

Principles of the Baťa Management System

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Zásady pro vypracování:

Definujte problém, který je cílem práce.
Provedte literární a informační rešerši k tématu Baťův systém řízení.
Analýzujte současné způsoby a možnosti využití Baťova systému řízení a provedte vyhodnocení pomocí SWOT analýzy dle vlastních kritérií.
Na základě své analýzy navrhněte možnosti využití Baťova systému řízení.
Vyhodnoťte výsledky své práce a svého návrhu řešení.

Rozsah práce:

Rozsah příloh:

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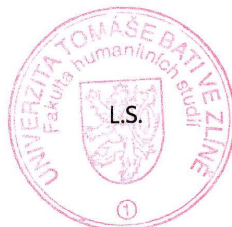
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ABSTRAKT

Práce se pokouší poskytnout přehled těch nejvýznamnějších prvků Baťova systému řízení. Pilíře systému jsou spolu s filosofií Tomáše Bati uvedeny v teoretické části práce. Srovnáním tohoto systému s moderními trendy řízení v dnešní době znalostní společnosti, teze ukazuje vysoký počet shodných prvků a následovně potvrzuje, že Baťovy principy jsou stále platné. Tento závěr je potvrzen ve SWOT analýze, která se zabývá aplikací Baťova systému řízení do dnešní doby a jeho přínosem.

Klíčová slova: kvalita, motivace, zákazník, řízení pomocí otevřené knihy, trh, vývoz, Zlín, plánování, účast na zisku, samospráva, běžící pás, výzkum, inovace, reklama, služba, morální hodnoty, vzdělání, spolupráce, spoluúčast, soutěž, znalostní management, Microsoft

ABSTRACT

This work strives to outline the most significant features of Bata management system. The pillars of this system together with Thomas Bata philosophy are introduced in the theoretical part. By virtue of comparing this system with modern trends of the management in today age of knowledge society, the thesis demonstrate high number of common features, consequently the fact Bata's principles are still valid. The result is proved in the SWOT analysis, which concerns application of the original Bata system management into the present world and searches its contribution.

Keywords: quality, motivation, customer, Open book management, market, export, Zlin, planning, profit sharing, self-administration, running belt, research, innovation, advertising, service, moral values, education, cooperation, participation, competition, knowledge management, Microsoft

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INTRODUCTION

System of company's governance is one of the most discussed topics in the field of modern management. It concerns spheres of business organization, competition, image, dealing with customer and last but not least the attitude toward employee. All these issues were perfectly and deeply processed by Thomas Baťa into the integrated and sophisticated system of intuitive management.

However times have changed and standards set in the business world as well. So the main question here is whether modern companies are still able to apply the principles of Baťa's system governance, that was established almost one hundred years ago. There is no single model valid for all situations, each one has its limits, so if the answer to previous question is yes, to what extend companies could use it? Find the answers to these issues and prove them is the purpose of this thesis.

As long as we realize the importance of choosing proper management strategy to become a successful corporation, this question should be considered carefully. Especially in uncertain time, people have a tendency to use well established methods. That is the reason why this thesis selected Baťa's system as a model for modern management. At the same time the work tends to prove that despite the age, principles of this system are so super-temporal that they can be implemented even today.

I. THEORY

1 THOMAS BATA

1.1 Youth of Thomas Bata

Thomas Bata was born on 3rd of April 1876 in Zlín to found there Bata company some 20 years later. As well as his ancestors supported their families, also father of Thomas was a shoemaker. The tradition of this craft in Bata family reached the 17th century. At that time, it was usual to have your own workshop at home, so that Thomas grew up with an awl in his hand and spent his childhood watching shoemakers while working. Soon he crafted his own first shoes from the leather scraps (Kudzběl, 2006). His father, a man of principle, was pleased with son's interest and taught him the secrets of shoemaking. When Thomas grew older, his father let him participate on the business and through the smaller ancillary works he earned his first money. He had been conscious since his childhood and the gained money he did not spend but put them into a saving account (Čekota, 1929).

