplomas, plaquettes), status symbols (official car, office, secretary), free days, advancement and prize money.
3. In most cases, the best results are obtained with individual financial rewards on the basis of objective criteria and an annual bonus.
4. Ignoring, "scowl" and prevention are alternatives to punishment and should be used for minor offenses.
5. While punishing one should stick to the principle of impersonality, universality, consistency, appropriateness, embarrassment and immediacy.
6. Managers have access to the following penalties: informal verbal warnings, written warnings, probation, transfer to a lower position, fine, suspension and firing a worker.
7. A person can be fired for the following offenses: theft, destruction of companies' property, fights, drug use at the workplace, disobedience of regulations and orders, document forgery, falsifying diplomas and other documents, lying at an interview for a job, being absent from work without notifying your supervisor for three or more days, refusing to carry out duties, intentionally taking actions that cause serious damage or endanger the life or health of workers.

8. At the disciplinary meeting, the employee needs to know what he did wrong, what is expected from him and what will happen if he does not change his behavior.

Examples of exam questions

1. Explain the difference between intrinsic and extrinsic motivation!
2. Which rewards can be given to employees?
3. What kind of prize money has the highest motivational force?
4. What are the alternatives to punishment?
5. Which principles should be respected during punishment?
6. What penalties may be imposed on employees?
7. For what kind of offense is a verbal warning given?
8. For what kind of offence is a written warning given?
9. For what type of violations can an employee be immediately fired?
10. Specify the rules for conducting a disciplinary meeting!

8. Working career

Everything I have done so far in my life, I have done in order to do less. (anonymous graffiti)

Introduction

This chapter examines the relationship between a man and work during his lifetime, from birth till the end of life. The goal of the chapter is to introduce students to the basic characteristics of the individual stages of the working career and the problems that wait for them in these stages.

We distinguish five stages of the working career:³⁴

1. Preparation
 - a. Pre-school period
 - b. School period
2. First jobs
3. The transition from school to work and internship period
4. Permanent employment
5. Pension

1. Preparation

1. a) Pre-school period

As we have previously stated (see p. 55-6), childhood has an important role in the working career, as working habits that are acquired in

³⁴ Display of working careers is also made according to Muller and Form, Op. cit., pp. 627-958.

the early period of life stimulate the success at work business in the mature phase of life. The role of parents is particularly important since children unconsciously take their parents as role models. Even the first work experience, which begins around the third year of life, is associated with knowledge of the children that the parents go to work every day. By imitating adults, kids love to play the roles of certain professions. They love to make cakes with their mothers or play the role of the working physicians, salesperson etc. Such games are important in the study of socialization and therefore should be encouraged. Children should be involved in work activities at home more often, for example, when cleaning the apartment. Children should learn to do certain tasks as soon as they can perform some activities - putting the toys in the toy box, making beds. In this way, parents have less household chores, and children acquire work habits. However, it is extremely important to praise a child for each activity which is carried out, because praise and awards additionally motivate kids to work. So, tips on motivation, rewards and punishment, which were outlined in the previous chapter, can be partially applied to motivate children to work. Thus, for example, the method self-fulfilling prophecy can be applied to children. Assurance that they will succeed in their efforts if they work hard enough, increases the likelihood that a child will actually succeed in achieving the goal (for example, in learning).

1. b) School and work socialization

The beginning of the school period makes a huge milestone in child's socialization. The most important influences of school are the following:

1. School teaches children self-discipline. Many children had almost a whole day to play before starting school. However, when they start

- going to school children have to get used to the schedule in which a large part of the day they must devote to learning.
2. School teaches children to respect authority, especially the authority of the teacher. This respect for hierarchy is later transmitted to accept the authority of their superiors at the workplace.
 3. School also develops other character traits such as: diligence, persistence, competitive spirit, grit, good-manners, solidarity, etc.
 4. However, some negative phenomena are also developing – being envious of better students, lying to justify non-attendance at school, etc.
 5. During school years the amount of work outside school increases. Daily duties may include performing household chores, looking after siblings, helping with the family business, taking the garbage out, going to the store and etc.

2. First jobs

Most students earn their first spending money in high school. Although we do not have accurate data on the percentage of students who are working in Croatia (the largest part of the work done is not registered), one gets the impression that this is less than in the U.S. where 80% of high school students and 97% of university students work occasionally. The most common motives for the first employment are: earning money, gaining work experience, gaining financial independence from parents and gaining confidence.

During schooling, they are mostly doing the simplest jobs - waitressing, physical labor, selling newspapers etc. Pupils and students are

often even ashamed of their jobs because they believe that this is a job below their intellectual capabilities. That first job is characterized by large horizontal and small vertical mobility. However, during their college years, they can get better jobs. Pupils and students often work part-time or work during the holidays. So, it is a temporary employment, and education takes precedence over work.

3. Transition from school to work and internship period

The transition from school to work (with the transition to retirement) is one of two major milestones in the working life of man. Therefore, we will first state the most important differences between the period of education and periods of employment. The first big difference is a better and more immediate motivation for working than for educating. When employed, the worker gets a salary, and this enables him to satisfy a large number of his needs. However, the work schedule is much stricter at the work place than at school, and the amount of free time is reduced. Discipline at work is also stricter than at school. During his studies he is developing - by respecting the authority of Professor - collegial relationship between teachers and students, at work a stricter compliance with the formal authority of the supervisor is usually expected. At work, progress is slower than at school, and the procedure of advancement is less defined. Advancement often depends on factors that are not directly associated with the quality of work. Advancement depends on relationships, friendship, beauty or assertiveness of employees. Psychological problems of young employees can cause some other factors - work with the older population (during their school years students are constantly surrounded by their peers),

monotony of work, job insecurity, autocratic and sometimes immoral and illegal behavior of managers. In addition, at the beginning of his career employees generally do jobs that are below the level that they expected during their schooling. The internship period runs from graduation to obtain permanent employment. This period is characterized by large horizontal and small vertical mobility. So, for example, people in the U.S., who are between 18 to 35 years old, change on average three jobs, and over 35 years of age until their retirement one job on average. The period of internship is also the period when, because of lack of experience and the principle of seniority, it is the most difficult to get a job. However, those who have successfully overcome the internship period are coming to the peak of their career, and that is a period of permanent employment.

