

An Analysis of Human Resource Management in ING corporation, spol. s r.o.

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Definujte cíle práce a použité metody zpracování práce.

I. Teoretická část

- Zpracujte literární poznatky týkající se řízení lidských zdrojů v malých a středních firmách.

II. Praktická část

- Analyzujte řízení lidských zdrojů ve firmě ING corporation, spol. s r.o.
- Navrhněte doporučení na zlepšení řízení lidských zdrojů ve firmě ING corporation, spol. s r.o.

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ABSTRAKT

Bakalářská práce se zabývá řízením lidských zdrojů v ING corporation, spol. s r.o. Zaměřuje se na lidské zdroje v malých a středních podnicích. Teoretická část popisuje specifické oblasti řízení lidských zdrojů, jako je návrh pracovních míst, nábor a výběr, systém odměňování, školení a rozvoj a pracovní vztahy. Kromě toho definuje svůj účel, strategie a cíle. Praktická část analyzuje tyto specifické oblasti řízení lidských zdrojů ve společnosti. Základem analýzy byl rozhovor s generálním ředitelem, dotazníkové šetření mezi zaměstnanci a všemi pracovníky. Na základě analytických zjištění byla navržena doporučení pro zlepšení řízení lidských zdrojů ve společnosti.

Klíčová slova: Řízení lidských zdrojů, lidské zdroje, malé a střední podniky, návrh pracovních míst, nábor a výběr, systém odměňování, školení a rozvoj, pracovní vztahy

ABSTRACT

The Bachelor's thesis deals with Human Resource Management in ING corporation, spol. s r.o. It focuses on Human resources in small and medium-sized enterprises. The theoretical part describes the specific areas of Human Resource Management, such as job design, recruitment and selection, reward system, training and development, and labor relations. Furthermore, it defines its purpose, strategies, and aims. The practical part analyzes the specific areas of Human Resource Management in the company. The basis of analysis was an interview with the CEO, surveys among employees and all workers. Based on analytical findings, the recommendations for the improvement of Human Resource Management in the company were made.

Keywords: Human Resource Management, Human resources, small and medium-sized enterprises, job design, recruitment and selection, reward system, training and development, labor relations

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I hereby declare that the print version of my Bachelor's/Master's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical.

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INTRODUCTION

Human Resource Management is part of the company's most significant and important assets because human capital is one of the main sources of competitive advantage to the companies. To stay competitive and sustain organization effectiveness human capital requires to be managed. Human Resource Management policies and methods have a primary impact on the human capital in companies. These methods include, for instance, recruitment and selection, training and development, and job design.

The need for an HR professional and systematic control of Human resources is important even in a small company, as from the very first employee, there are tasks related to Human resources. In small firms, this fact is often neglected, but it is small and medium-sized companies that employ the majority in Europe. SMEs are primarily responsible for both wealth and economic growth. In addition to their key roles, they substantially develop the areas of innovation, research, and development.

The Bachelor's thesis was processed for ING corporation, spol. s r.o., which willingly provided me with information about Human Resource Management. This company was chosen because they have an extraordinary field, great potential, and they allowed me to process this thesis in English.

The aims of the Bachelor's thesis are to define the basic principles related to Human Resource Management and to evaluate HRM in the company with a comparison of theory and practice.

The theoretical part of this thesis starts with the importance of small and medium-sized enterprises following by the explanation and description of Human Resource Management and its important objectives and functions. Then the specific areas of HRM are defined and explained, such as job design, recruitment, selection, reward system, training and development, and labor relations.

The practical part connects the theoretical part and starts with the introduction of the company and then analyzes the specific areas of Human Resource Management mentioned in the theoretical part. The analysis is based on an interview with the CEO of the company, surveys among employees and all workers.

The recommendations for the improvement of HRM are to be found at the end of the Bachelor's thesis. They are based on the analytical findings for ING corporation, spol. s r.o.

OBJECTIVES AND METHODS OF BACHELOR'S THESIS PROCESSING

The primary objective of the Bachelor's thesis is the recommendations for the improvement of Human Resource Management in the ING corporation, spol. s r.o. In order to achieve the primary goal, partial objectives have also been set, the mission of which is to emphasize the importance of correctly setting up the Human Resource Management in the organization, and to describe, characterize, and explain its essential components.

The Bachelor's thesis is divided into two parts. The first is the theoretical part which starts with the importance of small and medium-sized enterprises and defines the concept of Human Resource Management. Then, the crucial objectives and functions of Human Resource Management are characterized and properly explained. Followed by the specific areas of Human Resource Management, such as job design and its important methods, recruitment including the sources of recruitment, selection with the proper selection process, reward system including the proper development of it, training and development, and labor relations.

The practical part is focused on a specific business organization – s r.o. dealing with orthopedics, orthotics, prosthetics, research, development, production, sales, and services of orthopedics, orthotic, and prosthetic products. The analysis is made on the specific areas of Human Resource Management that the company wanted to analyze for the purpose of finding some weaknesses and mainly recommendations for improvement of their Human Resource Management.

The primary methods for obtaining valuable information were:

A study of professional and available literature on the relevant topic – 33 sources were studied and used such as books, e-books, journals, websites, and articles.

An interview with the CEO of the company – An interview was conducted in the company and took around three hours. Interview questions were made for the specific areas of Human Resource Management such as job design, recruitment and selection, reward system, training and development, and labor relations. Also, for organizational structure of the company and responsibility of Human Resource Management in the company. The overview of interview questions can be viewed in Appendix P VI. The whole interview was recorded, and notes were taken. The whole interview was conducted in Czech and then translated into English.

Surveys among employees and all workers – Three surveys were made through www.surveymonkey.com and distributed through the links to the CEO's e-mail, and then the CEO sent the links to the employees' e-mails. The first survey had eight questions and can be viewed in Appendix P I. It was for all the workers in the company, asking about their age, gender, educational level, and years of experience in the company, etc. The second survey had nine questions and can be viewed in Appendix P II. It was separated into three groups of employees, and the main focus was on areas of job design, organization of work, and personal development. The third survey had nine questions and can be viewed in Appendix P III. It was separated into three groups of employees, and the main focus was on labor relations, communication, and teams. Once the employees completed the surveys, then the responses were saved in the dashboard under the author's account on www.surveymonkey.com. Then it was processed, and the methods used for data visualization were bar charts through Microsoft Excel.

An analysis of the company's documents – The company's profit and loss statement for 2019 (Income statement) was analyzed as well as the yearly training and development plan. The income statement can be viewed in Appendix P VII, and the yearly training and development plan can be viewed in Appendix V. Also, some of the company's documents from their own projects were analyzed such as quality goals and overview about the company.

I. THEORY

1 IMPORTANCE OF SMALL AND MEDIUM-SIZED ENTERPRISES

This Bachelor's thesis is processed in a small and medium-sized enterprise. It is essential to start with an explanation and importance of the small and medium-sized enterprises for economics.

The small and medium-sized enterprise area is an essential part of a healthy market economy (Burke and Cooper, 2011). Small and medium-sized enterprises are key to reaching inclusive development and globalization, as they participate in various ways to social wellbeing, innovation, and economic, with the potential to offer even more (Uribe, 2019). “They represent around 90% of businesses and more than 50% of employment worldwide. Formal SMEs contribute up to 40% of national income (GDP) in emerging economies.” (THE WORLD BANK, 2020). Small and medium-sized enterprises (SMEs) are responsible for contributions to value-added and employment (EUROPEAN BANK, 2020).

Smaller businesses are usually more flexible than larger ones. Smaller firms are more exposed to the deterioration in the business environment. For instance, harassment from the government when times are hard. (EUROPEAN BANK, 2020) Unfortunately, SMEs are more sensitive because they have fewer resources (Burke and Cooper, 2011). Yet, due to inner limitations and inefficiencies in the business environment, SMEs participation can be well below its potential. Moreover, SMEs play an essential part in the political economy, supporting and promoting reforms. From the economic view, they have an internal interest in promoting policies that favor a level playing area. Despite aforementioned, SMEs are trying to overcome those situations and are still an essential part of a healthy market economy. (EUROPEAN BANK, 2020)

1.1 Small and medium-sized Enterprises in the Czech Republic

Small and medium-sized enterprises play a big role within the economy in Europe (Nagyapál, 2014). Small and medium-sized enterprises (up to 250 employees) create a big cluster of employers within the Czech Republic. They use 60.9% of staff out of the overall range of the manpower and represent 99.83% of the range number of active business entities within the Czech Republic (MINISTRY OF INDUSTRY AND TRADE OF THE CZECH REPUBLIC, 2014).

According to the Czech Statistical Office (2013) the section of SMEs in the Czech economy is, within the long-term, dominated by tiny enterprises (SEs) using a most of nine

individuals, that represents one-third of all jobs and one-fifth of the overall amount of added value in the economy. These enterprises, however, were the foremost affected by the 2008 economic crisis. According to the data from the Small Business Act for Europe (EUROPEAN COMMISSION, 2013) the amount of SMEs that ceased to exist once quite fifteen years in business continues to grow speedily.

2 HUMAN RESOURCE MANAGEMENT

As HRM is the cornerstone of this thesis, it is crucial to explain and describe Human Resource Management (HRM).

Human Resource Management can be defined “as the management of work and people towards desired ends.” (Boxall et al., 2007, p. 2). HRM is the organizational function that manages all problems related to the individuals in the company or organization. This includes but is not limited to compensation, recruitment, organization development, benefits, communication, employee motivation and hiring, training, wellness, policy administration, and safety. (Heathfield, 2020)

From another point of view, HRM is a significant and inclusive approach to managing the environment, individuals, and workplace culture (Boxall et al., 2007). If done correctly, it allows employees to contribute adequately and productively to the overall business management and the organization's objectives and goals (Chai, 2017). For the company to be successful, the department members have to provide the necessary tools, for example, training, coaching, knowledge, administrative services, legal bits of advice, and management pieces of advice (Heathfield, 2020).

2.1 Objectives of HRM

According to Chai (2017) the main objectives (see Figure 1) of Human Resources Management can be classified into four broad classifications:

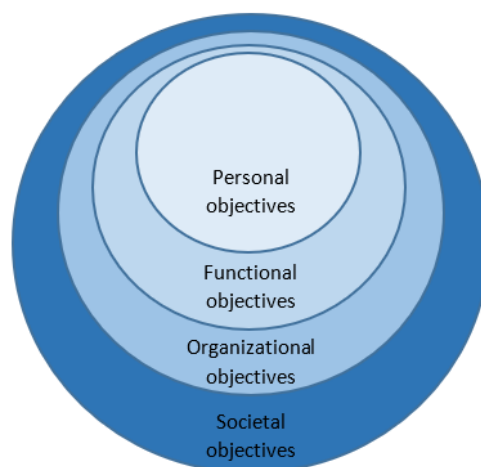


Figure 1 Objectives of HRM (Own adaptation based on Chai, 2017)

Personal objectives are resources to help employees in accomplishing their personal goals. As long as these individuals' goals are in some way a contribution to the firm. Personal objectives of employees must be motivated, retained, and maintained. (Chai, 2017)

Functional objectives are guidelines used for human resources to function correctly in the company as a whole. That adds making sure that all HR's resources are being allocated to their full potential. (Chai, 2017)

Organizational objectives are actions that are needed to ensure the performance of the company. This adds to provide hiring the correct number of employees for an assigned task or keeping high employee retention rates, and training. (Chai, 2017)

Societal objectives are to be socially and ethically responsible for the needs and difficulties of society while minimizing the negative impact of such demands upon the corporate to use their resources for society's advantages in ethical ways that might result in restriction. (Chai, 2017)

In Figure 2 there are also connections between the main objectives and supporting functions based on Werther and Davis (1996).

HRM Objectives	Supporting Functions
1. Societal Objectives	<ul style="list-style-type: none"> • Benefits • Legal compliance • Union-management relations
2. Organizational Objectives	<ul style="list-style-type: none"> • Employee relations • Selection • Human resource planning • Training and development • Appraisal • Placement • Assessment
3. Functional Objectives	<ul style="list-style-type: none"> • Placement • Appraisal • Assessment
4. Personal Objectives	<ul style="list-style-type: none"> • Appraisal • Placement • Compensation • Assessment • Training and development

Figure 2 HRM Objectives and Functions (Own adaptation based on Werther and Davis, 1996)

2.2 Functions of HRM

According to Decenzo et al., (2009) Human resource management is the part of the company concerned with the “people”. HRM can be viewed in two different ways. The first one is a team or support function within the company. Its purpose is to assist in HRM matters to line employees or those directly involved in producing the organization's services and goods. The second one is that HRM can be viewed as a function of every manager's job. It does not matter if one works in a formal HRM department, the truth remains to effectively manage employees.

If HRM is viewed more precisely, it consists of four main functions: staffing, training and development, motivation, and maintenance (Komulainen et al., 2019). Those could also be described as activities: hiring people, training and preparing them, stimulating them, and keeping them (Decenzo et al., 2009).

The main activities of Human Resource Management are described in Figure 3.

