



REDUCTION OF EMPLOYMENT AS AN ELEMENT OF MANAGEMENT IN AN ORGANIZATION- CASE STUDY

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Summary:

The subject matter of the article was adopted considering the problems of labour market in Poland. One of them is employment reduction. The main objective of this paper is to show the negative impact of excessive redundancies on employment fluctuation in a transport - forwarding company "XYZ".

The paper consists of three basic parts. First one is devoted to the issue of employment fluctuations. It defines the notion of staff mobility and discusses problems referring to the nature of staff turnover. Factors determining the phenomenon are defined. The second part presents problems connected with dismissals of employees. Based on literature, it indicates the significance of derecruitment and instances legal aspects of redundancies. In the third empirical part the focus is on presenting a transport-forwarding company 'XYZ'. The company represents the category of small and medium-sized enterprises, that constitute the basis of all modern European economies. In the case of Poland, they generate nearly 80% of GDP. The methods used are documents analysis and comparison over time. In this part the author summarizes the results of documents analysis concerning derecruitment of employees in the years 2007-2011. The issues are considered from the employer's perspective.

The subject matter is still current because of the dynamic changes taking place in the labour market, in terms of macroeconomics.

Keywords:

management, workforce, human resources, redundancies, fluctuation

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1 Introduction

The goal of any organization is its smooth functioning by means of performing tasks leading to achieve its objectives. Numerous factors determine success of the company. One is the



fluctuation of employment. The process is affected by the most significant element of an organization – the people who create it and participate in its life. Who they are and how they act influences the company's wellbeing. Staff turnover in a company is inevitable due to the natural flow of human resources and the business cycle. The labour market is a typical example of a process of mutual pervasion of macro- and micro-economy. The primary objective of management should be continuous supervision and monitoring the proper functioning of an economic operator with particular emphasis on personnel selection. Lack of personnel flow may result in significant employment problems in the organization. This issue is particularly important in times of financial crisis, reflected in the employment barrier in structural dimension (qualification and allocation). In Poland, it particularly refers to heavy industry and maritime economy.

The main purpose of this paper is to indicate the negative impact of excessive redundancies on employment fluctuation on the basis of a transport - freight forwarding company "XYZ" connected with maritime economy. The company's name is not revealed due to the management's reservations. Simple statistical tools and the reference method were used in the analysis of the documents.

2 The nature and causes of fluctuations in employment

2.1 The nature of employment fluctuation

Fluctuation in employment also known as staff turnover or labour mobility, is the process of hiring and releasing employees from a company at their own request or following the employer's will within a certain time. It is a natural phenomenon, resulting from the nature of human resources and labour market as well as the human right to choose and change jobs. Employers, frequently owners, are independent in their decisions about people to hire. So are employees. At any time, they may change employers acting in accordance to the Labour Code. This condition is required by law and to the same degree refers to the employer (Kozłowska, 2009). Staff turnover is an inevitable phenomenon, however not always a negative one. If the reason for the fluctuations are mistakes made in the process of recruitment and

selection of employees, the turnover can be purifying, thus creating jobs for new employees whose skills, qualifications and personality traits better meet the needs of the company. Hiring new staff as "an injection of fresh blood" for the operator, constitutes a different look at a lot of things, and a new experience. Dismissing employees who have a negative impact on the work and the behavior of other, more valuable employees, is also an advantageous phenomenon. (Cascio, 2001: 37-38). Negative aspect of staff fluctuation are the costs incurred by the company in the event of dismissal. The employer must for example pay gratuity to those being made redundant. Another problem is the cost of hiring a new employee (publication of job advertisement, the initial research, the process of recruitment, training). The lack of a person employed at a given post can contribute to incorrect implementation of a specific task at a certain time. High staff turnover proves improper management of the enterprises. Employment liquidity of 5-10% can become a problem for the organization, especially if its level is higher than in the competitive companies. Small number of suitably qualified persons in the labor market, as well as the departure of staff with the knowledge that can be used by competitive operators can become a cause for concern.

Staff turnover is a normal occurrence. If however, it exceeds a certain level, it may bring damage to the organization. This can be prevented by performing appropriate personnel policy following the sequence of planning, organizing and motivating, stimulating and controlling (Korzeniowski, 2010: 246-258). Within this policy, employees are engaged in the life company, provided opportunities for professional development and access to training. As a result their career paths are developed. Introduction of remuneration systems, dependent on work results is also of significant importance (Mark, 1999: 407; Torrington, & Hall, 1991: 571 -576).