4. Permanent employment

The period of permanent employment does not begin at the same time for all employees. However, full-time employment typically begins at the age of 35 and lasts until retirement at the age of 65. During permanent employment - unlike all previous stages of working career – there is a big vertical and small horizontal mobility. In other words, during this period we can expect continuous career advancement, especially among highly skilled workers. Since the benefits are associated with the advancement, this period is characterized by financial security and the achievement of professional ambitions. Getting a permanent job is mostly connected with getting married for two reasons. Firstly, full-time employment provides material security, and helps people to decide to get married more easily. Secondly, marriage

stimulates employees to stop changing jobs and to try to find a permanent employment.

Although the period of permanent employment is at the same time the greatest period of success in a career, that success is not the same for all employees. It will therefore be important to mention the factors that influence the likelihood of one's success which the individual cannot influence primarily due to parents' professions and class level. In all societies there is a tendency of inheriting the class position, not only because of the inheritance, but also because of the fact that rich parents can pay for an elite school to educate their children. They can also provide the capital so that they can start their own business or they have good connections to find a better job for their children. After all, rich people have a greater likelihood of finding a wealthy spouse.

Occupation of parents also affects success. Studies in the U.S. have shown that 70% of people have the same level of education as their parents. Children of university professors have a richer vocabulary in childhood than children of parents with lower educational status. And intelligence largely (85%) depends on the genes. Therefore, the success depends on factors to which an individual has no influence. However, this does not in any sense mean that one's activity does not affect the success of one's career. Since in modern societies education is available to almost all social classes - and education is one of the most important factors for success - it is clear that education is the means with which children who come from the poorest families can skip a number of steps on the social ladder and become richer and more successful than their parents. The level of education of the parents does not have to be a crucial factor because a person can acquire a high level

of education and compensate a poorer background and lower level of foreknowledge with one's own efforts.

Important factors that affect one's success are the following: ambition, penetrating power and commitment to the work and success. Ambitious men, even without parental help, often achieve more with their diligent work than those to whom everything is "served on the palm." So, to make a comparison, even though much depends on the cards one gets, with a quality of playing one can win the game even if the other player has better cards than him. Still, a factor of luck plays an important role, and, in case of failure one does not always need to blame himself. After all, in this time of global economic crisis, many diligent workers will lose their jobs not by their fault. In short, for many people the period of permanent employment will not necessarily be a period of great business success. The entire generation of people, who were victims of the process of transition and privatization, has lost a job or had to retire just at the peak of their creative energy.

5. Retirement

Retirement, the last phase of the working career, is accompanied by a shock similar to the transition from school to work. The general tendency, which is present in the whole world, is that people get retired much later than before. This fact is mainly due to the prolongation of life, but is also a result of low pensions, and many people are forced to work as long as they feel capable of working.

Retirement brings many changes. Firstly, it changes the social status. For example, the general manager of a company has a completely different

social status while working, than after he is retired. While working he has a reputation, enough money and business connections, so he/she is always in demand. After being retired, many people are going to be completely forgotten by the very people who had previously tried to be in good relations with them. Retirement is associated with a gradual decline of health and life energy. Since this happens to all the people of their age who get sick and die, the circle of friends and acquaintances among retired people is increasingly narrowing. In retirement, financial situation worsens. The types of activities also change, in terms of reorienting the work on hobbies. However, many retirees do not know what to do with free time. Thereby, those people, who throughout their working careers kept their interests and were engaged in creative work, are better off because their pensions will provide them the pleasures they did not have time for while they were employed. In a far better position are those retirees who have their own family and live with it, than the retirees who are left behind, especially those whose spouse has died. However, it is important to note that retirement may be a very happy period of life - precisely because of the tremendous amount of free time - if a retiree is healthy, financially situated and has numerous interests.

Unemployment

Unfortunately, not all people are fortunate enough to have a stable career throughout their working lives, so many people have to deal with the problem of unemployment. Therefore, at the end of this chapter, social causes and psychological effects of unemployment will be examined. Not all categories of people are equally exposed to unemployment. The most vulnerable social groups are young people and people with low educational

level. However, a degree is not the only important factor, but the type of education is also important. For instance, there are almost no unemployed informatics engineers, but there is a large number of unemployed political science graduates. However, regardless of one's profession, almost all unemployed people face similar problems. Unemployment leads to a loss of self-esteem. Feeling that no one needs our work leads to a feeling of inferiority. Although unemployed people deserve pity and even solidarity at the beginning, the longer they are unemployed, the more exposed to environmental criticism they become. Unemployed people are more prone to alcoholism, illnesses, sexual problems and suicide. Unemployed singles are in an especially tough position because they have no material and psychological support of their families.

Summary

1. There are five stages of the working career, including: preparatory phase, the first job, the intern phase, permanent employment and retirement. The preparatory phase is divided into preschool and school period.
2. In the preschool period children find out what the work is, play the role of different professions and acquire the working habits which are important for their subsequent work motivation.
3. The school teaches children self-discipline, respect for authority, and development of positive character traits (diligence, persistence, solidarity, etc.).
4. During schooling the first jobs are temporary, include the simplest jobs, and part-time jobs.

5. The internship period lasts from graduation till permanent employment. This period is characterized by a large horizontal and small vertical mobility.
6. Full-time employment is a characterized by large horizontal and small vertical mobility, financial security and achievement of professional ambitions.
7. After retirement, there is a loss of status, reduction of income, reorientation on hobbies, and a gradual reduction of working and living energy.
8. Young and uneducated people are the most exposed to unemployment. Unemployment causes a loss of self-esteem, criticism of environment psychological problems.

Examples of exam questions

1. What are the stages of working career?
2. Why is the preschool period an important phase of work socialization?
3. How does the school affect the socialization of work?
4. What are the main characteristics of the first job?
5. What is horizontal and vertical mobility?
6. What are the basic characteristics of the internship period?
7. What are the basic characteristics of the period of permanent employment?
8. What are the main factors that affect the success of one's career?
9. What changes does the retirement period bring?
10. What psychological damages are caused by unemployment?

9. Professionalism

A development of the craft into a profession begins when a work performed is based on theoretical knowledge. A civil engineer differs from a bricklayer in his knowledge of statics, mechanics, geometry, etc. In the same way a surgeon becomes the medical professional (as opposed to the barber who has previously performed surgical operations), when he begins to base his knowledge on theories (physiology, chemistry, etc.). (Šporer)

*Definitions of profession*³⁵

In everyday language, the term professional is usually used for two meanings. Firstly, a professional is a staff member who works for money. Thus, in contrast to the group of friends who play football for pleasure and are therefore amateurs, a professional football player is the one who earns money by playing football. In order for a person to be considered a professional, someone should be willing to pay for his skills. So, a soccer player becomes a professional when the audience is ready to buy a ticket to be able to watch his stunts.

