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Current Trends of Selected Aspects of Human Resource Management in the Czech Republic

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Abstract

Modern human resource management emphasizes the need to create work tasks and positions according to the capabilities and preferences of each worker while respecting people's individuality. The goal of this report is to determine whether organizations support selected aspects of human resource management and what means/tools they use to do so. An overall comparison of the data acquired presents current trends and points to company activities in the field of human resource management likely to be ineffective. Furthermore, the use of the newest trends in the field of technology on effective leadership for managers is discussed in the report, and a concept for further research directions is outlined. The report tries to highlight the fact that, in the current knowledge economy, an organization's workers are considered to be their main competitive advantage and most important asset.

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1. Introduction

Leading international companies are aware of the importance of their employees (Kejhova, 2014; Kalianna & Ajovu, 2015). Therefore, the basic prerequisite for a company's success in today's competitive environment is finding competitive advantage in their employees.

The company PwC conducted global research that interviewed 1344 general directors from 68 countries. The research results reflect trends influencing business conduct not only right now but also in the next five years; this is due to the growth of the global economy. Technological progress, demographic changes and advancement

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in the economic strength of individual countries are three main factors that influence business conduct. In particular, these are the digital economy, social media, mobile devices and so-called big data. Under the influence of demographic changes, the problem also arises of recruiting and ensuring future workers, namely a qualified work force. The influence of technological advances makes it easier – and, at the same time, harder – to find qualified workers. (Prikryl, 2014) Technology also infiltrates managerial leadership style and employee evaluation (Kazdova, 2014). Therefore, the report also deals with the research topic described below. Employee recruitment and mobility, managerial leadership style, evaluation, performance-based rewards and personnel controlling were chosen from among the primary aspects of human resource management.

Nomenclature

HRM	Human Resources Management
HR	Human Resources

2. Methodology and Experiment Results

The goal of this paper is to determine whether organizations support selected aspects of human resource management and what means/tools they use to do so. The intention of the research investigation is to map the current state and trends of the investigated problematic. Employee recruitment and mobility, managerial leadership style, evaluation, performance-based rewards and personnel controlling were selected from among the primary aspects of human resource management.

The paper's methodology uses the basis of guided interviews conducted from October to December of 2014. The basic sample for interviewing included all top and line managers, predominantly HR managers. Non-probability quota sampling was used for determining the respondent sample (Gavora, 2010; Surynek, Komarkova & Kasparova, 1999).

Companies were selected on the basis of predetermined criteria and determination by secondary analysis. The following criteria were established:

- legal entity
- number of employees greater than 50 – to increase the validity of the data in the research investigation
- all areas of the Czech Republic
- actively engaged in business.

Empirical generalization and interpretation of the determined results was conducted on the basis of the survey results.

Table 1. Hard Data.

Legal Type of Business Entity	Daughter Company	Organization Size	Organization Structure
General Partnership	4 % No	40 % 50 - 250	59 % Pure Line 27 %
Kommanditgesellschaft	0 % Yes, EU	27 % 251 - 500	6 % Staff 8 %
Private Limited Company	55 % Yes, non-EU	8 % 501 - 1000	12 % Line and staff 27 %
Joint-Stock Company	41 % Yes, Cz. Rep.	21 % 1001 - 5000	18 % Divisional 12 %
	World	4 % Vice	4 % Line – Functional 12 %
			Matrix 14 %

Table 1 depicts the so-called hard data that was acquired, which represents the numbers in percentages of the data listed by the respondents. The most common types of legal business entities for the respondent sample were

the private limited company and the joint-stock company. The largest number of organizations fell into the 50-250 employee range with the 1001-5000 employee range following. The highest number of respondents listed pure line or line and staff organizations; next came divisional and matrix structures.

Table 2. Employee Recruitment and Mobility

HRM Participant	Employee Recruitment		New Employee Adaptation		Employee Mobility		Horizontal Mobility		
No	16 %	Internal	71 %	None	2 %	None	10 %	None	27 %
Personnel Officer	35 %	External	29 %	Social	2 %	Horizontal	14 %	Local	31 %
Personnel Department	35 %			Work	23 %	Vertical	14 %	Geographic	2 %
HRM	14 %			Work & Social	40 %	Horizontal & Vertical	61 %	Local & Geographic	40 %
				Sponsor	15 %				

