

# **An Analysis of Employee Motivation at an International Company**

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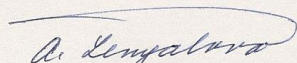
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## **ABSTRAKT**

Cílem bakalářské práce je analyzovat současný stav motivace zaměstnanců v mezinárodní společnosti a navrhnout vhodná řešení pro zlepšení.

V teoretické části autor vysvětluje pojmy a teorie z oblasti lidských zdrojů a motivace. Dále se zabývá motivačním systémem firmy. Praktická část je zaměřena na samotnou analýzu současného stavu motivace zaměstnanců, jejích výsledků a následný návrh doporučení ke zlepšení.

Klíčová slova: motivace zaměstnanců, lidské zdroje, mzdy, zaměstnanecké výhody, benefity, výkon zaměstnanců

## **ABSTRACT**

The aim of this thesis is to analyze the current state of employee motivation in an international company and propose appropriate recommendations for improvement.

In the theoretical part, the author explains the basic concepts and theories of human resource management and the motivation. The author also explains the motivation system of the company. The practical part of this thesis is focused on the analysis of the current state of employee motivation, its results, and subsequent recommendation for improvement.

Keywords: employee motivation, human resources, wage, employee benefits, employee performance

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## INTRODUCTION

"Money is like gasoline during a road trip. You don't want to run out of gas on your trip, but you're not doing a tour of gas stations." Tim O'Reilly, the best computer book publisher in the world. (n.d.)

Nowadays, money plays a very important part in our lives, many people are not able to imagine life without it, money moves the world. On the other hand, money is not everything; Business is all about money, but there should be a balance between power of money and other objects people cannot buy or sell. In this bachelor thesis, the author will focus on one state we cannot buy - motivation. Managing motivation at job and efficient work with people is a strategic area, practically for all companies. A good motivated worker is usually satisfied at work, having a good performance, participating in company's results and better identifying with his/her job description and the company's vision. The aim is to analyze the motivation of blue-collar workers in an international company and come forward with the suggestions for improvement in that particular area. According to a general fact in Czech manufacturing companies, the primary employee motivator is money.

The analysis is going to take place in a real company; on request of the company, this author will not publish the real name of the company. However, it is a part of an international corporation located in the United States of America. The Czech part of the company we talk about is service-manufacturing factory providing wide spectrum of products in area of welding and cutting. In the last 3 years the company has hired approximately 650 employees, but there has been a loss of earnings, around 130 million Czech crowns. The company has never conducted the research about employee motivation before; the human resources department stated a question: How can we motivate our workers to better perform in that situation?

This bachelor thesis is divided into a theoretical part and analysis. The first part will focus on describing the basic terms in human resource area, motivation and its theories. The second part will focus on the company itself, their vision, range of products, structure and significant numbers for company such as number of employees, earnings or revenues. Further, there will be methodology describing the process of research and the outcome of analysis. Based on the outcome and other results, the author will provide recommendations suitable for the company in the future.

## **I. THEORY**

# **1 HUMAN RESOURCE MANAGEMENT**

In the theoretical part, the author will talk about the sense of Human Resource Management, will introduce basic terms and will focus on the field of motivation, its theories and types. The information explained in this theoretical part will correspond to the analysis in the second part of this bachelor thesis.

## **1.1 Definition of Human Resource Management**

As Michael Armstrong, a respected specialist in the field of human resource management is citing Storey: "Human resource management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques." (Armstrong 2009, 5) Armstrong also said that the people are most appreciated resource in the organization. (2003, 3) Gregar agrees in terms of the importance of people as one of the three most important sources. He says also material and financial resources and know-how is important. (2007, 7) As Armstrong and Gregar said Human Resource Management is primary about people – dealing with their recruitment, health and safety conditions, employee motivation, communication, and training and performance management.

## **1.2 Human Resource Management Goals**

Human Resource Management (HRM) strives to help an organization to be successful and achieve their planned results throughout people. (Armstrong 2003, 4) Major goal is to accomplish high performance through employees. The organization can succeed in case they use factors as people and processes together. Another goal "is to help with the enhancement of motivation, commitment and job engagement as a means of improving performance and retaining talented people." (Armstrong 2003, 5) Motivation process supports people to use their abilities and efforts in a way to reach the organizational goals and their own point of satisfaction. People have a commitment in case they are identified with the goals and values of the company. (Armstrong 2003, 5) Employing people with good skills and precious knowledge and experience the organization will reach another goal that is human capital advantage. The organization should also store and share the knowledge and wisdom about the processes and other conditions connected to production. (Armstrong 2003, 6) The next goal is resourcing, which aims "to attract and retain the

skilled, competent, committed and motivated workforce the organization needs." (Armstrong 2003, 6) Improving the motivation people feel recognized, valued and honored for their work, successes and level of skills they gain. Last goal is to take care of good employee relations between employees and management. (Armstrong 2003, 7)

To sum up, all mentioned goals are challenging for the organization and as Armstrong mentioned sometimes it is very hard to implement them because some problems as resistance to change, shortage of resources, shortage of assistance from line managers or other business priorities can occur. (Armstrong 2003, 8)

### **1.3 Human Resource Management Activities**

According to Armstrong, this author will name and shortly explain Human Resource Management activities to imagine how wide a range of activities are part of this field. HRM activities are listed below: (2003, 9-11)

- "Organizational development
- The employment relationship
- Resourcing
- Performance management
- Human resource development
- Reward management
- Employee relations
- Health and safety
- Welfare services
- Employment and human resource policies" (Armstrong 2003, 9-11)

### **1.4 Performance at Work**

Gregar sees three basic ways how to affect employees' performance at work. (2007, 23) The first is that people have to know WHAT they are supposed to do at work. HR department usually specifies optimal organization of work, as are deployment and control of number of employees involved, health and safety terms, working conditions and working norms and standards. The second is about knowing HOW, according to Armstrong knowing how is closely connected with employee development, it is about "systematically developing organizational and individual learning processes ... to develop their capabilities, realize their potential and enhance employability." (2003, 10) Gregar

adds also to determine qualification requirements for each job position individually and agrees with Armstrong in question of developing employees' qualification demanded for the specific job position. The third is that people have to know WHY; behind this theory is hidden the employee motivation system that means communication, reward management, job evaluation, and teamwork and career development. (2007, 23-24)

### **1.5 Basic Principles of Human Resource Management**

"Modern concepts of human resource management define two basic principles of management. First stands for optimal utilization of capability of each employee, which works at the organization at present and the second is about setting of optimal conditions for career management and enhance of personality for each employee, which works at the organization at present." (Gregar 2007, 24) Gregar shows the basic principles expressed in this equation: Human Resource Management strengthens Human Resource Economy (HRE) and Human Resource Development (HRD). Reward system, motivation scheme and optimal organization of work stands for HRE and resourcing, human resource development, organizational culture, communication, health and safety stands for HRD. (2007, 24)

## 2 MOTIVATION

"Motivation is the fuel, necessary to keep the human engine running." (Zig Ziglar n.d.)

"High performance is achieved by well-motivated people who are prepared to exercise discretionary effort." (Armstrong 2009, 317)

This chapter will describe motivation, its basic theories, and types. This author will also discuss terms of satisfaction, and money at work.

### 2.1 Types of Motivation

Gregar describes motivation as the basic element of Human Resource Economy. (See chapter 1.5) Referring to Armstrong, there are two types of motivation; the first type occurs when employees can motivate themselves by work, which leads them to reach the goals and satisfies their needs. The second type is about management that motivates their employees through wages, special rewards or other methods. (Armstrong 2003, 217)

Herzberg, Mausner and Synderman originally discovered two types of motivation briefly mentioned above in 1957. The first type, **intrinsic motivation** appears primary in peoples' minds and makes them behave in definite manners to reach the goal they want, which is primarily connected to work itself. Intrinsic motivation is controlled by self-generated factors, factors such as autonomy, responsibility, sense of fulfillment or satisfaction connected to a job well done, development of personal competencies or qualification. The second type, **extrinsic motivation**, is connected to reaching goals outside of work itself. The strongest extrinsic factors are mainly rewards such as wages, tangible rewards, employee benefits, and certainty of a position at the company or for example a promotion. This type of motivation is typical for lower qualified employees where the reward plays a very important role. Motivating these kinds of employees is more difficult than motivate the employees, who are identified by an intrinsic type of motivation. (Armstrong 2003, 217)

In practice, both these types of motivation work partially together. To show it as an example, imagine a high-qualified employee performing demanding work yet satisfied with low wages despite the high sense of satisfaction of a job well done. It probably does not work this way. The author supposes that a combination of these motivation types is lower or higher depending on the job position in the company hierarchy.