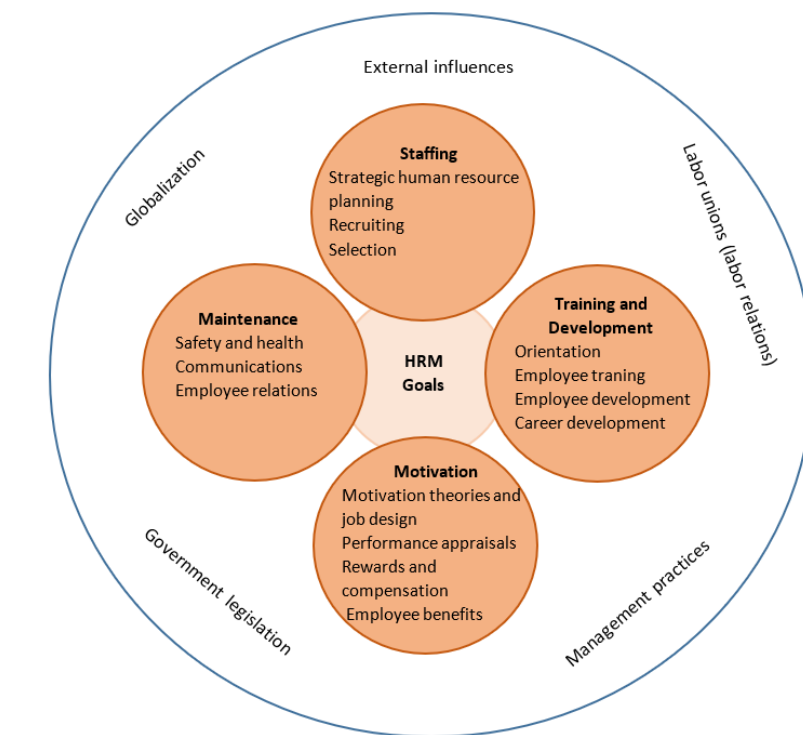


Figure 3 Human Resource Management: Main Activities (Own adaptation based on Decenzo et al., 2009)

Every company, even the tiniest entrepreneurial organization with one or two employees must understand the responsibility for all four HRM functions (Decenzo et al., 2009).

Staffing function is concerned with seeking and recruiting qualified employees. Companies must have a well-defined reason for demanding people who possess specific knowledge, skills, and abilities directly connected to specific jobs. (Decenzo et al., 2009) (Komulainen et al., 2019)

Training and development function is the most important function because, without it, employees would continuously perform the same, and they might never get better at the specific job. It is more of a continuous process. It is about finding the best possible candidate and assisting them to develop up-to-date skills, abilities, and knowledge (Decenzo et al., 2009).

Motivation function is concerned with assisting employees to help them to get at high energy levels. It is one of the most valuable functions of HRM but is often understood incorrectly in the HRM process (Decenzo et al., 2009). Because of the complex human behavior, it is hard to motivate every individual the same way. Every manager who takes care of the motivation within the company should try to motivate employees based on the individual and not based on scripts.

Maintenance function is the function that puts activities into a place that are helping to retain productive employees (Decenzo et al., 2009). The crucial thing this function does is maintaining employees' commitment and loyalty to the company.

3 JOB DESIGN

Job design is essential for this thesis because it represents an essential part of performance maximization. A well-designed job brings engagement and comfort to the employees and they perform well by using all their energies in the work. Job design remains a valued issue among researchers for its effectiveness and relevance. (Hanadi, 2017)

3.1 Methods of Job design

There are, of course, several ways in which job design can be carried out, but for SMEs those three methods are most essential. According to Rajguru (2017) the three most important methods are:

- Job Rotation
- Job Enlargement
- Job Enrichment

Those methods are important for analyzing the job, designing the contents of it, and deciding how the job must be carried out (Rajguru, 2017).

3.1.1 Job Rotation

Job rotation involves moving an individual from one job to another within the company so that he or she can experience and see what each job involves. The organization tracks his or her performance on every job and decides whether he or she can do the job ideally. Based on this the appropriate job for him or her is given. (Rajguru, 2017)

The advantages of Job Rotation are:

- Eliminates boredom.
- Helps companies identify where employees work best.
- Encourages development.

The disadvantages of Job Rotation are:

- Can be consuming and costly.
- Could end up with dissatisfied employees.
- It will not fix all company's problems.

3.1.2 Job Enlargement

Job enlargement is another method wherein there is an increase in the number of tasks connected with a specific job. It involves combining different activities at the same level in the company and adding them to the existing job. It improves the scope of the job. (Rajguru, 2017)

The advantages of Job Enlargement are:

- Increases the work flexibility.
- Might improve earning capacity.
- Variety of skills.

The disadvantages of Job Enlargement are:

- Might increase frustration of the employee.
- Increases work burden.
- There might be an unequal distribution of work amongst employees.

3.1.3 Job Enrichment

Herzberg (2003) gave the name to the term Job enrichment. According to Herzberg (2003), several motivators are added to a job to make it more fulfilling, fascinating, interesting, and challenging. According to him, the motivating factors to an existing job can be:

- Providing more freedom.
- Encouraging participation.
- Giving employees the freedom to choose the method of working.
- Allowing employees to choose the place at which they would like to work.
- Allowing workers to select the devices that they require on the job.
- Allowing workers to choose the layout of the plant or office.

Job enrichment provides a lot of freedom to the employees but increases the responsibility at the same time. Job enrichment meets the needs of employees (Rajguru, 2017).

The advantages of Job Enrichment are:

- Improves decision-making.
- Reduces workload of superiors.
- Fascinating, challenging, and interesting job

The disadvantages of Job Enrichment are:

- Non-participant conflicts.
- Performance can prove to be poor at some point.
- Lack of training.

4 RECRUITMENT

Term recruitment might seem self-explanatory, but for the sake of deep understanding and the importance to HRM in this thesis, this term will be discussed more deeply. Recruitment is the process of how a company generates adequate, knowledgeable, and skilled people applying to a company for employment (Otto et al., 2018). According to Muscalu (2015) it is one of the most crucial duties of the HR department of every company to bring possible employees who have the required knowledge, experience, attitude, and qualification.

4.1 Sources of Recruitment

According to Muscalu (2015) management should also identify sources of recruitment. The company should consider these two sources of recruitment; Internal and external.

Internal sources of recruitment refer to seeking workers from within the company to fill up the free positions. Many organizations think of internal recruitment as an excellent choice since it is less costly. They tend to hire workers who know the company's “know how” and policies. (Otto et al., 2018), (Prachi, 2018)

External sources of recruitment intend for hiring people who have never been associated with the company before. The company demands to get fresh and new talents to become successful and to remain in the competition. (Otto et al., 2018), (Prachi, 2018)

However, Muscalu thinks that it is ideal to use both sources to increase the organization's chances of attracting the most qualified people for the job.

In Figure 4 below, the important Internal and External sources of recruitment are displayed.

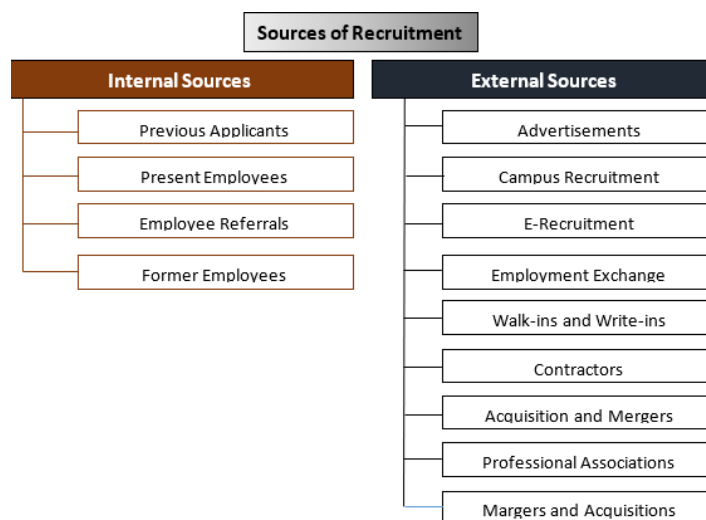


Figure 4 Sources of Recruitment (Own adaptation based on Prachi, 2018)

5 SELECTION

Selection is the second stage of the recruitment process.

Selection is the process of choosing people who have appropriate qualifications to fill jobs in a company. Selection is much more than simply choosing the most suitable candidate. It is an attempt to strike a comfortable balance between what the candidate can and wants to do and what the company requires. (Kumari, 2012), (Sarma, 2009)

According to Kumari (2012) selecting the appropriate workers is crucial for three main reasons:

- Costs
- Legal obligations
- Performance

Costs: Are crucial because sometimes it is expensive to hire new employees. The cost-benefit ratio (indicator that summarizes the overall value for money) has to be considered when hiring employees to avoid unnecessary wastage of money. (Kumari, 2012)

Legal obligations: To avoid the concept of negligent hiring, it is important to make a systematic effort in order to gain important information about the applicants and verify all the documentation. (Kumari, 2012), (Sarma, 2009)

Performance: A company's performance depends on part of the company's subordinates. Employees with the appropriate skills will do a greater job for any organization and for the owner. Employees without these necessary skills would not perform well and the organization performance will suffer to a big extent. So, there is a time to screen out undesirables and to pick the more reliable and ideal applicants that can productively contribute to the organization's success. (Kumari, 2012), (Sarma, 2009)

According to Kumari (2012) the **prerequisites and essentials for Selection** are:

- Selecting individuals possessing relevant qualifications.
- Matching job requirements with the profile of the applicant.
- Using multiple tools and methods to find the most fitting candidate.
- Achieving success on the job.

5.1 Selection Process

The selection process is a practice that usually includes eight different steps. The selection procedures and practices differ in various companies. The complexity of the process depends on the company's needs and the level on which the selection is made. (Decenzo et al., 2009), (Sarma, 2009)

Explanations made by Decenzo (2009) of those eight steps in the Selection Process are displayed in Figure 5 below.

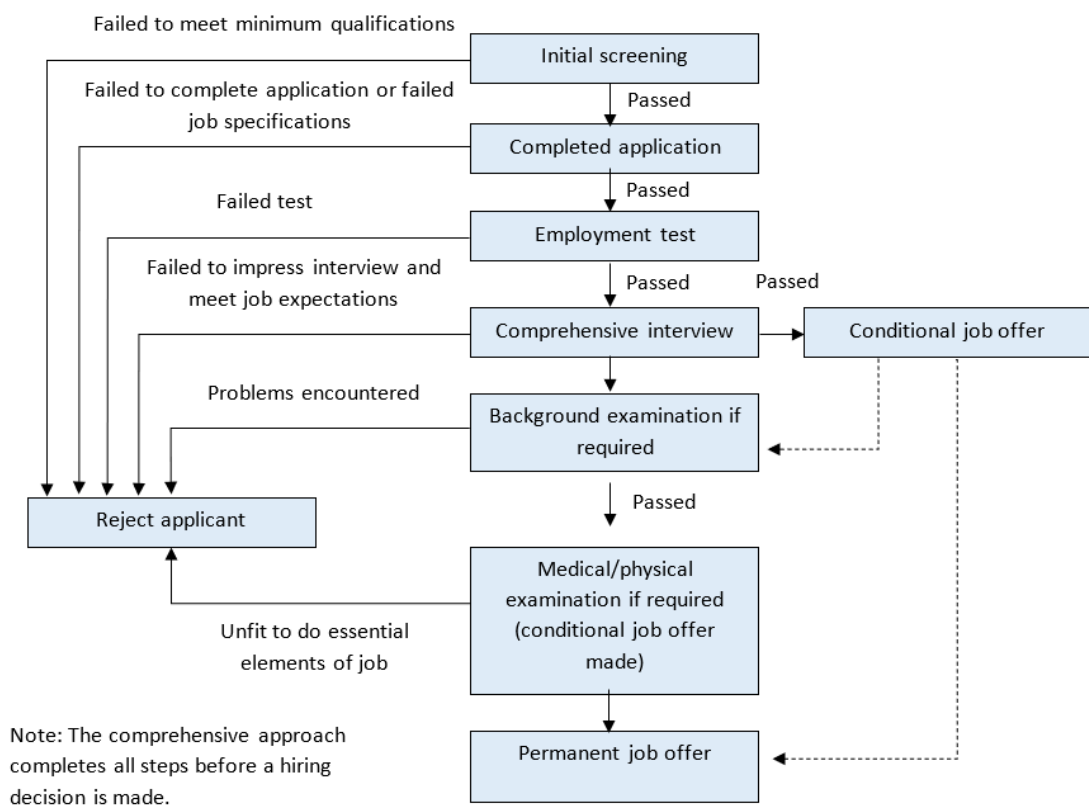


Figure 5 The Selection Process (Own adaptation based on Decenzo et al., 2009)

Each step assists an employer to get enough knowledge and information about a candidate, his or her skills, motivation, experience, and additional information that is useful for making a decision. However, not every employer uses every step. An employer can be omitting some of them due to high costs or irrelevant data. (Decenzo et al., 2009), (Sarma, 2009)

6 REWARD SYSTEM

Reward systems are essential for this thesis and necessary to the HRM function. According to Franco-Santos (2015) Reward systems' purpose is to bring talented people, retain those people who have a better fit with the company, and most importantly motivate those individuals. Reward systems have an immediate impact (and in most companies the most significant one) on the cost side of the company's financial statement. They become vital as they affect individuals' behavior, attitudes, performance, and even production (Gomez-Mejia et al., 2010).