Another meaning of the term professional is an expert. In other words, a professional is someone who is able to do a quality job that he is engaged in. According to this meaning the killer is a professional person who is able to perform his "work assignment" with a single bullet from a sniper. When we say that someone is a true professional that means that he/she is dedicated to his job and that he/she really knows how to do his job well.

³⁵ This and the next chapter are based on Šporer, Željka, 1990, *Sociology of professions: an essay on the social conditionality of professionalization*, Croatian Sociological Society, Zagreb.

However, apart from the usual meaning of a professional there is also a sociological definition, according to which the profession is an occupation that is based on higher education, that is, on graduating from college. The term profession is often identified with the concept of occupation, so the activity from which one makes the living. However, even though every profession is an occupation, not every occupation is a profession. Being a civil engineer is an occupation and a profession, but a bender is just an occupation since it is not necessary to finish college for this type of job. It is necessary here to define another related term, and that is vocation. So, the vocation is a title one acquires through education. Although the concepts of vocation and occupation in the sense usually coincide, this may not always be so. A person who is qualified as civil engineer can become a politician by occupation, a doctor of philosophy can open a specialized shop for baking popcorn. However, one can be a pro, in the sociological sense of the word, if there is a match of vocations and occupations, so if you work in a profession in which one finished a college.

Characteristics of a profession

Despite numerous specifics of the various professions, there are their common features, the most important being the following:

1) Professionalism requires higher education.

From a sociological definition of professionalism, which we have previously stated, the first prerequisite to consider someone a professional is to finish college. Hence the logical conclusion is that a pro must have an appropriate title - a doctor, a master, an engineer. However, it is important to

point out that in the world there is a great variety of titles. Thus, for example, all the people who have finished university in Portugal received the title of a doctor, and after completing their doctorate degrees they were given the title of a professor.³⁶ Different states have different requirements that must be met for someone to get the appropriate title. So in the U.S., if someone wants to become a medical doctor, one must first finish college (university), and then go to a medical school. An additional problem in the international transfer of diplomas is the existence of semi professions - occupations that require a shorter duration of training (2-3 years). Examples of such semiprofessions are nurses and civil engineers who graduate from Polytechnic schools. One of the reasons for accepting the Bologna process is equalizing the title in the European Union, in order to facilitate labor mobility. The function of the title is to give information about something that someone can do. In everyday conversation, when we meet a new person (say on chat), one of the questions that arises is what someone does, or what one's profession is. The shortest answer to this question is to specify titles. Thus, by assigning the title, states guarantee that a person becomes a pro, and that one is trained to perform profession requiring a university degree. It is therefore useful to put the title on one's visiting card, credit card, phone book, even on the door of the apartment, because it gives a potential customers the information that a person is able to provide a service that the customer needs. In other words, by highlighting one's title a person indicates that he/she is a professional.

³⁶ Ibid, p. 28, note 1.

2) Professions are based on science and theoretical knowledge, while crafts are based on experience

A professional does not only deal with routine tasks, he solves problems by using scientific knowledge. While the installer almost routinely sets parquets, a civil engineer must use his/her knowledge of the basic sciences - mathematics, physics, statics, mechanics - to be able to design the bridge. Of course, even some of professionals businesses are routinely addressed. For example, if a patient who has a fever, runny nose and cough comes to a doctor, after a routine examination he will give prescriptions for cold to the patient. And craftsmen also sometimes have to solve problems. For example, a plumber must discover why there has been clogging in the washbasin. However, what distinguishes the professional from the craftsmen's is his ability to solve atypical problems by using scientific knowledge. So, while the plumber will disassemble washbasin in a manner which he learned during his apprenticeship, the doctor will have to use his knowledge of genetics, chemistry, physiology and other sciences to find a vaccine against swine flu.

3) Profession has a monopoly on a particular activity.

Only a professional should perform activities that require professional knowledge. Thus, a person who has no medical degree, and would attempt to perform heart surgery would have to become a subject to liability. And designing hydropower dam should be carried out by a person who has a degree of Civil Engineering. In other words, professionals have a monopoly to carry out their profession. The state gives the monopoly and legally protects it. The aim is to prevent the unauthorized and unqualified persons to

do any harm since an uneducated "surgeon" would probably kill his patient, an uneducated builder of dams could cause a flood with catastrophic proportions. So, society benefits from monopoly because it ensures that the demanding tasks are performed by persons who are qualified to do them. However, professionals also benefit of having a monopoly themselves because the state ensures that there is no competition from non-professionals. Therefore, the Medical Chamber prevents quasi doctors to practice medicine, and the bar prevents persons who have not completed law school and have not passed the bar exam to earn money from defending somebody in court. In other words, professional associations, with the help of a of state, prevent amateurs to work and charge services that can only be provided by professionals. However, in order for professionals to truly justify their monopoly, they must take care that the right to have a monopoly is reserved only for those persons who are able to work professionally. In other words, the task of the professional associations (see next paragraph) is to eliminate those members who either do not have the expertise or do not respect the principles of professional ethics. So, if a civil engineer makes an incorrect structural analysis and the bridge collapses, a professional association should take away his license so that he cannot carry out further work. The same penalty should be imposed if the civil engineer receives a bribe or becomes corrupted. Thus, professionals have the right to have a monopoly, but they should also constantly justify their right to a monopoly with the results of their work. Monopoly is a privilege, but it is also an obligation.

4) Professionals have their own associations.

We have already stated that one of the functions of professional associations is to defend monopoly. However, there are many other functions of these associations, of which the most important are:

1. Professional associations control access to the profession. These associations should guarantee that all their members finished college, passed the exam and met other conditions required for the performance of professional services.
2. Professional associations supervise the expertise and training of professionals. For someone to be a professional, it is not enough to finish college, but one must show in practice that one is able to perform his profession *lege artis* (in accordance with the rules of the profession). Therefore, after receiving a new member, a professional association must continue to monitor his/her work. This is necessary especially today, when there is an ongoing professional development, and professional associations control if their members follow the progress in their professions.
3. To be able to accomplish these functions, professional associations must organize permanent education, finance and stimulate scientific work of professionals and enable the exchange of scientific knowledge.
4. Professional associations are fighting for the economic interests of members of their own profession. Therefore, they try to ensure adequate tariffs for providing professional services. Thus, the professional association should take care that the work of the professionals is well-paid, but also that the work of professionals is of

a very high quality and in accordance with the ethical standards of the profession.