## 2.2 Motivation Theories

"Motivation theory examines the process of motivation. It explains why people at work behave in the way they do in terms of their efforts and the directions they are taking. It also describes what organizations can do to encourage people to apply their efforts and abilities in ways that will further the achievement of the organization's goals as well as satisfying their own needs." (Armstrong 2003, 215) The author has chosen a few theories, which Armstrong has given:

- Instrumentality theory
- Content or needs theory
- Herzberg's two-factor model
- McGregor's theory X and Y (2009, 319)

### 2.2.1 Instrumentality Theory

According to Gregar, instrumentality theory is based on the scientific management experiments, which were conducted by Frederick Winslow Taylor in the second half of the 19th century. (2007, 49) Instrumentality is about "the belief that if we do one thing it will lead to another." (Armstrong 2003, 218) To simplify, instrumentality theory maintains that people or employees work only for wages – money. This theory says when a person knows what exactly the rewards and punishments are for his/her performance at work a person is motivated. Instrumentality theory is widely used, and Armstrong says that in some cases it can be prosperous.

To sum up, instrumentality theory perceives the probability that good performance will lead to desired outcomes – rewards.

### 2.2.2 Content or Needs Theory

This author's favorite author Armstrong defines content theory as: "The basis of this theory is the belief that an unsatisfied need creates tension and a state of disequilibrium. To restore the balance, a goal that will satisfy the need is identified, and a behavior pathway that will lead to the achievement of the goal is selected. All behavior is therefore motivated by unsatisfied needs." (2003, 219) According to several theorists such as Abraham Maslow, Clayton Alderfer, David McClelland and Frederick Herzberg, the author has chosen only two of them and their theories. The first author is Abraham Maslow and his hierarchy of needs and the second author is Frederick Herzberg with his two-factor model.



### *Maslow's Hierarchy of Needs*

American psychologist Abraham Maslow hypothesized his hierarchy of needs in 1954. Nowadays, this Maslow's classification is well known worldwide. He defined five main categories of needs, which are the same for people in general, "starting from the fundamental physiological needs and leading through a hierarchy of safety, social and esteem needs to the need for self-fulfillment, the highest need of all." (Armstrong 2009, 324)

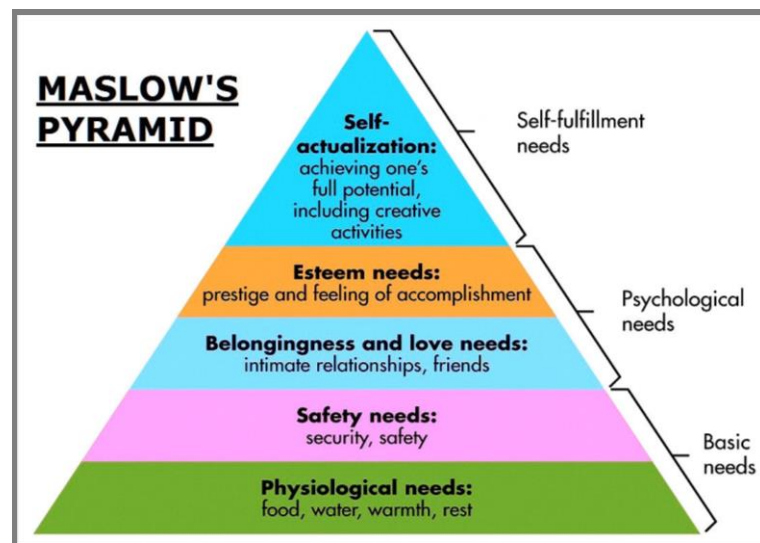


Figure 2.1 Maslow's Hierarchy of Needs

Source: Chart Diagram. Maslow's Hierarchy of Needs. <http://chartdiagram.com/maslows-hierarchy-of-needs/> (accessed March 24, 2013)

Explaining the term of Maslow's motivation theory, it states that people can achieve their maximum potential only if they are able to overcome all the obstacles. These so-called obstacles can be defined as physiological or safety needs. Hájek divides whole theory into two groups. The first is deficiency needs, in other words removing the deficiencies and the second is being values, in other words achieving the goals. (2006)

In the process of satisfying a person's needs Hájek agrees with Armstrong and Gregar when an employee is content with a lower need, for example physiological, the higher need turns an employee attention to satisfy next. The higher need cannot be satisfied first and the highest self-fulfillment cannot be satisfied ever. The stage of self-actualization and esteem are the best driving forces for one's motivation. When people reach and satisfy this needs

they become stronger personalities, on the other hand "lower needs decline in strength on satisfaction." (Armstrong 2003, 220)

Maslow's motivation theory has been authoritative despite the fact it cannot be applied to every person in the same way, because people have different priorities and it makes it difficult to apply this hierarchy in the same way for everybody. (Armstrong 2003, 220)

### ***Herzberg's Two-factor Model***

Frederick Herzberg, an American psychologist, in cooperation with Mausner and Synderman introduced his model of satisfiers and dissatisfiers in 1959. Herzberg pretended that "people have the capacity to report accurately the conditions that made them satisfied and dissatisfied with their jobs." (Armstrong 2003, 224)

Gregar describes those two groups as following (Gregar 2007, 61):

- ✓ *Satisfiers* - Motivators themselves motivate the person to achieve better and higher performance (e.g. good collective at work).
- ✓ *Dissatisfiers* - Hygiene factors; dissatisfiers feature the environment and in principle they prevent dissatisfaction with the job (e.g. safety at work).

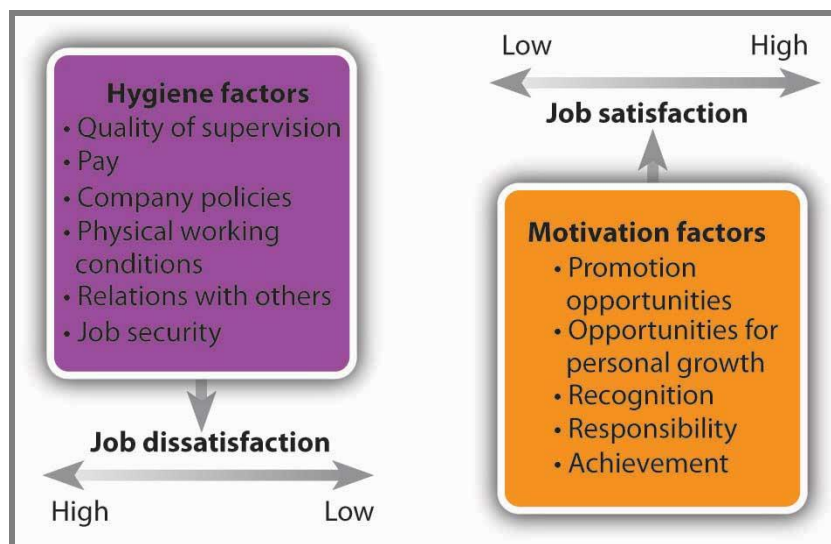


Figure 2.2 Herzberg Two-factor Model

Source: Motivating Employees. Herzberg Two-factor Model. <http://www.web-books.com/eLibrary/NC/B0/B66/057MB66.html> (accessed March 24, 2013)

Herzberg discovered his two-factor model thanks to a case study about accountants and engineers. The team of researchers obtained the understanding that people are able to say which working conditions are satisfying and on the other hand dissatisfying. People involved in the research were asked to report bad and good time that they experienced during their work. The result of this case study followed logically as a division split into good and bad periods. (Armstrong 2003, 224) Good periods are "most frequently concerned the content of the job, particularly achievement, recognition, advancement, autonomy, responsibility, and the work itself. On the other hand, accounts of bad periods most frequently concerned the context of the job." (Armstrong 2003, 224)

Since then, Herzberg's motivation theory has been criticized. Academics mostly criticized the fact that factor of job performance in comparison with satisfaction had not been taken into consideration. The author would like to mention other points e.g. the researchers used a very specified target group in small numbers, and the results were applied generally. The case study also has not shown any evidence of relations between satisfiers and increasing or improving productivity. (Armstrong 2003, 224)

Regardless of the strong criticism, Herzberg's two-factor model refers to practical situations in life rather than to academic resource materials and nowadays is still in use. (Armstrong 2003, 225)

Hájek notifies that Herzberg two-factor model is often connected to Maslow's hierarchy of needs, they complement one another. See the details displayed in Figure 2.3. (2006)

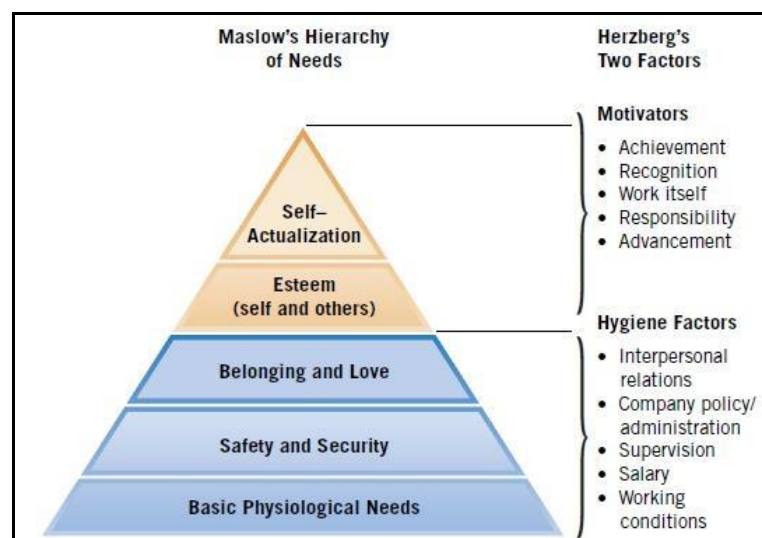


Figure 2.3. Maslow's and Herzberg's Theories Comparison

Source: Herzberg Two Factor Theory. Maslow's and Herzberg's Theories Comparison. <http://www.whatishumanresource.com/herzberg-two-factor-theory> (accessed March 24, 2013).