According to Komulainen et al., (2019) an excellent reward system motivates workers and in turn, workers' performance grows. Various factors come to play in improving and developing a reward system that is fair to the workers and affects the performance of the workers.

In the view of Komulainen et al., (2019) there are four major foundations to design an adequate reward system:

- Policies are the guidelines for managing rewards in a company.
- Reward methods to offer financial and non-financial rewards should be supported in a company as a way to identify employees with positive additions.
- Methods must be in place to evaluate the relative size of jobs (job evaluation) and evaluating individual performance (performance management) to ensure the system is equal and fair.
- Methods are needed to sustain the system to guarantee it functions flexibly and efficiently.

In addition to the four main foundations, there are also important objectives of the reward system to consider. According to Komulainen et al., (2019), The main objectives of the reward system are:

- Reward individuals according to what the company appreciates.
- Arrange reward methods with both company's aims and employee values.
- Reward people for the value they build.
- Encourage the growth of a performance culture.

- Reward the appropriate things to convey the appropriate message about what is essential in terms of outcomes and behaviors.
- assist in the process of motivating individuals and increasing their loyalty and commitment.
- Offer rewards that are valued by the workers and meet the various needs.

6.1 Development of reward strategy

It is crucial to adjust the employees' cares with the employers' cares. Also, it is crucial to create rewards that will strengthen the appropriate cultures, values, and execute the appropriate preferences for the company. Therefore, it is in the most beneficial interests of the company especially small and medium-sized enterprises not to leave workers' motivation and performance to chance. (Komulainen et al., 2019) There are important connections made by Armstrong (2006) that are displayed in Figure 6 below.

According to Komulainen et al., (2019), there are some essential pieces of advice statements on how to develop a successful reward strategy in SMEs. Those are:

- The partners, owners, or managers of the SMEs, and also employees must have some views on where the strategy is going, how to get to that strategy, and how to measure whether it has reacted favorably.
- There is a positive relationship between performance and rewards, therefore it is certainly essential to know how to reinforce the link.
- To increase the company's performance, it is crucial to improve a strategic framework that links reward methods with its Human Resource methods so that they are more jointly supportive and coherent.

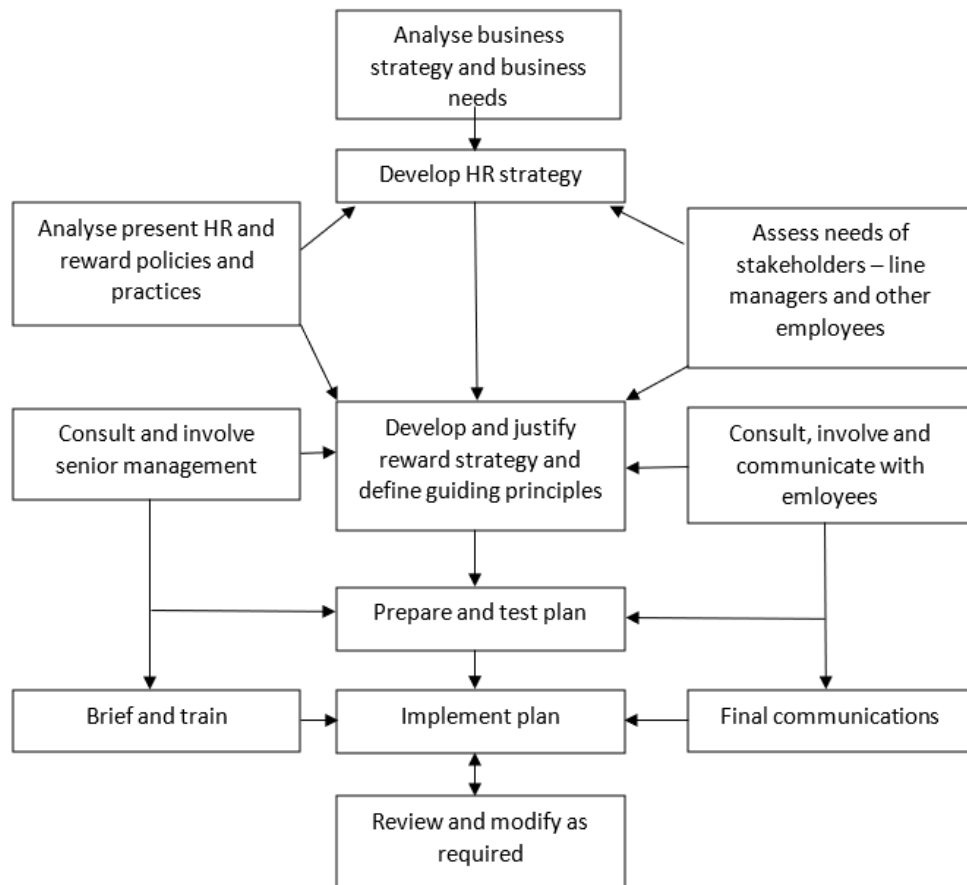


Figure 6 A model of the reward strategy development process (Own adaptation based on Armstrong, 2006)

7 TRAINING AND DEVELOPMENT

Training and Development are very important to Human Resource management because, without them, employees and the whole organization would continuously perform the same, and they might never get better and would not have as much of the quality of work.

Many companies build their training and development programs to advance the quality of work and the personal growth of the workers. A new worker should go through several training activities to be ready for future duties in the organization. Furthermore, all other workers should be trained also. (Sarma, 2009)

In the view of Sarma (2009) training and development should be done because of two crucial factors: The first one is the fast rate of economical, and technological changes followed by forming new jobs and new working processes and tools, which persuade workers to reach new experiences, skills, and abilities to keep up with the times. The second one is workers' approach towards their position, as most utmost workers seek not only a well-paid work but opportunities and challenges to grow and to move up the career steps.

In the view of Sinha and Sinha (2009), there are five important kinds of training and their sections. It is, however, very hard to identify the best training method. A manager or employer should pick the training method based on the current situation in the organization and the goal of the training. Those five important kinds of training and their sections are displayed in Table 1.

Table 1 Training and development and its important sections (Own adaptation based on Sinha and Sinha 2009)

TRAINING				
ON THE JOB	OFF THE JOB	COGNITIVE	COMPUTER BASED	BEHAVIORAL
<ul style="list-style-type: none"> • Job rotation • Job instruction training • Committee assignments 	<ul style="list-style-type: none"> • Conferences • Experimental exercises • Lectures • Role-plays 	<ul style="list-style-type: none"> • Demonstrations • Discussions • Lectures 	<ul style="list-style-type: none"> • Programmed instructions • Virtual Reality • Intelligent tutorial systems 	<ul style="list-style-type: none"> • Transactional analysis • Case studies • Role-plays • Games and simulations

On-the-job training is the most useful approach to train the workers, as the employee is trained at a workplace and uses the same materials and equipment, he or she will use every day. Such a setting motivates the trainee to learn (Sinha and Sinha 2009). This type of training is most fitting for gaining experiences and expertise that can be learned during few

days (Sinha and Sinha 2009). Basically, training takes position within the workers' regular job environment and may happen as he or she does their actual work. Also, it may occur elsewhere within the workplace.

Off-the-job training is the training process where the employees learn their job roles away from their actual workplace. It includes a place particularly designated for the training purpose that may be near to the actual workplace. Based on this process the employees should learn some other or new skills and get some experiences that will be used at their actual workplace. (Off-the-Job Training, 2021)

Cognitive training is centered on the theoretical understanding. The cognitive training provides the guidelines on how to do something, demonstrate various concepts and connections among them, provide extra knowledge, and provide verbal or written information (Sinha and Sinha 2009). This process is connected with differences in attitude and knowledge by stimulating learning.

Computer-based training (CBT) includes the use of a networked or a private computer for the access and delivery of training programs. Employees cooperate with several types of learning material through a computer. CBT programs come in various forms and shapes. They can be tutorials, multimedia-enhanced textbooks, practice drills, simulations, and many more. The learning material comes in CBT software packages. (Andriotis, 2015)

Behavioral training is concerned with skill development and practice (Sinha and Sinha 2009). Basically, behavioral training is a combination of skills that are needed in interpersonal bonds, involving attitudes, great communication, and positive emotions that will let employees to perform and work great with their co-workers and colleagues.

8 LABOR RELATIONS

According to Greer (2018), also known as the “Employee Whisperer,” the goal of excellent labor relations is to strengthen and establish the worker and employer relationship. This can be done in a way of recognizing and solving workplace problems, measuring employee satisfaction, and giving support and input to the performance management system of the organization.

In the view of Heathfield (2019) in the field of human resources, labor relations workers are important for preparing the vital data for management to use during the collective bargaining process (the process in which working individuals, as a group, negotiate contracts with their employers to determine their terms of employment). In an enterprise that is small, it is likely for all the employees to negotiate as a group with their employer. This collective bargaining has existed for ages. However, today, most collective bargaining is carried out by employees’ unions, or companies.

Greer (2018) thinks that labor relations can make, but also break a company. Excellent labor relations will make a business prosperous in the long run. A proficient understanding between employers and employees is essential to reduce industrial conflicts. A good relationship between employees and employers leads to greater motivation and employee commitment. If employees are comfortable and happy, they are most of the time more productive, and also putting more energy and effort into their job. The aforementioned translates into happy customers and more increased revenue (Greer 2018).

The Figure 7 below shows the concept of labor relations.



Figure 7 Concept of Labor Relations (Employment National Labor Relations Board Management PNG, 2017)

In the view of Greer (2018), while strengthening and keeping healthy labor relations can be challenging and difficult in most workplaces, strong relationships among employees are helpful not only to the people but to the whole company. Directors or managers should set an example when it comes to labor relations. If directors or managers have a good and healthy working relationship with their workers, it will assist building a culture that supports efficient labor relations.

9 SUMMARY OF THE THEORETICAL PART

The small and medium-sized enterprise area is a crucial part of a healthy market economy. SMEs perform a huge role in the economy in Europe and create a big cluster of employers in the Czech Republic. To be successful they need to manage Human Resources they have at disposal.

Human Resource Management is based on the management of people and work towards desired goals, if done correctly, then employees, managers, directors, and the whole company will be happy and will reach their objectives and goals.

Job design improves HRM with performance maximization. The most helpful methods for SMEs to consider are Job Rotation, Job Enlargement, and Job Enrichment.

Without experienced and positive people, a company will not do well. It is crucial to choose the right people that are positive and skillful for a specific job. Therefore, recruitment and selection are extremely important because none of those organizations would want to work with negative and poorly experienced individuals. On the other hand, when companies will find qualified, skillful, positive, and talented people for their specific positions, those people need to be rewarded and motivated, if not, those people could simply go somewhere else to work, especially in SMEs.

Training and developing individuals' abilities help with their performance and overall quality of work and employee's personal growth.

Lastly, it is important to keep stable and healthy relationships between employees and employers as well. One individual most likely cannot do as much quality of work as five individuals together. Therefore, working positively together is a key to success in HRM.

The theoretical part is the basis of the following analytical part. The purpose of the analysis will be to find out how ING corporation, spol. s r.o. currently does the specific sections of the Human Resource Management and make recommendations for the improvement of Human Resource Management in the ING corporation, spol. s r.o.

II. ANALYSIS

10 INTRODUCTION OF THE COMPANY

It is important to start with the introduction and quality goals of the company following with the CZ-NACE code, structure of the company, and the basic HR indicators of the company to get a good view of how the company was created, what the company's quality goals are, what the company does, and how the company is structured. The table 2 below shows the basic information about ING corporation, spol. s r.o.

Table 2 The basic information about ING corporation, spol. s r.o. (own adaptation based on the company's source)

Project applicant	
Company's name	ING corporation, spol. s r.o.
Registered office of the company	Mánesova 1259, 739 11 Frýdlant nad Ostravicí
Main location of the company	Dr. Jánského 3238, 738 01 Frýdek-Místek Technologická 376/5, 708 00 Ostrava 742 33 Jeseník nad Odrou 67
Company identification number (CIN)	14613794
Tax identification number (TIN)	CZ14613794

ING corporation, spol. s r.o. was founded as a family company in 1991. The company's main focus is on activities of the field of orthopedics, orthotics, and prosthetics, and also research, development, production, sales, and services of orthopedics, orthotic, and prosthetic products. At present, ING corporation, spol. s r.o. consists of three branches, the main one is at Frýdek-Místek, the second is at Ostrava, and the third is at Jeseník nad Odrou. Furthermore, ING corporation, spol. s r.o. is one of the most significant companies in the Czech Republic in their field. ING corporation, spol. s r.o. as an applicant meets the conditions of a SMEs and is a small enterprise. The company is independent, long-term profitable with growth potential, connected with the NUTS II region of Moravia-Silesia. (The company's source)

Basic activities of the company:

- Development and production of individual and serial orthopedic and prosthetic products.
- Research and development, production of parts and kits for orthotic and prosthetic aids, and sales distribution of medical devices.
- Training, publishing, and lecturing activities in the field of orthotics and prosthetics. (The company's source)

Quality goals of the company for 2021

- Implementation of research and development projects
- Investment in innovative technologies
- Investment in marketing and customer support
- Development of Human Resources
- Improvement of the quality management system. (The company's source)

10.1 The company's main subject of business, CZ-NACE

The main subject of the business of ING corporation, spol. s r.o. according to CZ-NACE code is listed in the following table 3.