As a 15-year-old he went to Vienna to go his own way but he suffered from his greenness. Without any market research he put all his money into the production in which nobody was interested. The collision of the young inexperienced boy with the reality was cruel and he had to go back. After the return home, he was helping his father with business. However, Thomas was not satisfied, he found it too cumbersome. So that young Thomas left his home again, this time he travelled to Prague to experience new ways of commerce and to obtain some orders. He was excited about this work and slowly gaining confidence he began to think about his own business. He wanted to establish a company with a dot he inherited from his mother (Kudzběl, 2006).

1.2 Personality of Thomas Bata

Thomas Bata was, much like his father, a hardworking man, strong in moral values. He emphasised the importance of self-discipline and morality by setting a good example. People knew that he was not easy to satisfy but even if he was strict and challenging, they admired him and esteemed. Thomas, abundant in big energy, systematically developed his concept and uncompromisingly intimidated any competition (Kudzběl, 2006).

Thomas Bata was incredibly tenacious and purposeful. If some process recorded a loss, Thomas himself sat to the machine and repeated the process as many times as he figured

out more effective way. He did not like paperwork and bureaucracy because of covering too much of valuable time, which could be spent more effectively and in the situation where the presence of man was essential (Cekota, 1929).

His passion for machines had been lasting since he first came into a contact with them in Fäber company. Bata's interest in machines was so enormous that this company fired him because the management thought he was a spy. When he realized how efficient machinery was, his passion for it became even stronger. Forecasting its potential he advocated motto "Thinking to the people, labour to the machines". He spent hours by working and transforming them into the way that would fit best to his enterprise (Kudzbel, 2006).

Bata did not settle for small targets, he chose the ambitious ones. An example of this tenacity could be seen in his goal of making 100 000 pairs of shoes per day. With an early production of 50 pairs a day it looked quite unreal. Although it took years, the statistics from 1932 showed that his goal was even outdone with 144 000 pairs (Kudzbel, 2006). Bata was a generalist. In the course of time he slowly added to shoemaking also other fields of undertaking. To mention just some from the long list, he participated in aviation, agriculture, building industry, insurance business and many others. Through these disparate activities he ensured his company great autonomy, which appeared to be essential especially during the world crisis (Pokluda).

Looking at the fact he founded such a colossus in a poor agrarian region, without almost any trading experience, it is no wonder he is nicknamed "shoemaker of the world". Of course he was not alone on this long path to success. It would not be possible to achieve such an enormous success alone and Bata knew it. He was accompanied by passion for his work, strong vision and moral values as well as similarly based people (Erdély, 1990).

On 12 July 1932 the life of an extraordinary entrepreneur, father and teacher ended during the plane crash. As he had predicted, his work went beyond his death and the world did not forget him. What more, people still remember him and make reference to his wisdom (Euroekonom).

2 T&A BATA COMPANY

Thomas Bata together with his brother Anthony and his sister Anna established shoe-company in 1894. The business was set in the city of Zlin, which was quite risky by virtue of the fact this town was situated far from a trade centre and there was no stable traffic in the surrounding. An initial capital was totalled by legacy from the mother and their savings. They started from scratch and step by step climbed higher. However the beginnings were very hard and during the first year of running the business, they went almost bankrupt. Facing the bankruptcy, Bata undertook the responsibility. He himself was managing the business, checking the financial issues and ensuring the production. If he did not do so, the history of Tomas and Antonin Bata company would probably end there. Although it was very difficult period which required a lot of hard work, it was one of the most valuable lessons he had ever got. Above all going through the every step of the production process, he revealed the hidden dangers (Kudzbel, 2006).

The situation got better in 1897 when they introduced canvas shoes known as “Batovky”. Because of the used material, the price could be set very low so that almost everyone could afford it. The idea of making cheap, quality shoes had accompanied Bata from the very beginning and never left him. This vision became even stronger after the market analysis. The result of this study said that wearing shoes was considered as a luxury and not many people could indulge it. Forecasting the potential, Bata chose an effort of cutting the costs as one of the production priorities. Three years later this vision brought him a position among 8 best selling shoe companies in Czech region (Kudzbel, 2006).

