THE ROLE OF MOTIVATION IN HUMAN RESOURCE MANAGEMENT

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The Role of Motivation in The Human Resource Management

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Zásady pro vypracování:
Tato bakalářská práce se zabývá problematikou podnikové kultury především amerických firem se zaměřením na oblast řízení lidských zdrojů a zkoumá otázku motivace zaměstnanců v současném vedení českých a amerických podniků.
V první části práce autorka definuje řízení lidských zdrojů s ohledem na jeho historický vývoj v České republice a ve Spojených státech, v další části práce vymezuje motivaci a její pojetí v oblasti pracovní motivace. V závěrečné části práce autorka provádí kontrastivní a komparativní studii přístupů vybraných českých a amerických firem k otázce vhodné motivace zaměstnanců se zřetelem na hledisko historického vývoje a kulturních odlišností zkoumaných podnikových kultur. V práci jsou využívány jak sekundární zdroje z oblasti řízení lidských zdrojů, obecné psychologie, psychologie práce a personálního řízení, tak zdroje primární, tj. data získaná z výzkumů týkajících se uvedené problematiky a z expertního rozhovoru.
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Abstract

This paper focuses on the role of motivation within Human Resource Management activities. Its main aim is to demonstrate the unity and difference in attitudes of Czech and American companies towards employee motivation and to confirm that different cultural background plays significant role in this matter. It provides the reader with the historical development of HRM in both countries, mainly focusing on past events that affect the HRM the most. It also gives inside into the theory of motivation and than tries to applies these findings into the real world. There the author compares the ways Czech and American companies use to stimulate its employees to higher work performance. The last part of this paper is dedicated to employees’ satisfaction at work and to the most important HRM activities, which are training, communication and remuneration. There the author compares how these activities are dealt with in the United States and the Czech Republic, with the close look at Google (representative of American companies) and IKEA (representative of Czech companies), which are companies that won the survey searching for the best employer of the country.

Key words of this paper:

- Human Resource Management
- The Czech Republic
- The United States
- Employee motivation
- Stimulation
Anotace

Tato práce se zaměřuje na postavení motivace v řízení lidských zdrojů, jejíž hlavním cílem je poukázat na shodné a rozdílné přístupy českých a amerických společností k motivaci zaměstnanců. Dále se snaží potvrdit hypotézu, že odlišné kulturní prostředí hraje významnou roli v utváření těchto postojů. Čtenářovi je zde poskytnut náhled do historického vývoje řízení lidských zdrojů, především je pak věnována pozornost historickým událostem, které řízení lidských zdrojů ovlivnily nejvíce. Poté se autorka zaměřuje na teoretické poznatky týkající se motivace samotné. Ty slouží k demonstraci toho, jak je motivace, především pak motivace v zaměstnání důležitá v praktickém životě. V závěrečné části této práce se autorka věnuje spokojenosti zaměstnanců v amerických a českých firmách a dále zde jsou porovnány přístupy řízení lidských zdrojů ke školení, interní komunikaci a odměňování, a to jak v amerických tak v českých firmách. Z hlediska této části jsou zde také rozebrány firmy Google (zástopce amerických firem) a IKEA (zástopce českých firem), jež se stali nejlepšími zaměstnavateli dané země.
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Introduction

This paper deals with the role of motivation within the Human Resource Management activities with the focus on two countries, the United States and the Czech Republic, and their attitudes towards this issue. Its main aim is to prove that employees’ motivation plays an important role in the business environment and that its lack can have an undesirable effect on company’s performance. It also wants to prove that the cultural environment has a great effect on practices that are used to enhance employees’ motivation.

In the first part, the author examines the impact of historical events on the HRM development in both countries and explains the reason for slower development of Personnel Management in the Czech Republic. Then there are mentioned pioneers of HRM and their contribution to this area of management. The most space is given to Elton Mayo and his Howthorne’s studies, which showed the interrelation of employees’ feelings and their work performance. The author also gives brief insight into the main activities that are attributed to the HRM, one of which is motivation.

The second part provides the reader with theoretical findings connected with motivation. It informs about various factors that either evoke motivation or have an impact on its direction, intensity and persistence. Apart from these, the author mentions various motivation theories that came into existence with the course of time.

The third part of this paper gives insight into the ways that can influence employees’ motivation. It broadly discusses the process of influencing motivation, known as stimulation, and the means that are used to positively affect employees’ willingness to put in more effort into the job (in the paper called incentives).

The fourth part starts to analyze the conformity and the differences between stimulating methods used by employers in the United States and in the Czech Republic. It also analyzes the effects of various external factors that can influence the employees’ motivation and wants to confirm that organizations are more then ever interested in the employees’ motivation and the ways that can influence it.

The fourth part of this paper also analyses two companies that won the survey focusing on the best employer in 2007. There the author compares the usage of stimulating techniques and expresses her attitude according to the presented findings.
1 Introduction to Human Resource Management (HRM)

When talking about HRM we are referring to any management practices that are connected with people. Definition that is provided by SHRM describes HRM as a formal structure within an organization responsible for all the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people. We can see that HRM plays a substantial role in the world of business, because every organization consists of people and these have to be properly conducted. Many surveys have proved that the success of an organization is very tightly connected with the employees that this organization manages. Nowadays, the key role is attributed to managers, who are in a direct contact with their personnel and therefore are the nearest people having the ability to influence the employees’ performance.

Although these findings are globally accepted nowadays, they were not bear in mind in the past. The development of HRM matches with the development of society, therefore a country’s political, economic and social situation has a great impact on the ways that HRM was directed.

1.1 Historical Development of HRM

The HRM development together with its activities and practices differed in every country due to various external factors. We would like to compare the development in the United States, where the management of human resources was founded (Armstrong, 1999), with its development in the Czech Republic.

1.1.1 HRM in the United States

The industrial revolution, which started in England in 1830s, spread from Europe to America and caused dramatic changes to the working environment. Not only did it hasten the production and made it possible to produce goods in great quantity, but it also brought dramatic changes for workers.

Before the industrial revolution, most people worked in agriculture or as artisans (Mareš, 2004) and their knowledge and skills were highly valued. However, the invention of new machines changed the world of labor incredibly. Most factories needed only semi-skilled workers, who were able to perform simple tasks on machines.
Employees were not valued for their knowledge anymore, but were taken more as a necessary expense and maybe that was one of the reasons for great deterioration of the working conditions. The needs of workers started to be overlooked, young children, often under 10 years old, and women had to work and perform physically hard work, people worked 12 hours a day in a dangerous working environment and received very low pay (The Social Studies Help Center, *The Labor Union Movement in America*).

The situation in the United States was also influenced by an enormous invasion of immigrants who started to arrive at the end of the 19th century until the Second World War. These people were often poorly educated, did not speak any English and could not offer many skills. Therefore, they were offered work in factories, where skilled people were not needed, and the language barrier did not represent a big problem.

This situation resulted in the formation of trade unions\(^1\), which were there to protect employees’ rights and fight for better working conditions. The first trade union was founded in 1866. After this union had disintegrated, the most influential union in that time, The Knights of Labor, became the leading union. Their main aim was to set an eight-hour working day and abolish child labor (John Simkin, Spartacus Educational). Trade unions’ membership was clearly defined, for example the Knights of Labor were the first labor union that was also meant for women, but it was forbidden to professionals, e.g. lawyers, doctors or bankers.

The endeavors of the trade unions were answered in 1938, when Frances Perkins, the Secretary of labor, persuaded Congress to pass the Fair Labor Act. This act lowered the amount of working hours and prohibited child labor (John Simkin, Spartacus Educational).

The impact of trade unions on HRM is still apparent today as bargaining over working conditions is still an issue. Employees call for greater job security, higher wages, benefits, and better working conditions that they see as inadequate. Government legislation also has a substantial effect on HRM. To see the list of laws that influence the HRM activities the most, please see appendix 1.

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\(^1\) union – an organization of workers, acting collectively, seeking to promote and protect its mutual interests through collective bargaining.
1.1.2 HRM in the Czech Republic

HRM was also presented in the Czech Republic, but its development was slower and more difficult than in other countries, mainly due to the political situation and two World Wars. The first sign of HRM (in those days mainly called the personnel management) was seen in the employer’s interest in the employees. On the other hand, employers were also responsible for working conditions and were not bound by any governmental legislation. This often resulted in oppressive attitude towards the employees.

The second half of the 19th century was significant because of various changes in the labor law. Regulations were novelized and considerable changes appeared in occupational safety, health administration and the work schedule. A substantial change also arose for successors, who were given right to education (Lejsková, 2006).

We should not forget to name Tomáš Baťa, whose company brought a new insight into the employer-employee relationship (1914-1937). It is said that Baťa was influenced by his trips to the United States, which resulted in the formation of the first job position of a personnel officer. He even exceed many American companies when he insisted that company is obliged to take care of its employees, to know their opinion and to cooperate with them. His company’s culture was based on mutual negotiation rather then conflicts and commands. Baťa did not think about his staff only in the sense of work, he wanted to brighten their lives, therefore he built houses for employees, cinemas, schools and other entertainment centers (Beničková, 2006). Even though Baťa Company was nationalized and renamed after the Second World War, it did not cause its end. Nowadays, shoe store Baťa can be seen in more than 50 countries all over the world.