The first research area is aimed at the recruitment and mobility of employees. Individuals' adaptation to work includes the workers' preparation for job performance and acquaintance with work procedures and the company environment. During the course of social adaptation, a new employee is integrated into the work collective and becomes acquainted with the structure of interpersonal relationships in the organization and with company culture (Armstrong, 2007). Internal mobility means the relocation of employees within the organization, i. e., intracompany mobility. Internal mobility can have two forms: horizontal and vertical. Horizontal mobility is understood as relocating an employee to a position with the same (or similar) work value, i. e., that their status and guaranteed wages are retained. Horizontal mobility occurs in the interest of optimizing company human resources or as part of implementing a career development plan for a talented individual. Vertical mobility represents relocating to another position either above or below the current one. In the case of being promoted, the employee receives higher wages and more attractive employee benefits. The reason for the promotion is to better use the employee's potential, motivate them to work and, politically, to fill a leadership position internally so as to stabilize employees. (Wehrich, Dolansky & Koontz, 1993)

According to the results of this area of research, a participant in the field of human resource management is most often a personnel officer, and 35 % of respondents listed that they are part of the personnel department, as listed in Table 2. Recruiting employees happens most often (71 %) using internal sources, and the related adaptation of new employees is at 40 % for work and social adaptation. Of the companies, 19 % use their own recruitment program, and a specific sponsor is assigned to a new employee for 15 %. Employee mobility occurs most often vertically (61 %), but also horizontally (locally and geographically at 40 %).

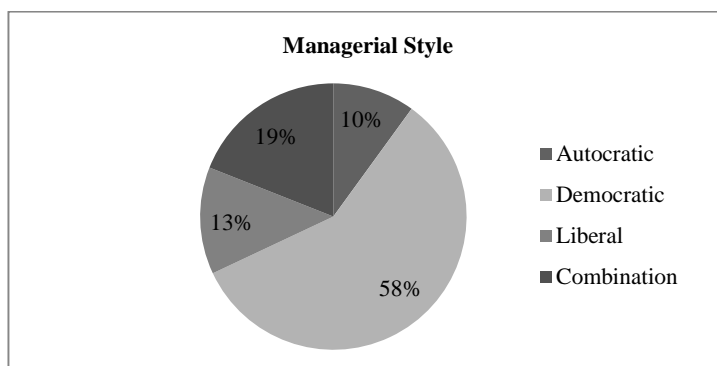


Fig. 1. Managerial Leadership Style

Employee satisfaction and the success of the organization as a whole also depends on the supervisor's managerial style (Saleem, 2015; Ladegaard, 2011). This external manifestation of the supervisor is the expression of their

relationship to their subordinate. It is possible to use various styles according to need and to the actual situation. The autocratic style is distinguished by the assertion of the supervisor's will, ideas and opinions without regard to the opinions and attitudes of subordinates. The opposite is the democratic style, which is distinguished by mutual, active communication while respecting specific rules and the supervisor's decision-making authority. The liberal style reflects a weak position for the supervisor and provides significant freedom in negotiating with their subordinates. (Wehrich, Dolansky & Koontz, 1993)

Fig. 1 graphically illustrates the results of the most frequently used managerial leadership style, which is the democratic style (58 %); next follows a combination of the listed managerial styles (19 %).

Table 3. Evaluation and Rewards

Evaluator	Method of Evaluation		Evaluation Tool		Evaluation Frequency		Rewards According to Performance		
None	4 %	None	2 %	None	1 %	None	4 %	No	12 %
Direct Superior	88 %	Quantitative	2 %	Goals	35 %	Daily	13 %	Yes	88 %
Personnel Manager	4 %	Qualitative	22 %	Norms, Standards	26 %	Weekly	0 %		
Model 360-Feedback	4 %	Combination	73 %	Evaluation Scale	18 %	Monthly	27 %		
				Critical Cases	1 %	Quarterly	15 %		
				Assessment Centers	6 %	Annually	35 %		
				Audit	12 %	Yearly	6 %		

The next research area is focused on evaluating and rewarding employees. Evaluating employee performance is the process by which management evaluates individuals' performance, provides feedback on the fulfillment of company goals and further coaches the employee in a way to direct their activity towards improving performance. If the yearly evaluation has a structured form, it is planned and observed across the entire organizational structure. The bigger the company, the more important it is to create an overall system for the process of yearly evaluation that includes the support of information technology. (Janisova & Krivanek, 2013)

From the research results and Table 3, it is seen that employees are most often evaluated by their direct superior (88 %), using a combination of quantitative and qualitative evaluation (73 %), on the basis of set goals (35 %) and norms/standards (26 %) and by an evaluation scale (18 %). The most common type of evaluation was semi-annually (35 %), monthly (27 %) and daily (13 %). Of respondents, 88 % listed that employees are rewarded according to their performance.