Of course there were other weak moments during Bata’s career and his enemies predicted his collapse many times. Especially the critical period after the World War I tested the strength of his system. The economic crisis of 1922, putting down many companies, provoked Bata to his grittiest act. On 1st of September, Bata implemented 50% sales. Although Bata company suffered losses during this crisis and had to lower employees’ wages, finally it was still better off than most of other shoe companies and its production even shot up by 10%. Bata was close to failure several times, however, he never allowed enemies’ wishes to become truth (Cekota, 1929).

Bata together with some of his managers made journeys abroad to study an organization of foreign companies. They were employed there like ordinary workmen so that they could see the whole process very closely. After the return they implemented the gained knowledge into the home company. However Bata did not make expeditions only abroad. In particular at the beginning of his business, when people in Czechoslovakia did not know him, he was visiting also local companies to see their strategies (Cekota, 1929).

At the time of highest prosperity, they supplied approximately 3/4 of the whole shoe trade. Their success was largely caused by the fact, this company was run by people who loved their work and were proud to be part of it (Kudzbel, 2006).

When his sister Anna got married and left her brothers, Thomas Bata ran the company with the help of brother Antonin. However, Antonin died in 1908 of tuberculosis and Thomas became the only owner of the company (Kudzbel, 2006).

In 1931 the public company Tomas and Antonin Bata disappeared and a joint-stock company Bata a. s. was found. Evidently Thomas Bata did prudent steps to ensure that the enterprise could work even without him. On the day when Thomas Bata died, the whole company, trained by this man, did what he would like them to do. Although they were shocked, they did not stop working. This is a demonstration how remarkable and strong enterprise Bata built. After the death of Tomas Bata, his half-brother Jan Antonin Bata took the charge (Kudzbel, 2006) and now, in 2010 core values of Bata system are still valid thanks the supervising of his grandson Thomas. Although it is necessary to change original routes time to time, he still leads the company with such an initiative as his grandfather did (Bata.cz).

2.1 Organization

The principles of BSM were well-founded by long term successful praxis which is the staunchest scale ever. Bata did not establish his system at once on basis of business theories. The theory was slowly forming during the process of business. “The Bata system is so far the only complete and fully integrated system of corporate management in today’s world” (Zelený 2001, 3 s.). The complexity of this system is evident from the wide scale it

covered. From purchasing a raw material, going through the process itself, employee policy and customer marketing, every single part was perfectly organized to produce an output, which would serve best its customers and in the same time to be careful toward the employees. Working for Bata did not mean only having a well paid job. Bata provided his employees with social and health care, housing, insurance service, culture, sport facilities and many others which ensured higher standard of living (Kudzbel, 2006).

Both the interior and the exterior of the company were decorated and kept clean. Smoking, which Bata detested, was forbidden in the whole district. According Bata it indicated weak personality and it hurt the environment (Kudzbel, 2006). Basically, the whole Zlín was built in the way that brought its inhabitants both the advantages of town and the benefits of countryside (Cekota, 1929). On the walls of the area, there were slogans encouraging people to work. These short, apposite mottos had definitely specific role in the Bata's concept, all the more that slogans he used to say were not just vacuous phrases but ideas in which he really believed and which he followed (Zelený, 2001).

According to Bata's belief that important documents locked in the safe have no value as well as the ideas and thoughts that people left for themselves, he introduced what is now called "Open book management". At the beginning of the 20th century he booted method, when anybody can come and have a look into the balance sheet, profit and loss statement. Those documents, that any other company kept as a secret. It was quite common that visitors from other companies came to the factory to look around and see how things were solved. Many times it was Bata personally who took them round. In other case the company had its multi-lingual guides prepared to give a presentation to delegations from all over the world, which came to detect the clue of such a great success (Zelený, 2001).