A large number of hired and dismissed workers results in high costs for the organization. Calculation of the amounts designates separate categories of costs: costs of leaving the company, replacement costs, training costs and the monetary difference in value between the discharged and the newly hired employees'

productivity. The costs of leaving may include, among others severance pay for workers affected by redundancies or retirements as well as payments for unused leave. However, the replacement costs encompass expenses generally associated with the adoption of a new employee (placing the advertisement, the process of recruitment, pre-testing), or remuneration for overtime work. The training costs are primarily safety training and training in the workplace by an experienced employee (Taylor, 2006: 50-52).

The costs of management fluctuation are not considered in this article. The managerial staff should be counted as fixed costs. Releasing personnel responsible for finance, marketing, purchasing and personnel of the enterprise is too expensive because of their knowledge and experience in the management of the company.

2.2 Causes of staff fluctuations

Staff turnover depend on many factors that determine its size, directions, forms and causes. These factors can be divided into three groups (Pocztowski, 2007: 57):

- related to the business environment,
- related to the characteristics of workers,
- related to the working environment.

Factors related to the business environment include: the situation on the domestic labour market, economic conditions, labour law and social conditions of workers – social security (Abbott, Pendlebury, & Wardman, 2007, pp. 584-586).

The second group - factors associated with employees - list such characteristics as personality traits, career aspirations, education, gender and age. The third group of factors related to the working environment include the location of the company, pay and working conditions, social relationships and career prospects.

In any organization, you can define factors that have a greater impact on employees' departures. They depend on the conditions prevailing in the organization, on its culture and management style. A sense of stability, safety at work, no reason to be dissatisfied with the job will influence employee's attitude and identification with the company. In such situation an employee is less

likely to consider handing in a resignation. An external factor affecting the decision to leave the organization is the availability of attractive job offers in the local market. Awareness of these circumstances allows employers to take effective interventions to prevent departures of employees. Taylor divides the main reasons of staff turnover into four categories (Taylor, 2006:72):

- pull factors (attracting),
- push factors (putting off)
- unavoidable causes,
- involuntary (forced - JT.) personnel turnover.

The attracting factors occur when an employee leaves the company due to a more attractive offer of employment or to improve one's working conditions. They include higher wages, better benefits package, job security, opportunity to build a career, work abroad, better access to jobs or more convenient working hours, which is associated with the so-called non-monetary rewards of employment.

Sometimes, employees apply only to work for some time for a well-known, respected employer in order to enrich their resume and get good references before getting a job abroad. This phenomenon is worrying for the entire national economy.

Concerning the pull factors, an employer can do little. Sometimes one can put off a particular departure but most frequently the employee anyway leaves the company.

The second group of factors, the push factors, are mainly the lack of satisfaction in the performance of the entrusted duties or no hope of improving the working conditions. The employee can never be sure that he or she takes the right decision giving up work just because one supposes that the new employer will be better. However, the reluctance of the current organizational culture, a sense of injustice in the treatment by management, or poor relationships with colleagues cause that the employee takes a risky decision "to leave" his employer. If there occur mainly push factors in an organization, the management should get to know the causes of their employees' discontent, focus on the improvement of employees' professional life, proper selection of qualified management personnel, organizing training or an assessment of the effectiveness of management skills.

The third group of factors is the least influenced by the organization's management. These factors are mainly the result of natural retiring of personnel or drawing disability pension, or taking maternity leave. "A female employee is entitled to maternity leave of: 20 weeks in the event of giving birth to one child at one birth, 31 weeks in the event of giving birth to two children at one birth; 33 weeks in the event of giving birth to three children at one birth, 35 weeks in the event of giving birth to four children at one birth, 37 weeks in the event of giving birth to five and more children at one birth" (Faulkner & Jamróży, 2011, pp. 176-181); The Act of 26 June 1974 on the Labour Code).

Women who use maternity leave and child care often do not return to their jobs. This can be caused by prolonged care taken over a child or children, or finding jobs in a more favourable position related to jobs closer to home, or location of day care nursery.