5. To ensure that the work is in accordance with the ethical standards of the profession, the professional association brings ethics of the profession and takes care of the implementation of them, which is the theme of the next chapter.

5) The professionals have their own language.

Every profession has its own professional terminology - a professional language. After all, studying is largely just learning the language. Professional language has multiple functions. Firstly, it allows easier communication between professionals and saves time. For example, if the political scientist says to his colleague: "Bosnian elections are based on consociational democracy,"³⁷ the other party will understand what his colleague wants to say. If the professional was speaking to a person who is not a political scientist, he would have to express himself differently and "spend" a lot more words so that the other party could understand him. As Hudson states, "every profession necessarily has its own terminology, without which its members can neither express themselves nor can they think."³⁸

Secondly, the professional language allows international communication of professionals. If a Croatian mathematician proves a theorem, Chinese and Japanese mathematicians will be able to understand his proof, which will be written with mathematical symbols, without a problem, even though they

³⁷ In short, consociational democracy is based on consensus and agreement, rather than outvoting and decisions by a simple majority.

³⁸ Quoted in *ibid.*, p. 22.

may not be able to comprehend each other in direct contact. That is why doctors, by using their professional Latin language, can easily understand the diagnosis of a patient.

The next function of the professional language is to create cohesion among members of the profession. By using professional language, understandable only to them, they show their affiliation to a professional group, which creates a sense of "us," or a sense of connection within professional groups. That feeling also creates a certain amount of distance towards the "others" who are the laymen (amateurs). Using professional language can have a negative effect because, for example, the patient might not understand what disease his doctor diagnosed. However, such a situation can have positive consequences, because, according to Šporer (1990), "this misunderstanding gives hope to the laymen that doctors often know more than they really do."³⁹

We have come to the last function of professional language, and that is keeping the monopoly. Precisely because the layman is not only able to do some complicated construction project but he is also not capable to properly read the draft - because he does not know all the symbols used by construction workers – a professional further ensures that no one outside the profession, can do his work.

6) A professional lives by exercising his/her profession.

We have already stated that the feature of a professional is that one's education and the workplace match. Thus, the professional may be the only person who performs a profession for which he/she was educated at the

³⁹ Ibid, p. 22.

university. Additionally, a professional commitment is expected from a professional. In other words, to a professional, a job would have to be not only a source of income but also a hobby, in terms of satisfaction with his/her work. At the same time, since today it is very difficult to follow the pace of progress of modern science, if a person is only dedicated to his profession and if one does not waste time doing some other things, then a professional is able to be constantly informed of new developments in his/her profession and apply these achievements in his/her own work. Of course, to make such a professional commitment possible, the professional must be well paid for his work.

7) Professionals must be autonomous.

One of the important characteristics of professionalism is autonomy, which means that "professionals independently assess and decide what knowledge and techniques will be applied to solve a problem in their work." Also, only a professional should evaluate the work of other professionals. Thus, the patient may be unhappy with the way the doctor treated him and sue him, but the expertise whether one was treated adequately and in accordance with the rules of treatment (*lege artis*) can only be assessed by medical commission. Only the professors can assess whether their colleague gave a fair mark to a student who has previously complained about it. If the building collapses during the earthquake, then civil engineers can assess the work of their colleague and conclude whether it collapsed because it was built by an engineer negligently since he was stealing cement or because the quake was too strong.

8) A professional must have authority

Professional's knowledge is a source of professional authority. For example, when a client comes to a lawyer, he has a certain amount of awe because he believes that the lawyer will successfully defend him in court. However, any professional is obligated to take care of his/her own authority. A professor must maintain discipline in the classroom because it is a prerequisite for all the students to normally follow the lecture. A civil engineer must refuse layman who, because of his own self-interest, suggests not sticking entirely to building regulations. The doctor, who has been insulted by the patient, has the right or even obligation, to terminate the treatment of such a patient and refer the patient to choose another doctor.⁴⁰ So, to successfully carrying out activities, the professionals must keep their professional authority.

9) A professional must be an altruist.

One of the important characteristics of professionalism is altruism. This means that to a professional a client's interest must come first. Thus, a civil engineer who makes a draft of a house must make every effort to satisfy the customer. He should try as if he was making a draft of his own house. Perhaps the best example of professional altruism would be a doctor who is treating patients with infectious diseases. The doctor is obliged to risk his/her own health, even life, to save the patient. A similar example is a

⁴⁰ Exceptions are mentally ill and dying patients, who because of the severity of their own mental condition are often unable to control their behavior. Therefore, the doctor does not have the right to refuse further treatment of these patients (for more details see item "deontology, medical" in Croatian Medical Encyclopedia).

professional officer who does his job for the sake of the homeland, thereby risking his own life. So, egotistical behavior and neglect of a client is a characteristic of unprofessionalism. Of course, the professional has the right to charge a client for the work done - in accordance with rates set by the professional chamber. But earnings come at the end and it is the result of good work and altruism, and it is not an exclusive and sole objective of the professional. Especially atypical for professional work is the violation of ethical standards of the profession in order to get some additional profit.

10) Professionals must respect professional ethics.

Although professional ethics is one of the most important components of professionalism, it is mentioned last, because it is the subject of study in the following chapters.

Summary

1. In everyday language, the term professional (as opposed to amateur) means a person who lives by performing an activity. The term professional is synonym for a specialist. However, sociology defines professionalism as a profession that is based on higher education, and completion of university.
2. Professionalism has ten major characteristics: it is based on the higher education and science, it has a monopoly, professionals have a professional association, it has its own language and ethics, it is based on the autonomy, authority and altruism. In addition, the professional lives from his/her own profession.

3. Professionals can be recognized by their titles which are acquired through education at college.
4. Professionals solve problems on the basis of scientific knowledge.
5. Every profession has a monopoly on a particular type of activity.
6. Professional associations protect the interests of the profession and professionals.
7. Professional language is used for easier understanding and it creates a sense of connection between the members of a particular profession.
8. Professional activity requires complete devotion to the profession and therefore professionals must live from performing their profession.
9. Professionals must make decisions independently (autonomy), must be devoted to a client (altruism) and have the authority.

Examples of exam questions

1. What is professionalism?
2. List at least seven fundamental determinants of professionalism!
3. How do professionals differ from craftsmen?
4. What is the professional monopoly?
5. What are the functions of professional associations?
6. Why do professionals use professional language? Give an example of professional terms in the construction industry!
7. What is the professional autonomy?
8. What is the professional authority?
9. What is the professional altruism? Give an example!