### 2.2.3 McGregor's Theory X and Y

Psychologist Douglas McGregor published a book called "The Human Side of Enterprise" in 1960 where he introduced the theories about peoples' behavior at work defined as a theory X and Y. (Armstrong 2009, 329)

"Theory X is the traditional view that the average human dislikes work and wishes to avoid responsibility and that, therefore, most people must be coerced, controlled, directed, threatened with punishment to get them to put forward adequate effort towards organizational objectives. In contrast, theory Y emphasizes that people will exercise self-direction in the service of objectives to which they are committed and that commitment to objectives is a function of the rewards associated with their achievement." (Armstrong 2009, 329)

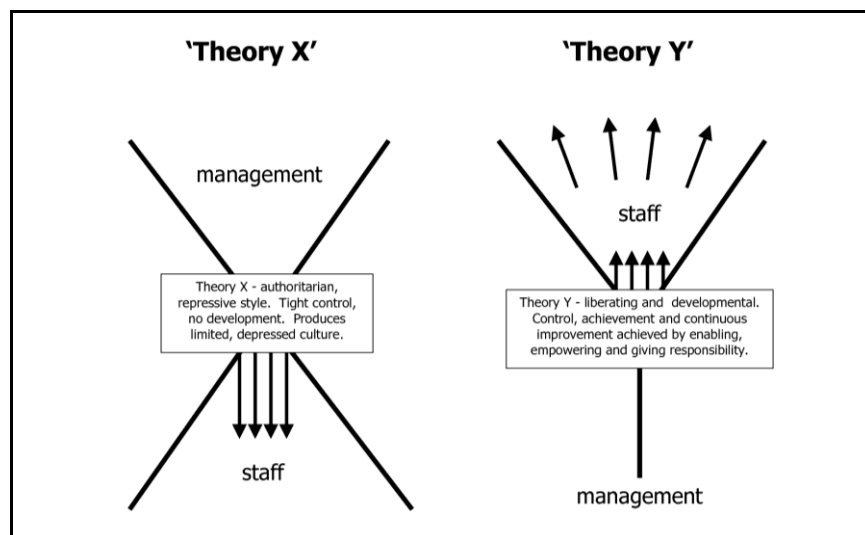


Figure 2.4. McGregor's Theory X and Y

Source: Docstoc. Douglas McGregor XY Theory Diagram. <http://www.docstoc.com/docs/291536/DOUGLAS-MC-GREGOR-XY-THEORY-DIAGRAM> (accessed March 24, 2013)

### 2.2.4 Summary of Motivation Theories

The author uses the following table to summarize the theories mentioned in previous subchapters.

Table 2.1 Summary of Motivation Theories

Category	Type	Theorist(s)	Summary of theory	Implications
<b>Instrumentality</b>	<b>Taylorism</b>	Taylor (1911)	If we do one thing, it leads to another. People will be motivated to work if rewards and punishments are directly related to their performance	Basis of crude attempts to motivate people by incentives Often used as the implied rationale for performance-related pay although this is seldom an effective motivator
<b>Needs (content) theory</b>	<b>Hierarchy of needs</b>	Maslow (1954)	A hierarchy of five needs exist: physiological, safety, social, esteem, self-fulfillment. Needs at a higher level only emerge when a lower need is satisfied	Focuses attention on the various needs that motivate people and the notion that a satisfied need is no longer a motivator The concept of a hierarchy has no practical significance
<b>Two-factor model</b>	<b>Related to needs theory</b>	Herzberg <i>et al</i> (1957)	Two groups of factors affect job satisfaction: (1) those intrinsic to the work itself; (2) those extrinsic to the job (extrinsic motivators or hygiene factors) such as pay and working conditions	Identifies a number of fundamental needs i.e. achievement, recognition, advancement, autonomy and the work itself Influences approaches to job design (job enrichment). Underpins the proposition that reward systems should provide for both financial and non-financial rewards

<p style="text-align: center;"><b>Theory X and theory Y</b></p>	<p style="text-align: center;"><b>General approaches to motivation</b></p>	<p style="text-align: center;">McGregor (1960)</p>	<p>Theory X is the traditional view that people must be coerced into performing; theory Y is the view that people will exercise self-direction and self-direction in the service of objectives to which they are committed</p>	<p style="text-align: center;">Emphasizes the importance of commitment, rewards and integrating individual and organizational needs</p>
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Source: Data from Armstrong 2009, table 19.1, 319-321.

### 2.3 Motivation and Money

Armstrong claims "money, in the form of pay or some other sort of remuneration, is the most obvious extrinsic reward. Money provides the carrot that most people want." (2003, 225) There are some doubts expressed by Herzberg, Mausner and Synderman (1957). They believe that if people do not have money, they are not satisfied. On the other hand if they have money, the satisfaction does not last for a long period of time. (Armstrong 2003, 225) Since every person is an individual, everyone perceives evaluation by money differently. Of course, people are all motivated by money, but not to the same extent. The issue is that some people might be much more motivated by finance than others. (Armstrong 2003, 227)

#### *Wage forms*

According to Labour Code number 262/2006 legal code, the wage has fundamental and complementary parts. The author will categorize the wage by the Labour Code. Basic wage forms are time-work wage, piecework wage and share wage. Complementary wage forms are special or performance rewards, additional payments, individual bonuses, profit shares, etc. Additional payments are obligatory to be paid by employer (for example, danger money, additional charge for weekend work, night work, and work during bank holiday). (Labour Code, 2013)

## 2.4 Job Enlargement and Enrichment

Both terms could be also connected with the topic of motivation. Job enrichment is about maximizing interest and challenge of work. Armstrong said "job enrichment proposed by Herzberg (1968) is not just increasing the number or variety of tasks; nor is it the provision of opportunities for job rotation. It is claimed by supports of job enrichment that these approaches may relieve boredom, but they do not result in positive increases in motivation." (2003, 343) Job enlargement is about increasing the scope "of different tasks performed by employee under a single job or in a horizontal manner. It attempts to add some similar tasks in the existing job. It enhances the interest of the employee." (Dawar, 2011)

## 2.5 Motivation Program

According to Gregar, it is important to focus on several points within the organization, these points are listed below: (2007, 54)

- "How to approach to leadership of employees.
- How to evaluate achieved results
- How to develop the conditions for employee development activities
- How to encourage their initiative in work, and like that " (Gregar 2007, 54)

Focusing on these points the motivation program of the company is developed. These issues should be organized in terms of business and problems of the organization but also in terms of common goals and objectives. (Gregar 2007, 54) The motivation program focuses on the optimal use of the workforce and at the same time on the optimal satisfaction and development of personalities during work. During the process of designing the motivation program for a company is not only about financial rewards, the scope of this issue is much wider.

"Motivation program should be formed differentially for various employee groups and apart from the finance rewards covers also the HR methods uses in fields of career development, evaluation, forming the working conditions, development of communication or relations within the company." Motivation program is closely connected to HRM and the characteristic of a company. (Gregar 2007, 54-55)

### **3 SUMMARY OF THEORY PART**

The theoretical part of this bachelor thesis is discussing basic terms connected to the field of Human Resource Management. The author has used information primarily borrowed from the expert in the field of Human resource Management Michael Armstrong.

The basic terms such as Human Resource Management its goals, activities and principles were explicated. The author also described the performance at work, motivation and its types, theories and the motivation program of an organization.

To summarize the main points of this part the author would like to point out that HRM is important in a company in terms of improving the company competitiveness, employee performance, and qualification in field of human resources. The HRM contributes a company's performance management and company's costs. The author chose a few basic motivation theories to show how it works in practice. According to the information provided about the theories, for example, safety needs in Maslow's hierarchy of needs could be listed as security of employment, sense of safety at work, or when the employer provides safety equipment. Teamwork, the company tradition, teambuilding or identical dress code is part the sense of belongingness and love needs. Herzberg defines his satisfiers and dissatisfiers to show motivation in practice. The theoretical part showed many ways how to motivate employees and each individual is motivated by different factors. The information explained in this theoretical part will correspond to the analysis in the second part of this bachelor thesis.



## **II. ANALYSIS**

## **4 INTRODUCTION OF THE COMPANY**

The analytical part of the bachelor thesis will begin with an introduction of the company, followed by further information in connection to the business itself, values and vision of the company, and its brief history. The next part will be about the analysis itself, there will be a description of methodology, and the results. The final part of the analytical part will be about the recommendations given by the author.