Forced turnover of staff is the fourth category of employment mobility. This are departures on the initiative of company's management. They can also be the result of negotiations between trade unions and businesses on the perfect labour market. On an imperfect market, as a result of the calculation of marginal costs of employment (marginal cost of resource - MCR) and the marginal revenue of labor product (marginal revenue of product MRP), there also comes to exemptions under the influence of employers (Kamińska, Kubska - Maciejewicz, & Laudańska - Trynka, 2004, p. 164). The mentioned fluctuation is composed of reduction of employment, termination of temporary contracts or disciplinary dismissals.

3 Releasing staff

3.1 The nature of releasing staff

Dismissals, also called derecruitment is a purposeful activity aimed at terminating employment contracts (Golnau, 2008, p. 403). The departure of an employee from the company may be on his own initiative or the initiative of the employer. Dismissals of the employer's will may result from a negative evaluation of the work of individuals or reorganization of enterprises, such as employment reductions. They may be of

individual or collective characteristics, that is, where there is termination of contract between an employer and a greater number of workers. Individual dismissals do not require any special action program, but in the case of collective redundancies related to the organizational changes there should be made special preparations for the downsizing. The duties of the employer in this case include notifying employees about the redundancies, cooperation with trade unions, informing employment office and setting an agreement defining the rules of the release. A major problem for managers is to define the criteria by which employees to be released should be classified. They can take into account the effectiveness of the work, qualifications, work experience or position. Factors that determine the decision should take into account the development plans of the company and its effectiveness in a competitive market (Konieczny, & Schmidtke, 2007, p. 215). Individual or group dismissals should lead to self-improvement of the rest of the employed staff. Derecruitment may be affected by a range of factors of organizational, economic, social or technical characteristics. These could be changes in the functioning of the company, the elimination of jobs, change of development plans, the introduction of innovative technologies and ultimately poor financial condition of the company. The management's decision on a release may be taken due to the reasons lying on the employee. The most common of these include reduction of personnel qualifications, the loss of a non-redundant power for the job, reduced work efficiency, non-compliance, conflicts or disloyalty. These in turn may occur due to the incorrectly carried out selection where there was no full recognition of qualifications and the development potential of the candidates. As a result, the right people are not hired. Dismissals from the employer may also be disciplinary in nature. Such separation with an employee may take place in case of severe misconduct when the action or failure was caused intentionally or by gross negligence. The termination may occur if the notification procedures were observed and the employee was informed about the rules one needs to obey. The procedure should provide for the following three-stage approach before disciplinary action is taken: informal oral warnings, formal warnings

made in writing and final written warnings which should contain a statement that any reoccurrence would lead to dismissal (Armstrong, 2002, p. 378).

Dismissals of employer's will are often accompanied by emotions and negative self-esteem of the person made redundant. Anger, a sense of injustice and harm are natural reactions to the startling information. Therefore, an employer, before making a decision to terminate the contract should consider the reasons why the person does not achieve satisfactory performance. This may be due to a mismatch between the job and skills, qualifications or knowledge of a worker. Perhaps the company is able to cope with such a situation by internal rotation. One might consider transferring the person to another position, or suggest appropriate training to fill the gaps, or provide assistance if the reasons lie in his personal life. "The dismissal should occur only if a protracted period of poor performance of their duties without signs of improvement" (Konieczny, & Schmidtke, 2007, p. 215).

The departure on employee's request, is most often caused by the desire to improve working conditions and pay with another employer. Then, the employee oneself, voluntarily requests dismissal. Such resignation may result from the lack of career opportunities in the current organization, bad relationships with management and co-workers or overload. The departure might also be due to the agitation by the company's competitor or "headhunters". This applies mainly to highly skilled professionals desired in the market. These are ambitious and talented people, people who are not satisfied with labor stability. For such people, challenges and the possibility of continuing professional development are the most important. The loss of such workers may pose considerable costs, deteriorating interpersonal relationships, and relationships with customers (Szaban, 2011, p. 332).

In the event of termination by the employee, the employer should carry out a conversation with him, in order to determine the cause of the decision to change job and identify problems that could eventually be solved. The conversation does not necessarily have to aim at persuading people to stay in the organization. If the employer

presumes that the employee is willing stay under some condition, and the organization depends on the person, he or she can take steps, following which the employee withdraws the resignation. Moreover, the interview may help to identify the problems that exist in the organization, which could be prevented in the right moment (Armstrong, 2002, p. 379).