One of the greatest actions he took in his company, was definitely the implementing of machines at the beginning of 20th century. Another one was the introduction of belt production system in 1927, which he established per sample of Ford after the visit of the USA (Kudzbel, 2006). In 1930 Bata as the first person in the Czech Republic introduced fixed labour work. His employees were working five days a week (Cekota, 1929). Bata also asserted what is now called benchmarking. He sent some of his employees abroad to work in other companies and bring valuable experiences back (Zelený, 2001).

Bata slowly built his own factories, a airfield, a school, a hospital, cultural houses and traffic, which at that time created progressive city of Zlin. Beside other facilities, Bata had also his own firemen to whom he paid the more money the less they had to intervene. It was another type of motivation that forced these people to keep the place safer and it served as great accident prevention as well (Cekota, 1929).

The system of organization brought Bata's employees much more than an outstanding financial quittances. "In this was the worker was his own controller, accountant, and businessman as well" (Kudzbel, 2006).

3 TYPICAL FEATURES OF BATA SYSTEM OF GOVERNANCE

3.1 Profit sharing

Bata wanted to initiate a system of profit sharing with his employees, whereas he had 3 claims. The first request was the ability to measure it and calculate the profits and loss in the shortest possible time. This criterion was perfectly satisfied due to the precise elaborating, which ensured calculations could be exposed on the table of a particular department every week. The second one demanded the system to be so simple that everyone could understand it and calculate the result on his own. Thus workers themselves could immediately count up how they were doing. The last one of the main requests said that this system should adapt the concept of company, concretely the fact it was divided into smaller detachments and each one was supposed to run its self-administration. So that in 1923 the system of profit sharing was introduced (Kudzbel, 2006) (Bata, 1935)

Most of the workers participated in this system of profit sharing, where the amount of the share depended on the amount of money and time they spared. The profit shares of management personnel were counted also according to the extent of their responsibilities and share of the losses (Kudzbel, 2006).

One half of the profit share was paid out every week to a particular person, the other one was automatically sent to the workers' accounts with high increase. In the case employees intentionally damaged company property, the needful amount of money was immediately deducted from their bonuses. Due to this system, even labour workers could gain better money than any other worker on a higher position. This system gave its members an option to choose to what extent they want to participate. When they wanted to participate in form of saving time, costs or suggesting some solutions to the problematic topics, they were rewarded. It not only prevented workers from harming the company, it encouraged them to improve their work continuously. Bata wanted his employees to feel part of the company and through the sharing of the profit he succeeded (Erdély, 1990).

3.2 Workshop autonomy

The system of workshop autonomy was one of the headstones of BSM. Its core rested in the division of the company into smaller units, whereas every single workshop had its own

schedule plan and a person, taking care about proper course. Fulfilling of these plans was the first premise to be rewarded. In the case something was wrong the task of foreman was to submit a report, detect whose fault it was and retrieve the situation. According to the higher responsibility these people had they were given also higher bonuses. This is actually one of the typical features of this system mentioned formerly, which is called profit sharing. Every department had also its own revenue account. Accounting recorded every step, done inside and out of the company. An accurate daily account statement, done by master of the workshop, enabled the company to see immediately how their affairs stand. It was an important step which enabled management to control the whole plant easier (Erdély, 1990).

The system of workshop autonomy was implemented in 1925 and as soon as workers understood its principle, the system affected slightly competitive atmosphere, which made them work better. The workers had a personal interest in saving as much material as possible because the rate of their quittances was depended on it. They also pursued the work of their colleagues and took care about handing them their previous work in the way, which would make it easier for them to continue. If the result of whole department was not satisfactory, individuals lost as well. An effort of individual person became, in the final stage, contribution to the whole department. So that it could be said the workshop autonomy encouraged also collective feeling (Kudzbel, 2006).

The contact between individual departments was secured by intercompany communication system called “autocalls”. A demanded person was sent for the nearest phone, which was placed in every department, to call back the operative centre (Zelený.com). In 1935 the company had 1000 telephones (Kudzbel, 2006).

As an output of this organization the workers started to improve their work continuously from their own initiative. This system made Bata’s employees think differently during their work, it made them think as they themselves would be entrepreneurs and organize their own work in the way that would be most effective (Kudzbel, 2006).