### **4.1 The Introductory Information about the Company**

The first fact that the author would like to mention is the anonymity of the company on behalf of their request. The author can prove that the company exists, all given information; facts and numbers are true, based on real evidence.

To explain the distribution of property the author will describe it systematically. The first, there is an International corporation originally from the United States of America, two brothers with a vision of acquiring a worldwide industrial enterprise, established this corporation in 1995. The corporation owns three companies worldwide, which are specialized in their respective industries in providing censorious equipment and innovative abilities and skills. The revenue of the whole corporation for 2012 is three billion United States dollars.

The second, one of those three worldwide companies mentioned in connection to the American corporation is also a parent company for the analyzed factory in this thesis. In process of worldwide production, the FACTORY stands as a service-manufacturing factory. Their goal is only to manufacture products and send them to a central warehouse.

Due to fact, the analyzed factory is a service-manufacturing factory, which is one piece of the whole process of wire production; there is no competition in this field – the goods are distributed within the worldwide company network, and after that they are sold to the final customer.

The parent company produces a wide range of products in the area of welding and cutting all round the world. In a detailed look, the author will specify the product portfolio manufactured in this specific field of industry. The company makes different types of welding consumables, such as:

- covered electrodes,
- cored wires,
- solid wires,

- TIG rods,
- strips,
- fluxes. ("Company website", n.d.)

## 4.2 Vision and Values of the Company

The company's vision and their set of values drive the success and spirit of the organization. In this particular company, people live their values. The vision and the values help them to make strategic decisions, allocate resources, and focus their choices every day. ("Company website", n.d.)

The parent company formulated their vision as following:

We are dedicated to creating an enduring premier global enterprise built on a unique business culture that achieves success for our customers. This involves doing all things with integrity, respect, and candor, with a deep commitment to excellence to associates and customers as our foundation, to provide consistent delivery of world-class performance in welding & cutting solutions. ("Company website", n.d.)

The parent company created five basic values, which are authoritative for all worldwide branches and factories of the organization. The author below lists these five values:

- "Customers Talk, We Listen
- The Best Team Wins
- Continuous Improvement (Kaizen) Is Our Way Of Life
- Innovation Defines Our Future
- We Complete For Shareholders Based On Our Performance" ("Company website", n.d.)

Living their values is driving the company to achieve success for their customers, employees, shareholders and community. The vision and the values contribute to allocate resources, make strategic decisions and provide the best results on a daily basis. ("Company website", n.d.)

### 4.3 Company's Organizational Structure

The analyzed company uses functional structure where the company is split into parts "based on the functions when managing." (Tutorialspoint, n.d.) The aim of this structure is to enhance the efficaciousness of the particular functional part. The author cannot publish the exact functional structure of the analyzed company on behalf of their request.

The Human Resource Management director is part of top management standing on the same level as the Economic or Finance directors. It shows that the management considers HRM as an important part of the company.

### 4.4 Location of the Company

The author would like to categorize the location of the company since it could play some role in terms of suggested recommendations. The company is located in a small town with only about 5 thousands inhabitants. The town is situated on an arterial road from Prague to Ostrava otherwise, the basic services such as food stores are very limited. People prefer to travel up to 10 kilometers to larger towns in other neighborhoods.

### 4.5 Size of the Company

The numbers on the table below shows the size of the company. The numbers of the employees are approximately the same; these are total numbers of white-collar and blue-collar workers together, excluding white-collar workers who's number is about five hundred. There is a significant decline in earnings after taxes from year 2010 to 2011; it is a decrease of about 50 % of the earnings.

Table 4.1 Basic information about the company

	2009	2010	2011
<b>Employees</b>	661	662	647
<b>EAT (CZK)</b>	210, 5 m	245, 9 m	116, 7 m
<b>Manufactured goods and services revenue (CZK)</b>	3 095, 5 m	3 735, 8 m	4 032, 5 m

Source: Data from Profit and Loss Statement, 2010, 2011.

## **5 ANALYSIS OF EMPLOYEE MOTIVATION**

This chapter describes methods used during analysis. The author has utilized different methods to acquire necessary information for the analytical part of this bachelor thesis. Further, the author will describe the results of the analysis.

### **5.1 The Aim of Analytical Part**

The aim of the analytical part is to analyze contemporaneous stage of motivation at the analyzed international company and recommend apposite changes to increase motivation at work.

The motivation analysis includes blue-collar workers only as it was a part of the assignment from the company. The author has discussed the aim of the bachelor thesis with the CEO of the company and he has chosen a target group of blue-collar workers since it is important to have motivated and well performing employees to be able to compete in the marketplace.

The author will analyze the state of employees' motivation and satisfaction at work using various techniques described in the following subchapters.

### **5.2 Methodology of Analysis**

The author has used various techniques to acquire information needed for this analysis. The method is in the form of a survey, consultations with external specialists, interviews with different people from the company, and the author's individual study of by-laws.

#### **5.2.1 Survey**

As mentioned at the beginning of this chapter the author used a quantitative method, since it is a survey. The survey is one of the methods the author could quickly acquire primary information. Great advantages of surveys are their low cost. In addition, it is a time saving method, and the respondents have a certain degree of anonymity. On the other hand, thanks to anonymity people are not persuaded to answer truthfully in some cases.

The goal of the research was to analyze employee motivation at the manufacturing company. The research goal was agreed on by the company management. When the author presented the draft version of the questionnaire, the company management did not agree with the draft version, because they wanted to also cover the satisfaction of workers about which the author had not been informed of before. The final version of the questionnaire is a compromise between the author and the company.

The author has chosen predominantly closed ended questions such as yes/no questions and multiple choice questions. At the end of the questionnaire there is one open-ended opinion question, about employee's recommendations about improving workplace. See the example of the questionnaire in appendix I.

The survey was conducted within four manufactures in the factory. The numbers of employees in the manufactures differ in its size; approximate numbers of employees are listed in Table 5.1. The aim of survey was to collect 30% of responses from each manufacture to get general knowledge about the analyzed topic. The company management wanted to conduct the survey for all employees without exception, but this seemed to be unrealistic to the author.

In agreement with the company management, the author well-informed the shifts foremen at the meeting. The foremen were told the purpose of the survey and the instructions for filling in the questionnaires. The questionnaires were distributed in hard copies to employees at the beginning of their shift. Since the company manufactures in continuous twelve hour shifts, it took about two weeks to collect the completed questionnaires.

The following Table 5.1 describes basic information connected to the survey. The division of the manufactures shows how many employees generally work there (column one). The second column shows number of planned collected surveys for each manufacture and the real state of completed surveys for each manufacture where is seen that the goal of 30 % was fulfilled only in two manufactures. The third column shows the percentage of completed surveys for each manufacture.

Table 5.1 Basic information about the survey

<b>Column</b>	<b>1.</b>	<b>2.</b>	<b>3.</b>
<b>Name of Manufacture</b>	<b>Approximate # of Employees</b>	<b># of Planned/Completed Questionnaires</b>	<b>Percentage of Completed Questionnaires</b>
<b>Cored wire</b>	70	21 / 6	3%
<b>TIG wire</b>	60	18 / 44	22%
<b>Solid wire</b>	290	87 / 139	71%
<b>Stainless steel wire</b>	90	27 / 8	4%

Source: Data from Author's Survey 2013.

### 5.2.1.1 Survey's Response Rate

The goal of the survey stated by the author was to collect completed surveys from each manufacture with a 30% representation of employees. The plan was to collect about 150 completed surveys altogether, within the whole factory, the reality is there were 197 completed questionnaires, only two out of four manufactures – TIG wire and Solid wire manufacture required number of questionnaires. To explain it better, the author encloses Table 5.2.

The following table describes the success rate of fulfilling the goal of the survey. In the first column numbers are displayed, which show 30% employee representation from each manufacture. In the second column, numbers are shown of completed questionnaires and the last column shows the success rate.

Table 5.2 Success rate

<b>Name of Manufacture</b>	<b># of Planned Questionnaires</b>	<b># of Completed Questionnaires</b>	<b>Success Rate</b>
<b>Cored wire</b>	21	6	29%
<b>TIG wire</b>	18	44	244%
<b>Solid wire</b>	87	139	160%
<b>Stainless steel wire</b>	27	8	30%
<b>Total # of Questionnaire's</b>	153	197	129%

Source: Data from Author's Survey 2013.

The company management with help of supervisors distributed 250 hard copies to the employees at all manufactures. After two weeks, the supervisors had collected 221 completed questionnaires. Despite the information delivered by the author to supervisors before the survey has started, 24 questionnaires were not completed with all required information so these pieces could not be calculated in the final response rate and has been removed.

The final response rate was calculated with the number of fully completed surveys and the result is 78,8%. Table 5.3 shows the response rate and ration between total number of collected questionnaires and total number of employees.