Personnel management in both countries experienced decay after the Second World War. The industrial revolution affected almost every country with massive unemployment which, with its falling and rising tendencies, exists till today (Mareš, 1994) However, the United States were able to react more quickly to arising changes and therefore personnel management still had space for further development. The situation in the Czech Republic was quite different. It was due to the political situation and the labor policy that existed until 1989, when all people were obliged to work. This, on one hand, resulted in zero unemployment, but on the other hand, created the situation
where companies had to employ more workers than was necessary and thus the workforce did not have to be as productive as it was desired, for instance in the United States (Lidské zdroje v České republice, 1999).

After 1989 the HRM in the Czech Republic slowly started to adopt practices that were common in Western Europe and North America. This long process has not ended until today. However, due to globalization and modern technologies, it is much easier for HR experts to obtain knowledge about HRM innovative practices in developed countries, and thus the follow-up process is faster than ever before. The current problem with the application of new practices is mainly caused by different cultural background (Di Cesare, Sadri 2003).

1.2 Pioneers of HRM

Previous parts of this paper focused on the development of HRM and the external factors that this development influenced. We spoke about the political situation, the trade union’s impact, but who actually were the early fighters for human rights in the business environment? There were several people in the past whose endeavor was to improve working conditions. Robert Owen, Hugo Munsterberg, Chester Barnard and Elton Mayo are considered the founders of HRM.

Robert Owen was a successful Scottish businessman, and one of the first employers who started to call for workers’ rights. He called for regulated working hours, child labor laws, a public education, but unfortunately, these were heard almost a hundred years later (Stephen P. Robbins, David A. Decenzo, 2005, p. 35)

The contribution of Hugo Munsterberg can be found in his *Work Psychology and Industrial Efficiency* (1913). Munsterberg focused his studies on the human mind and behavior and tried to explain individual differences. He is accepted as the founder of psychological test usage when selecting the right employee for a particular job. He also wanted to determine which practices are best for motivating people.

Chester Barnard, the author of *Functions of the Executive* (1938), expressed a theory based on the attitude of business executives in an organization. He believed that the power of organization is in its human resources, therefore the role of the manager is to communicate and stimulate workers to be highly productive. His theory focused
mainly on two issues – the authority and incentives. He considered persuasion more effective than economic stimulation.

Even though many famous names including those mentioned in the previous paragraph are sometimes overlooked, Elton Mayo is formally accepted as the founder of the Human Relation Movement. He is most famous for the Hawthorne studies, which showed the importance of the relationship in a workplace (Accel Team, online).

1.3 The Hawthorne Studies

These studies were primarily oriented on physical conditions and the way they can influence labor efficiency. During the years 1924 - 1927 three different departments of the company were exposed to different levels of the illumination intensity of light with the assumption that the productivity would correspond with the intensity of light at the workplace. However, this experiment showed that illumination has little or no effect on workers’ production and that there have to be other reasons which influence the productivity at work.

Therefore, the second experiment started in 1927 and lasted five years. Two women were chosen for this experiment and they were asked to select other four workers who would participate in their team. They were exposed to various changes, such as diverse length of working hours or breaks. Altered conditions of payment were also an issue. The experimenting group stopped to be paid for the results of an individual and started to be paid for group results. During this study Mayo realized that the productivity of a controlled group really increased, but it increased even when the working conditions were worse. Mayo together with researchers realized that the productivity increased because the group knew they were observed, they felt proud for being selected and they experienced interest of their supervisors. Mayo concluded that those were the main reasons causing an increase in labor efficiency (Accel Team, online).
1.4 HRM Activities

The early purpose of HRM was to select the right employee for the right job. After the 1940s the general focus moved to workers satisfaction. By the end of the 1970s almost every medium and every large organization had somebody who would deal with tasks connected with human resources, such as recruiting, training and dismissal (Stephen P. Robbins, David A. Decenzo, 1999, p.5)

The end of the 20th century showed another substantial change in the American labor market. Industry started to lose its dominance and services market experienced its boom. There was a new generation of educated young people, women who demanded a better job position and new state regulations, which had to be adhered to. These changes widened HRM activities and it started to be responsible for every problem connected with human resources.

HRM responsibilities have increased considerably since the time of its formation. Nowadays every activity connected with human resources is incorporated within the responsibilities of HRM. Even though their division differs in a number of subdivision, their content stays the same. We would like to mention the division provided by DeCenzo and Robbins (1999), see also appendix 2.

The first activity of HRM that comes into usage in a company is staffing, by which we mean the strategic human resource planning, recruiting and selection. The importance of these tasks is unquestionable, because success of an organization is built on its employees, their skills, knowledge and willingness to put in high effort into the workload.

The second substantial activity of HRM is training and development. Nowadays, most job positions require training, because the existing skills and habits of new employees have to be in accordance with the organization’s demands.

Motivation is the third activity of HRM. There are several ways to enhance employees’ motivation. As motivation is the main topic of this paper, we focus on it in a separate chapter 3 (Motivation) and 4 (Stimulation).

The last task is called maintenance. Every organization tries to keep its valuable employees, thus it is not surprising that HRM makes great effort to improve safety and health, communication within the company and employee relations.
Every organization has to deal with all these tasks, but the size of the organization determines who will be responsible for them. Nowadays, most big companies have one separate department which deals with tasks related to human resources. In small businesses, the owner-manager is often responsible for recruitment, training, motivation and maintenance.

We should point out that even if an organization has an HR department, the role of the company’s managers remains crucial. It is no longer true that HRM practices are dealt with only by personnel specialists. In these days, the responsibility for leading and developing staff skills is also dedicated to line management (Kleibl, 2002, p. VI-VII). A manager is the person in an organization whose quality is seen in their ability to cope with their personnel. For instance, their responsibility is dividing tasks appropriately among personnel, staff controlling, stimulating and communicating. Many surveys confirmed that the success of an organization depends on efficient managers.

Over time, it became more than clear that a successful manager has to have at least basic knowledge of psychology to be able to lead their employees to their best results. This means that employees are properly stimulated by their superiors to put in a high level of effort into the activities for which they are responsible.

The next chapter is therefore dedicated to motivation, which has a substantial effect on employees’ performance. There we present most important findings connected motivation, which should give the reader background knowledge of factors having an impact on employees’ motivation and performance.
2 Motivation

It can seem surprising that motivation is so widely discussed in today’s business environment. This is mainly due to the findings of psychologists who realized that people act according to their inner motives and that there are ways to influence them. The field of psychology that deals with people’s behavior in working environment and also with motivation and stimulation at work is called Work Psychology. Knowledge of this psychological discipline can help managers to understand employees’ attitude to work and adapt their leadership practices to the work environment.

2.1 Definition of Motivation

Stručný výkladový slovník managamentu (1995) defines motivation as a psychological state invoking activity, behavior or action. In other words, we are motivated to put in effort in such an activity that will help us to satisfy our needs.

It is the nature of human beings to be motivated. The desire of an organization is to have employees that are motivated to exert effort in activities that lead towards company goals.

2.2 Sources of Motivation

When we are motivated to perform an activity, we are forced by our inner powers. These are various inner elements that influence our mind. Provazník and Komářková (1998) focused on this task and they introduced five basic sources of motivation – needs, habits, interests, values and ideals.

All of them together influence our mind in the way of choosing activities we want to do and those we try to avoid. Therefore, the main task of the manager should be directing our motivation towards tasks that are required by the organization.

Let us now focus on human needs, as they are accepted as the main source of motivation. Environment in which we live influences our needs substantially, therefore a 45-year-old man in America would probably not have the same needs as a man of the same age in the Czech Republic, who would also have different demands from a man in the Ukraine. As we mentioned in an equity theory, we tend to compare and we do that all the time. We see what others have (a well-paid job, annual vacation by the sea, a nice
car and house, good friends) and we want that as well. What we are comparing with others depends also on our values – one person wants to have a nice house, another wants to have an interesting job. This is also the reason why two people may desire a different thing from their job. Some want job security, some a good relationship with their colleagues, and when they receive it, they are satisfied.

### 2.3 Dimensions of motivation

When defining motivation we have to focus on three elements of human behavior which can tell us whether the person is motivated in the right way (Pauknerová a kol. 2006). These are:

- **Direction** – what a person wants to do, what has caught their interest,
- **Intensity** – how much effort a person put into an activity to reach their goals,
- **Persistence** – how long a person tries to reach their goals.

According to previously mentioned facts, we could suggest that the direction of motivation is the most crucial factor for the company. If the direction is not towards the goals of the organization, the intensity that is put into the task and the time period an employee tries are losing their importance. In addition, intensity and persistence are not easily measured. It is sometimes difficult for a manager to recognize how hard their personnel work and how long they persist, but they are able to identify what their personnel do while at work. Therefore, a successful manager has to be able to stimulate their personnel, so they tend to put their effort into the activities that are required.

Furthermore, Provazník and Komárková (1998) argue that every motive is in **polarity** (a human being x its environment). One side of the polarity is a physical or mental state which a person wishes to reach. On the other side lies the instrument or situation which will help a person reach their desired state. This is very important knowledge, because when employees do not know how to satisfy the company’s needs, they feel frustrated and demotivated, which is a state no manager would like to achieve.
2.4 Motivation theories

The second half of the 20th century was a fruitful time for motivation theories. According to Luthans (1992) they can be divided into two groups. The first group of motivation theories describes factors that motivate people. Among these we can name Maslow’s hierarchy of needs or Herzberg’s Motivation-Hygiene theory. However, these theories are often criticized for being oversimplified.