3.3 Production

The whole process of production was based on an idea of making it as cheap as possible and due to this, making shoes affordable to the widest possible range of population. What more, all this should be done without harming the quality of the production. The quality had played a great role since the very beginning of Bata's business and without doubt it became one of the strongest initiatives he had. With such an emphasis placed on quality, he is called the pioneer of what is now known as quality management (Mezinárodní konference, 2001). Following the principle of continuous moving of materials, Bata saved the costs of storage and kept the production running fluently. In the case there was something just lying and standing in a way, a special police was established to remove this and hand it over. The responsible person would pay a fine. The whole enterprise was divided into smaller units, otherwise it would not be possible to control it and intervene so easily. According to the fact every unit was directly dependent on the work of previous one, it forced employees to work together to achieve good result. It was perfectly organized process and at the end of such a working day, the workshop sold its final products to the buying department (Erdély, 1990). The department that accepted the semi-product from the preceding one, had to perform an inspection and in the case something was wrong they had a right to abandon it. In the whole enterprise, the quality control was decentralized, so that everyone felt the responsibility for his own work. Even at the level of purchasing the raw material the department had to check the quality of forerunner work. Each of these departments had its individual plan of production which they had to follow (Kudzběl, 2006).

The production did not concern only shoes. Due to the fact the company was operating with different kinds of materials, it took it as an advantage and started to process also other products. The Bata company manufactured also tires, tights, rubber toys, gas masks and many other items. Despite the fact shoes consisted of many parts, and Bata had to control so many processes, production went fluently. Everything was perfectly organized. The box with needful material went through the factory to the particular department on a running belt, where a worker pulled the box out of it, checked it and sent to further processing. Concerning the transport within the factory, there were electrical lifts, lorry transport, cableway rail, trains and cars (Kudzběl, 2006).

3.3.1 Purchasing and selling

By virtue of direct selling and buying policy, Bata was able to set prices so low, that shoes were accessible even to lower rank of society. By establishing his own, perfectly organized sales network and factories, he avoided problems with untrustworthy suppliers and other financial losses. Everything from the purchasing, through processing, up to selling was done in own network, which ensured company a great autonomy. Covering majority of company processes at own-account together with other managing items enabled enterprise to rise as fast as no other that time (Mezinárodní konference, 2001).

An important feature of selling policy was setting of so called "Bat'a price". The spell of this method lied in ending prices with number nine. It was affecting customers psychically because this number finally made an impression of lower price. It worked subconsciously and was highly influential (Erdély, 1990).

3.3.2 Export

Bata started to spread his activities abroad as he realized the domestic market could not absorb their production. It was a necessary step that naturally arose from the continuous development of the company. To be able to sell as cheap shoes as he did at home, beside other things, he had to established abroad affiliates, which he did according to the home model. Low prices together with the unique customer service brought him huge success abroad and at the time of highest prosperity, Bata company supplied approximately 3/4 of the whole shoe trade. Home producers of other countries started to be afraid of Bata as he earned the highest place in the world shoe export. They convinced their governments to introduce protective restrictions. So that import barriers in forms of high duties and other provisions were put on Bata shoes that were exported. In 1932 seventeen countries put ad valorem duty on Bata shoes, whereas the rate of duty went from ten up to thirty-three percent. Import duty paid per one pair of shoe was somewhere more than 80 crowns. It caused Bata company many problems and compared to year 1931, when the export formed half of the production, this number rapidly fell. However he did not gave up and started to explore markets in new countries (Erdély, 1990) (Kudzbel, 2006). Once Bata was asked about his highest goal he would like to achieve and he answered "I do not put any limits on what I want to reach. My wish is just to reach the furthest possible" (Kudzbel 2006, 114 s.). And he kept his claim. He started to spread his operations abroad in 1911 and did not stop

till his last breath. Even on the day when his airplane crashed, he was searching the shortest way to India where he planned new outlet (Erdély, 1990) (Cekota, 1929).