Table 5.3 Final Ratio and Response Rate

	<b>Number/Percentage</b>
<b>Total # of Employees</b>	510
<b>Total # of Distributed Questionnaires</b>	250
<b>Total # of Collected Questionnaires</b>	197
<b>Response Rate</b>	78,8 %
<b>Ratio Total # of Collected Questionnaires / Total # of Employees</b>	38,6 %

Source: Data from Author's Survey 2013.

### ***Evaluation of the Quantitative Method***

The survey used the quantitative method and seems to be good solution in case that both sides are aware of potential incomprehension. The author feels that the questionnaire was not understood in some cases even ridiculed, some examples will be shown in the next chapter. In order to evaluate this method the author would recommend it but next time would give increased attention to informing the company management and the course of the survey.

#### **5.2.2 Interviews**

As to the qualitative methods, the author has chosen interviews with different people from the company management. The aim of the interviews was to get germane information to the analyzed field of motivation and satisfaction at work.

The interviews were not transcribed and the author only took notes during the meetings and all the names are not published upon request of the company. The interviews took about 45 minutes in average.



### ***The Head of Human Resource Department***

Most of the interviews were done with the Human Resource director of the analyzed company. The author has had several meetings with him and the aim of the meetings was to get the most information about the company itself, the motivation and satisfaction of employees, how the company operates within a worldwide network, and how it works together with the owner of the parent company. He talked about a reward system and employee benefits. They also discussed how the company management cooperates with the trade unions in the company.

### ***The Head of Trade Unions***

The author interviewed the head of the trade unions with the purpose to obtain relevant information from the other side, which mainly defends the interests of workers.

The interviews as a qualitative method of research were successful as the author involved qualified people in each field and this method helped to form an objective opinion about the analyzed topic.

To sum up, in connection with the analysis as this thesis focuses on, the author would definitely recommend this method to obtain required information.

### **5.2.3 External consultations**

The author has a lot of information internally from the head of Human Resource department, the head of the trade unions and the results from the quantitative survey, which was done with the blue-collar workers. Also were involved outside consultants from field of Health and Safety and Human Recourses. The author wanted to verify the information and keep an unbiased stance on the analyzed field.

### **5.2.4 Author's Self-Study of By-Laws**

Talking about other methods used during the analysis the author has chosen to use additional information sources. To understand the reward system and employee benefits at the company the author has studied the addendum to collective agreement between the organization management and the trade unions. To get very basic information about the International Corporation so called owner of the company, the author has used the company website. As the last method to compare the objectiveness of Health and Safety conditions the author has studied the laws determined for Health and Safety conditions at

the Czech companies and has compared them to the test reports provided by the company management.

### 5.3 Analytical Findings

Chapter 5.3 of this thesis will analyze the survey about the motivation and satisfaction of employees conducted in the analyzed company producing worldwide welding and cutting products.

#### 5.3.1 Basic Information about a Target Group

Mentioning the fact that there is approximately more than five hundred, blue-collar workers working in four manufactures, according to the interview with the head of the Human Resource department, there are people with different social backgrounds, levels of education, and reasons for working in this particular company.

The employees were classified into groups by their age. Figure 5.2 shows the proportional representation of employees in different age groups. Comparing the two largest groups there is a 30 % respondents in the age group of 41 to 50, and 40 % respondents in the age group of 31 to 40. Other age groups are represented in percentages until 13 %. As to the length of employment, the proportion between the groups is not that obvious as in the age groups. In Figure 5.3 one can see that 27 % of respondents' have worked for the company in interval of 6 to 10 years, 24 % percent have worked there in interval of 2 to 5 years.

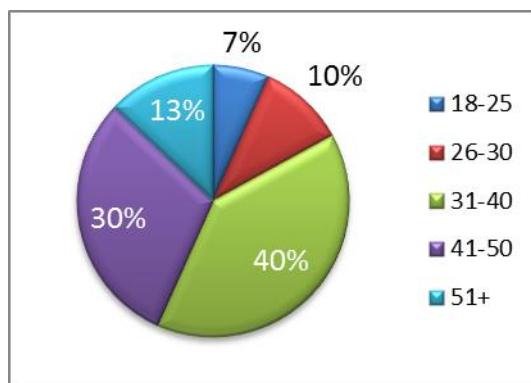


Figure 5.1. Percentage of Age Groups  
(relative frequency)

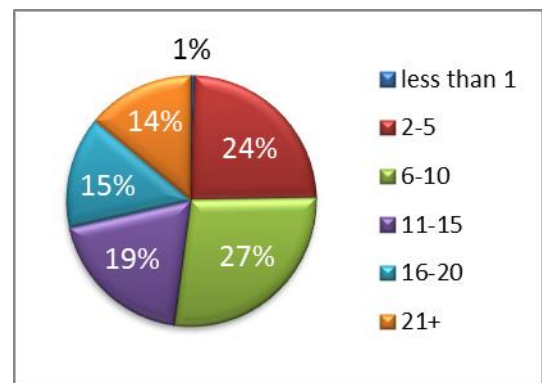


Figure 5.2. Percentage of Length of  
Employment (relative frequency)

Source: Data from Author's Survey 2013.

The author has noticed there is a relatively large representation of respondents, who have worked for the company more than 21 years, and also an age group 51+ years old who are 13% of respondents. Another interesting fact is that almost all respondents in the age group from 31 to 40 works for the company more than 10 years that means they must have joined the organization shortly after finishing their education. The long length of their employment might show their satisfaction with the company and its reputation.

The author is about to mention there is no question about the sex of the respondents since the head of HR department informed the author there are only 26 women out of approximately 500 blue-collar worker in the company, so this is obvious almost all respondents are men.

As the author mentioned in the previous chapter the research had been successfully fulfilled only at TIG wire and Solid wire manufactures thus the results cannot be applied to all manufactures. The author will make allowances for that fact since the job description is distinct for each manufacture.

Question number 1 in the questionnaire asks if the respondent likes his/her job. Figure 5.4 shows the absolute value of 142 respondents that like their job and 55 of those who do not.

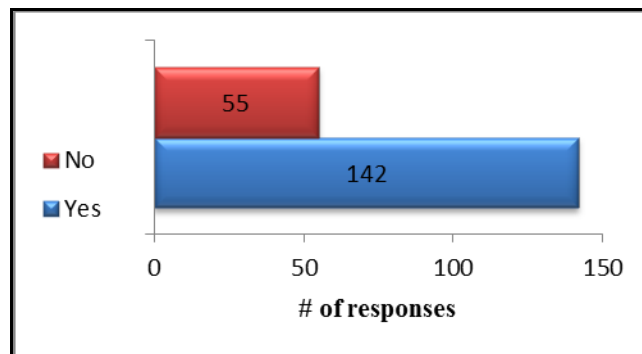


Figure 5.3 Do the respondents like their job?

Source: Data from Author's Survey 2013.

Not every respondent gave a reason why he/she likes or does not like the job but the most frequent reasons for enjoying work are listed in descending order below with the absolute value of answers.

1. Heterogeneity of work (36)
2. Financial independence (26)
3. Personnel (11)
4. 12 hours shifts (10)
5. Physical activity (7)
6. Location (5)

On the other hand, the author has also analyzed the factors, which were considered as negative aspects at work. The most frequent reasons for dissatisfaction are listed in decreasing order below:

1. Monotony (19)
2. Low wage (12)
3. Working conditions (9)

### **5.3.2 Communication and Relationships within a Company**

Good communication and relationships are key factors in motivation and satisfaction of employees. Regarding the second chapter, people are motivated by extrinsic and intrinsic factors. However, feelings play an important role at work.

#### ***General Fact about Communication***

The head of the HR department explained the general rules of communication during one of the meetings. The shift meetings so-called Comm Cell meetings held at a regular place at the beginning of the everyday where the workers and their supervisors discuss general topics and appropriate points, which come from the workers. Communication proceeds on a daily basis from the side of the company management. Despite the fact, the result from the survey showed high dissatisfaction of employees the author cannot judge the impact of the problems because she does not know the main causes. There were some answers which leads the author to speculation about good general employee foreknowledge.

To show one example question eight of the questionnaire stands for satisfaction with current benefits where the author listed 5 weeks holiday and canteen in brackets. What was interesting is that some respondents crossed "5 weeks" out, replaced it with "17 days", and attached the note – "17 days are not 5 weeks". About the author's opinion, this fact stands for poor foreknowledge within the company. The employees probably do not know much about their entitlements. The author recommend detailed analysis of general foreknowledge in the company.

In addition, the author wants to point out that the company uses Lean method and this kind of a production rule concerns effectiveness of communication.

Lean Enterprise Institute explains the purpose of Lean production as following:

The core idea is to maximize customer value while minimizing waste. Simply, lean means creating more value for customers with fewer resources.

A lean organization understands customer value and focuses its key processes to continuously increase it. The ultimate goal is to provide perfect value to the customer through a perfect value creation process that has zero waste.