Table 3 The main subject of the business of ING corporation, spol. s r.o. according to CZ-NACE code (own adaptation based on the company's source)

Code CZ-NACE	Name of the activity according to CZ-NACE
32500	Manufacture of medical and dental tools and supplies
72100	Research and development in the field of natural and technical sciences

10.2 Organizational structure of the company

Based on the interview with the CEO of the company, the company has seven departments. Every department has its team leader chosen by its team and the CEO. Those are:

- CEO + Top Management – a team of three people
- Economical Administration – a team of four people

- Operational Administration – a team of five people
- Research and Development – a team of two people
- Manufacturing and Services – a team of nineteen people
- Sales and Marketing – a team of two people
- Design – a team of two people

Currently, there are 37 workers in the company not including maternity leave and unpaid vacations.

In 2019, the company had 34 workers not including maternity leave and unpaid vacations. (Public register and collection of documents 2012-2015)

In 2018, the company had 33 workers not including maternity leave or unpaid vacations. (Public register and collection of documents, 2012-2015)

This concludes that the company is slowly getting bigger, and their business is on the rise.

Figure 8 below displays the organizational structure of the company.

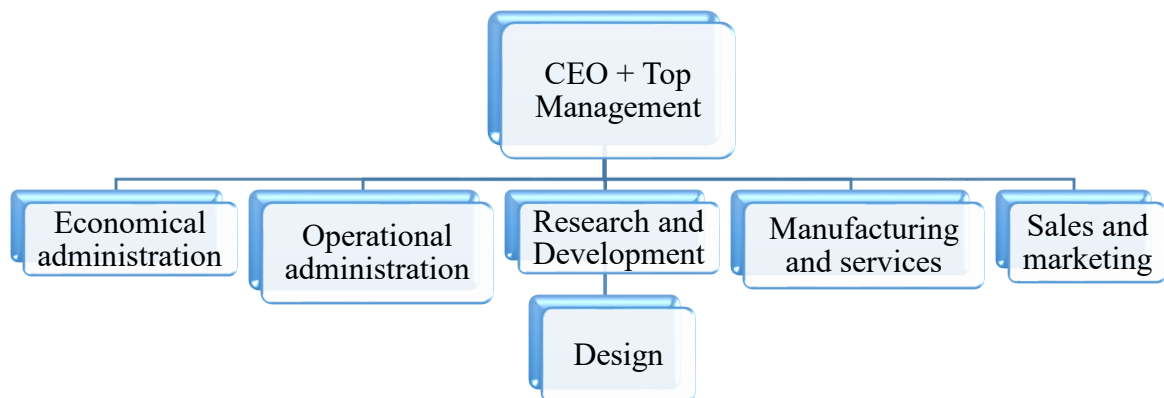


Figure 8 Organizational structure of the company (Own creation)

According to the interview with the CEO of the company, each department's responsibilities are:

CEO + Top Management are responsible for all of the company's resources, including Human resources. They also oversee spatial resources, technology, financial resources, and

informational resources. Their main purpose is to make sure that the company's production and overall flow is healthy and stable.

Economical Administration is taking care of the economics of the company, but mainly accounting and finance including operating stuff such as financial statements.

Operational Administration is responsible for the operational management of the company such as goods and material purchases, warehouse management, advertisements, orders, invoicing, and logistics.

Research and Development, and Design are responsible for project development, technical production, new products, and processes.

Manufacturing and Services are taking care of the production of the products and production operations.

Sales and Marketing are taking care of sales of the company's products such as prosthetics and orthopedic goods.

10.3 Employees structure

The survey was made for all the workers in the company conducting eight questions. The survey questions can be viewed in Appendix P I. The data is current and used mainly in this chapter, but also in other chapters of the practical part of this thesis. This chapter is focused on five criteria. Those are:

- Gender
- Age
- Educational level
- Years of experience
- Average wage

Gender distribution in the company

Figure 9 below describes the gender distribution in the company.

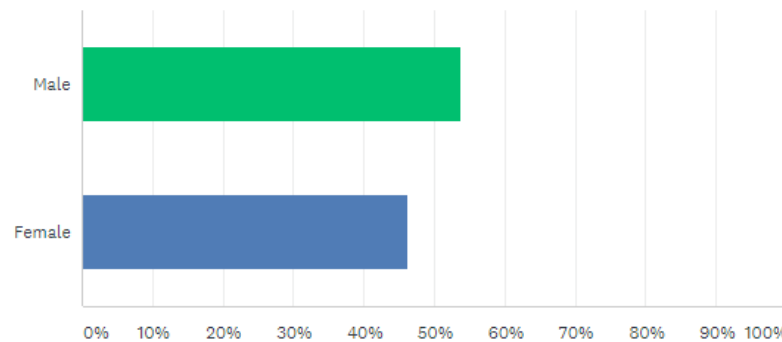


Figure 9 Gender distribution in the company (Own creation)

Age distribution in the company

Figure 10 below displays the age distribution in the company which represents almost all the age categories up to 60 years. The company has the most people from 31-40 and 51-60 years old.

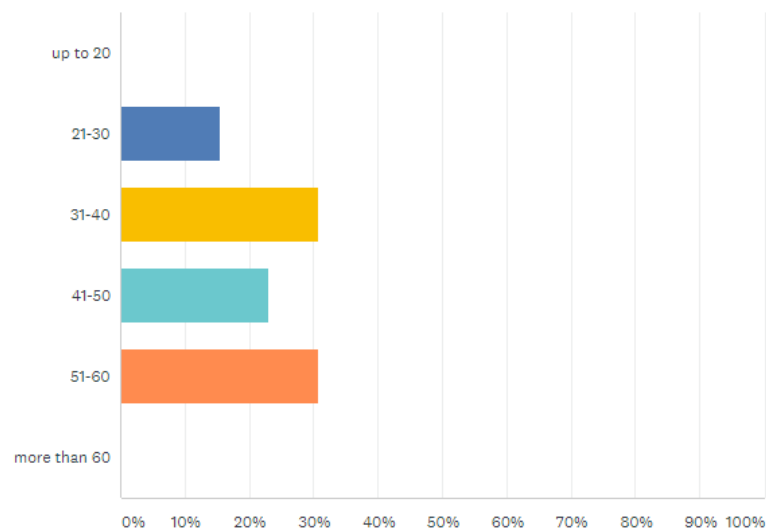


Figure 10 Age distribution in the company (Own creation)

Educational level in the company

Figure 11 below describes the educational level in the company. It can be considered that the company prefers people with Master studies.

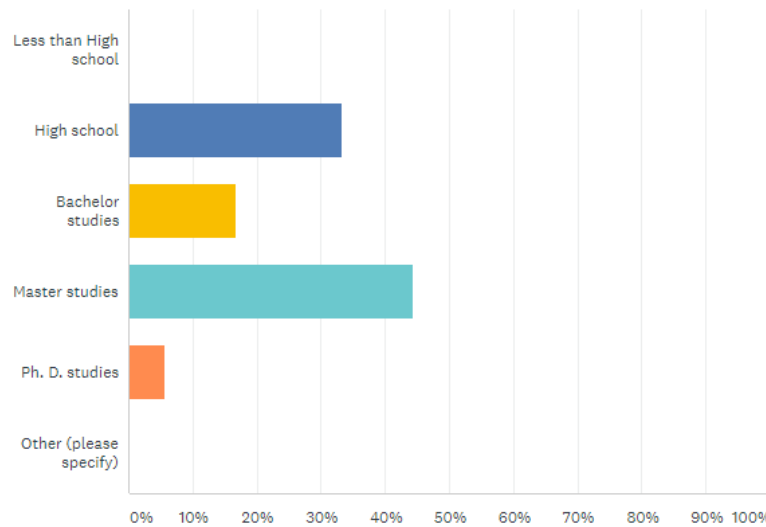


Figure 11 The educational level in the company (Own creation)

Years of experience in the company

Figure 12 below displays the years of experience in the company. It can be considered that the company keeps the employees for the long term.

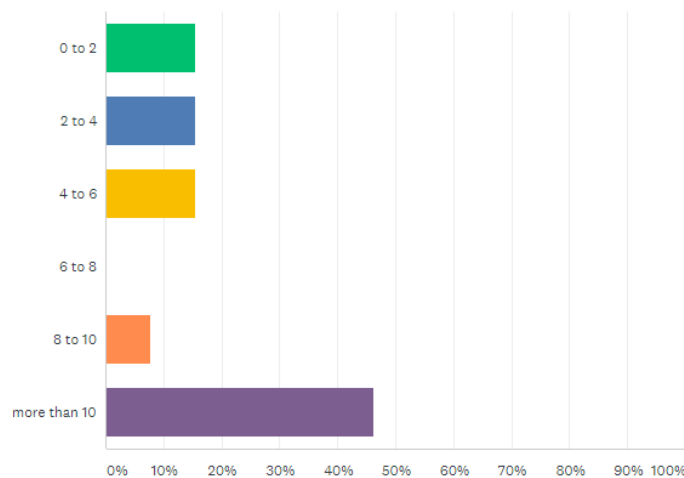


Figure 12 Years of experience in the company (Own creation)

Average wage in the company for 2019

Based on job contracts in the company, employees’ wages are considered confidential information, however, this information is used from the public register and collection of documents (2012-2015).

Unfortunately, the most current information available is for the year 2019. Therefore, the calculations are made for the year 2019.

The profit and loss statement for 2019 (Income statement) can be viewed in Appendix P VII. The calculations are found by dividing the total labor costs by the total number of employees. Then divided by the total number of months.

$$\frac{17\,567\,000}{34} = 516\,676 \text{ average yearly wage in CZK}$$

$$\frac{516\,676}{12} = 43\,056 \text{ average monthly wage in CZK}$$

The average monthly wage in the company for 2019 was 43 056 CZK. Based on the average monthly wage in the Czech Republic for 2019, which was 34 125 CZK. It can be considered that the wages in the company were above the average.

This speculates that the current average wage in the company is even higher with the increasing average wage in the Czech Republic.

The following chapter is about the responsibility of Human Resource Management in the company.

11 RESPONSIBILITY IN HUMAN RESOURCE MANAGEMENT

According to the interview with the CEO of the company the responsibility for the HRM is mainly the CEO, top management, and economical administration, but also individual teams from the rest of each department.

CEO and top management's responsibility towards HR, is to determine what people the company needs, qualification, and proper assignment of those people.

Economical administration's responsibility towards HR is to process personal data, questionnaires, social and health insurance, and payroll.

The rest of each team's responsibility is the practical part of HR, which is plan setting, initial training, and evaluation.

When the CEO sees someone who is hard-working, and his or her job is being well accomplished, then the CEO is giving them more job to do and putting them more into team activities to make them feel that they can honestly rely on their team and be able to do even more quality of work. Furthermore, the CEO thinks that HR is not a responsibility of one individual, but a responsibility of management, himself, economical administration, and those individual teams.

The table 4 below describes the CEO's current feelings towards individual sections of Human Resource Management in the company, it is crucial for this practical part of this thesis. Each section in table 4 is analyzed in the next chapters based on the answers, surveys among employees, and the interview with the CEO of the company.

Table 4 The CEO's current feelings about individual sections of HR in the company (Own creation)

Questions	No	Somewhat no	Some what yes	Yes
Do you think that Human Resource management is important for the overall performance of the company?				x
Are you satisfied with the current Job design in the company?		x		
Are you satisfied with the current Recruitment and Selection in the company?			x	
Are you satisfied with the current Reward System/s and Benefits in the company?			x	
Are you satisfied with the current Training and Development in the company?			x	
Are you satisfied with the current Labor Relations in the company?				x
Are you satisfied with the current Communication in the company?		x		

12 AN ANALYSIS OF JOB DESIGN IN THE COMPANY

According to the interview with the CEO of the company, the company is somewhat using all three methods of Job design. Naturally, the company is using Job enlargement, Job enrichment, and wants to focus more on Job rotation. Those methods are not used systematically but based on the individual. The company is trying to choose the method based on what will fit the employees the most. The CEO thinks that if you pursue someone into the wrong method he or she will collapse, and therefore it should be based on the individual and his or her abilities.

Job Enlargement – the company uses this method when they feel that some individuals are not fully busy with their work.