10. Professional and business ethics

In God We Trust. All others we monitor.

(The motto of the company who set up cameras in all offices).

Preparation for the lecture: movie “A Beautiful Mind”

Professional ethics

We stated in the previous chapter that one of the fundamental characteristics of professionalism is the respect for professional ethics, which is defined as a set of rules of conduct for members of a particular profession. While every profession has its own specifics, it is necessary to specify the rules that should be followed by members of all professions. Firstly, it is important to note that there are written and unwritten ethical rules and that they are both important elements of professional ethics. An example of unwritten rule is the rule that professionals should not charge for their professional services to members of the immediate family and best friends (although they may charge their own fees). This rule is mentioned neither in the law nor in the statute of professional associations, and we consider it as an unwritten rule. However, a professional who would violate this rule is likely to experience criticism from his colleagues, who would treat him as a greedy person and would probably avoid him (isolation). Because each of us cares about the opinions of others, especially the opinion of our colleagues (and family and friends), the vast majority of professionals

will not violate this unwritten rule although there is no formal penalty for violation of this rule.

Violation of written standards of conduct may result in expulsion from the professional associations and prohibition of further professional activities. An example of written standard is that professional must respect legal regulations on construction. Of course, the state can punish the violator of that standard, but the task of a professional association is to prevent that such violations even occur. For some offenses professionals will not be legally punished, but a professional association can punish him/her. An example of such an offense is a disclosure of confidentiality. So, if a defendant confided to his defense-attorney, and he told his colleagues his client's secret, the state is unlikely to prosecute a lawyer, but the Bar would have to punish a lawyer because of such immoral behavior as written standards of law ethics prohibit disclosure of defendant's secrets. There are three basic rules that make professional ethics, which are: the rules of behavior towards customers, colleagues and the rules of respecting regulations in the profession.

Relationship with clients

Relationship with clients is based on three fundamental principles:

1. Emotional neutrality and non-discriminatory approach

According to this principle, a professional should not discriminate among his/her clients, and especially one must not discriminate against clients on the basis of national origin, race, class, gender or sexual orientation. So, a professional should provide the highest quality service to each of his

clients, regardless of who the client is. The surgeon must make every effort to save the war criminal who has been wounded in battle. A lawyer must defend a serial killer and rapist by using all the knowledge and skills one has. A professor who accepts to give a lecture should not lecture badly if he/she makes 10 euros per hour and better if he makes 100 euros per hour. Of course, we have already indicated that professional associations have the task of fighting for the high tariffs of members of the profession. However, regardless of the tariffs, the professionals must do their best while performing work. If the client does not want to pay the anticipated tariff, the professional may refuse to work, but if one accepts the job, then one has to do a quality job.

2. The effect on customer's benefit and altruism.

Professionals differ from non-professionals in such a way that their profit should not, in any case, be the only motive for work. University professor must love their work and strive to better convey their knowledge to students and their scholarly works should contribute to society. A physician's primary objective must be the health of his patients. A civil engineer must, in some parts, be an artist. It is no coincidence that the Nobel laureate Ivo Andrić devoted his best works to bridges, believing that they are a symbol of connection between people. Thus, the professionals must strive for the welfare of their clients and have the intrinsic motivation to work.

3. Professionals must reject bribery and favoritism

From everything written it is clear that a professional is obligated to refuse any immoral acts, including bribery, nepotism, and favoritism. To ensure this, we need the legislation and clear rules of professional

associations. However, every professional must decide for himself whether or not to behave ethically. Therefore, it is important that ethical behavior becomes a habit of professionals, not just behavior based on fear of punishment.

Relationship of professionals and fellow colleagues

There are three basic elements of professional relationships to colleagues: equality, support and knowledge transfer. Equality means that professionals should treat each other as equal individuals. Thus, for example, it is an unprofessional conduct if a lawyer wants to steal a client from his fellow colleague. And not only that: If a client wants to change the lawyer, the lawyer is obligated to call his colleague and ask him for permission. If the client has not settled all debts with the first lawyer, the second should refuse to represent him until his fellow lawyer is not paid. Thus, professionals can relate to each other as equals and equal, and that will result in the relationship of mutual support. For example, if a student offends a professor and the professor seeks to punish a student because, his colleagues are obliged to support this professor.

For professionals it is inappropriate to keep their knowledge to themselves. They are obliged to share that knowledge with colleagues. Of course, if a civil engineer finds a new, better quality material for plaster, he has the first right to patent and protect his invention, but after that he should familiarize his colleagues with the invention, and advise them on the use of new materials. In short, professionals must be colleagues who mutually support each other. Acting in accordance with professional ethics does not

only create good relationships, but also increases the likelihood of a successful long term business.

Compliance with regulations

Compliance with regulations is not only a legal, but it is also an ethical obligation of a professional. So, when building a house, a civil engineer must obey static regulations, regulations on protection against earthquakes and fire, etc. Strict adherence to regulations gives clients the confidence that a professional will deliver quality work and, therefore, that is the most important element of professional ethics. Sometimes ethical rules (altruism toward the client, collegiality and regulatory compliance) may come into conflict. For example, the teacher may ask his colleague to let his son's friend to pass the exam. However, in this case the teacher must not follow the rule of collegiality because regulatory compliance is more important than collegiality. Also, the professional must refuse client's request if it is illegitimate, for example, the veterinarian must refuse a request by farmers to issue a certificate that the pig, which was to be slaughtered, is healthy, if he knows that this is not true.

If there is a conflict between the interests of the client and collegiality, then the interest of the customer is more important. For example, if a student is examined before the committee, and if a professor who had taught requests from colleagues to fail the student, fellow professors must refuse the request of their college if they think that the student has demonstrated sufficient knowledge for passing the exam. So, in the first place of professional ethics is regulatory compliance, then the protection of the client and at the end comes collegiality.

Professionals are not only encountered at the market with their fellow professionals, but also with members of other professions. Therefore, in the rest of this chapter we will discuss the concept of business ethics that includes general moral rules in business relationships.