Another motive of derecruitment of an employee may be his situation in life. It can be associated with a change of residence, the need to care for a sick child or family member. Legally, dismissal also takes place when the employee is employed under fixed-term contract, retires, takes pension, Or for external reasons such as death of one of the parts of the contract.

Dismissal may be the result of a joint decision of the employer and the employee usually resulting from a significant change in working conditions that cause that both parties seek consensus. This situation refers mainly to highly skilled professionals whose achievements have been highly appreciated by the organization management, but due to changes in the business profile, their qualifications can no longer be used in the company. In this case the manager of the company may take actions that will result in a friendly parting with the employee, such as the granting of severance and assistance in finding a new employer (Król, & Ludwiczynski, 2006, p. 223).

The threat of job loss does not apply to all professional groups to the same extent. The labour market is dominated by two segments which vary in their degree of stability of work. These are primary and secondary markets. The primary labour market is characterized by stable employment, better working conditions and higher wages and career opportunities. However, the secondary labour market is characterized by poorer working conditions and lower pay. The first segment includes people with high qualifications, still developing their skills and having a huge impact on organizational economic or technical processes. The second segment consists of people with low qualifications, requiring supervision and control. They are particularly vulnerable to losing their jobs, especially during economic fluctuations.

'Downsizing' is one of the most demanding areas of people management and for many employers it is not easy. There are "rigid" laws that protect workers and do not allow to terminate the most common contracts, signed for an indefinite period. The second reason for the difficulties in releasing may be an emotional factor accompanying this process especially during the crisis, when it is known that it will not be easily for the dismissed to find a new job. (Szaban, 2011, p. 332).

3.2 Results of dismissals

In my opinion, dismissals should be considered as a loss to the organization. Hiring a new employee, the company often incurs costs of training and developing his or her skills. Losing an employee, the employer must fill the created gap, which can be time consuming, difficult and not always possible. Employment reduction should be planned and thought over, but there are situations when the decision is made in a short time. This is usually related to a difficult economic situation of an organization, when its financial liquidity is threatened. In this case, the management looks for savings by reducing the number of workers. This situation may lead to conflicts between the management and the trade unions, and among employees who could lose their jobs there appears a sense of risk and conviction of the employer's ill-will. The image of the company deteriorates, which has a negative impact on the interest in the company in the local labour market.

Redundancy process mostly affects the dismissed. Information about the release evokes feelings of harm, helplessness, depression or disorder of stability in life. There appears anxiety associated with possible problems with finding a new job and consequently financial problems. Such dismissal may also affect the psyche of people who often feel inferior to the employees remaining in the company.

Lay-offs may also have political repercussions. In organizations where trade unions actively function, protests are escalated. It is manifested by organizing strikes or demonstrations in front of the authorities. In extreme cases, this can end in the occupation of the workplace and even fight of the determined with security staff or the police. Such situations can have a negative impact on

the macroeconomic environment of the organization.

Analyzing the negative effects of job cuts in the company A. Poczowski distinguishes "The Dirty Dozen," which is presented in Table No. 1

Table 1. Negative effects of forced limitation of the employment, so-called "Dirty Dozen"

Results	Characteristics
Centralization	Decision-making is done at the highest level of management, the division of power is reduced
Crisis mentality	Focusing on the present at the expense of long-term planning
Losing innovation	Lower tolerance for risk and possible failures associated with taking creative action
Resistance to change	Conservatism in action leading to protectionist practices
Reduced morale	Workers become withdrawn, mutually reluctant
Politicization	The formation of interest groups, leading to the politicization of the atmosphere in the company
Loss of priorities	Reducing conflicts by making cuts across the organization without a clearly outlined priorities
Loss of trust	Managers lose confidence in subordinates, and among employees there grows a sense of mutual distrust
Growing conflicts	Internal struggle over the division of a smaller pie increases
Limited communication	Only good information flow to the top, exchange of information is limited by fear and mistrust
Deficits in teamwork	Individualism and lack of consistency hinder teamwork
Deficits in leadership	Specific leadership anemia caused by application of the scapegoat principle and the philosophy of a besieged fortress

Source: (Konieczny, Schmidtke, 2007: 226-227)

In addition to previously mentioned material costs related to among others the payment of mandatory employee benefits, the management

bears also psychological costs such as loss of reputation, which is associated with loss of value.