To accomplish this, lean thinking changes the focus of management from optimizing separate technologies, assets, and vertical departments to optimizing the flow of products and services through entire value streams that flow horizontally across technologies, assets, and departments to customers. ... Also, information management becomes much simpler and more accurate. (Lean Enterprise Institute 2009)

### ***Relations between the Personnel and the Supervisors***

Relations at work have a significant impact in terms of achieving organizational or personal goals. Positive relations within the work place support balanced productive conditions. Some conflicts or tensions as unsatisfactory detrimental relations between people could also has effect on the productivity of individuals or whole organization. (Gregar, 105)

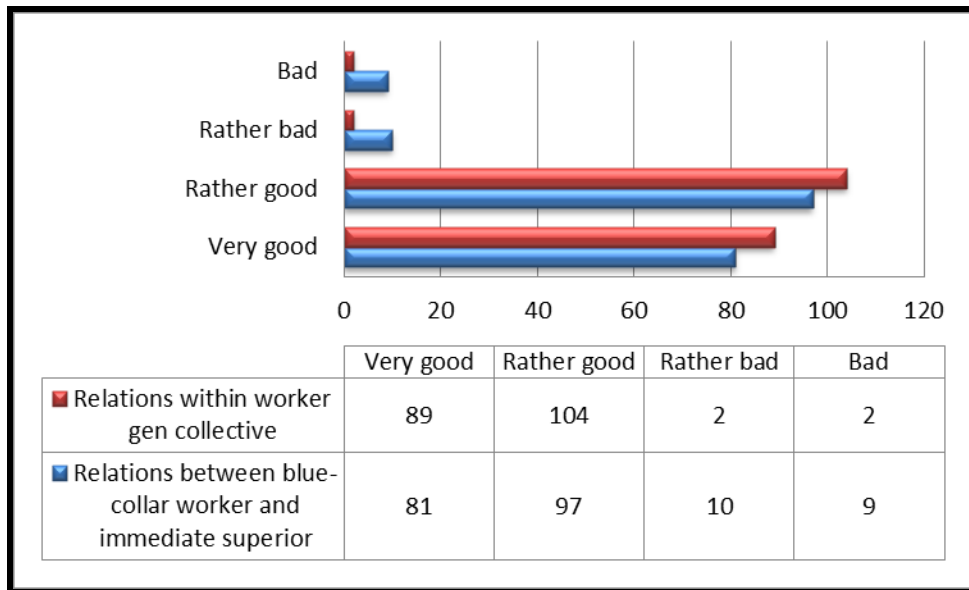


Figure 5.4 Relations between the Personnel and the Supervisors

Source: Data from Author's Survey 2013.

Figure 5.4 shows the relationships within personnel and the foremen is seen quite good results. Generally, the figure shows that relationships within the worker collective are much better than with supervisors. Naturally this fact is all right. Also, the figure shows, that people have bad or rather bad relations with their immediate supervisor. The group of people with bad or rather bad relations with their foremen represent 7, 6 % of all respondents. In the author's opinion, there are no examples of evidence so there are no exact recommendations what to do about that problem.

***Relations within the top management and the trade unions***

As in most large organizations, the analyzed one also has trade unions operating there to uphold employee rights. Management signs the collective agreement with trade unions every three years, and the addendum regulating the reward system and holiday terms is signed every year.

The trade unions in the analyzed company have quite a strong position, but they are partners rather than opponents. The trade unions deal with issues such as salary increase, shutdowns, or dismissal from employment. These issues are covered for all employees without any difference.

Approximately 1/3 of all employees are members of trade unions. There are about 40 % of members up to the age of 45 and 60 % above 45 years old. The members pay contributions

on regular basis and get particular benefits for that. As a member of the trade unions the employee gets annual holiday allowance of 600 CZK, annual 150 CZK Christmas voucher for the purchase of goods, sales for summer and winter camp for children and vouchers to the cinema.

Figure 5.5 shows how many of the respondents participate the events organized by the trade unions. The figure represents approximately 30 % of respondents.

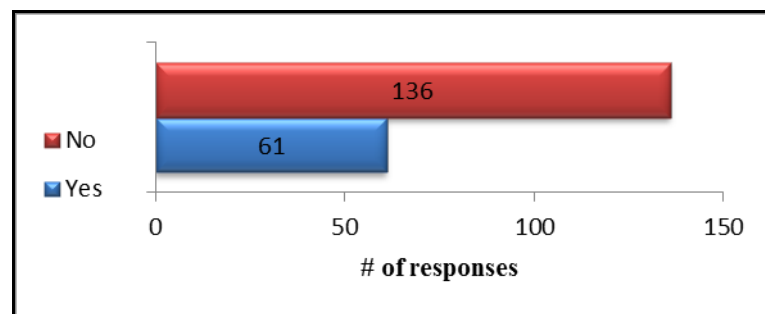


Figure 5.5 Do You Participate the Events Organized by Trade Unions? (Absolute Frequency)

Source: Data from Author's Survey 2013.

### 5.3.3 Reward System

There is no doubt that the reward system influences the motivation and satisfaction of the employees the most. How the reward system at the organization looks is in the company's management gift. The author will introduce the reward system of the analyzed company without any obvious amounts of money. When the author spoke to the head of HR department there was a condition that in case the author would like to analyze the reward system, it should be without any reference to exact amounts of money.

Description of the reward system and especially the wage scheme for blue-collar worker of the company is shown in the graphic scheme below in Figure 5.6. The separate constituents are divided according to the addendum of the collective agreement for 2013.

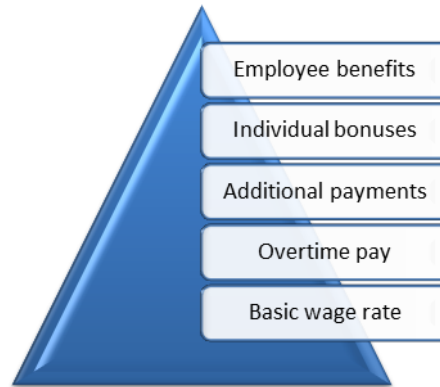


Figure 5.6 Scheme of Reward System in the Company

Source: Addendum of Collective Agreement 2013.

The employer assort all working activities according to the profession and qualification separately into the different tariff rates. The employee is classified into the particular tariff rate. The company uses six tariff rates that are divided by a increasing wage scale. The basic wage rate is about 70 % of wage and 30 % stands for bonuses.

- Basic wage rate - The employees are paid the basic wage rate to time-work. Calculating the basic wage rate according to the hours worked and the particular tariff rate.
- Overtime pay – Overtime work is paid a regular wage rate according to particular tariff rate plus 25 % of average earnings.
- Additional payments – Additional payments are used for working during the weekend and for night work , regular wage rate is paid according to particular tariff rate plus 15 CZK per hour for weekend work or 18 CZK per hour for night work. In case of employee standby 10 % of average earnings is paid and in the moment when an employee is called up to work, he/she is paid by the regular wage rate according to the particular tariff system.
- Individual bonuses - Resources for individual bonuses is derived from the standard wage rate paid group of employees in the month of settlement. The supervisor is recommended to use individual bonuses according to quality and performance of the worker.
- Employee benefits – The Company is currently not using any special benefit system for workers, there are only three main benefits provided by the company for blue-collar workers.



1. Every employee has an additional bonus of 400 CZK per month for pension insurance.
2. Every employee has the opportunity to be entitled to one week extra holiday.
3. Every employee can use allowance for meals. (prices cannot be displayed)

The author would like to point out that administrative workers have some other benefits such as a cell phone, a laptop or a car, but in this analysis, the author focuses only on blue-collar workers.

Describing the wages, satisfaction prevails here. Figure 5.7 shows that more than 50% of respondents are satisfied with high wage. Important fact, which is shown the figure is that despite of over 50% satisfaction, there are a lot of dissatisfied people. The author cannot judge the impact of the problems, because she does not know the main causes, but in the author's opinion, the heavy working environment could cause dissatisfaction. In addition, some people could have a sense of undervalue in tasks. According to the survey, employees' performance is beyond their physical limits. The author would recommend detailed analysis of this issue because the employees say they work 100%, and the management believes everything is all right and even more they think about increasing employee performance. Analysis of output rates by the specialists would be needed.

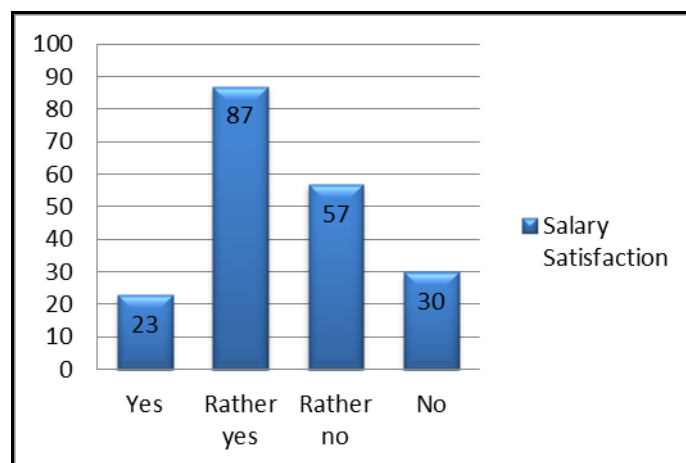


Figure 5.7 Salary Satisfaction (absolute frequency)

Source: Data from Author's Survey 2013.