Business ethics

Jones (2004) defines ethics as a set of moral principles and beliefs about what is right or wrong.⁴¹ Thus, business ethics is a set of our beliefs about what we consider as moral and immoral business. Business ethics is a broader concept of professional ethics, because it includes all types of occupations. It is important to note that the code of business ethics is not as strong as the code of conduct for professional ethics. For example, suppose that a construction company gets a job in a country where it is common for underage labor force to work on the site. Is it morally right to hire a 15-year old in this case? Is it moral to employ a 6-year-old, which is a reality in Pakistan? Of course, most people would immediately say no, but what if these children are homeless, which was best portrayed in the movie *Slumdog Millionaire*? Is it immoral to hire them if we know that their only alternative is begging in the streets? Is it moral to do experiments on animals to test cosmetic products? Is it moral to monitor employees during working hours (see the motto at the beginning of the chapter)? Business ethics analyzes such issues, some of which will be studied in the next chapter. However,

⁴¹ Jones, Gareth R., 2004, *Organizational Theory, Design, and Change: Text and Cases*, Pearson Education International, Upper Saddle River, p. 45.

first we will answer the question what the origin of business ethics is and why it exists at all.

There are three main sources of business ethics. The first source is the professional ethics. Its rules are spread throughout other professions. The second source is social ethics. Each community has its own general moral norms, which in turn affects the way people behave at the workplace. So, for example, education that an individual acquires in the family will have a significant impact on his behavior at the workplace. If the family fosters authoritarian behavior, then that behavior will prevail in business organizations. If, at the society level, none cares about the vulnerable groups (for example, there is no universal health care), then the business organizations will probably also lack the spirit of solidarity. And economic situation in the country affects business ethics. It is hard to expect that people will follow the highest ethical standards if they have to fight for their mere existence. Surely, it is easier to insist on respecting business ethics if people have a good income, than if they cannot live from their own salaries. However, whether the standards of business ethics will be respected, depends on each individual. Therefore, the third source of business ethics is individual ethics. The owner of the construction company has to decide whether to offer a bribe to get a job, and at the same time the person who was offered the bribe must decide whether to violate business ethics.

Should we respect business ethics?

To answer this question, we will provide an example from related sciences. In political science and economics there is a very popular game theory. One of the most popular games is the "prisoner's dilemma" which is

based on the following story. A policeman catches two burglars, but there is not enough evidence against them. So, he says to both of them, (prisoners are not allowed to communicate and do not know whether the other one will confess the crime): "If both of you admit that you committed a crime, you will receive up to five years in prison. If you confess and your colleague does not, you will be acquitted for cooperating, and your colleague will get six years in prison. But if he confesses, and you do not, you will go to six years in prison, and he will be acquitted. Finally, if neither of you admit committing the crime, you will each get one year in prison for unauthorized possession of weapons." Graphic proposal can be presented like this:

	A admitted the crime	A did not admit
B admitted	A5, B5 ⁴²	A6, B0
B did not admit	A0, B6	A1, B1

So, if A confesses, he can get five or zero year in jail. If he does not admit the crime, he can get six or one year imprisonment. If A is an egotist, it is better for him to confess. The same applies to B. However, if both are egoists, they will both end up five years in prison, and if they are both altruists, they will be in jail for only a year. "Prisoner's dilemma" illustrates why ethical behavior can be useful - if one does not watch only one's own interest all parties are better off. If the above prisoners behave ethically towards each other (forget for a moment the broader community and the fact that they came into prison for burglary), then they will be better off than to think only about one's self. There is a similar situation in the society. Egoistical factory owner can benefit if he releases toxic chemicals into the

⁴² Years in prison.

river because he will have a higher profit than if he installs expensive waste water purifier in the plant. However, the waste water can cause cancer to people who live along the river. Therefore, the benefit of the individual, that is to say the factory owner, is paid with the huge expense of the community - death and serious illnesses. The situation becomes unbearable if everyone behaved like factory owner, who also may develop cancer because other plants may discharge toxic gases in the city where the owner lives. Thus, the community has a lot more overall benefits from ethical behavior than unethical.

Ethical behavior reduces what is in economics called transaction costs, namely the costs of control. For example, imagine that in our own apartment we constantly live in fear that our housemates are going to rob us and we constantly have to hide our money. Such a life would be a constant source of stress and frustration. So a quality civil engineer will rather work for a company where the owner will never deprive him of his salary, or vacation or treat him unethically. Thus, the Mayo's experiments have shown that humane and ethical treatment of employees can often achieve better business results than unethical conduct. We would rather do business with a partner whom we consider fair, and who will not deceive us, than with a person who is dishonest. Therefore, adherence to business ethics simplifies our work as well as family ethics (not stealing each other's money) makes our lives easier.

Respect for business ethics affects the reputation. For example, if we bought a product which broke down and a salesman is immediately ready to replace the product purchased, we will rather buy products from this salesman than from the one who will try to convince us that the product was

functioning, but that we simply did not know use it properly. So, the salesman who replaces a product acquires a good reputation and the individual will not only buy from him but he will also recommend him to his close friends. In this case, the benefits of compliance with business ethics will be mutual, because both of them, the buyer and the seller, will be satisfied.

There is also the immaterial reward for ethical business, and it is a feeling of satisfaction that pervades the man whose honest work enabled him and his family to have a decent living. Of course, even a thief can get rich, but nevertheless, he is still haunted by the fear that his thievery will eventually be discovered. Moreover, it is a quite different feeling when people get rich by writing and selling their own quality books, than getting enriched from robbery. Wealth gained through honest work causes a higher self-esteem and respect for others, while the wealth gained through disgraceful conduct often causes contempt of others, and unethical person can feel remorse.

However, it is important to note that the state of law, which punishes violations of the law, is a prerequisite for the development of business ethics. If those who violate moral and legal rules are constantly avoiding punishment then more and more people resort to unethical business. In every society some criminals succeed to conceal the traces of their crimes, but there is a big difference between a society in which a success of an unethical individual is an exemption and the society in which the success of this type happens in a majority of these cases.

Summary

1. Professional ethics is a set of rules of conduct for members of a particular profession. It consists of written and unwritten rules of behavior.
2. Professional ethics is a set of rules of conduct for members of a particular profession. It consists of written and unwritten rules of behavior.
3. Professional ethics consists of rules of conduct towards clients, colleagues, and rules about compliance in the profession.
4. Communication with clients should be based on an emotional neutrality, altruism, rejection of bribery and corruption.
5. Attitude towards colleagues should be based on equality, support and sharing of knowledge.
6. The most important thing in the professional ethics is compliance with rules, and consumer protection, and after that collegiality among professionals.
7. Business ethics is a set of beliefs and norms which determine what is moral and what is immoral business.
8. Business ethics is based on social, professional and individual ethics.
9. Ethical behavior is beneficial because it increases the overall efficiency of the company, reduces transaction costs, improves reputation, gives reputation and causes a sense of satisfaction.
10. Adoption and enforcement of laws that punish immoral behavior is a prerequisite for compliance with business ethics.