Then there is the second group of theories that are more detailed, where cognitive variables and their relation to other variables plays the key role. Vroom’s Expectancy theory, Adam’s Equity theory and many others fall into the latter group. Quite apart is McGregor’s X/Y theory. It is characterized by two different assumptions about human beings according to which a manager chooses their style of behavior.

2.4.1 Hierarchy of Needs Theory

This theory was introduced by the American psychologist Abraham Maslow, who stated that within every human being there are five types of needs, which could be ordered hierarchically.

At the bottom lie physiological needs, such as the need of food, drink, sexual satisfaction and others. These are followed by the needs of safety, because every human being wants to feel secure and protected from all kinds of harm. Then there are social needs, which suggest that people want to form relationships with others, they desire to be accepted by the society and to feel that they belong somewhere. The last but one are the needs of esteem by which Maslow meant both internal (e.g. self-respect, autonomy, achievement) and external factors (e.g. status, recognition, attention). On the top of the hierarchy are the needs of self-actualization. These are people’s endeavors to achieve their potential and to become what they desire to be.

The hierarchy suggests the level of importance of these needs and the outcome when they are satisfied. For example, when a person is experiencing some kind of danger, they will need a safe place to hide and they would not probably think about the needs of esteem.

The Maslow’s theory can appear very useful for the business environment as well. When there is a worker with a low salary and has problems to even satisfy their basic needs of hunger, shelter or thirst, the financial reward would be the only useful
motivation tool, which would work. However, when a person earns enough money for their living, they would not be motivated by financial reward to the same extent. Certainly, nobody would refuse a pay rise, but money would not be as powerful instrument as in the first case. The person would be much more motivated by recognition or trust expressed by their supervisors.

2.4.2 Theory X and Theory Y

According to Douglas McGregor, there are two possible views on human beings. Theory X describes people as passive beings, who hate to work, have to be controlled and directed and try to avoid any type of responsibility. Theory Y is a total opposite. People are seen as active beings, they like to work, desire to succeed, favor responsibility over tasks and welcome creativity.

These two views on human beings determine the behavior of a manager towards their employees. When their assumptions about people’s attitude to work correspond with theory X, they do not trust in the skills of their personnel and have the notion that employees have to be controlled and threatened, otherwise they would not work properly. Then there are managers who perceive their personnel as capable, constructive and productive, therefore they are open to give them the freedom to make decisions about certain tasks and welcome their innovative ideas.

2.4.3 Motivation-Hygiene Theory

The Motivation-Hygiene Theory of Frederick Herzberg is probably the most complicated from the motivation theories mentioned in this paper. He distinguishes two types of factors influencing job satisfaction.

There are factors that lead to satisfaction, but their lack does not cause dissatisfaction – these are called motivators. By motivators Herzberg meant achievement, recognition, the work itself, responsibility, advancement and growth.

Then there are factors which, when presented, cause dissatisfaction, but their absence does not cause satisfaction – these are called hygiene factors. Among them Herzberg included supervision, company policy, relationship with supervisor, working conditions, salary, relationship with peers, personal life, relationship with employees, status and security. According to Frederick Herzberg, a manager that wants to
encourage their staff to put more effort into their job, to stimulate them, they should rely on the motivator factors.

2.4.4 Equity Theory

Adams was aware of the fact that people do not live in vacuum. They are in a constant contact with other people and they do compare. Especially at work people compare their work assignment, knowledge with their colleagues and search for equity in rewarding. Adams suggested that when employees experience a positive imbalance, they take steps to gain it again.

2.4.5 Expectancy Theory

The last theory we would like to mention is The Expectancy Theory of V.H. Vroom, who produced a formula to measure motivation. This formula has three variables:

a) Valence – the subjective value of the awaiting result,

b) Expectancy – the belief that the output will lead towards expecting performance,

c) Instrumentality – the belief that after meeting the expected performance, they will receive the desired reward.

According to the given formula, when one of these three variables is zero, motivation is not present.

\[
Motivation = f \left( Valence \times Expectancy \times Instrumentality \right)
\]

By specifying some of the basic motivation theories we wanted to demonstrate that there is more than one approach dealing with motivation and that none of them can be accepted without any criticism.

All theories were based on some experiments or observations, thus they are just written conclusions about an examined situation. Although situations can be similar, they will probably never be the same. Therefore, managers should firstly direct their attention towards the employees. They should observe the employees, communicate with them, so that they will be able to compose a picture about their expectations and behavior. Not until this has been achieved should managers choose which theory to follow.
All these approaches were presented to illustrate the complicated process of motivation and to give useful ideas how to cope with this issue. However, everybody should bear in mind that none of them is accepted as the best theory, because the right “style” lies somewhere in the middle. These theories are based on scientists’ opinion about motivation, who then tried to come up with a theory that would support their ideas. Each theorist brought important insight into this issue, therefore, while not focusing just on one approach, we are able to learn from all of them.

2.5 Motivation Profile

In the previous parts, we presented factors that have the power to influence our motivation. We also demonstrated different views on this matter by naming the most common motivation theories. This chapter is to inform the reader about the important fact that all adult people are already formed and that their attitude towards external factors differs from one person to another.

Růžička (1994, p. 34) talks about the motivation profile of individuals, which expresses a relatively stable or long-term orientation, motivation preference as a part of the overall human profile.

The motivation profile is created by various factors - the need of social contacts, need of social safety and security, the need of self-estimation, the tendency to assert in a society, personal traits like sensitivity, cooperation and independence.

The motivation profile is made up of a wide range of “dimensions”, or we can say motivational orientation, towards which an individual has a stronger or weaker preference. Provazník and Komářková (1998) demonstrate eight dimensions that form the motivational profile. We would like to focus mainly on one motivational orientation, which differs in the individual’s attitude towards success – people tend to either approach success or avoid failure. Individuals approaching success are active at work, creative and innovative. Then there are people who do their job according to the instructions, they tend to give themselves only easy goals, which they are certain to meet – they behave according to the famous proverb “He, who does nothing, spoils nothing”. There is no doubt that employees at the higher levels of an organizational structure should be oriented towards success, because business markets are constantly changing.
and a company which desires to succeed cannot be afraid to try new strategies just to avoid failure.
The individual tendency to either approach success or avoid failure is tied very closely with performance motivation.

2.6 Performance Motivation

Performance motivation is relatively stable and is determined by the quotient of two different approaches towards success (Pauknerová a kol., 2006, p. 174):

\[
\text{Performance motivation} = \frac{\text{approach success}}{\text{avoid failure}}
\]

Performance motivation, in other words the attitude towards success, is determined by the way we were raised, by our own experience, social surroundings, national culture and some other factors. Not only do all these factors influence our performance motivation, they also affect our personality as a whole and subsequently the way we behave.

2.7 Importance of Motivation within HRM Activities

Firstly, we should explain the effect of motivation to be able to determine its importance. When a person is motivated to do an activity, they surely put in more effort into the task then when they are demotivated. A Manager can hire a person with extraordinary skills, knowledge and experience, but this will not assure their satisfactory performance. This is very important for an organization, because they need personnel who do their best and whose motivation is to reach goals that are in accordance with those of their organization. We are not saying that motivation is the only element that determines employees’ effectiveness, but it surely plays a significant role.

There are two types of people. People who are self-motivated, which means they do not need any outside impulses to perform an activity. Then there is the second group of employees, which are much more common. These people perform tasks, because there are outside incentives that motivate them. The problem of incentives will be more closely described in chapter 4.5.
When identifying job performance, there are mentioned two or three important factors – motivation (willingness to make an effort), ability and sometimes work environment (see e.g. Damiano, 2005).

We would suggest that the conception of three elements is more valuable, because working environment plays a very important role in job performance. Therefore, we could calculate job performance as following:

\[
\text{job performance} = f(\text{motivation} \times \text{ability} \times \text{work environment})
\]

Ability tells us about the employees’ physical and mental limits, technical knowledge and qualification, their working experience and training. When defining the working environment we have to include the technical level of the organization’s equipment such as machines or instruments, the level of safety in the workplace, relationship with colleagues and supervisors and many others. Many surveys have shown a connection between hostile working environment and company profits.

2.8 Ways to Enhance Motivation

When employee motivation is not satisfactory, there are ways the manager can use to increase he employees’ performance. This process is called stimulation and things that have the power to enhance motivation are called incentives. According to Pauknerová (2006), stimulation is understood as an external interference on human behavior, systematically influencing and regulating human motivation. We stimulate people, because we want them to do what we desire.

There are various ways to stimulate workers to make them work more efficiently. The following chapter gives information about different types of incentives that can be used by a company to motivate its employees.

2.8.1 Incentives

Companies have various possibilities how they can evoke motivation in the employees. It should be pointed out that incentives are effective only when they are in accordance with the employees’ needs. If a person is thirsty the main item they desire is something to drink. This is the same with incentives. When a person’s main wish is to be recognized by others, money is not as a powerful incentive as a public praise or
For incentives to be a powerful motivator, they have to be in agreement with the individual’s desires.

It is generally known that the more advanced the company, the greater the versatility of incentives used (Pauknerová et al., 2006, p. 225). An organization can choose between tangible financial and tangible non-financial reward (incentives) and intangible reward.