Average salary cannot be labeled on the other hand the author can say that according to the Czech statistical office the average salary is about 15% higher than the average salary in the region.

According to the LMC survey, the attitude toward salary does not motivate in terms of long-term satisfaction and performance at work. Long-term motivators mostly include the vision of success at work and a better future. Specialists say salary amount can motivate only in terms of a short period of time. (Moderní řízení 2010, 75)

To summarize the reward conditions, especially the average salary, there should a detailed analysis of rates of output. On the other hand, the amount of salaries in the analyzed company is satisfactory and motivating enough in terms of supply in competitive organizations in the region.

#### 5.3.4 Health & Safety Conditions

This subchapter will describe the health and safety conditions in the analyzed factory. The head of the HR department said: "Based on the kind of our production there cannot be expected the high attractiveness of working conditions in terms of environment. Despite this fact, we are trying to improve these conditions at the workspace. We manage to support this of relatively high investments in this area every year."

Table 5.4 Last Year's Investments to Health & Safety

Type of Investment	Amount of Investment (Million CZK)
<b>Reduction of noise</b> (Solid wire manufacture)	2.6 m
<b>Dust extraction</b> (Solid wire manufacture)	1.3 m
<b>Machinery guards</b> (Solid, Cored, and Stainless steel wire manufactures)	3.3 m
<b>Fire prevention mechanism</b> (whole company)	6 m

Source: Data from Author's notes 2013.

To maintain objectivity the author had a meeting with an independent specialist in the field of Health & Safety. They talked about Labour Code regulations numbers 432/2003 and 361/2007, which are regulating the limits of dust and noise. According to survey, 9% of respondents believe that dust and noise is a critical concern. The consultations resulted in the limits of the dust, noise and temperature in Solid wire and Core wire manufactures. The employees are mostly dissatisfied with dustiness, noise and temperatures.

Figure 5.8 and Figure 5.9 show the examples of working environment.



Figure 5.8 Working Environment  
- Solid Wire Production



Figure 5.9 Working Environment  
- TIG Wire Production

Source: Data taken from reports of dust examination 2005.

The research showed that more than 50 % of respondents answered, that they are rather satisfied with the working conditions, but approximately 18 % would like to have the working environment improved. The following Figure 5.8 shows the percentage of answers to question two regarding satisfaction with the working environment.

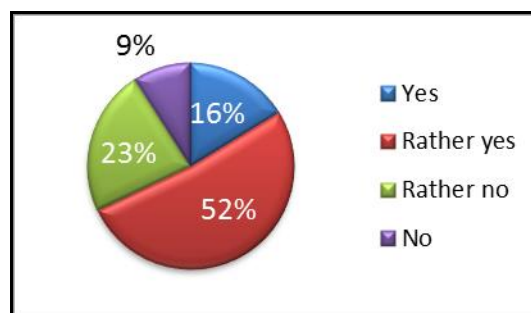


Figure 5.10 Satisfaction with Working Environment

Source: Data from Author's Survey 2013.

The working environment is a major topic discussed within the company. The head of the HR department and the head of trade unions agreed that the situation about the working environment conditions is permanently influencing the satisfaction of the blue-collar workers.

### 5.3.5 Benefits and Improvements

The last subchapter will describe the results gained from questions about satisfaction with current employee benefits and with the quality of meals in the canteen. Also, covered is some input from employees to improve their motivation and satisfaction at work.

#### *Satisfaction with Current Situation*

According to the interview with the head of the HR department the company offers one week extra holidays and food contributions to the company canteen. Figure 5.9 shows satisfaction with current employees benefits. 38 % of respondents are rather satisfied and 18 % are totally satisfied, and this illustrates that the situation at the company is not that bad, because the group of dissatisfied blue-collar workers is lower than half of the respondents.

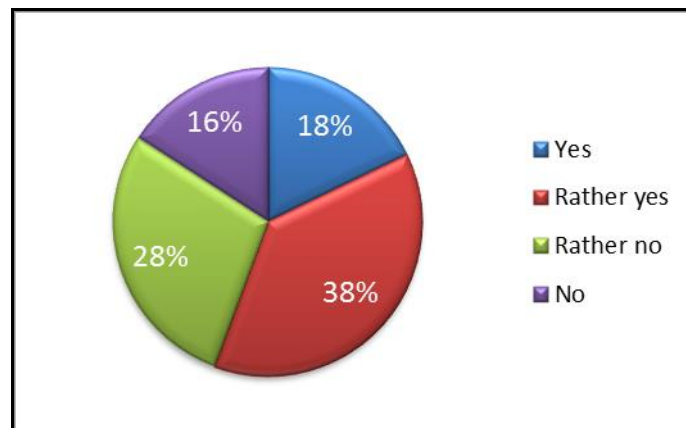


Figure 5.11 Satisfaction with Current Benefits

Source: Data from Author's Survey 2013.

The following Figure 5.10 represents the level of satisfaction of the food quality in the company's canteen. The prevailing opinion of employees is not very good; there are 21 % of respondents who are very dissatisfied and 23 % rather dissatisfied. From the results of

survey, the employees would like to have the offer of low-fat meals since they are not satisfied with the variety of cooked meals.

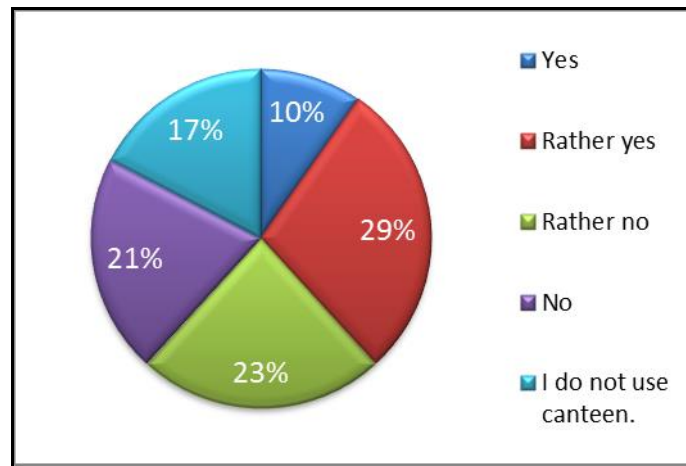


Figure 5.12 Satisfaction with Quality of Canteen

Source: Data from Author's Survey 2013.

### ***Benefits Increasing Employee Motivation***

The research question ten asked in the questionnaire *what benefits would increase the employee motivation at work* brought interesting results. The answer allows respondents to pick a maximum of two answers. The most frequent combinations of choices was holiday allowance plus contribution to leisure activities and health or contribution to life, or pension insurance. An interesting fact is that contributions to pension insurance is covered in wages by the amount of 400 CZK per month, in the author's opinion this could mean that the employees want higher contributions to pension insurance or they do not know that this amount is covered in their monthly wage. In addition, 3 % of respondents have chosen option "other" where they mostly answered to increase the wage.

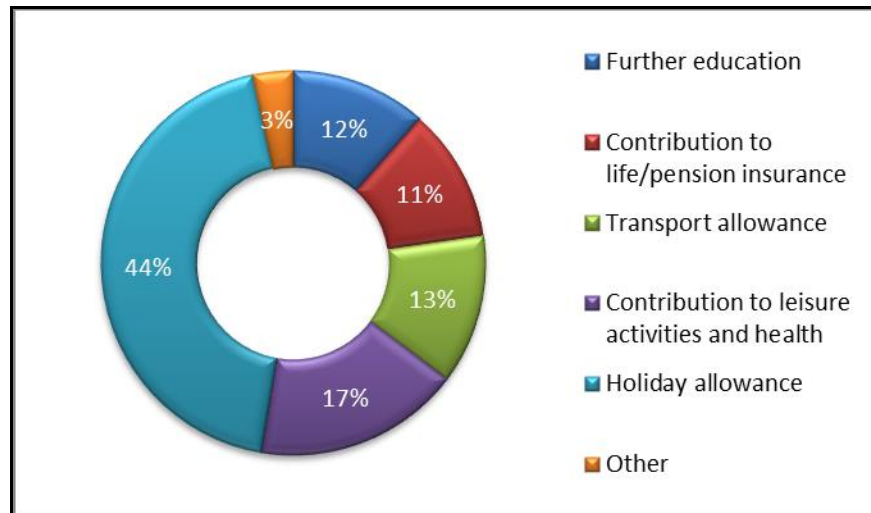


Figure 5.13 Range of Improvements Preferred by Employees

Source: Data from Author's Survey 2013.