Examples of exam questions

1. What is professional ethics?
2. What is the punishment for violating the unwritten ethical rules?
3. What are the basic elements of professional ethics?
4. What should a professional relationship with clients be based on?
5. What should a professional relationship with colleagues be based on?
6. What is business ethics?
7. What are the sources of business ethics?
8. What is the "prisoner's dilemma" and what is its significance for the analysis of business ethics?
9. What are the possible benefits of ethical business?
10. What are the transaction costs and how does business ethics affect their reduction?

11. Some issues in business ethics

Sexual harassment

It is not always easy to define what sexual harassment is. For example, some owners of restaurants and bars require waitresses to be dressed provocatively in order to attract guests. Is such a requirement a form of sexual harassment of an employee? Can some compliments to an employee, referring to the parts of her body, be considered as sexual harassment? Is telling distasteful jokes with sexual content sexual harassment? Some of these issues do not have solid and unambiguous answers. Additionally, various societies perceive the concept of sexual harassment differently. For example, universities in the U.S. have a very restrictive policy regarding the possible relationship between a teacher and a student.⁴³ A general recommendation in the U.S. is that such relationships must be avoided at all costs. In contrast, the University of Zagreb has a more liberal approach. The Code of Ethics of the University of Zagreb in Article 12 (4) states that "the voluntary nature of sexual relationships between members of the academic community is not considered as harassment and is considered as the area of privacy." However, in the event of such a relationship, a professor should notify the dean so that another professor examines the student involved. This is done in order to avoid any

⁴³ See, for example, the Rules on sexual harassment and voluntary sexual and romantic relationships, Stanford University, which is available on the website http://adminguide.stanford.edu/23_2.pdf

subjectivity of teacher's grading. It is important to emphasize that, although this relationship is not prohibited, the teacher should completely avoid the seduction of a student, because the students, rightly, may perceive such attempts as sexual harassment. Simply put, if such a relationship does happen, it must first be a consequence of the student's initiative rather than teacher's. Of course, if the student wants a relationship because the student expects a something in return, then there is also a harsh violation of professional ethics. These procedures apply only to cases in which a romantic or sexual relationship derived on the basis of mutual consent. If a professor blackmails a student, it is then a serious breach of professional ethics, which is clearly stated in the Code of the University of Zagreb in Article 12 (3):

Sexual harassment is a form of harassment that is characterized by the lack of acceptance or rejection of the other person, and it involves repeated sending of unwanted verbal and physical suggestions of a sexual nature to another person, physical assault, repeated disclosure of unwanted jokes and remarks that are sexually colored, including references to sex and sexual orientation, derision and ridicule, which is a sexually colored, display of sexually offensive and disturbing material, requesting sexual favors in exchange for a specific act or failure from positions of authority.

It is important to note that the attempted extortion of sexual intercourse on the basis of threatening (for example, you will not pass the exam) may be punishable by law because the Croatian Criminal Code (Article 191 (1)) states that forcing sexual intercourse by abusing an official position is a criminal offense for which one could be sentenced up to three years in prison.

What should victims of sexual harassment do?

It is recommended that persons who believe that they have been sexually harassed (applies to all the victims of harassment, regardless of which type of activity was involved, including both male and female students), should proceed as follows:

1. Verbally inform the person that has been disturbing you, that you do not want to be disturbed in this way any longer.
2. If the harassment continues, write a formal letter to the person who has been harassing you. In a letter specify the cases in which you have been harassed, indicate that you have been offended by such behavior and that from now on you want to have solely professional relationship. Retain a copy of the letter for yourself and you must state the date when the letter was sent. It is recommended that at the time of handing the letter to that person there should be another person present who can later confirm that you have delivered the letter.
3. If the harassment does not stop even then, both orally and in writing, notify the person who is superior to the person who disturbs you. A president of the Faculty Ethics Committee and a Dean are competent for such cases at Faculty of Civil Engineering in Zagreb.
4. If the harassment continues even after that get help from outside the company where you are employed, primarily ask for help of the prosecutors to eventually sue the employee and the company that tolerates such behavior. Students (male or female) can ask for assistance and may contact the Ethics Committee of the University of Zagreb. It is important to note that the harassed person should keep

records of all cases of harassment, therefore write who, what, where, when and how (and possibly why) one has been harassed. It is particularly important to collect evidence and witnesses to be able to initiate legal action in the event that the company fails to take the necessary measures to stop sexual harassment.

Profit and business ethics

In the previous analysis, there are basic rules of professional and business ethics. However, business has never been based solely on ethical judgments. The primary motive of every employer is always a profit. Thus the question arises: what to do if someone has to choose between lucrative earnings - which can be achieved by disrespecting business ethics - and ethical business, which in a certain situation will not result in a lucrative profit? Neither economists nor theorists of business ethics have a unique answer to the question. Nobel prize-winning economist Milton Friedman argues that managers should take only the logic of profit. And the title of his famous article - *The Social Responsibility of Business is to Increase its Profits* - presents his basic argument.⁴⁴ Why should managers, as agents of the owner's company, care only about profit? Friedman explains this by the fact that the company owners invest their own money, and is therefore in their interest to make as much profit from the investment. Indeed, imagine that you have sold your own home and invest it in a construction firm.

⁴⁴ Friedman, Milton, 2000, *The Social Responsibility of Business is to Increase its Profits*, in Dienhart, John W., *Business, Institutions and Ethics: A Text with Cases and Readings*, Oxford University Press, Oxford, pp. 233-7.

Would you be interested in anything else other than to return the invested money and, possibly, to get profit? However, the question arises: what if your company is polluting the environment? Do you need to take care of the people who live near your company? Or one should continue to think only of the profit? Friedman's response would be positive. It is not your obligation to care about the environment, unless the law forces you to do so. Friedman believes that it is not the duty of a business man to take care of the common good. It is state's responsibility. So, if the government has been negligent and has not passed legislation on environmental protection, the entrepreneur has the right to pollute. In other words, the entrepreneur does not need to be "more Christian than the Pope." The entrepreneur has the right, under existing legislation, to achieve the maximum amount of earnings.