### 2.8.1.1 Tangible Reward

Firstly, we would like to talk about tangible, or in other words, monetary reward. There are two types of monetary reward – financial and non-financial. Financial reward is given to employees for time spent on the job, according to the position they are at, the amount of responsibility, performance and other criteria. Stephen P. Robbins and David A. DeCenzo (2000) argue that financial incentives are the most motivating if they are related to a performance and they are not the only theorists who claim this.

An employee should be able to see a clear linkage between the effort they put into the task and the reward received. These incentives are often labeled as PRP (performance-related pay). According to Stephen P. Robbins and David A. Decenzo, non-financial rewards are designed to enrich the employees’ lives. Among them we can name company cars, laptops, sport or cultural allowances, life and disability insurance and others.

Even though money is a very useful incentive tool in improving employee motivation, it does not work for everyone. Gizela Hagemannová (1995) and many other theorists claim that tangible incentives work until an employee experience lack of money for their standard of living. Therefore we can assume that money would be very good motivator for ordinary workers, but would not be as powerful motivator for managers, who generally earn enough money to cover their needs and therefore search for other specific features company can offer them. For this purposes organizations have to look for different incentives, which would give managers the feeling that they are valued by their organization. These are referred to as intangible rewards.
2.8.1.2 Intangible Reward

Most employees honor when their work effort is recognized by their employers, therefore organizations should devote more time to express appreciation to their staff. However, money is not the only way to do this. There are incentives that lack a material factor, but still have a great power to motivate. A public praise, a promotion and a positive evaluation are just some examples of intangible rewards.

It is widely discussed which type of incentive is the most powerful. However, we should state again that every employee has different values and therefore what stimulates one employee does not have to have the same effect on the other. Maritz Poll can serve as a proof. Among other findings it also revealed that even though 70 percent of employees received verbal praise, only 49 percent seek for it, and on the other hand, 29 percent of those who see verbal praise as important did not obtain it from their employers.

Although there are countless ways to stimulate employees’ motivation, it is the task of the HR manager to find the most effective one. The survey that was done by Greenberg and Arakawa for the Gallup Management Journal in the United States confirmed that no matter what type of recognition is provided, a positive management has a considerable impact on employees’ engagement and the work performance. They wrote, “Managers have more influence than perhaps they realize on the employees’ engagement, optimism and performance…” According to Randstand’s 2006 Employee Review, conducted by Harris Interactive, 86 percent of US employees cited feeling valued as an important factor for happiness, while only 37 percent said it exists in their job (Greenberg, 2007).

The previously mentioned facts showed a close connection between an individual’s inner motivation and stimulation that mainly comes from the outside. The factors that can stimulate an individual are countless, but they have the desired effect only when they are in accordance with the individual’s needs. Therefore, it is essential to know what the employee desires, whether it is tangible or intangible reward. After this condition is fulfilled, the staff feel satisfied at work and are more valuable for the company.
The issue of job satisfaction and incentives is closely discussed in detail in chapter four, where the aim is to compare the employees’ satisfaction at work and the usage of benefits in the United States and the Czech Republic.
4 Research on Current HRM Practices in the United States and the Czech Republic with the Focus on Employee Motivation

The beginning of this paper was dedicated to the HRM development in both the United States and the Czech Republic and the author presented there the main reasons that caused slower development of HRM in the Czech Republic. This part focuses on HRM and its practices in today’s world of commerce, which is constantly changing and the company’s ability to compete in it depends on its human resources and its attitude towards them. Therefore, almost every medium-sized and every big company has a separate department that deals with issues connected to employees.

The first part of this research is mainly based on eight surveys three of which were conducted in the Czech Republic and five in the United States. In our research, we were mainly interested in the polls and surveys that dealt with current HRM practices, factors causing employees’ satisfaction and dissatisfaction at work and their attitudes towards benefits. The full list of surveys and their description is provided in appendix 3.

The second part of this research focuses on HRM practices used in companies that won in the survey searching for the best employer in 2007. In the United States, the survey was conducted by the magazine Fortune with the assistance of Great Place to Work Institute and the first place was attributed to Google Inc. In the Czech Republic, the similar survey was done by Hewitt Associates, where the company IKEA won the first place. A detailed description of these surveys is presented in appendix 3.

The aim of this research is to determine how Czech and American employees are satisfied at work and how much key HRM practices that are used in the United States and the Czech Republic differ. The reason for focusing on these factors is their close connection with employees’ motivation. It has to be pointed out that different approaches have different outcomes, thus divergent HRM practices can have divergent final effect on employees, their work performance and job satisfaction.
4.1 Job Satisfaction

We have to be aware of the fact that organizations are concerned with the employees’ motivation not only because it has the power to increase performance, but also because it can improve the employees’ loyalty towards a company. When employees are content in an organization they do not think of leaving this organization for another job. A company has various ways to stimulate employees’ loyalty, such as paying the attention to human relations at a workplace, choosing the right person for the right job, setting equal conditions for the employees at the same level of organization structure and many others.

Štikar (2003) specifies two types of job satisfaction according to Kollárik (1986). These are satisfaction with a job and satisfaction at work. When we want to determine whether a person is satisfied with a job, we are interested in their opinion about the job content and their knowledge and skills that are needed for the particular job. On the other hand, satisfaction with a job is much broader and shows us how an employee is content with their direct supervisor’s practices, human relations, the company policy and other factors not directly connected with their job.

Even thought the connection between job satisfaction and great work performance was not proved (Luthans, 1992), many surveys acknowledged that job satisfaction has a great impact on absenteeism and fluctuation (Štikar, 2003, p. 118). The Personnel Benchmarking 2002 study confirms that absenteeism has a direct impact on company’s profitability. Their worldwide survey showed that companies with employees’ absenteeism of 5 days per year have profitability 60 percent higher than companies with their employees’ absenteeism of 10 days per year (Kopecký, 2003, online). Although Czech managers are often slightly behind the current business trends, they are starting to be aware of the loyalty importance. Tomáš Macků, Research & Consulting Director Ipsos Tamobr CR, SR argues that an employees’ loyalty value grows and companies that find this factor important and work on its enhancement react more flexibly to market changes (Personál, 2008, p. 6). Therefore, it is in the interest of companies to have content personnel, who are loyal and “present”, because it lowers the company’s costs and increases its profit, which is the main objective of most organizations. It has been found out that job satisfaction, absenteeism and fluctuation are the most common issues examined in Czech companies (Deloitte, 2004/2005).
4.1.1 Job satisfaction in the United States and the Czech Republic

The worldwide trend in monitoring employees’ job satisfaction has a rising tendency. The employees’ satisfaction is observed by 43 percent of employers worldwide, which is still 7 percent more than in the Czech Republic (Šubrtová, 2003).

According to the 2007 Employee Opinion Survey, 86 percent of American employees are satisfied with their job. Lower percentage shows the satisfaction with the development opportunities – only 60 percent of Americans are satisfied. Another survey that was conducted by University of Chicago revealed that job satisfaction differs according to the occupational prestige and age. Jobs with lower occupational prestige are less satisfactory in comparison with the jobs with higher occupational prestige, and the employees over 65 years old tend to be more satisfied in their job. The HRM Guide informs us that professionals involved in caring, teaching, and protecting report the highest job satisfaction. In the Czech Republic, only 62 percent of employees are satisfied with their jobs and only 14 percent find pleasure at work. Therefore, it is not surprising that the same number of employees (62 percent) feels loyal to their company and do not think about leaving.

The SHRM Annual Survey (2007) found out that among top five factors having great impact on American employees’ job satisfaction are compensation/pay, benefits, job security, flexibility to balance work/life issues and communication between employees and senior management (SHRM, online). In the Czech Republic, compensation/pay is the most important factor for young personnel and job security for older employees. When focusing on work/life balance, employees working in public services are the most satisfied. Here the percentage reaches 57 percent (Accor Services CZ, online).

Work/life balance is becoming hot issue in both countries nowadays. It is widely debated on HR conferences, in newspapers and books, but still, it is not sufficiently accepted by companies themselves. The Monster survey revealed that only 29 percent of employees worldwide who participated in this online survey are satisfied with the work/life balance their employer offers. On the other hand, 58 percent of them agree they are forced to work too much (Monster Worldwide, online). What this can mean for employers? The organizations that plan to offer a work/life balance program are going to be more competitive in the labor market than the companies that do not. With an
increasing number of female employees at work there are starting to be different demands and expectations in labor market. Especially women want to take care of their children and to be able to earn money at the same time. Companies offering flexible working hours, possibility of telecommuting or part-time jobs can serve to support these needs. In the United States, these organizations started to be labeled as family-friendly organizations, because they are trying to find the way how their staff can enjoy both family and work and do not have to choose between them. The Monster survey also found that even young people are getting more interested in jobs that help them to balance their work and a personal life. Due to today’s problem with the lack of talented workers, companies should offer attractive working conditions in order to lure on new talented employees and maintain the existing.

A competition among organizations will be more and more evident. Companies will struggle for talented workers and will try to entice them on various benefits that would meet their needs. However, benefit package is not the only factor that is important for employees. Its effect is often short-term, because employees get used to it. The quality of HRM and its comprehension of company’s employees have broader and long-lasting effect. Therefore, the following chapter focuses on the main HRM practices that can affect employees’ job satisfaction and subsequently their motivation.

4.2 Comparison of American and Czech HRM Practices

Responsibilities of HRM are broad. For our purposes, we want to focus on training, communication and remuneration, as they play the main role among HRM practices nowadays (Mezinárodní HR průzkum, 2004/2005). We compare American and Czech attitudes towards selected HRM practices and then we focus on how these practices are dealt with in the American and Czech company that won in the annual survey seeking the best employer in the country.