Job Enrichment – this method is used mainly based on the individual's motivation.

Job Rotation – the company is trying to use this method within the individuals based on the employees' abilities, limits, and comfort zone. For instance, if one person from the team cannot do her or his job, then the teammate should take care of the job, but it is always up to the teammate and the team to make that decision. Unfortunately, sometimes no one can take care of the teammate's job, and therefore the job is not finished on time.

The CEO of the company is somewhat dissatisfied with the current Job design, especially with Job rotation in the company. When the team is deciding whether to complete a job of someone else, in other words, to use Job rotation, then sometimes happens that no one is there to complete that job. Also, sometimes those teams from different departments create a rivalry between each other because of the aforementioned.

Therefore, the CEO thinks that it might be a good idea to use Job rotation more often and not only within the selected teams or individuals but on all the workers in the company. To pursue this method in a slightly different way that every employee will have at least an idea about what each department's job is for. This way, they can get a better understanding of the company. It does not mean that the accountant will do the job of the production worker, and the production worker will do the job of the accountant. The purpose of this idea is for the employees to understand that every job in the company has a meaning and must be done. It could also create a better relationship between the teams from different departments.

Evaluations from the employees

The survey was made on Job design, organization of work, and personal development for the employees in the company conducting nine questions. The survey questions can be viewed in Appendix P II. The survey was separated into three groups of workers. Those are:

- Economical and Operational Administration
- Research and Development, Design, and Sales and Marketing
- Manufacturing and Services

Economical and Operational Administration workers’ evaluations

The Economical and Operational administration workers’ evaluations on Job design, organization of work, and personal development are displayed in Figure 13 below.

The graph (Figure 13) below indicates that the administrative workers have the opportunity to further educate and develop in areas that are important for the performance of their work. Their work is organized, and the workers have the proper conditions to fully focus on their work. Yet around 60% of those workers would consider doing a different kind of work at the company. On the other hand, around 30% of those workers are somewhat dissatisfied because while the specific workers are on holiday or sick leave, then there are no other workers to do their job.

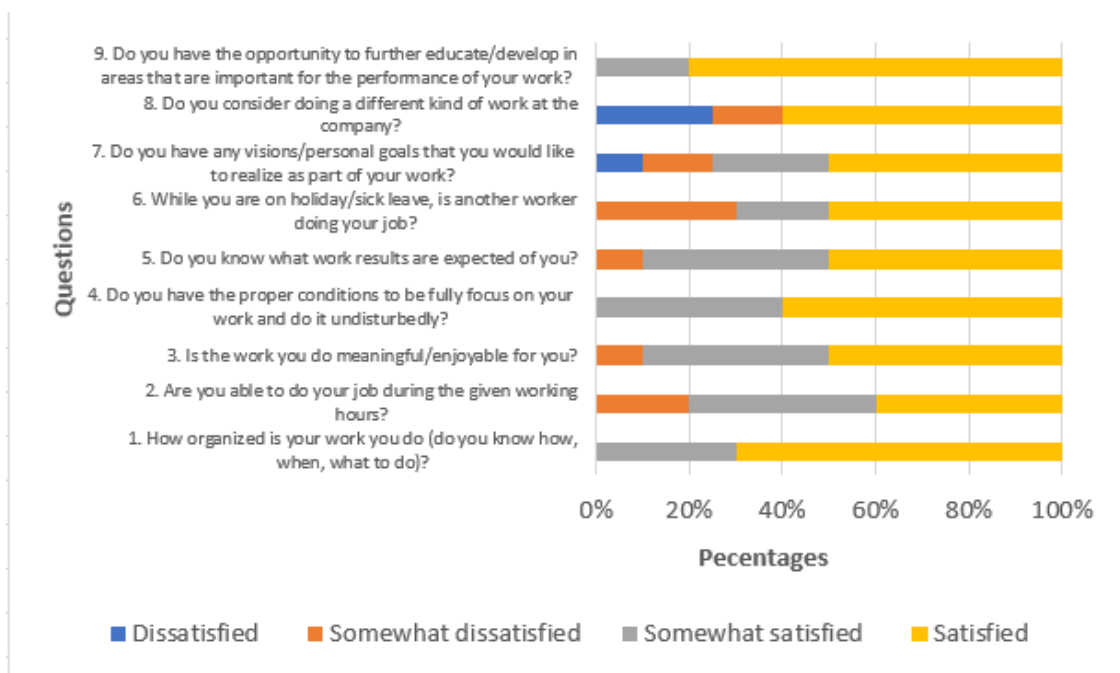


Figure 13 The Economical and Operational administration worker’s evaluations on Job design, organization of work, and personal development (Own creation)

Research and Development, Design, and Sales and Marketing workers’ evaluations

Research and Development, Design, and Sales and Marketing workers’ evaluations on Job design, organization of work, and personal development are displayed in Figure 14 below.

The graph (Figure 14) below shows that the Research and Development, Design, and Sales and Marketing workers are highly satisfied with their work because it is organized, meaningful, and enjoyable. They have the proper conditions to fully focus on their work. Furthermore, only around 10% of those workers would consider doing a different kind of work at the company. Other workers do not consider doing a different kind of work at the company. However, around 35% of those workers are somewhat dissatisfied and 10% dissatisfied because while the specific workers are on holiday or sick leave, then there are no other workers to do their job.

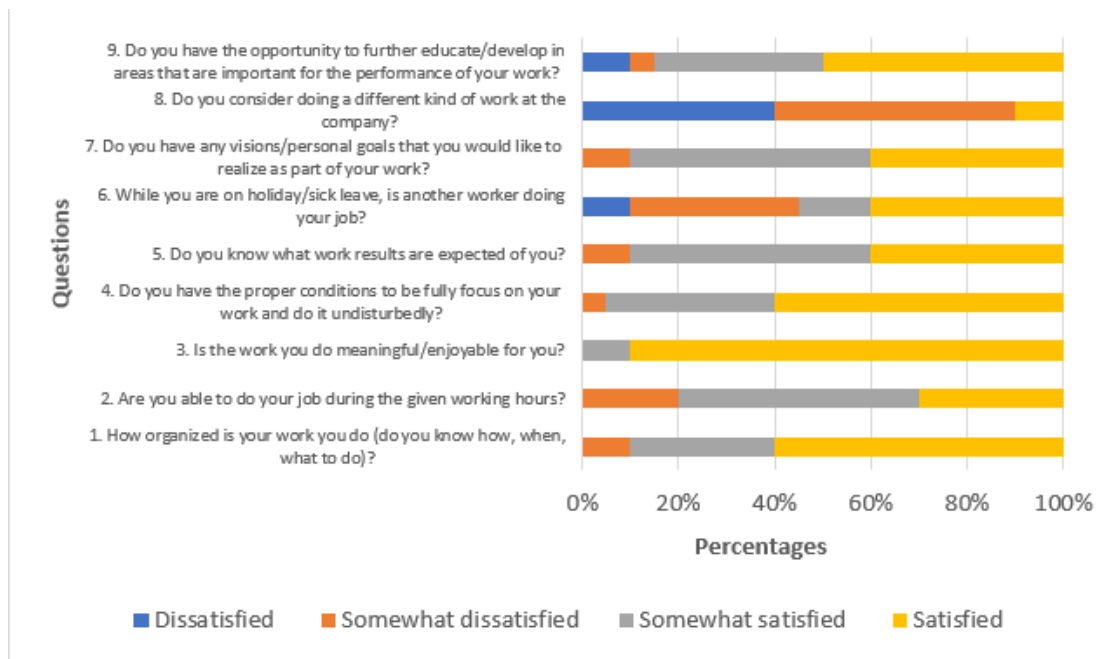


Figure 14 Research and Development, Design, and Sales and Marketing workers’ evaluations on Job design, organization of work, and personal development (Own creation)

Manufacturing and Service workers evaluations

Manufacturing and service workers’ evaluations on Job design, organization of work, and personal development are displayed in Figure 15 below.

The graph (Figure 15) below indicates that the manufacturing and service workers are satisfied with their work because it is organized. It is mostly meaningful and enjoyable for them. They have the proper conditions to fully focus on their work. Also, around 40% of those workers would consider doing a different kind of work at the company. On the other

hand, around 30% of those workers are dissatisfied and 15% somewhat dissatisfied because while the specific workers are on holiday or sick leave, then there are no other workers to do their job. Around 30% of those workers are somewhat dissatisfied because they do not have the opportunity to further educate and develop in areas that are important for the performance of their work.

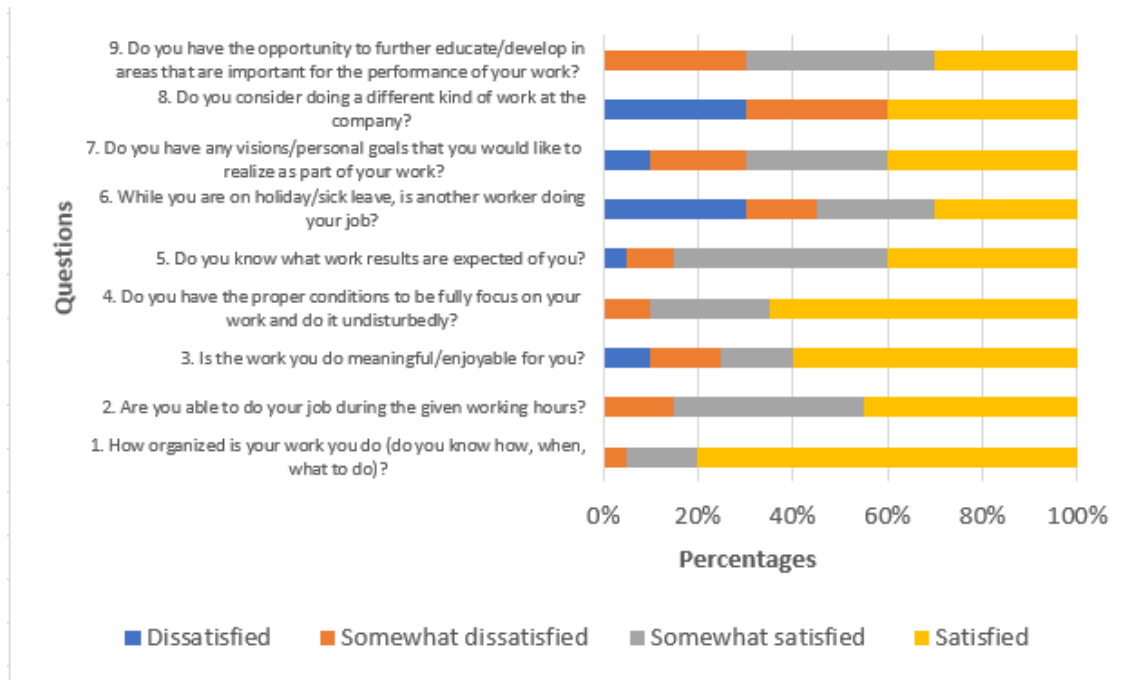


Figure 15 Manufacturing and service workers’ evaluations on Job design, organization of work, and personal development (Own creation)

Based on the evaluations of the survey for all three groups of workers, it can be stated that the major problem is with the substitutability in the company, around 30-45% of workers from each group lacking sufficient substitutability during sick days or holidays. On the other hand, most workers perceive the work they perform as meaningful, organized, and enjoyable. They have the proper conditions to perform their work well.

Around 40-60% of administrative and manufacturing/service workers would consider doing a different kind of work at the company. This could be the solution for the lack of sufficient substitutability in the company.

Overall, the satisfaction on Job design, organization of work, and personal development is positive enough to conclude that the employees are satisfied and that the company is doing well.

13 AN ANALYSIS OF RECRUITMENT AND SELECTION IN THE COMPANY

According to the interview with the CEO, the first step is to analyze and determine the specific job position that the company needs and create job descriptions for the applicants. Knowing this, then the company starts using internal sources of recruitment or, in very occasional times, external sources of recruitment.

Internal sources of recruitment - the company uses this source around 80 % of the time because they prefer to find candidates internally. Usually, the CEO and management will announce that the company is looking for a suitable candidate asking employees if someone knows the suitable person for a specific position. The company is also using the employment office and website called Jobs, but with their own advertisements, terms and conditions, and job descriptions and considering it for internal sources of recruitment as well. The company wants to have the recruitment under the control and have it strongly under their hands.

External sources of recruitment - the company is using this source if they are recruiting someone for a highly specialized position. The company usually hires an HR agency, and the HR agency looks, tests, and tries to find the best person for that position.

When all the candidates are gathered, the selection process takes place. The selection process is not set up exactly, and not every individual will go through the process, meaning it is unsystematic in the company but usually has six different steps that candidates go through. Those steps are displayed in Figure 16 below.