4 Analysis of redundancy in a transport - forwarding enterprise "XYZ"

The researched company is a limited liability, transportation – freight forwarding company, operating on domestic and foreign markets since 2004. The company has four offices and storage areas in the Tri-City (Gdańsk, Sopot, Gdynia), where it provides a wide range of services within road, air and sea freight forwarding.

Road freight forwarding operates mainly with its own truck fleet. The company has 10 sets of vehicles with a capacity up to 24 tons, and the same number of smaller vehicles up to 1.5 tonnes. Due to a large transportation base, the company provides a wide range of services ranging from transport of full loads up to 24 tonnes, through transport of containers from and to the sea ports, to express services of LCL and LTL (less than container and less than truck load) transports. The company offers continuous service between Gdynia / Gdańsk - Hamburg, and regular connections to other cities in Germany and the Netherlands, depending on the needs. An asset of the company is comprehensive customer service, which starts with picking up the shipment in the place indicated by the client and ends with the delivery to its destination. Flexibility of services makes it possible to transport dangerous (ADR), specialized, oversized, heavy-duty goods. In the absence of its own, specific, specialist car, freight forwarders are able to accomplish every order, using a broad base of cooperating carriers.

Another field of services is air freight forwarding. With a team of experienced freight forwarders and customs brokers services offered are a guarantee of safety, punctuality and reliability. This form of transport has two important advantages: the shipment reaches its destination in a short time and the delivery area is practically all over the world. A significant advantage for customers is the ability to pickup and delivery of items in the "door to door" system, which, thanks to the cooperation with road freight forwarding, is a convenient option for the client.

Sea freight enables moving cargo in the "port to port" system without geographical restrictions

and problems arising at crossing many borders. Relatively low cost speaks for this form of transport. Unfortunately, the time of delivery is much longer. In the case of freight, the company prefers safe delivery of goods in containers.

4.1 Dismissals in company "XYZ" in the years 2007 - 2011

Excessive staff turnover can be a serious problem for any employer. Exemptions cause imbalance of employment liquidity, resulting in abnormal organization of the company. In every company there are priority positions that make up the backbone of the organization. In the case of "XYZ" these are mostly drivers, freight forwarders and customs brokers. The biggest problem is the rotation of drivers. A specific feature of the company is freight with its own car fleet across Europe. The nature of drivers' work is very specific, since they spend about four weeks on the road away from home. The car is both the driver's tool and a "second home". After such a long stay abroad, they return home for about a week as part of the "compensation". Such nature of employment is not accepted by everybody. Sometimes, job seekers, take the job and after a short time due to various reasons (often longing for loved ones) cannot stand it and make a request for early termination of the contract (usually by mutual agreement). Such situations are very unfavorable for employers, mainly because of the time of resignation. In a short time the employer needs to find a replacement for the released position. Haste causes that recruitment is not always carried out properly, which can result in subsequent dismissals either of the employer's or the employee's will. Suitably recruited persons can work in a company as a driver for many years, and they are satisfied with the nature of work, salary, and their employer. It is a comfortable situation for the management, as co-operation with such persons is successful. It is a win-win for both sides - the employer because he has experienced, trustworthy employee and driver pleased with appropriate working conditions and pay. There are a few experienced drivers in "XYZ" company who contribute to the flexibility of work organization. They are able to understand the problems faced by the employer and, if necessary, help to "patch up the gaps" and agree to take the missing jobs.

The problem of redundancies in positions other than the driving position is not so distressing in derecruitment in the company. Of course, any loss of experienced workers is detrimental to the business, but such departures are not of urgent nature. These are most frequently contract terminations with a period of notice or by mutual agreement on an agreed date. Therefore, there is time for the appropriate conduct of the recruitment process and selection of candidates for the position. Proper selection of an employee results in his or her attachment to the organization, satisfaction with their work, and thus the employer's satisfaction with the right choice. A happy employee is a big asset for the organization. However, a negative result in this case is excessive release.

Dismissals in "XYZ" were analyzed on the basis of internal resources, focusing mainly on changes in employment of drivers in the years 2007 - 2011. The analysis was performed with use of comparative methodology.