In the United States, there are various surveys dealing with this issue, but the most widely mentioned is the survey conducted by the magazine Fortune called 100 Best Companies to Work for.

In 2008, 407 American companies participated and nearly 100,000 employees filled in the questionnaire. Before we focus our attention towards this year’s winner, we would like to inform the reader about the basic findings that this survey revealed.
According to what we have already spoken about, it should not be surprising that among the top rewards offered by employers are health care, childcare, telecommuting and work/life balance. When getting to numbers, twenty-one companies on this year’s list pay 100 percent of their employees’ health-care premium, twenty-nine companies offer an onside child-care center. Employees that work for Top 10 Best companies feel encouraged to balance their personal and work life and eighty-four Best Companies on this year’s list allow employees to telecommute or work at home for at least 20 percent of the time. In 2007 and in 2008, this survey was won by the American company Google Inc.

In the Czech Republic, similar survey was conducted by Hewitt Associates. According to the Hewitt Associates’ press release, several factors are common for the best employers in the Czech Republic. These companies show better business results, are more honest with their employees and are open to evaluate their employees’ good work performance. From 38 Czech companies that participated in this survey in 2007, IKEA won the first place. For detailed information about this survey, please see appendix 3.

4.2.1 Training

As today’s world is constantly changing, the importance of employees’ training is indisputable. Nowadays, employees at most professions have to develop their skills constantly and keep them up-to-date. However, it is not always their main concern (appendix 5). Therefore, a company has to find the way to stimulate them, so that they are open and willing to learn and apply new knowledge. Many books dealing with motivation consider training as one of the tools that can enhance employees’ performance and job satisfaction. The survey HR Controlling 2005 confirmed that Czech employees are more motivated if they feel that their company is willing to invest in them and thus they have the possibility to develop their skills. This survey showed that 70 percent of Czech employees were given at least one-day training throughout the year and companies that invest into employees’ training the most are from pharmaceutical industry (Pricewaterhouse Cooper, 2008).

In the United States, companies’ investment in employee training has an increasing tendency. In 2006 American companies invested in employee training over
$1200 per employee (Aamodt) According to Český statistický úřad (ČSÚ) Czech companies spent almost CZK2000 on employee training in 2006 (2007). Czech companies often overlook the importance of training, they do not see it as an investment but they evaluate it as costs, even though many foreign surveys confirmed that spending money on employees’ training is one of the best investments companies can make.

4.2.1.1 The Role of Training in Google and Ikea
At the beginning, it is important to inform the reader about a different attitude of these companies in choosing their employees. Google is very much interested in qualified workers with a degree from a college or university. They are open to extend their employees’ qualification by reimbursing their tuition that is relevant to the employee’s job position. The tuition reimbursement in Google is $8000 a year, but under one condition – the employee has to receive grades of B or better (Google, online). Unfortunately, we also have to agree with some opinions of other people who disagree with the hiring process at Google. Giving a chance only to people with PhD degree is not the best way to obtain the most valuable workers. Some people even say that workers at Google who do not have such a degree are not treated equally and do not get competitive salary (How to beat Google to Tech Talent, online). On the other hand, when an employee is given the chance to work at Google, they are provided with 100-hour professional training a year.

Ikea is quite the opposite when speaking about the necessary qualification for the job. It does not think it is crucial to have employees with higher education. It is more concerned about the employees’ attitude towards work, their ability to take responsibility for their actions and their attitude to their job. After an employee is selected, they are provided with two-week training before they meet their first customer (Ikea, online). This training gives employees information about IKEA’s unique work culture and shopping experience. Employees are offered 40-hour training every year.

4.2.2 Communication
Another important task of HRM lies in the effective assurance of internal communication. There are two types of communication within the company and both are very important. The top-down communication (from higher to lower levels) is used
to direct personnel and the bottom-up communication (from lower to higher levels), is used for instance for feedbacks from personnel to their supervisors, complaints, which can inform the manager whether the new practices are better and feasible. When the manager finds time to speak with their employees, these employees feel they are taken as individuals and that their voice is heard. According to 2007 Employee Opinion Survey, only 60 percent of American employees agree that they are regularly informed about their company’s goals and objectives and just 55 percent of employees agree that they receive regular feedback from their supervisors on areas they do well (Moss Adams LLP, online).

In the Czech Republic, internal communication is still a big challenge. The Hewitt Associates survey shows that only 39 percent of employees agree that management is interested in their ideas. However, this issue started to be dealt with and a substantial number of companies started to work on internal communication very hard (Kopecký, 2004, online). In the same article Marie Wojciková claims that the difficult part in incorporating the norm ČSN EN ISO 9001:2001 called Internal communication is in the attitude of managers who have a problem accepting the fact that their role in the organization is to be there for employees and not vice versa. According to Blanka Chladová (2005, online), only 29 percent of Czech employees were satisfied with the time their manager was willing to give them.

The importance of internal communication is indisputable, but not every organization is aware of this fact. Still quite a big number of organizations rely only on downward communication, which gives employees the feeling that their complaints, ideas or suggestions are not in the interest of their managers. This can lead to their dissatisfaction at work and insufficient performance. Managers should realize that no action within the organization works separately and that the manager’s behavior can substantially influence company’s performance.

4.2.2 The Role of Communication at Google and IKEA

Google is very interested in its employees’ new ideas and suggestions. Employees are encouraged to reveal their thoughts and concerns and when the idea is good, it is realized. Furthermore, Google gives its employees the possibility to devote 20 percent of their working time on their own projects. For instance, Google’s free
shuttle bus to various locations in California is one of many employees’ ideas that were realized.

The company IKEA is also interested in their employees’ opinions, ideas and suggestions. Every year there are meetings where staff can express what they like and dislike about their jobs. Even though interviews between managers and their employees are done on yearly basis and this is quite common practice in other American and Czech companies, we would suggest that such interviews are conducted at least twice a year due to constant innovation of the company’s culture and policy. This is done by companies mainly to stay competitive in the market, where companies fight over each other to obtain the most talented workers available.

4.2.3 Remuneration

All HRM activities have a substantial impact on the employees’ impression about themselves, their job and the whole organization. However, remuneration and all practices connected with it are probably most visibly connected with employee motivation, as their main aim is to influence employees to be more efficient and more united with a company.

An organization has countless possibilities to evaluate its employees, so thus they feel recognized, valued and important. We already spoke about ways to stimulate employees in chapter 3.1 Incentives. Now we would like to look how and to what extent they are used in companies, both in the United States and the Czech Republic.

We have to bear in mind that the HRM in the United States often comes with new ways of stimulating employees and that other countries such as the Czech Republic slowly try to adopt these practices and incorporate them within their existing environment. Due to globalization, this process of new practices adoption is much faster than it was in the past. Nowadays, big attention is given to the employees and to the fact that they have to be taken as the most valuable asset that a company has. There are conferences held in the Czech Republic informing about new ways of stimulating employees to higher performance. HR managers are exchanging ideas about these issues and are trying to find the best way to influence the employees’ performance. This exchanging of ideas is especially important when dealing with incentives, because managers should know which are the most accurate. A manager has to be aware of the
fact that incentives have the desired stimulating effect on the employees’ performance only when they are in accordance with the employees’ needs. Therefore, both in the United States and the Czech Republic companies started to use flexible benefits, which means that an employee can choose from more options and decide for the benefit that satisfies their needs the most.

In the United States 80 percent of employees value a pension scheme the most. Another very important benefit for American employees is health insurance, which could be explained by expensive medical care in the United States. On the other hand, Czech employees value the vacation allowance the most (47 percent) and the medical care allowance is an interesting benefit for 27 percent of employees (see Appendix 4).

According to the SHRM 2007 Benefits Survey, the most common benefits are a direct deposit paycheck, paid holidays, profession development opportunities and health insurance (SHRM, online). According to the 2007 Accor Services CZ survey, among the most frequently used benefits in the Czech Republic are luncheon vouchers (81 percent), a company mobile phone (75 percent), a company car (68 percent) and a contributory pension scheme (51 percent) (see Appendix 5). For the American employees the value of a company car decreased, whereas the need of a laptop increased (HRM Guide, online). We can see that the contribution to pension is used in both countries. In the Czech Republic, this benefit came into usage mainly due to on-coming Pension Reform, which will rapidly change the existing situation for pensioners. We have to also bear in mind that paying health insurance, which is accepted in the United States as a benefit, cannot be counted among benefits in the Czech Republic, because employers are obliged by the Czech legislation to pay it.

According to the 2007 Employee Opinion Survey, 61 percent of American employees are satisfied with their benefit package, which is quite high percentage in comparison with the Czech Republic. There the employees’ satisfaction with their benefit package is only 31 percent (Studie Barometr, 2008). This is a highly alarming result for Czech companies, because benefits have an effect on the employees’ performance only when they are in accordance with their needs. Therefore, it is possible to say that Czech managers are using money meant for benefits unreasonably, because they often choose benefits according to their own preferences and not according to the preferences of their employees.
The presented comparison shows that there are many benefits used in both countries, but there are also various benefits specific for each country. It is due to cultural differences and the employees’ preferences and therefore it is not wise to follow blindly the American ways of evaluating their employees. Czech companies have to determine the suitability of these ways for the Czech environment and certainly adjust them to the employees’ needs.