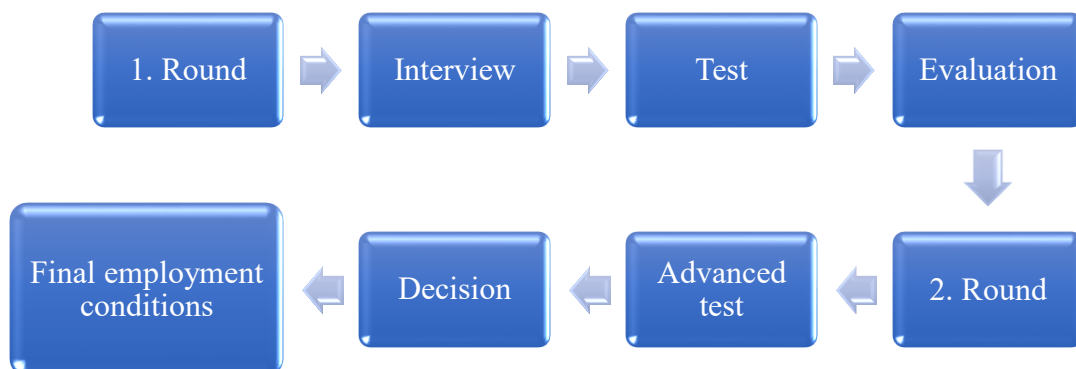


Figure 16 The selection process in the company (Own creation)

Those steps, of course, differs based on job positions. For instance, the advanced test for a production worker is a practical test using the machine, but for the accountant, it is a paper or online test to verify his or her knowledge that will be used in daily work.

The progress of the first round

Interview – The company is mainly looking for the candidate's attitude and his or her character. The company is not looking for candidates with the most perfect resume, but his or her problem-solving, soft skills, determination, and truthfulness. According to the interview with the CEO, many candidates have the same exact stuff written on their resumes. So, the company has its ways to find out if the candidates are lying or not on the interview.

Test – The company will test those candidates to see who has the skills the company demands. It could be a practical, paper, or online test depending on the job position.

Evaluation – The CEO, management, and individual team leaders, then decide which candidate will stay and get to the second round based on the interview, initial feelings, and the first test.

The progress of the second round

Advanced test – After the evaluation, around 30 % of the candidates are left and are given an advanced test. The advanced test is to test the knowledge similar to the daily work.

Decision – Based on the advanced test, the CEO, top management, and individual team leaders will decide which candidate would fit the best for that position and be a part of their team.

Final Employment conditions – After the decision is made, then the final employment conditions are discussed such as wage, work hours, rules, benefits, training, terms, and conditions of the contract, etc.

Overall, the CEO is somewhat satisfied with the current recruitment and selection in the company. The company relies heavily on internal recruitment and has a lack of trust in external hiring. The company's goals in recruiting and selecting are to be able to estimate and find out the people's character, truthfulness, attitude, and keep them ideally for the long term.

14 AN ANALYSIS OF REWARD SYSTEM IN THE COMPANY

According to the interview with the CEO, the company does not have structured reward system methods, policies, or models. It is mainly based on the individuals.

However, the company has a reward and recognition program. The survey was made for the top management of the company on reward and recognition program conducting five questions that can be viewed in appendix P IV.

Based on the survey, the CEO oversees the reward and recognition program and communicate about the program with their employees at the staff meetings. The employees are rewarded monthly, and the goal of this program is to improve employee engagement.

The CEO is somewhat satisfied with the Reward system in the company. Especially with how the company has set up the variable remuneration. Meaning variable pays that the company rewards individuals for a completed activity or a job in addition to salaries. The company is working on how to transfer this reward to individual teams instead of just individuals. The company's goal is to have all the teams economically independent.

The three levels of motivation in the company

Financial – Variable remuneration, commission, and promotion.

Non-financial – The pleasure of a successful career, respect, and meaning of daily work

Cultural – An employees' actions, work conditions, attitude, and team building.

The CEO of the company does not prefer 1 to 1 motivation and talks with the employees. The CEO and the management calculated that if they would motivate and talk to individuals separately, they would only have six minutes per day for each employee.

Employee benefits in the company

- Meal vouchers
- Retirement savings and insurance
- Flexible working hours
- Financial evaluation
- Team building

The most popular benefits among the employees are financial, flexible working hours, and team building.

In the future, the company wants to do a loyalty reward, meaning that the employees would get, for example, extra vacation time if they stay longer in the company. The company's purpose is to encourage employees to stay for the long term to get all kinds of great benefits.

15 AN ANALYSIS OF TRAINING AND DEVELOPMENT IN THE COMPANY

According to the interview with the CEO of the company, the company’s training and development is based on the training and development plan. The company puts together a training and development plan for every year and every profession. They are using the norms of ISO (International Organization for Standardization) to become better and better.

The training and development methods used in the company:

- On the job
- Off the job
- Behavioral
- Cognitive

Table 5 below displays the training and development methods used in the company. It is based on the yearly training and development plan for employees in the company, which can be viewed in Appendix P V, and also on the interview with the CEO. For the sake of the confidentiality of the company, the yearly training and development plan does not include specific dates, responsibilities, documents, and costs.

Table 5 The training and development methods in the company (Own creation)

TRAINING			
ON THE JOB	OFF THE JOB	BEHAVIORAL	COGNITIVE
<ul style="list-style-type: none"> • Seminars • Courses • Fire Protection • Health and safety protection at work • Production training • QMS training 	<ul style="list-style-type: none"> • External professional events • Seminars • Courses 	<ul style="list-style-type: none"> • Soft skills • Stress management • Communication • Communication with clients 	<ul style="list-style-type: none"> • Discussions

The company is mainly training and developing employees internally. Some of those trainings are mandatory, such as health and safety protection at work and fire protection. Some of them are operative such as seminars, courses, soft skills, stress management,

discussions, production training, and QMS (Quality Management System) training. The employees with specialized job positions are usually trained externally. The external training usually includes professional events, courses, seminars.

Overall, the CEO of the company is somewhat satisfied with their training and development.

16 AN ANALYSIS OF LABOR RELATIONS IN THE COMPANY

According to the interview with the CEO of the company, the CEO is satisfied with the current Labor relations but somewhat dissatisfied with the current communication in the company. The CEO believes that it is important for the company to first have a good relationship in their teams and then between their teams. Then, a good relationship in their management. The CEO thinks that it is much more important to try to keep a healthy and stable relationship at the lowest job positions than at the highest job positions. Overall, the CEO is trying to treat every employee the same and trying to improve the communication with the employees and between the employees.

Evaluations from the employees

The survey was made on Labor relations, communication, and teams for the employees in the company conducting nine questions. The survey questions can be viewed in Appendix P III. The survey was separated into three groups of workers. Those are:

- Economical and Operational Administration
- Research and Development, Design, and Sales and Marketing
- Manufacturing and Services

The Economical and Operational administration workers' evaluations

The Economical and Operational administration workers' evaluations on Labor relations, communication, and teams are displayed in Figure 17 below.

The graph (Figure 17) below shows that the administrative workers are part of great teams and can effectively communicate and cooperate with each other. The administrative workers are the most satisfied with the response rate from their teams and the company to their requests, emails, etc., and with the personnel composition of their teams. On the other hand, around 35 % of those workers do not know the other employees in the company and are not aware of what job they do for the company. Also, around 35 % of those workers are somewhat dissatisfied with the communication with the top management.

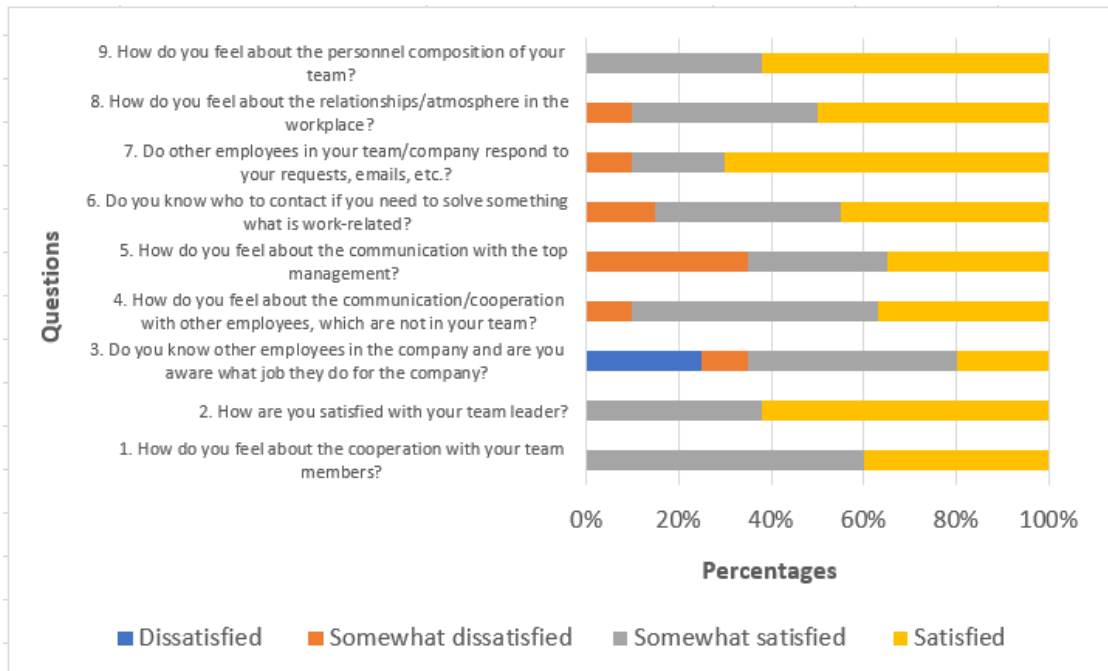


Figure 17 The Economical and Operational administration workers’ evaluations on Labor relations, communication, and teams (Own creation)

The Research and Development, Design, and Sales and Marketing workers’ evaluations

The Research and Development, Design, and Sales and Marketing workers’ evaluations on Labor relations, communication, and teams are displayed in Figure 18 below.

The graph (Figure 18) below indicates that the Research and Development, Design, and Sales and Marketing workers are the most satisfied with their team leaders. Also, they have great cooperation with their team members and are satisfied with the personnel composition of their teams. On the other hand, around 30 % of those workers do not know the other employees in the company and are not aware of what job they do for the company. Furthermore, around 20% of those workers are somewhat dissatisfied because they are not sure who to contact if they need to solve something that is work-related and around 30% of those workers are somewhat dissatisfied/dissatisfied with the communication with the top management.

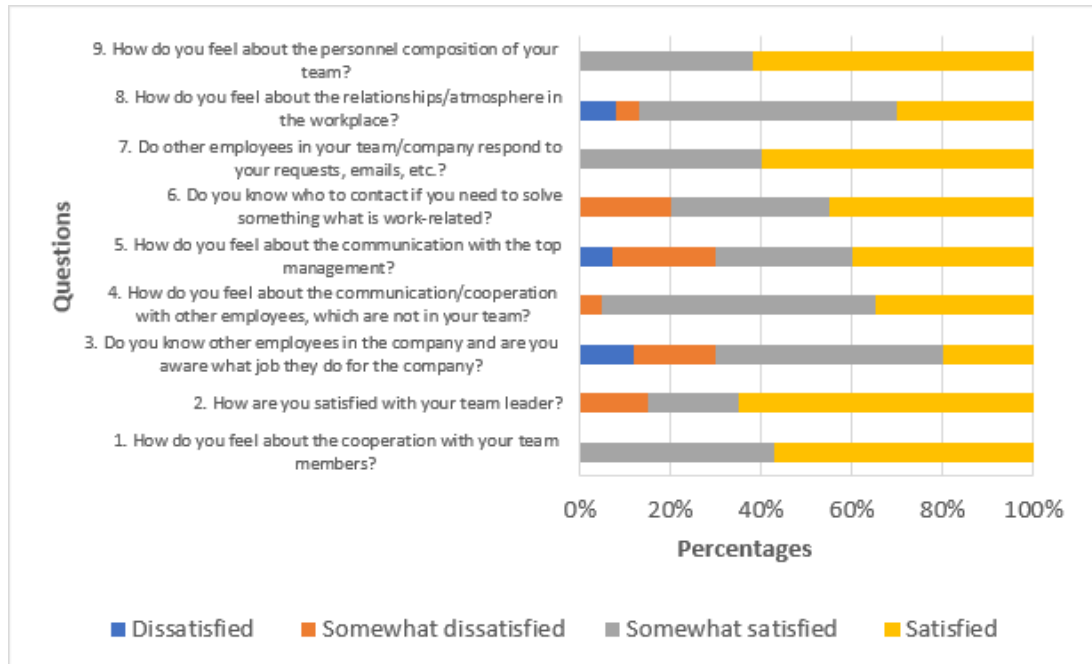


Figure 18 The Research and Development, Design, and Sales and Marketing workers’ evaluations on Labor relations, communication, and teams (Own creation)

Manufacturing and Service workers’ evaluations

Manufacturing and Service workers’ evaluations on Labor relations, communication, and teams are displayed in Figure 19 below.

The graph (Figure 19) below indicates that the manufacturing and service workers are most satisfied with knowing who to contact if they need to solve something that is work-related. They are satisfied with their team leader and effectively cooperate with their team members. However, around 25 % of those workers do not know the other employees in the company and are not aware of what job they do for the company, and 30 % of those workers are somewhat dissatisfied with the communication with the top management. Also, around 30% of those workers are somewhat dissatisfied/dissatisfied with the personnel composition of their team.