#### 5.4 Summary of Analytical part

The previous two chapters of the analytical part has described basic facts about the analyzed company, its position within the worldwide corporation, range of products, structure and values, and the vision of the company. Further, this part has described the methodology used for this analysis, the survey, the interviews, and other methods. The final part has outlined the findings of this analysis. The author has divided her findings into five subchapters according to the discussed topics. There were discussions about the composition of the sample of respondents, communication and relations within the company, employees, and trade unions. In addition, there are descriptions of the reward system, its single parts and amount in comparison to results of Czech statistical office. The next part has stated health & safety conditions, especially working environment conditions. The last part of the analysis has described benefits and employees satisfaction with that.

To summarize, the most important findings in the author's opinion, pluses and minuses of the current state of employee motivation in the analyzed company follow in no particular order:

- + Firm position of the organization within the domestic and international market
- + Above-standard wage within the region
- + Relatively good relations within employees
- + Loyal employees

- Not much effective motivation system within the company
- Substandard working environment equals lower employee motivation
- Employees do not feel support from the company management in cases of communication, working environment, and enough benefits

## 6 RECOMMENDATIONS

The last chapter of this bachelor thesis will outline the author's suggestions for the analyzed company to increase employee motivation and satisfaction.

The author has discussed the analysis results with the company management; she also presented the results and possible solutions.

### *Holiday allowance*

The author suggests giving employees the holiday allowance, since the company management wants to have motivated and satisfied employees, the financial holiday allowance in the amount of 2000 CZK. This could help a lot with this issue, 44 % of respondents answered, that this benefit would help their motivation. The author is aware that to give 2000 CZK to every employee would cost the company more than 1 mil CZK so she suggests to give this holiday allowance only to employees, who are fulfilling a rate output between 95 – 130% in the period of 6 months, while maintaining the quality of the product. The author is mindful of the strength of the trade unions. They would probably do not agree with this condition because they defend the interests of all employees without exception.

### *Sales to leisure activities and health*

As it was mentioned in subchapter 5.3.4 the working conditions are physically demanding for workers. Therefore, the author suggests to give them sales for leisure activities and health. These contributions would be available to all employees. In regards to the character of the company location, the author has chosen local providers and suggests the following sales:

- *30% sale voucher for massages* – The author has chosen a studio in the location of the company where there are different kinds of massages provided. Where an employee can have 30% off the regular price, for example, regular price for a 45 minute relaxing massage is 190 CZK, the employee will pay only 133 CZK with the voucher. There will be a feedback from the provider, she will keep a record of names to avoid employee misuse of the voucher for anybody else. This contribution could be given every 6 months.
- *200 CZK voucher for leisure activities* – The author has chosen this sale because it is a tax-deductible expense for the company. The employee can select from a range of activities depending on his/her own enjoyment (hockey tickets, sauna or



swimming tickets, tickets for the local theatre). This contribution could be given once every 6 months.

The author added financial expenses calculation in Table 6.1 to show annual financial expenses for 500 employees.

Table 6.1 Financial Expenses Calculation

	<b>30% sale voucher for massages</b>	<b>200 CZK voucher for leisure activities</b>
<b>Total Expenses</b>	57 000 CZK	200 000 CZK
<b>21 % VAT</b>	11 970 CZK	42 000 CZK
<b>Expenses without VAT</b>	45 030 CZK	158 000 CZK

Source: Data from Author's Own Calculation 2013.

### ***Improvements to the working environment***

Since the company's management considers the continuous improvement of the working environment as a very important issue, which plays a particular role in employee motivation and also satisfaction. The author assumes this fact and suggests to continue in the development of this activity. The author is aware of the high expenses in connection with improvements of the working environment and in terms of required technical knowledge; the author is not competent to judge the exact improvements. Therefore, she suggests a more extensive analysis by experts. In the author's own opinion, there should be a reduction in high temperature and dustiness in the assembly halls. The author also suggests to inform employees about the action steps in connection with the improvements and to publish the financial costs of these improvements to make employees see what and how the situation will improve. This could also contribute to their satisfaction at work.

### ***Improvements in communication between the company management and employees***

The author has ascertained some issues discussed in subchapter 5.3.2 and according to the findings suggests two possible solutions.

- *Representation of management at Comm Cell* – The author suggests this solution to improve relations and communication between company management and workers. The working concept should give employees the chance to directly approach company management with their problems once a quarter.

- *HR director's open office hours* – The other option is about the same approach as the previous suggested solution, but with a different concept. The concept is about having open office hours once a month during the lunch break. The employees will have a chance to approach HR director personally.

Both of these author's suggestions could contribute to equal relations between the company and the workers.

The author is aware of possible objections. Her recommendations could lead to more employees' satisfaction and not to their motivation. Since the author has ascertained that the working environment is really difficult for employees, especially in the solid wire workplace.

The work is physically demanding, in the author's opinion when workers can relax and are physically healthy, his/her positive condition will have an impact on their performance at work.

## CONCLUSION

This bachelor thesis aim is to analyze employee motivation in an international company was taken place in a real, but anonymous service-manufacturing company that is part of an American corporation with roots of a parent company in Sweden.

The aim of the thesis was to analyze the current stage of employee motivation and recommend apposite changes to increase motivation at work. The thesis is divided into a theoretical part and the analysis.

The author had a good introduction into this topic thanks to quality sources provided by Armstrong and Gregar. The term of HRM were discussed in its importance of proving the company competitiveness, employee performance, and qualification in the field of human resources. The HRM contributes to the company's performance, management, and the company's costs. The author chose a few basic motivation theories to show how it works in practice.

The analysis of employee motivation and satisfaction at work primary focused on the research and its outcome. The author used questionnaires with the blue-collar workers, the interviews within company management and trade unions and consultation with external experts as the methods of gaining the information. The results of the analysis showed that the work in this company is physically demanding and the demanding working environment did not contribute to high motivation. The analysis showed that the employees do not feel support from the company management in cases of communication, working environment, and enough benefits. On the other hand, the analyzed company has a firm position within the international market, the employees get above-standard wage within the region and the company's employees are loyal.

Based on these finding the author stated recommendations, as holiday allowance, sales vouchers for leisure activities and health, improvements in working environment conditions, and HR director's open office hours or representation of management at Comm Cell meetings. These recommendations could mostly improve the satisfaction of employees because the author supposed when the workers are relaxed and physically healthy, their positive condition will have an impact on their performance at work.

Although the thesis states that money is a primary employee motivator in Czech manufacturing companies, the result of the author's exploration does not support this argument. The employee generally wants the wage in the first place, but in this particular

example, security of employment is the most important, than wage, good working environment and comradery.

The author believes that the given suggestions will be useful to the company management and that at least one of them will be implemented.

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**LIST OF ABBREVIATIONS**

#	Number
CEO	Chief Executive Officer
CZK	Czech crown
e. g.	Exempli gratia – for example
EAT	Earnings after Taxes
etc.	Et cetera – and so on
HR	Human Resource
HRD	Human Resource Development
HRE	Human Resource Economy
HRM	Human Resource Management
m	Million
VAT	Value-Added Tax

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## APPENDICES

P I      Questionnaire for blue-collar workers.

## APPENDIX P I: QUESTIONNAIRE FOR BLUE-COLLAR WORKERS

1. Do you like your job?
  - Yes – give a reason why:
  
  - No – give a reason why:
  
2. Are you satisfied with working environment?
  - Yes
  - Rather yes
  - Rather no
  - No
  
3. What do you like about your job?
  
4. How do you classify the relations with your supervisor?
  - Very good
  - Rather good
  - Rather bad
  - Bad
  
5. How do you classify the relations with your colleagues?
  - Very good
  - Rather good
  - Rather bad
  - Bad
  
6. Do you have an adequate possibility for personal development at work?
  - Yes, enough
  - Yes, but minimal
  - Rather none
  - None
  
7. What are the reasons for working in this particular company?  
(chose 3 most important, rate by numbers 1 – 3, 1 – most important, 3 – less important)
  - Security of employment
  - Working hours
  - Personnel
  - I have not found better job
  - Good wage within the companies in other neighborhoods
  - Company's good reputation

8. Are current employee benefits sufficient to you?  
(one week extra holiday, food contribution to company's canteen)

- Yes
- Rather yes
- Rather no
- No

9. Is level of food quality sufficient to you?

- Yes
- Rather yes
- Rather no
- No
- I do not use canteen.

10. Which of these employee benefits would motivate you?

- a) Further education
- b) Contribution to life/pension insurance
- c) Transport allowance
- d) Contribution to leisure activities and health
- e) Holiday allowance
- f) Other:

11. Do you participate in the events organized by trade unions

- Yes
- No

12. Are you satisfied with the amount of your monthly wage?

- Yes
- Rather yes
- Rather no
- No

13. What could the company improve to increase your work performance?

(e.g. working environment, conditions, communication, ware conditions, etc.)

---

**How long do you work for this particular company? (years)**

less than 1    2 – 5    6 – 10    11 – 15    16 – 20    21 +

**Your age group:**

18 – 25    26 – 30    31 – 40    41 – 50    51 +

**Name of the manufacture:**

TIG wire    Core wire    Stainless steel wire    Solid wire

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