4.2.3.1 The Role of Remuneration in Google and IKEA

There are many things to be said about remuneration practices in Google. According to the findings presented by magazine Fortune and information available on Google’s website, Google really tries hard to keep their staff satisfied at work and with the company. For instance, annual bonuses at Google range up to 25 or 30 percent, maternity or paternity leave is 12 weeks at 75 percent of full pay, Google desires to encourage a sense of ownership by giving its employees the possibility of stock grants. Furthermore, Google pays attention to their employees’ suggestion, thus, for example, they give $2000 to the employees who recommend candidates who will stay at least 60 days with the company. To enhance the employees’ satisfaction Google renders free lunch and dinner every day, free shuttle to various locations in California and employees are welcome to do laundry in the “Googleplex” at no charge. Among other great benefits, we can name a ski trip, a summer picnic, various parties and sauna (Google, online).

IKEA does not offer as broad benefits to its employees as Google, but there are certainly some advantages for employees working for IKEA. They receive 15 percent discount on company products, contribution of CZK46 on company meals, free beverages, discounts in some other companies or presents to employees celebrating special life events or special events such as Christmas parties. IKEA also reacts to the arising importance of work/life balance and thus provides its employees with the possibility to plan working shifts and working days. Employees are also given one extra week of holidays after five-year employment in IKEA (IKEA, online).
The presented findings about Google suggest that this company really knows how to attract its employees and how to keep them satisfied. Because employees are taken as the most important factor of this organization, Google gives high attention to work environment and takes the working conditions very seriously. To support our admiration towards this company, we want to inform that Google did not only win in the Fortune survey, but it was also placed for instance among the best companies to work for in Ireland and became UK’s times Most Progressive Employer.

On the other hand, IKEA did not prove to us that it is the best employer Czech employees can work for. To support our opinion we want to react mainly to remuneration practices, because training can differ according to the needs of a company and information about internal communication were not sufficient to make any final conclusion. Firstly, Christmas party is not an unusual benefit, it is provided by many companies together with some other events, for instance summer parties. Secondly, an annual interview with a manager is not a rare thing; moreover, it is accepted as standard practice in many organizations. Thirdly, a discount on the company’s products is very frequent benefit for any company that sells goods or services. In the Czech Republic, discounts on the company’s products are provided by 45 percent of Czech companies (Accor Services, online). Finally, the five-week holiday is provided by 38 percent of Czech companies and much earlier than in IKEA (Accor Services, CZ).

Jan Přikryl (2007) revealed interesting information about IKEA’s fluctuation. Its rate reaches 20 percent, which is more than the countrywide average (16 percent). It is even more dramatic percentage when comparing with European average, which is around 9 percent (Personál, 2007). This does not say much positive about the employees’ job satisfaction. IKEA explains this surprising information by the fact that it hires many part-time workers and that workers who left often come back (Přikryl, 2007). We cannot refute this, but we wonder why these part-time workers do not decide to stay with the company and rather look for full-time job elsewhere.

Last thing we would like to point out is the place IKEA received in the same survey where Google was found the 2007 Best Company to Work for in America (Fortune, online). In this survey IKEA was placed in the 96th place. In the same survey conducted in 2008, Google again won the first place, but IKEA was not even among the top one hundred best employers. There are certainly attitudes that can be admired, for
instance not hiring only employees with higher education as higher education cannot ensure better practical knowledge. However, this is not a sufficient reason for calling IKEA the best employer.

From the given comparison of the two companies, Google and IKEA, we came to two possible conclusions. It is clear that Google has more to offer to its employees than IKEA. However, we cannot rebut the assertion that IKEA is the best employer in the Czech Republic. Thus we suppose that either the survey conducted in the Czech Republic by Hewitt Associates is not yet so widely known therefore there can be better employers than IKEA who did not participate in this survey or the best Czech employer’s attitude towards its employees still cannot compete with the attitude of the best American employers.
**Conclusion**

This paper gave a theoretical and practical insight into the matter of motivation within HRM practices and wanted to prove that employees’ motivation is very important in today’s business environment and that different cultural background influences the ways that are used to stimulate workforce.

According to the presented findings, we can confirm that motivation plays a very significant role in today’s business environment. Both Czech and American companies are starting to be aware of the fact that employees are the most valuable asset and that the company’s performance depends not only on a good business strategy, but also on the way the employees are treated.

According to surveys that were conducted, we can confirm that there are a rising number of companies that pay high attention to the employees’ motivation, because motivation determines the employees’ attitude towards work. The existence of such surveys also confirms that there is a visible aim to determine factors that have an impact on employees’ performance, such as their motivation, job satisfaction or stimulation. Especially job satisfaction is a determiner, which started to be quite frequently monitored by both American and Czech companies. Nowadays, job satisfaction is observed by 43 percent of employers worldwide. In the Czech Republic, the interest of employers in this determiner is lower. The percentage reaches 36 percent. However, we would not say that this is a bad result for Czech companies, because it is not long ago when Czech employers did not pay any attention to the employees needs, opinions or suggestions. On the other hand, there is certainly space for improvement. The more employers are interested in their employees, the more employees are satisfied in their job. Even though employee motivation is very important factor and can determine the willingness of an individual to work harder, there was not found an adequate method how to measure it. Therefore, employers have to rely on surveys focused e.g. on job satisfaction, which show them whether their staff are content in their companies and can find out what would stimulate them to work more efficiently. The problem with inner motivation is that it is not possible to extend, because a person either wants to work hard or does not. Thus, the first important step is to choose the right person for the job and then find the best way to enhance the effort an employee puts in the job.
There are various stimulation factors that influence employees’ job satisfaction and job performance and which are in charge of HRM. According to Mezinárodní HR průzkum, the most influential HRM activities having this effect are training, communication and remuneration. Therefore, this paper studied their position in American and Czech business and analyzed its importance in the companies that were placed in the first place in the survey searching for the best employers of the country. The conducted research showed that these activities are in a high interest of organizations showing high profit. The companies that were evaluated as the best employers of the country showed both high interest in their staff and high turnover. Majority of successful companies see their employees as the most valuable asset they have and thus they try hard to keep them satisfied in the job. We would suggest that the main aim of every company is not to have satisfied staff, but to show high profit, but because these two factors are closely tied, an organization is forced to observe both.

Training was found very important mainly due to its great importance in today’s constantly changing business environment. It is not surprising that companies invest different amount of money in training, because changes in business environment are not the same for each business field. The conducted survey has shown that Google, the best employer in the United States, and IKEA, the best employer in the Czech Republic, provide training for their employees to different extent. However, we would suggest that this is not surprising as the business field where Google operates (Internet, Computer Software Industry) changes much more quickly than business field where IKEA does its business (Retail Industry). Therefore, it is clear that Google has to provide more extensive training so that its employees’ knowledge stays up-to-date. In IKEA, the amount of training is lower, around 40 hours per year, which is not insufficient for a company operating in the retail industry.

Communication is the second very important HRM activity. Even though it is placed as number two, it does not mean it is less important for companies. Training is necessary for company to have employees that are innovative and are able to deal with arising changes on the market and communication is important for the company to be informed about employees’ concerns. We would suggest that communication has greater impact on employees’ job satisfaction than training does. An insufficient communication channel between executives and their staff can result in lower work
performance, absenteeism and high fluctuation. In the United States, employees are more content with internal communication than in the Czech Republic. According to Marie Wojciková the main problems Czech companies have to face is in the attitude of Czech managers, who often overlook the importance of bottom-up communication, where employees have the possibility to express themselves. This research was not able to compare inner communication in Google and IKEA, because this information is strictly private. Even though employees revealed their satisfaction with internal communication in the surveys searching for the best employer in the country, the obtained data were not presented to the public.

The last and very broad HRM activity this paper analyzed was remuneration. It is the most powerful tool in stimulating employees to work more efficiently. Companies can use various incentives, tangible and intangible, and according to their own experience can find out which incentives work best for their employees. Apart from training and communication, remuneration is very subjective, because it works only when the rewards are in accordance with the employees’ expectations. On the other hand, remuneration without sufficient internal communication does not have the desired effect. To choose the best incentives, a manager has to be aware of employees needs, and this information can be only obtained from mutual communication. Remuneration also differs from country to country due to different political, social and economic background. There are incentives that are highly valued in the United States but do not have such a value in the Czech Republic. For instance, a very popular benefit in the United States is health insurance coverage, because companies are not forced by legislation to pay it. In the Czech Republic, companies are obliged to pay health insurance for their employees, therefore this is not accepted as a benefit. On the other hand, work/life balance is a benefit that is highly valued in both countries nowadays. These benefits compromise the possibility of part-time jobs, telecommuting and flexible working hours and they are more developed in the United States than in the Czech Republic. Apart from these possibilities, Google came up with a new way of helping its employees to joint their personal and work life better. Not only does it provide on-side childcare, a doctor, but it also offers to do laundry and dry-cleaning in their complex free of charge. Then there is the possibility for employees to devote 20 percent of their working time to their own projects, which is very rare. IKEA also provides its
employees with various benefits but in comparison with Google it does not prove this company provides its employees with anything special. Talking about remuneration, we have to claim that Google is much more innovative and generous than IKEA as IKEA gives its employees benefits that are very common nowadays. This is also one of the reasons these benefits are losing their power to attract new employees.