At the beginning of 2007, the employment counted 37 persons including 18 drivers. The data indicates that drivers constitute 35% of redundant workers. Other workers including customs brokers, freight forwarders, warehousemen, sales representatives constitute approximately 65%. The most common methods of terminating contracts of employment are: mutual agreement - seven people and resignations - six people.

In 2008, the number of employees increased by seven employees in relation to the previous year and counted 44 people, including 20 drivers. Employment growth was due to signing a major contract for the provision of freight forwarding services. The number of drivers' dismissals were around 64% of all redundancy. However, the number of lay-offs with other employees decreased and amounted 36%. Among those released there were two customs agents, one clerk and one assistant freight forwarder. In 2008, there were no terminations by the employer, while the number of contracts terminated by agreement of the parties increased to nine.

The year 2009 brought another increase in the number of released workers. With the workforce at the beginning of 2009 slightly lower than last

year (42 people), the company "broke up" with 21 employees, 13 of whom were drivers. The others were: two freight forwarders, two office workers, two managers, and one customs agent and one sales representative. Such a large number of redundancies has been caused by withdrawal from the provision of freight forwarding services by one of the very large companies. The most breakups with employees were carried out by mutual agreement (12), and dismissals with notice (4).

In 2010 the number of employees decreased in relation to the previous year by 8 people and amounted 34 employees at the beginning of the year, including 17 drivers. Termination of contracts also fell and counted relatively: 5 drivers and 10 other employees: three customs agents, two freight forwarders, 2 sales representatives, 2 warehousemen, and 2 office workers. The most common contract terminations were mutual agreement - 8 people, and termination by the employer - 4 persons.

Table 2. Number of dismissals in company "XYZ" in the years 2007 - 2011

No.	Methods of contract termination	Drivers	Other employees	total
1.	Mutual agreement	27	16	43
2.	Dismissal with notice	5	7	12
3.	Resignation with notice	4	9	13
4.	With time for which the contract was concluded	7	4	11
	Totally	43	36	79

Source: Internal resources of "XYZ".

In 2011, the number of employees was going around the same level as in 2010 - 35 people, including 19 drivers. The year recorded the highest number of resignations of employees in positions of drivers - 10 people, and the lowest number of other employees - 2 persons. The percentage of dismissed drivers constituted 83% of overall redundancies. Most breakups with employees took place by mutual agreement - seven people, but there have been no

resignations. The level in staff reduction in 2007-2011 is illustrated in Table 2.

4.2 Conclusions from the redundancy analysis in company "XYZ"

The analysis of dismissals carried out in "XYZ" in the years 2007 – 2011 indicates a very high level of derecruitment, which could have caused disruptions in the operation of the company. Too frequent departures of employees result in imbalance in employment and poor stability of the team. Excessive layoffs were associated with frequent hiring new people to the vacant positions. The process of continuous search for candidates made the management fully involved in the recruitment process (there is not HR "XYZ"). At this time employers could have taken care of the performance of other, more important duties. A solution to this problem could be creating HR department that would take care of the recruitment process in a professional way. So far the managers have done the job. It would be appropriate for employers to resign from the services of an accounting office in favour of employing permanent human resource and accounting workers. At present the company employs about 35 persons and in many situations the lack of the mentioned departments complicates the operation of the enterprise.

Job advertisements often appearing in the media do not have a positive impact on the image of the company. Certainly, the image of the company makes potentially valuable employees looking for stable employment not be interested in the working for "XYZ".

The reasons for dismissals with notice are often neglecting the duties of a person employed as a driver and bad communication between the freight forwarder and the driver, which due to the nature of the work is very important. Less frequent, but still common reason for termination of contract of a driver, is the general negligence in their place of work, namely the truck cabin and the lack of personal hygiene. A driver represents the company so he must take care of its reputation.

In several cases over the analyzed period, the company had to terminate the employment contracts or not to prolong them due to alcohol consumption in the workplace, or the arrival at a

place of duty under the influence of alcohol. In case of a driver this is a matter of overriding importance. There was also an accident at work, where alcohol consumption was to blame. While on duty, a driver burnt himself when he tried to cook a soup in the cab of a new truck. As a result, the driver was taken to hospital in Italy, and the employer incurred the costs of cleaning the cab and bringing a replacement driver who could accomplish the order.

Another sensitive issue for the company is stealing fuel. During the analyzed period, it happened several times that the driver tried to "increase the budget of the home" through the sale of fuel to casual people. In recent years this has not been a frequent practice.