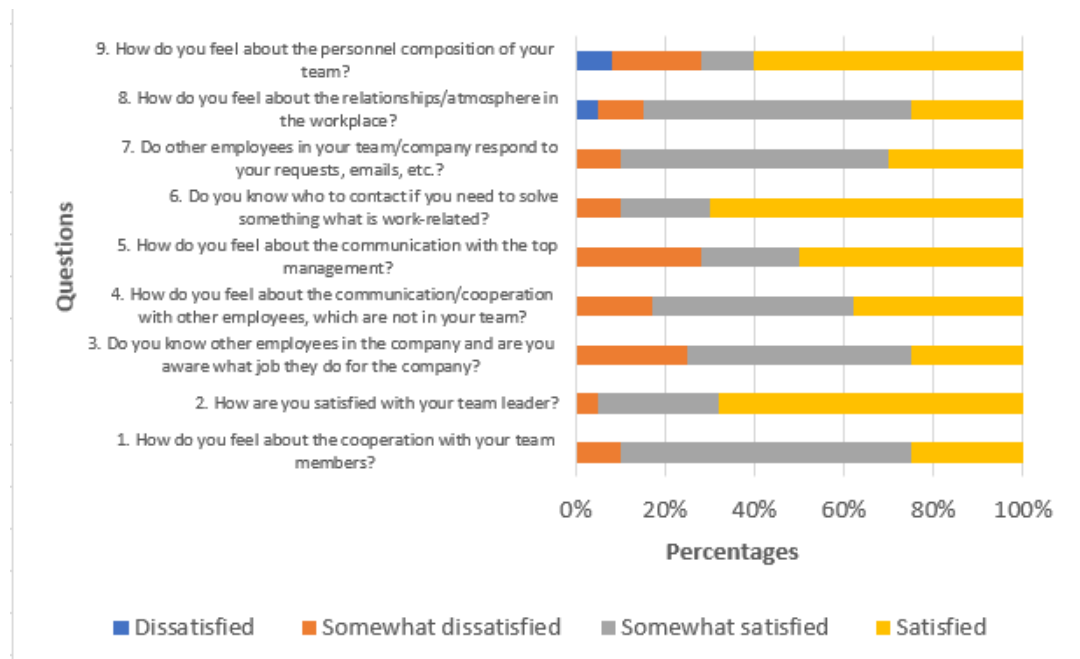


Figure 19 Manufacturing and Service workers’ evaluations on Labor relations, communication, and teams (Own creation)

Based on the evaluations of the survey for all three groups of workers, it can be stated that the major problem is the communication with the top management and not knowing the other colleagues and their jobs they do in the company. On the other hand, most workers are satisfied with cooperation with their team members, their team leaders, and personnel composition of their teams.

Not knowing the other colleagues and their jobs they do in the company could solve the Job rotation method or more of the team activities between individual departments.

The top management does not simply have enough time to communicate with individuals separately, which causes the problem of short or no response back to employees. The solution could be to hire an HR specialist/generalist. The HR specialist/generalist would take care of many problems or complaints from employees and save a tremendous amount of time for top management. Therefore, the top management would have more time to effectively communicate with the employees.

Overall, the satisfaction on Labor relations, communication, and teams is highly positive to conclude that the employees are happy and that the company is doing well.

17 SUMMARY OF THE ANALYTICAL FINDINGS

ING corporation, spol. s r.o. is one of the most significant companies in the Czech Republic in their field. Their field is extraordinary, and most importantly, they are doing it to make people's lives a little bit easier, which is admirable. The ING corporation, spol. s r.o. has a great potential to become a very successful company.

The company is independent, long-term profitable with growth potential. The company is slowly getting bigger, and their business is on the rise. One of the company's quality goals is the development of Human Resources. The company has seven departments and currently 37 workers, not including maternity leave and unpaid vacations. All seven departments are basically responsible for Human Resources in the company but missing an HR professional that would be mostly responsible for the Human Resources in the company and help to solve the company's issues related to HR to maximize the company's potential as well as performance. The company prefers people with master's studies and wants to keep the employees for the long term. The average wage in the company is above average.

Through the analysis of the specific areas of Human Resource Management, it was found that the company uses all three methods of Job design, which seems that the most problematic is the proper use of job rotation. The evaluations from employees confirmed that there is a major problem with sufficient substitutability in the company during sick days or holidays. There could be a solution because around half of administrative and manufacturing/service workers would consider doing a different kind of work at the company.

The company's recruitment and selection are unsystematic in the company. The company relies heavily on internal recruitment and has a lack of trust in external hiring. This could cause that employees get too comfortable with the procedures and processes, are unable to spot operational inefficiencies, are unqualified, struggle to innovate, and create conflicts amongst colleagues.

The company does not have structured reward system methods, policies, or models because it is mainly based on the individuals. The company has a reward and recognition program, and the goal is to improve employee engagement. The company is happy about how they have set up the variable remuneration but trying to figure out how to transfer this reward to individual teams instead of just individuals. The company has three levels of motivations: Financial, non-financial, and cultural. The company is trying to come up with other rewards

to encourage employees to stay for the long term. The major problem is that the CEO and the top management of the company do not have enough time for 1 to 1 motivation or talks with the employees. If they would motivate and talk to individuals separately, they would only have six minutes per day for each employee.

The company's training and development is based on the training and development plan. The company is using the norms of ISO to become better and better. The training and development methods used in the company are: On the job, off the job, behavioral, and cognitive. The company is missing the computer-based method, which could be another beneficial way to train and develop employees.

The labor relations in the company are mostly healthy and stable, but the issues are the communication with the top management and not knowing the other colleagues and their jobs they do for the company. The evaluations from employees confirmed that there are issues in the communication with the top management and not knowing the other colleagues and their jobs they do for the company. The solution could be to hire an HR specialist/generalist, proper use of job rotation, more events, and team building.

Specific areas of Human Resource Management were analyzed in the practical part. On the basis of the theoretical and mainly analytical findings, the recommendations for the improvement of Human Resource Management in the ING corporation, spol. s r.o. are in the following chapter.

18 RECOMMENDATIONS FOR THE IMPROVEMENT OF HUMAN RESOURCE MANAGEMENT IN THE COMPANY

The first and most major recommendation for the improvement of Human Resource Management in ING corporation, spol. s r.o. is to hire an HR specialist/generalist perhaps for a part-time job and in the future, build up an HR department, especially if the company's one of the quality goals is the development of Human Resources. The Table 6 below shows the estimated costs on HR specialist/generalist.

Table 6 Estimated costs on HR specialist/generalist (Own creation)

	Full-time job	Part-time job
Gross wage	36 000 CZK	18 000 CZK
Social insurance (24,8 %)	8 928 CZK	4 464 CZK
Health insurance (9 %)	3 240 CZK	1 620 CZK
Total	48 168 CZK	24 084 CZK

The other costs include the employer's liability insurance for an accident or occupational sickness. Also, the costs might include a laptop and a phone for the HR specialist/generalist.

With the growing business as ING corporation, spol. s r.o., with an extraordinary field, decent profitability, and above-average wages, there is no need to be frightened to invest in such a valuable asset as an HR specialist/generalist. An HR specialist/generalist would save a lot amount of time to the whole company, strengthen the HRM in the company, and help to solve issues which the company currently face and might face in the future in the specific areas of Human Resource Management such as job design, recruitment and selection, reward system, training and development, labor relation, and many more.

The benefits of having an HR specialist/generalist are:

- Providing remarkable opportunities
- Problem solver
- Keeping lines of communication open
- Building trust
- Focusing on retention

The company has a major problem with the substitutability during sick days or holidays. There could be a solution because around half of administrative and manufacturing/service workers would consider doing a different kind of work at the company. The HR

specialist/generalist could help organize and use the proper job rotation for the workers that would be willing to do a different kind of job at the company to increase the substitutability within the company.

One of the main objectives of every HR specialist/generalist is to recruit and select new talents. The HR specialist/generalist could help with analyzing and determining the specific job position that the company needs and create job descriptions for the applicants. The company relies heavily on internal hiring, but for the specialized positions, they use an external source of recruitment and hire an HR agency which can be costly. The HR specialist/generalist would probably find those people for the specialized job positions and could save the company some extra money. The HR specialist/generalist could make the selection process more systematic, meaning that he or she could create a selection plan for every job position or department in the company to avoid selecting and recruiting unqualified candidates.

One of the company's goals is to keep the employees for the long term, so the company has to watch out for retention. The HR specialist/generalist could help accomplish that by finding out from staff the problems they face and finding out if others complain about the same or similar issues. Also, finding out from employees which rewards would make them stay longer.

The next one of the company's goals is to improve employee engagement through a reward and recognition program. The HR specialist/generalist could be a huge help in improving the employee engagement because the HR specialist/generalist knows how.

There are numerous situations that will bring a worker to the top management's office with an issue. It is almost impossible for the top management to deal with every issue that the employees have. The HR specialist/generalist could help to solve these issues because every claim made to the HR specialist/generalist is to be taken seriously. This should not assume that the top management is not taking every claim seriously. This should simply state that the top management has other work to do and does not have enough time to structure the solution as a win-win solution every time.

Communication is the key to understanding. An HR specialist/generalist spends a lot of time listening to grievances, conflicts among employees, and issues. It is crucial to let all workers know that the door is always open to them. One of the company's issues is the communication between the top management and employees because the top management

does not simply have enough time to communicate and motivate individuals, which causes the problem of short or no response back to employees. The HR specialist/generalist could save a great amount of time for the top management by dealing with this. The HR specialist/generalist would create more time for top management. Therefore, the top management could improve and have more time (not only six minutes) to effectively communicate and motivate the employees.

The second recommendation for the company is to use the computer-based method, which could be another beneficial way to train and develop employees, especially in times of COVID-19. It could be a very effective fit with the other methods that the company uses, such as on-the-job training, off-the-job training, behavioral training, and cognitive training. Computer-based training could be effective and efficient because it offers more instructional methods such as videos, text, graphics, e-learning, and audio. It can be tailored based on the demands of the employees. The employees would also have the opportunity, even from home, to further educate and develop in areas that are important for the performance of their work. The costs of computer-based trainings differ, some of them are for free, and some start from 1 000 CZK/month.

The third recommendation for the company is to set up their own database for both their and potential employees. The database should be kept up the date and from which additional employees could be selected for vacancies. Through this database, the company could also employ rejected but capable applicants, as they have already been contacted in the past and have gone through the selection process. Furthermore, by setting up this database, the company would have sufficient information about all employees in the company, their work, interests, and goals. One of the company's quality goals is an investment in innovative technologies, so perhaps this could be a great start. The database could be set up either internally with minimum costs or externally through an IT professional, and the estimated cost could start from 10 000-20 000 CZK for installation. Plus, the cost of maintenance, software, and development, if needed.

The last recommendation for the company is to do more of the company's events, team activities, and team building for the employees because based on the evaluations from the employees, some of them do not know the other colleagues and their jobs they do for the company. It is important in SME company as ING corporation, spol. s r.o. that the employees know each other because it strengthens the relationships between them and the whole company.

The recommendations of proposed improvements might not be an easy task, but they should be doable for the company based on the company's profitability and quality goals. It is up to the CEO and top management how they approach the proposed improvements whether they will accept some of them and how they will try to implement them.

CONCLUSION

Human Resources Management is a young discipline in the Czech companies, where companies are just introducing this trend. While in foreign companies, departments of Human resources operate normally and well.

The main aims of the Bachelor's thesis were to define the basic principles related to Human Resource Management and to evaluate Human Resource Management in ING corporation, spol. s r.o. An analysis of Human Resource Management in the company was processed, which served as a basis for the recommendations for the improvement in the specific areas of Human Resource Management in the company.

In the theoretical part, basic concepts and activities in the specific areas of Human Resource Management were described, explained, and characterized. On the basis of professional literature, a theoretical part was processed, which served as a basis for the practical part.

In the practical part, the ING corporation, spol. s r.o. was introduced and specific sections of Human Resource Management were analyzed.

The methods used in the Bachelor's thesis revealed some weaknesses. That is that the company would be better off with the HR specialist or generalist. This weakness is also linked to other weaknesses which are caused by a lack of attention to personnel work. Despite these weaknesses, the company is doing well, and the employees are overall satisfied.

The major recommendation was to hire an HR specialist or generalist perhaps for a part-time job, in which he or she would mainly be responsible for the Human Resource Management in the company. Also, a very valuable asset to the company. The other recommendations made for the company were to use a computer-based method, to set up their own database for both their and potential employees, and to do more of the company's events, team activities, and team building for the employees.