This research proves that HRM is a very important unit in an organization and that its activities have a long-term effect on the company’s success. It then revealed that HRM in the United States is more developed than HRM in the Czech Republic, and that the biggest differences are in company’s internal communication and usage of incentives, where American companies are far ahead. It also shows that remuneration practices cannot be applied globally, because every country has its own culture, habits and political situation. Due to globalization, we would suggest that the differences between both countries will be slowly disappearing and one day may vanish completely.
Resumé

Tématem této práce je postavení motivace v oblasti řízení lidských zdrojů, možné způsoby jejího ovlivňování a jak k tomuto fenoménu přistupují české a americké firmy.

V první části je porovnáván vývoj řízení lidských zdrojů v České republice a ve Spojených státech amerických, se zaměřením na externí faktory které tento vývoj ovlivnily. Jedná se především o rozdílné situace jednotlivých států jak v oblasti sociální, ekonomické, tak i politické. Poukazuje se zde na dvě důležité historické události, které zrod a vývoj personálního managementu ovlivnily nejvíce.

Zprvu se jednalo o průmyslovou revoluci, která nepříjemně ovlivnila postavení zaměstnanců na trhu práce a zároveň také pracovní podmínky, ve kterých tito pracovníci museli vykonávat svou činnost. Poté byli oba státy velmi poznámané oběma světovými válkami. Severní Amerika byla vystavena velmi dynamickému příchodu imigrantů z mnoha zemí Evropy, jejichž nedostačující znalosti a dovednosti a jazyková bariéra pouze podpořili špatné zacházení s pracovní silou. Česká republika zaznamenala ve válečném období útlum ve vývoji personálního managementu, a naopak toto období přineslo velké problémy v zaměstnanosti českých občanů.

V této části jsou také zmínění průkopníci personálního managementu jak ve Spojených státech tak v České republice, jejichž hlavním cílem bylo zlepšení pracovních podmínek a zacházení se zaměstnanci. Jsou zde zmínění Robert Owen, Munsterberg, Chester Barnard, Elton Mayo, Tomáš Baťa, a jejich přínos do problematiky a vývoje personálního managementu. Více do detailů je zde popsána Howthornská studie Eltona Maya, která poukázala na vliv vztahů na pracovišti na pracovní výkon zaměstnance.

První kapitola je zakončena rozborem činností, kterými se oblast řízení lidských zdrojů zabývá. Je to především nábor, rozvoj, motivace a udržení zaměstnanců v podniku. Tato práce nemá v úmyslu upřednostňovat roli motivace před ostatními činnostmi řízení lidských zdrojů, ale chce poukázat na to, že se jedná o činnost stejně významnou a důležitou, jako je tomu u těch zbývajících.
Druhá kapitola je zaměřena na teoretické poznatky týkající se motivace samotné.

Další část této kapitoly představuje pět motivačních teorií, které byli v minulosti specifikovány a které se především liší v pojetí motivace a také ve výčtu faktorů, které motivaci ovlivňují. Zmiňované teorie nejsou zdáleka úplným přehledem existujících motivačních teorií, ale jejich výčet postačí pro ilustraci mnoha přístupů k motivaci, přičemž žádný není bez připomínek.

Když hovoříme o motivaci, je velmi důležité si uvědomit další skutečnost a to, že každý zaměstnanec je jedinečná osobnost, která se již s určitými vlastnostmi narodila a dále byla v průběhu svého života ovlivňována nesčetnými vnějšími faktory. Proto se zde uvádí termín motivační profil, která zdůrazňuje, že každý zaměstnanec má již utvořený relativně stálé životní postoje, které určují jeho motivační orientaci. Důraz se zde klade především na orientaci dosáhnout úspěchu, či naopak na vyhnout se neúspěchu. Tato orientace je především důležitým faktorem pro výběr pracovníků do manažerských pozic, jelikož Ti by měli být především zaměřeni na dosažení úspěchu, což je předurčuje k vyšší aktivitě, kreativitě a ochotě riskovat.

Předposlední část této kapitoly se zabývá postavením motivace v řízení lidských zdrojů. Každá organizace by si měla být velmi dobře vědoma, že nedostatečně motivování zaměstnanci nevkládají do činnost takové množství energie, které by byli schopni. Motivování pracovníci jsou nejen výkonnější, ale také spokojenější a jdou dobrým příkladem pro ostatní. Je třeba si uvědomit, že firemní prostředí plné nemotivovaných pracovníků by jen stěží někoho motivovalo k nadstandardním výkonům. Tím se dostáváme k závěrečné části této kapitoly pojednávající o stimulaci. Stimulace je především podnět nebo impulz jehož následkem může dojít k zvýšení motivace. Každá společnost může využít veliké množství stimulů, které poslouží k tomu, aby zaměstnanec pocítil motivaci k úkolům, které by za normálních okolností nevyhledával. Jsou to především stimuly hmotné, které mohou mít jak finanční tak

Závěrečná kapitola této práce se snaží o srovnání teoretických poznatků se situací v praxi. Jsou zde detailně rozebrány hlavní tři oblasti spadající do řízení lidských zdrojů, které ovlivňují zaměstnancovu motivovanost, spokojenost v zaměstnání a zároveň tedy i jeho výkonnost. Není proto žádným překvapením, že se na tyto oblasti klade velký důraz. Je zde nahlíženo na důležitost školení, tedy zároveň i rozvoje zaměstnanců, jelikož dnešní svět je charakteristický změnou, a každý hodnotný zaměstnanec musí být připraven na tyto změny reagovat. Vzdělávání zaměstnanců je také důležité z důvodu rychlého rozvoje nových technologií, které by měl zaměstnanec schopen ovládat, aby firma byla schopna konkurkovat na trhu. Vzdělávání pracovníka také motivuje k práci. Jednak cítí, že do něj firma investuje, ale především svou práci lépe a rychleji zvládá, čili se této činnosti nevyhýbá, a je dostatečně motivován k tomu, aby ji vykonal. Jsou zde porovnány finanční prostředky vynaložené na zaměstnance jak v České republice tak ve Spojených státech, spolu s možným vysvětlením, proč jsou tato čísla tolik rozlišná.

Upozorňuje se zde také na důležitost interní komunikace, jejíž úloha je nepostradatelná. Každý zaměstnanec, který má pocit, že se o něj firma nezajímá, pomalu ztrácí svou motivaci. Firma by si měla pracovitých a schopných zaměstnanců vážit, umět je ocenit, neboť trh práce je dostatečně velký k tomu, aby si schopný pracovník našel místo s lepším přístupem u konkurence. Firma tak přichází o to nejcennější co má, čili o své kvalifikované zaměstnance. Ač existují dva typy interní komunikace, a to komunikace shora a komunikace zdola, uplatňuje se stále ještě ve spoustě organizací pouze první zmiňovaná. Každá organizace sděluje svým pracovníkům co od nich očekávají a co musejí za svou pracovní dobu vykonat, ale ne
každá organizace je otevřená námitkám, připomínkám či doporučením přicházející ze zdola, čili od jejich zaměstnanců. V této části se především porovnává spokojenost českých a amerických zaměstnanců s interní komunikací ve společnosti a dále se zde zmiňuje problem českých manažerů u uplatňováním komunikace zdola.

Třetí důležitou oblastí řízení lidských zdrojů je odměňování zaměstnanců. Tato problematika byla řešena z pohledu teoretického již v kapitole o stimulaci zaměstnanců, v této části se práce zaměřuje především na praktické formy poskytování benefity. Zmiňují se zde nejčastěji poskytované benefity v obou zemích, dále pak preference českých a amerických zaměstnanců co se týče nabízených benefítů a zdůrazňuje se zde potřeba současných zaměstnanců o rovnováhu jejich pracovního a soukromého života a jaké způsoby firma volí, aby této rovnováhy u svých zaměstnanců dosáhla.


Závěr práce je věnován dvěma společnostem které vyhráli nejlepšího zaměstnavatele v zemi. Ve Spojených státech se na prvním místě umístila společnost Google, v České republice obsadila první místo firma IKEA. Jsou zde uvedeny nešetřené příklady benefítů poskytované těmito společnostmi, přístup k zaměstnancům a rozdíl v požadavcích na jejich vzdělání. V důsledku zjištěných informací jsou v této práci uvedeny závěry, vyjadřující autorovi postoje a názory, jež jsou na založeny na uvedených skutečnostech.
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Appendix 6 – Description of companies Google and IKEA
### Appendix 1

**Major U.S. Federal Laws and Regulations Related to HRM**

(DeCenzo and Robbins, 2005)