Now, when the crisis has also affected the transport industry, many companies, including the "XYZ", are struggling with financial liquidity problems. Employers, though they would like to, often cannot afford to increase wages. The equipment the drivers use also affects the staff turnover. "XYZ" tries to use as new cars as possible. Part of the vehicle fleet is new, most of the lease, but there are trucks and trailers that have worked in the company for several years. Unfortunately, employees often set a condition to work on a specific, new and safer equipment.

Thus the reason of dismissals are also damages to the equipment resulting from incompetent driving. These are damages to be borne by the employer as a result of improper use of the entrusted car, caused intentionally or negligently by the person driving the vehicle (motor seizure, damage to the gearbox). The company also bears the costs resulting from other damage caused by drivers, e.g. by incompetent cargo distribution or damage caused during maneuvers while loading or unloading goods.

Excessive layoffs mean additional employer's cost. When hiring new people the employer has to cover the expenses of initial training and research, and for drivers, of more detailed check-ups (ophthalmologist, neurologist, otolaryngologist). Additional costs are related to the training of new drivers, which frequently means double cast in the cars (new drivers take the first course with experienced staff to learn the nature of the job).

The high level of derecruitment of drivers in 2011 (10 out of 12) was caused by opening the labour market to Poles by our western neighbour Germany. It is known that Polish transport operators constitute large percentage of the European freight forwarding market, and majority of Polish drivers are considered to be good workers. Driving around Western Europe many of them find more favourable job offers and decide to work mainly for the German employer. In this case the company loses the most valuable and skilled workers.

Summing up the last five years of "XYZ" operations in terms of redundancies, it is possible to notice that employers do not have an easy task, especially regarding the people employed as drivers. Excessive rotation causes high involvement of the management the personnel sphere. A positive aspect is that in the near future it is planned to create human resources and accounting departments. These changes should decisively lower the high level of employment fluctuations. This is crucial because in the company is going to increase the fleet of trucks by a few more vehicles, thus creating several new jobs, where the stabilization of employment will be the most desirable.

CONCLUSIONS

Employment fluctuation is a natural phenomenon, resulting from the nature of human resources and labour market, and takes place in any organization. Dismissals in companies with stable employment, where there is a low level of fluctuations are a marginal issue. However, a high level of staff turnover can cause problems in the functioning of an organization. Managers should strive for optimal employment in order to realize the mission of the company and achieve its objectives. Too frequent terminations of contracts and consequently hiring new employees in the company where interpersonal relations are disturbed, are the cause of concern. In such situation, the employer should recognize the causes and find effective solution to prevent a deepening regression of employment.

The economic situation often forces employers to seek savings. The most common and easiest method to save is reducing the number of employees in the organization, which provides

immediate financial result. Unfortunately, it happens that decisions on dismissals of employees are taken too lightly. Managers do not consider problems and risks associated with the employment reduction. They do not give any thought to alternative solutions, allowing to maintain a constant level of employment. Sometimes the release process is not properly prepared, which causes complications for the business.

Derecruitment in the organization is an inevitable process, even though it should always be under constant supervision of the management in order to avoid negative effects for the company. Employers should pay special attention to retain valuable employees who achieve the highest scores, since their departure may result in loss of productivity and efficiency. Reduction in employment should be planned carefully and thought out so as not to bring unwanted consequences. It should be noted that derecruitment is not always a negative phenomenon, though. Employment of new, young people with enthusiastic approach to work can result in that the company will be more efficient, as well as an innovative look at the important issues of the organization.

The analysis carried out on the basis of internal resources of company "XYZ" shows that this transport - forwarding company has a problem with redundancies. It mainly refers to the drivers, especially international ones. The nature of their work is one of the most important causes of breakups with employees. Excessive releases in this position and consequently continuous posting of advertisements in the media has an impact on the image of the company in the local market. The continuous search for candidates to fill the vacant posts, interferes with the stability of the organization and generates additional costs associated with the newly hired workers. What follows is that employers should focus more on careful selection of candidates. Properly carried out recruitment and selection process shall bring workers with the right skills for the position, which will increase the chance of their attachment to the organization, and thus leads to longer employment in the company.

From the point of view of the anticipated further development of the company, it is a very

important element of the organization in the future.

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