Table 4. Personnel Controlling

Personnel Controlling	Predominant Tool		Personnel Agenda		Directory of Contacts		
No	21 %	None	21 %	Paper Filing System	38 %	No	7 %
Yes	79 %	Fluctuation	6 %	Excel (database)	35 %	Yes	93 %
		Interviewing	17 %	Other (SW)	27 %		
		Statistical Reports	23 %				
		Productivity	11 %				
		Audits	21 %				

Personnel controlling, which is focused on defining procedure for human resource management in a company, was also a delineated research area. Personnel controlling permeates all other areas of management, works with planning and the actual state of employees as well as with personal costs and judges them in relationship to actual employee performance. Another part of supervision is the evaluation of employee satisfaction and managing

employee education. Another essential part of personnel management is a high-quality motivational system constructed on the basis of measurable criteria, which are portrayed in the company strategy and are the driving force for company development. For each position, it is possible to find an adequate gauge for performance and thus lower the subjective component for judging rewards. (Eresta.cz, 2013; Zamecnik, 2007; Reissova, 2010)

Table 4 shows that 79 % of respondents have a system of personnel controlling where the predominant tools are reports/statistics, personal audits and interviewing employees. The personnel agenda is conducted via a paper filing system (38 %) or an Excel database (35 %). Respondents also listed other ways of recording the personnel agenda, primarily in Helios, SAP and Target software. A contact directory is reported by 93 % of the respondents, primarily in an Excel database, SAP and Target software but also on an intranet.

Table 5. Organizations' Activities Likely to Be Ineffective and Their Presumptive Causes

Organizations' Activities Likely to Be Ineffective	Presumptive Causes of Company Inefficiency Survey Results in Percentages
Adaptation of New Employees	Social Adaptation at Only 2 % Work and Social Adaptation Not Occurring at 60 %
Personnel Agenda	Agenda via Paper Filing System at 38 %

3. Conclusion

Human resource management must create conditions for increasing an organization's intellectual capital, creating an appropriate organizational culture and a positive climate within the organization. It is appropriate that the organization have a thorough strategy for developing human resources. (ManagementMania.com, 2013) In recent years, information technology has had a great influence on human resource management (Stone, Deadrick, Lukaszewski, & Johnson, 2015).

The overall comparison of the research data presents current trends and points to organization activities that are likely to be ineffective in the area of human resource management and their presumptive causes in the selected companies, see Table 5. The first ineffective activity is the adaptation of new employees. According to the research investigation, 60 % of the respondents do not carry out work and social adaptation. At 54 % of the organizations, new employees are not assigned a sponsor. Moreover, social adaptation for a newly recruited employee is facilitated by only 2 % of the organizations. As part of recruiting and integrating a new worker, it is commonly recommended that the sponsor be a worker that has not been with the organization either too long or too short. Only this type of worker has enough experience and information about the working of the organization while still having the recollections and feelings of a newly arrived employee in vivid memory. Certain characteristic capabilities are expected from the sponsor (analytic capacities, logical thinking, evaluative capacity, intuition, being communicative, empathy, etc.). (Armstrong, 2007) Another of the organizations' ineffective activities in the area of personnel management is having the personnel agenda still maintained in a paper filing system at 38 %.

Most of the organizations (58 % of the respondents) use the democratic style of leadership. In many working groups, this is generally considered to be the most suitable style (Kocher, Pogrebna, & Sutter, 2013). Ideally, it is centralized, and the leader of the group and their members mutually respect each other. This way, members have a perspective on the group's activities and goals. They cooperate on making decisions and participate in them as well. (Wehrich, Dolansky, & Koontz, 1993)

Another essential part of personnel management is a high-quality motivational system established on the basis of measurable criteria that are portrayed in the company strategy and are the driving force of the company's development. It is possible to find an adequate gauge of performance for each position and thus lower the subjective component of judging rewards. (Eresta.cz, 2013) Research was also specifically focused on the area of evaluating and rewarding employees. Only 4 % of the organizations use 360-feedback as a method for acquiring a comprehensive file of evaluations. This deviation from the most objective evaluative method is also confirmed by an article from the magazine *Moderni rizeni* (Kejhova, 2014). The reason is that 360-feedback does not guarantee that employees who show desirable and valued behavior also achieve strategic – desirable for the company's future – performance. Another article expresses an opinion in favor of the potential implementation of three types of goals

according to which an employee would be rewarded, with the exception of fixed wages (Kazdova, 2014). The primary goal is specific to position type, the second part is composed of individual goals (a bonus for training colleagues, passing certification tests) and the third goal is mutual (a share of the company profit). It is also necessary to add that a successful supervisor generates a climate for their team (a harmonious team, appreciation, personal and career development) in which they offer their employees more than just financial rewards (Kubice, 2014).

In conclusion, it is possible to add that, even if an organization has perfect systems, machines and buildings, it need not be successful on the market if it does not have active, educated employees who enjoy their work and are loyal. Employees are a company's business card – even Tomas Baťa realized this (Knotek, 2014). Moreover, management in the digital age is returning to some of Bata's roots.

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