<table>
<thead>
<tr>
<th>Year</th>
<th>Law or Regulation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>Equal Pay Act</td>
<td>Prohibits pay differences based on sex for equal work</td>
</tr>
<tr>
<td>1964</td>
<td>Civil Rights Act, Title VII</td>
<td>Prohibits discrimination based on race, color, religion, national origin, or sex</td>
</tr>
<tr>
<td>1967</td>
<td>Age Discrimination in Employment Act</td>
<td>Prohibits age discrimination against employees between 40 and 65 years of age</td>
</tr>
<tr>
<td>1973</td>
<td>Vocational Rehabilitation Act</td>
<td>Prohibits discrimination on the basis of physical or mental disabilities</td>
</tr>
<tr>
<td>1974</td>
<td>Privacy Act</td>
<td>Gives employees the legal right to examine letters of reference concerning them</td>
</tr>
<tr>
<td>1978</td>
<td>Pregnancy Discrimination Act, Title VII</td>
<td>Prohibits dismissal because of pregnancy alone and protects job security during maternity leaves</td>
</tr>
<tr>
<td>1978</td>
<td>Mandatory Retirement Act</td>
<td>Prohibits the forced retirement of most employees before the age of 70; later amended to eliminate upper limit</td>
</tr>
<tr>
<td>1986</td>
<td>Immigration Reform and Control Act</td>
<td>Prohibits unlawful employment of aliens and unfair immigration-related employment practices</td>
</tr>
<tr>
<td>1988</td>
<td>Polygraph Protection Act</td>
<td>Limits an employer’s ability to use lie detectors</td>
</tr>
<tr>
<td>1988</td>
<td>Worker Adjustment and Retraining Notification Act</td>
<td>Requires employers to provide 60 days’ notice before a facility closing or mass layoff</td>
</tr>
<tr>
<td>1990</td>
<td>Americans with Disabilities Act</td>
<td>Prohibits employers from discriminating against and requires reasonable accommodation of essentially qualified individuals with physical or mental disabilities or the chronically ill</td>
</tr>
<tr>
<td>1991</td>
<td>Civil Rights Act</td>
<td>Reaffirms and tightens prohibition of discrimination; permits individuals to sue for punitive damages in cases of intentional discrimination</td>
</tr>
<tr>
<td>1993</td>
<td>Family and Medical Leave Act</td>
<td>Permits employees in organizations with 50 or more workers to take up to 12 weeks of unpaid leave each year for family or medical reasons</td>
</tr>
<tr>
<td>2002</td>
<td>Sarbanes-Oxley Act</td>
<td>Establishes requirements for proper financial record keeping for public companies and penalties for noncompliance</td>
</tr>
</tbody>
</table>
Appendix 2

HRM Primary Activities (DeCenzo and Robbins, 2005)
Appendix 3
Description of Surveys Used for Research

1. *Investigation of Business Environment in the United States*

   ➢ **2007 Employee Opinion Survey**

   14 Network Member Firms participated in an Employee Opinion benchmark study. A customized survey was developed for each participating firm with the intention of combining all results to develop a benchmark report. Emails that included links to the individual online survey were sent to 393 Network Firm employees at the 14 participating Member Firms. 313 employees responded, yielding a response rate of 80 percent. The online survey was accessible to Network employees for a period of two weeks.

   ➢ **Maritz Poll 2005**

   This online Maritz Poll survey – conducted in October 2005 – featured responses from 1,002 randomly selected, full-time, employed adults (502 male, 500 female) ages 18 – 65+ from throughout the United States.

   ➢ **SHRM 2007 Benefits Survey**

   SHRM’s *2007 Benefits Survey Report* provides comprehensive information about the types of benefits U.S. employers offer to their employees. In 2007, 224 benefits were explored, covering the areas of family-friendly benefits, housing benefits, health care benefits, personal services benefits, financial benefits, business travel benefits and leave benefits. The report breaks the benefits down by industry, organization size and covers trends in benefit offerings over the last five years.

   The SHRM 2007 Benefits Survey of randomly selected HR professionals received 590 responses.
SHRM Annual Survey (2007)

This SHRM annual survey has conducted since 2002 to determine factors that contribute to satisfaction in the workplace from the perspectives of both employees and HR professionals. The HR professional sample included 3,000 randomly selected SHRM members, and overall, 713 HR professionals responded. A sample of 604 employees was randomly selected from an outside survey research organization’s Web-enabled employee panel. The employee panel was based on a random sample of the entire U.S. telephone population. The findings were compared with previous surveys in the series to examine trends and shifts over the past five years. Analyses by HR professionals’ and employees’ organization staff size and industry were presented and discussed. Additional analyses by employee job tenure, gender and age were also conducted.

100 Best Companies to Work For in America (Magazine Fortune)

To choose the 100 Best Companies to Work For, FORTUNE and its research partner Great Place to Work® Institute conduct the most extensive employee survey in corporate America. More than 105,000 employees from 446 companies responded to a 57-question survey created by Great Place to Work Institute®. Two-thirds of a company's score is based on the survey, which is sent to a minimum of 400 randomly selected employees from each company and asks about things such as attitudes toward management, job satisfaction, and camaraderie. The remaining third of the score comes from our evaluation of each company's responses to the institute's Culture Audit, which includes detailed questions about demographic makeup, pay, and benefits programs, and open-ended questions about the company's people-management philosophy, internal communications, opportunities, compensation practices, diversity programs, etc. After our evaluations are completed, if news about a company comes to light that may significantly damage employees’ faith in management, we may exclude that company from the list.
2. Investigation of business environment in the Czech Republic

  
  This survey was conducted by Deloitte s.r.o. and Prague University of Economics. Five European countries took part in this survey – Russia, the Czech Republic, Poland, the Slovakian Republic and Slovenia – with the participation of 175 organizations from all industrial sectors. The aim of this survey was to analyze a current role of HR department in European market and to predict its development for future.

- **Studie Barometr: Loajalita a Motivovanost zaměstnanců v České republice (Loyalty and Motivation of employees in the Czech Republic), Accor Services CZ**
  
  1209 Czech employees over 18years participated in this survey. These were separated according to their position in a company (211 managers and 998 ordinary workers). From these 380 employees were from public sector and 829 from private sector.

- **Nejlepší Zaměstnavatelé v České republice (The Best Employers in the Czech Republic), Hewitt Associates**
  
  From 400 contacted Czech Companies, 38 companies from various sectors participated in this study. From these Hewitt Associates received 6,558 filled questionnaires. Every company that has at least 50 full-time employees and exists at least three years on the market could participate in this study. Employers were evaluated according to three aspects – the opinion of employees about their company, company’s culture and the opinion of the top management. The key for determining order in the survey was “employee engagement”
Appendix 4

The most widely used benefits in the Czech Republic

<table>
<thead>
<tr>
<th>Benefit Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonusy nebo odměny závislé na dosaženém výsledku</td>
<td>82.8%</td>
</tr>
<tr>
<td>Stravenvy</td>
<td>80.7%</td>
</tr>
<tr>
<td>Mobilní telefon</td>
<td>74.7%</td>
</tr>
<tr>
<td>Odměny při pracovních nebo životních výročích</td>
<td>69.6%</td>
</tr>
<tr>
<td>Možnost použití firemního automobílu</td>
<td>68.3%</td>
</tr>
<tr>
<td>Občerstvení</td>
<td>63.5%</td>
</tr>
<tr>
<td>Penziální pojištění</td>
<td>50.7%</td>
</tr>
<tr>
<td>Příspěvky na vzdělávání, školení, které nejsou nezbytně nutné k výkonu práce</td>
<td>45.5%</td>
</tr>
<tr>
<td>Podnikové zboží a služby se slevou nebo zdarma</td>
<td>44.7%</td>
</tr>
<tr>
<td>Zdravotní péče</td>
<td>39.3%</td>
</tr>
<tr>
<td>Dovolenádný volná nad rámec zákona</td>
<td>37.9%</td>
</tr>
<tr>
<td>Kulturní aktivity</td>
<td>37.9%</td>
</tr>
<tr>
<td>Podnikové půjčky</td>
<td>34.5%</td>
</tr>
<tr>
<td>Sportovní aktivity</td>
<td>33.4%</td>
</tr>
<tr>
<td>Životní pojištění</td>
<td>32.3%</td>
</tr>
<tr>
<td>Závodní jídelna</td>
<td>29.4%</td>
</tr>
<tr>
<td>Počítače k domácímu používání</td>
<td>24.5%</td>
</tr>
<tr>
<td>Jiné pojištění</td>
<td>21.7%</td>
</tr>
<tr>
<td>Příspěvky na dopravu</td>
<td>19.9%</td>
</tr>
<tr>
<td>Jiné poukázky</td>
<td>18.0%</td>
</tr>
<tr>
<td>Rekreace</td>
<td>14.5%</td>
</tr>
<tr>
<td>Stavební spojení nebo jiné spojení</td>
<td>11.6%</td>
</tr>
<tr>
<td>Akce společnosti</td>
<td>3.9%</td>
</tr>
<tr>
<td>Příspěvky na bydlení</td>
<td>1.4%</td>
</tr>
<tr>
<td>Jiné</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

Appendix 5

The most valuable benefits for employees in the Czech Republic

- Příspěvek na vzdělávání: 47%
- Příspěvek na kulturní akce: 14%
- Příspěvek na sportovní aktivity: 27%
- Příspěvek na zdravotní péče: 7%
- Příspěvek na dovolenou: 4%
Appendix 6

Description of companies Google and IKEA

**Google Inc.**

Google is a public and profitable company focused on search services. Google operates web sites at many international domains, with the most trafficked being www.google.com. Google is widely recognized as the "world's best search engine" because it is fast, accurate and easy to use. Even though Google is an American company that was set up by Larry Page and Sergey Brin in 1998 and now employs over 8,000 people, it has spread all over the world, where the number of employees reaches 4,000.

**IKEA**

IKEA is a privately-held, international home products retailer that sells flat pack furniture, accessories, bathrooms and kitchens at retail stores around the world. IKEA was founded in 1943 by Ingvar Kamprad in Sweden. In the Czech Republic IKEA employs over 600 employees, but on the worldwide basis it has over 50,000 employees in 153 stores all over the world.