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LIST OF ABBREVIATIONS

HRM – Human Resource Management

HR – Human Resources

SMEs – Small and medium-sized enterprises

SME – Small and medium enterprise

SEs – Small enterprises

CEO – Chief executive officer

ISO - International Organization for Standardization

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APPENDICES

Appendix P I: Survey questions overview for all workers of the company

Appendix P II: Survey questions overview for Job design, organization of work, personal development

Appendix P III: Survey questions overview for Labor relations, communication, and teams

Appendix P IV: Survey questions overview for reward and recognition program

Appendix P V: Yearly training and development plan

Appendix P VI: Interview questions overview with the CEO of the company

Appendix P VII: Profit and loss statement of the company 2019 (Income statement)

APPENDIX P I: SURVEY QUESTIONS OVERVIEW FOR ALL WORKERS OF THE COMPANY

Q1

What is your position? (Administrator, supervisor, manager, CEO, etc.) (you can write it in Czech)

Ekonomický ředitel

Q2

Under which department (oddělení) you belong? (you can write it in Czech)

Ekonomická administrativa

Q3

How many people work in your department?

1-5

Q4

Gender

Female

Q5

What is your age?

41-50

Q6

What is your education level? (If "other" you can write it in Czech)

Master studies

Q7

Please, select your field. (If you have more than one field, then select them and if there are not there, then write it into "Other" and specify what field/s you have or taking care of). (You can write it in Czech)

Other (please specify):

účetnictví, finanční controlling, personalistika a mzdy

Q8

How many years of experience do you have in the company?

4 to 6

APPENDIX P II: SURVEY QUESTIONS OVERVIEW FOR JOB DESIGN, ORGANIZATION OF WORK, AND PERSONAL DEVELOPMENT

Q1

How organized is your work you do (do you know how, when, what to do)?

Satisfied

Q2

Are you able to do your job during the given working hours?

Somewhat satisfied

Q3

Is the work you do meaningful/enjoyable for you?

Somewhat satisfied

Q4

Do you have the proper conditions to fully focus on your work and do it undisturbedly?

Somewhat satisfied

Q5

Do you know what work results are expected of you?

Satisfied

Q6

While you are on holiday/sick leave, is another worker doing your job?

Somewhat dissatisfied

Q7

Do you have any visions/personal goals that you would like to realize as part of your work?

Somewhat satisfied

Q8

Do you consider doing a different kind of work at the company?

Somewhat satisfied

Q9

Do you have the opportunity to further educate/develop in areas that are important for the performance of your work?

Somewhat dissatisfied

APPENDIX P III: SURVEY QUESTIONS OVERVIEW FOR LABOR RELATIONS, COMMUNICATION, AND TEAMS

Q1

How do you feel about the cooperation with your team members?

Satisfied

Q2

How are you satisfied with your team leader?

Satisfied

Q3

Do you know other employees in the company and are you aware what job they do for the company?

Somewhat dissatisfied

Q4

How do you feel about the communication/cooperation with other employees, which are not in your team?

Somewhat satisfied

Q5

How do you feel about the communication with the top management?

Somewhat satisfied

Q6

Do you know who to contact if you need to solve something what is work-related?

Satisfied

Q7

Do other employees in your team/company respond to your requests, emails, etc.?

Satisfied

Q8

How do you feel about the relationships/atmosphere in the workplace?

Somewhat satisfied

Q9

How do you feel about the personnel composition of your team?

Somewhat satisfied

APPENIX P IV: SURVEY QUESTIONS OVERVIEW FOR REWARD AND RECOGNITION PROGRAM

Q1

Who oversees the administration and implementation of your reward and recognition program?

CEO

Q2

How does your company communicate with employees about your reward and recognition program?

At staff meetings

Q3

How often are employees rewarded and/or recognized?

Monthly

Q4

What types of rewards and recognition does your company offer?

Additional training and development

Flexible work hours

Other (What types?):

Monetary

Q5

What is the end goal of your reward and recognition program?

Improve employee engagement

APPENDIX P V: YEARLY TRAINING AND DEVELOPMENT PLAN

Type of training and development	Participants of the training and development	Term	Note
Courses, seminars (taxes, accounting, laws, grants, duties, and service and improvement of the computer work)	Management and administrative workers, selected technicians.	Operatively	As needed (changes in legislation, new administrative and technical knowledge requirements, etc.)
External professional events for technical staff	Production technicians based on the job specialization	Operatively	Based on the current offer of events and needs of production technicians of the given work specialization
Fire protection	All the employees	1x in 2 years	Based on thematic plan
Health and safety protection at work	All the employees	1x in 2 years	Based on thematic plan
Production training	Selected workers	Operatively	As needed (new procedures, introduction of new products, changes in technology, etc.)
Professional seminars for Orthopedics and Prosthetics	Production technicians and workers based on the job specialization	Operatively	Based on training plan for Orthopedics and Prosthetics
QMS training	All the employees	Operatively	As necessary (based on audit results, QMS review, non-conformity assessment, etc.)

APPENDIX P VI: INTERVIEW QUESTIONS OVERVIEW WITH THE CEO OF THE COMPANY

Organizational structure

How many departments do you have in the company? Could you name them, please?

How many people are working within each department?

Overall, how many employees currently does your company have?

Overall, how many employees did the company have in 2018,2019,2020?

Could you please describe the responsibility and job description of each employee/individual/group?

Some further information or thoughts you want to share?

Responsibility of Human Resource Management

Who is Responsible for Human Resource management in the company?

What is her/his/your job description as a HR individual or someone who is taking care of HR?

What is he/she/you doing to make Human resources better/more effective in the company?

What Human Resource management means to you, and why is it important to your company or why is it not?

Some further information or thoughts you want to share?

Job design

Why are you satisfied/somewhat dissatisfied/somewhat satisfied/dissatisfied with your current Job design in the company? What would you change or why is it good as it is?

What method/s of job design are you using the most?

Why do you think that/those method/s you selected is/are beneficial and effective in your company?

How that/those method/s work/s in the company?

For what reason do you use that/those method/s?

Some further information or thoughts you want to share?

Recruitment and Selection in the company

Why are you satisfied/somewhat dissatisfied/somewhat satisfied/dissatisfied with your current recruitment and selection in the company? What would you change or why is it good as it is?

How and from where do you generate adequate, knowledgeable, and skilled people who are applying to your company for employment?

What kind of source/s of recruitment are you using?

Why are you using this source? Why is it more effective than the other one for your company?

How this source of recruitment you are using work in your company?

Why are you using both of those sources? Why is it more effective to use both in your company?

How those sources of recruitment you are using work in the company?

Could you please describe your selection process in the company and which selection methods do you use?

How is the training conducted?

Which countries do applicants come from? Only from the Czech Republic or other countries too?

What steps do individuals usually must go through while you selecting them for employment?

Could you please describe ways of searching for new interns in your company?

How long does it take to find a suitable candidate? Which departments are the most popular among the applicants?

Some further information or thoughts you want to share?

Reward system

Why are you satisfied/somewhat dissatisfied/somewhat satisfied/dissatisfied with your current Reward system in the company? What would you change or why is it good as it is?

How do you motivate your employees?

What kind of employee benefits does your company provide?

What kind of benefit/s are the most popular among the employees?

Some further information or thoughts you want to share?

Training and development

Why are you satisfied/somewhat dissatisfied/somewhat satisfied/dissatisfied with your current Training and Development in the company? What would you change or why is it good as it is?

What kind of training and development methods are you using?

If answered "No" what kind of training and development method/s are you using/implementing in your company? Why do you think that/those method/s is/are better and more effective for your company?

Could you please tell me why do you think that/those method/s is/are the best option for your company?

Do you think that/those method/s you are using is/are effective on employees? What impact that/those methods have on employees?

How are you implementing those/those method/s in the company? How is/are it/they work in the company?

Some further information or thoughts you want to share?

Labor relations and communication

Why are you satisfied/somewhat dissatisfied/somewhat satisfied/dissatisfied with your current labor relations in the company? What would you change or why is it good as it is?

How do you feel about the relationship between you and your/the employees?

What do you think is the most important to keep healthy relationships in the company?

How do you treat the/your employees? Based on what?

How do the/your employees treat you?

What would you say about the communication in the company?

Some further information or thoughts you want to share?

APPENDIX P VII: PROFIT AND LOSS STATEMENT OF THE COMPANY 2019 (INCOME STATEMENT)

VYKAZ ZISKU A ZTRATY v plném rozsahu

Ke dni: 31.12.2019

IČ

14613794

Obchodní firma nebo jiný název účetní jednotky
ING corporation, spol. s r.o.

Sídlo nebo bydliště účetní jednotky
a místo podnikání (lůži-li se od bydliště)

Mánesova 1259, Frýdlant
739 11 Frýdlant nad Ostravicí

Údaje v tisících Kč

Označení řádku výkazu a	TEXT b	Číslo řádku c	Skutečnost v účetním období	
			1-12/2019 1	1-12/2018 2
I.	Tržby z prodeje výrobků a služeb	01	54 266	53 387
II.	Tržby za prodej zboží	02	59 910	59 885
A.	Výkonová spotřeba (součet A.1. až A.3.)	03	80 994	78 745
A.1.	Náklady vynaložené na prodané zboží	04	45 630	46 998
A.2.	Spotřeba materiálu a energie	05	13 736	11 873
A.3.	Služby	06	21 628	19 874
B.	Změna stavu zásob vlastní činnosti (+/-)	07	-462	460
C.	Aktivace (+/-)	08	-5	
D.	Osobní náklady (součet D.1. až D.2.)	09	23 888	21 506
D.1.	Mzdové náklady	10	17 567	15 811
D.2.	Náklady na sociální zabezpečení, zdravotní pojištění a ostatní náklady	11	6 321	5 695
D.2.1.	Náklady na sociální zabezpečení a zdravotní pojištění	12	5 780	5 166
D.2.2.	Ostatní náklady	13	541	529
E.	Úpravy hodnot v provozní oblasti (součet E.1. až E.3.)	14	4 036	4 191
E.1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku	15	3 424	4 250
E.1.1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku - trvalé	16	3 424	4 250
E.1.2.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku - dočasné	17		
E.2.	Úpravy hodnot zásob	18	612	-59
E.3.	Úpravy hodnot pohledávek	19		
III.	Ostatní provozní výnosy (součet III.1. až III.3.)	20	2 396	3 731
III.1.	Tržby z prodaného dlouhodobého majetku	21	258	50
III.2.	Tržby z prodaného materiálu	22		
III.3.	Jiné provozní výnosy	23	2 138	3 681
F.	Ostatní provozní náklady (součet F.1. až F.5.)	24	699	411
F.1.	Zůstatková cena prodaného dlouhodobého majetku	25	252	
F.2.	Prodaný materiál	26		
F.3.	Daně a poplatky	27	46	43
F.4.	Rezervy v provozní oblasti a komplexní náklady příštích období	28		
F.5.	Jiné provozní náklady	29	401	368
*	Provozní výsledek hospodaření (+/-)	30	7 422	11 690

Označení řádku výkazu a	TEXT b	Číslo řádku c	Skutečnost v účetním období	
			1-12/2019 5	1-12/2018 6
IV.	Výnosy z dlouhodobého finančního majetku - podíly (součet IV.1. + IV.2.)	31		
IV.1.	Výnosy z podílů - ovládaná nebo ovládající osoba	32		
IV.2.	Ostatní výnosy z podílů	33		
G.	Náklady vynaložené na prodané podíly	34		
V.	Výnosy z ostatního dlouhodobého finančního majetku (součet V.1. + V.2.)	35		
V.1.	Výnosy z ostatního dlouhodobého finančního majetku - ovládaná nebo ovládající osoba	36		
V.2.	Ostatní výnosy z ostatního dlouhodobého finančního majetku	37		
H.	Náklady související s ostatním dlouhodobým finančním majetkem	38		
VI.	Výnosové úroky a podobné výnosy (součet VI.1. + VI.2.)	39	19	1
VI.1.	Výnosové úroky a podobné výnosy - ovládaná nebo ovládající osoba	40		
VI.2.	Ostatní výnosové úroky a podobné výnosy	41	19	1
I.	Úpravy hodnot a rezervy ve finanční oblasti	42		
J.	Nákladové úroky a podobné náklady (součet J.1. + J.2.)	43		
J.1.	Nákladové úroky a podobné náklady - ovládaná nebo ovládající osoba	44		
J.2.	Ostatní nákladové úroky a podobné náklady	45		
VII.	Ostatní finanční výnosy	46	646	844
K.	Ostatní finanční náklady	47	1 049	903
	* Finanční výsledek hospodaření (+/-)	48	-384	-58
	** Výsledek hospodaření před zdaněním (+/-)	49	7 038	11 632
L.	Daň z příjmu (součet L.1. + L.2.)	50	911	2 275
L.1.	Daň z příjmu splatná	51	969	2 195
V.2.	Daň z příjmu odložená (+/-)	52	-58	80
	** Výsledek hospodaření po zdanění (+/-)	53	6 127	9 357
M.	Převod podílu na výsledku hospodaření společníkům (+/-)	54		
	*** Výsledek hospodaření za účetní období (+/-)	55	6 127	9 357
	Čistý obrát za účetní období = I. + II. + III. + IV. + V. + VI. + VII.	56	117 237	117 848