However, such Friedman's attitude raises many doubts. Suppose that the fines for polluting the environment are small, and setting the air and water purifier is very expensive. Are you allowed to violate the law in this case, regularly pay the fines and thus increase your profits compared to the situation when you take measures to protect the environment? If profit is your sole responsibility, why should the law be above your profit? Another example: You own a private clinic that performs heart surgery. A patient, to whom many other doctors recommended a risky heart surgery, comes to you. You, as a surgeon and the owner of the clinic know that this risky operation is not needed, but you can earn 100,000 Euros from this operation. Legally you cannot have a problem because you can always present documentation from doctors who recommended surgery. Do you need to follow Friedman in this case, who says that profit (and possibly the law) is the only thing you need to take into account? Would you, if you were the

patient, forgive the doctor who unnecessarily did the surgery (of course, if you survived the operation)? If you believe that a doctor cannot operate due to ethical reasons, do you think that the owner of the construction company should install filters that would prevent the pollution of the environment, even if the law did not require it (because of pollution and people can also get very sick and even die)? So, should logic of profit be above the norms of business and professional ethics?

Not all theorists share Friedman's opinion. Edward Freeman (2006)⁴⁵ states that managers are responsible not only to the owners of shares but also to the local community, suppliers, customers and employees in the company. Marianne Jennings (2003) calls this theory "school of enlightened selfishness" and says: "In line with this school, the manager is responsible not only to shareholders but also to the wider community. Enlightened egoism is based on the notion that socially responsible business is in long term more profitable than traditional egoism."⁴⁶ School of enlightened selfishness would argue that it is in the building contractor's self-interest to protect the environment, even when the law does not require it from him, because if local people see that he pollutes the environment, they will boycott his products, the entrepreneur will get a bad reputation, and he will not succeed at the market. Also, the owner of the clinic will also bankrupt if it becomes known that patients were operated even when it was not needed,

⁴⁵ Freeman, Edward E., 2006, A Stakeholder Theory or the Modern Capitalism, u Jennings, Marianne M., *Business Ethics: Case Studies and Selected Readings*, Thomson, Mason, pp. 63-8.

⁴⁶ Jennings, Marianne M., 2003, Schools of Thought on Social Responsibility, in Jennings, Marianne M (ed.), *Business: Its Legal, Ethical and Global Environment*, Thomson, Mason, pp. 46-7.

just to make more money. In other words, enlightened egoism is partly altruism because for caring about our long-term clients, we earn a lot more than if we intentionally deceive them for faster earnings. Of course, we have already mentioned some other reasons for acting morally - a sense of satisfaction due to honest work and absence of fear that immoral or even illegal actions will eventually be discovered and punished. Therefore, many companies are trying to take care not only of the clients and the local community but also of their own employees (in accordance with the Mayo's recommendations). So they build free kindergartens which are incorporated in the company, co-finance summer vacations of their employees, help them when the employees relocate, etc. That ethical behavior is often very profitable confirms the fact that Microsoft is one of the most successful companies in recent decades, known for giving large donations to various humanitarian projects. Obviously, a good image of the company has a positive effect on its business operations. However, that does not mean that it is always easy to respect business ethics when the logic of profit conflicts with business ethics. Therefore, some of the many ethical dilemmas that arise every day will be listed at the end of this chapter and you will probably have to face them during your lifetime:

1. Is it allowed to lie in the commercials? Is it financially beneficial? Should the state prohibit the disclosure of inaccurate information in the commercials?
2. Is it ethical to advertise products that are harmful to health (for example, alcohol)?
3. Is it moral that companies control the e-mails of their employees and check what content they read on the net during working hours?

4. Is it ethical to check what the candidates, who have applied for the competition for the job, do in their free time (which was the case at T-com)?
5. Is it moral to give a bribe to a politician in another country to get a job? Is it immoral even though it is a common business practice in that state?
6. Should states allow employers to require employees to work 60 hours a week? Should this work be prevented even if the employee agrees to work such long hours? Should a 60-hour week be banned even for employees who get so much work and earn 100,000 bucks per month?
7. Is it morally right to require employees to sign a statement that in no event they will disclose trade secrets? Should such an agreement be binding even if a trade secret of the company's products is harmful to health?
8. Is it morally right to export "dirty" technology in developing countries? Is it unacceptable even in a situation where people in those countries want this technology to get jobs?
9. Is it moral to export, with the high fee, radioactive wastes to countries that want to store it and do not have the proper conditions for the disposal of such waste?
10. Is it moral to require candidates for the job to make the AIDS test? Is it moral not to accept candidates who can do everything better than their competitors, but who are HIV-positive?

Summary

1. Sexual harassment is a form of harassment that is characterized by the lack of acceptance or rejection of the other person, and involves repeated sending of unwanted verbal and physical suggestions of a sexual nature to another person, physical assault, repeated disclosure of unwanted jokes and remarks that are sexually colored, including references to sex and sexual orientation, derision and ridicule, which is a sexually colored, display of sexually offensive and disturbing material, requesting sexual favors in exchange for a specific act or failure from positions of authority.
2. Prohibition of sexual harassment does not ban those romantic or sexual relationships at the workplace generated by mutual consent. However, in such relationships conflicts of interest must be avoided (for example, an employee is promoted only because one is in a relationship with his/her manager).
3. Preventing sexual harassment is a very important element of the code of ethics and that is why companies must have clear rules that will prevent such behavior at the workplace.
4. There are conflicting opinions about the importance of business ethics. Friedman believes that managers must strive solely to maximize profits, provided they do not violate laws.
5. The theory of enlightened egoism believes that managers must take care not only of short-term profits but also of employees, the environment, customers, and suppliers. This theory holds that long-term compliance with business ethics brings higher profits than

- disregard of ethics. By adhering to business ethics, the company gains a reputation, and greater satisfaction of the employee's performance. Therefore, managers must develop positive ethics.
6. It is not easy to give unambiguous answers to a number of issues in the field of business ethics and therefore many issues remain to be the subject of discussion of the theory of business ethics.

Examples of exam questions

1. What is sexual harassment?
2. List the most important rules to be followed by members of the academic community to prevent sexual harassment!
3. What is a conflict of interest? How can a love affair at the workplace cause a conflict of interest?
4. In what way can a conflict of interest that arises as a result of relationships in the workplace be prevented?
5. What should the victim of sexual harassment do?
6. How should managers, according to Friedman, resolve the potential conflict between ethics and logic of profit?
7. What is enlightened egoism?
8. Who are managers responsible to, according to Freeman's theory?
9. Compare Friedman and Freeman's theory! Support this comparison with examples!
10. Give five examples of ethical dilemmas that try to solve the theory of business ethics! Give your own opinion how this dilemma should be resolved, and specify the arguments in support of your opinion!