3.3.3 Planning

Planning was another significant sign of Bata management system, without which it would probably not be possible to run such a colossus. As the company was still increasing its size, planning represented great means to control its activities. The fulfilment of these plans was in direction of foremen who stood in the head of each department. By planning, the company gained many advantages. At first they avoided loss caused by ordering more or less material than they could process. As the company set the fixed purpose, another advantage was a possibility to see every day whether it goes according its schedule or whether it falls behind. Thanks to this system it could also immediately react and undertake necessary steps that would save the situation (Erdély, 1990).

Completing plans was a necessity and its failure was punished. The fines were imposed on the responsible person of a particular department, not the workers and the fulfilment of these penalties was done either through salary deductions or financing from the special company fund. On the other hand, completing the plan schedule in advance was appropriately remunerated (Kudzbel, 2006). The control of all processes was possible by virtue of detailed reports. Recording of every single step enabled the company to observe the development of customers' needs and to adjust the production (Erdély, 1990).

3.3.4 Research

The department of research was found in 1922. As Bata company operated all over the world, this department was necessity. It analyzed local markets, its specificity and needs. The task of this branch was to analyze the deviations of feet patterns. As the structure of feet of individual nations highly differed, it was necessary to adjust manufacture to their needs. Another objective was observing customers' wishes and keeping their products modern (Kudzbel, 2006).

3.3.5 Advertising

Advertising was another important feature that enabled Bata company to sell its products in the wide scale. It started to form in 1906 when Bata hired first salesmen, whose task was beside the selling and delivering goods, also propagating of the products. From the

beginning they used sheet-metal posters and in the bigger cities they made leaflets, which they inserted also in the newspapers. A unique method was packaging other goods into papers with texts that propagated Bata's products. Their task was also to arrange the shop-windows and interiors. The cheapest products were placed to the entrance of the shop to lure on people. As soon as they gained some bigger customers they sent them regular letters with offers. Later on this method interchanged into personal visits, which were used also for a market research. Very specific feature of their propagation was an air advertising. Publishing a company magazine was another great mean which dignified the inner atmosphere. The role of advertisement was fundamental also in case of 50% sales. The campaign with well known advertising poster together with other strategic issues, done in advanced, definitely helped Bata company to overcome the after-war crisis. Although he lost almost half of his fortune during this period, he won much more. Among the most important benefits were emptied stores, originally full of unmarketable goods, secondly he gained so needed cash, new customers and later on, as a result of his policy, he could afford to double the number of employees (Richters, 2006).

3.4 Employees

As it was said before, Bata would certainly not achieve such an enormous success working on his own. And he knew it well, which is the reason why he selected his co-workers with such a great care. The claims on applicants were very strict and he started to realize, there are not enough people that meet them. Bata was convinced it is caused by lack of quality of educational institutions. Thus Thomas Bata founded his own school with the core idea of leading by example. He claimed that people without moral values have no place at such an institution. It was not just saying he used to advertise, he personally went according to this principle both in work and in personal life. He lived humbly, did not smoke and drink alcohol, he was the first person to come to work and the last one to leave, he ate together with his employees in the canteen and drawn the same money. The same he exacted from his top management (Devinnat, 1989).

Bata had difficult childhood because he came from a big, poor family and the menace of poverty forced him still forward. However, Bata did not work so diligently to become a millionaire. Actually he claimed that interest of making money can not overlap the interest in public service. He worked hard to ensure that his family would never suffer from hunger

(Kudzběl, 2006). He applied this philosophy also during the admission of new employees, when he preferred ensured people for whom money was not everything (Zelený, 2001).

Bata followed the rule he used to see at his father business, thus the fact the master was unconditional head of all happenings in the workshop. In the case he was not satisfied with the work of his employees he did not hesitate to use some disciplinary measures or even fire them. Thousands of job applications were sent to the Bata concern every week in hope their holders would become a part of this dynamic colossus, so that he could afford it. He preferred the younger ones because of the possibility to form them. He argued that people are able to be formed only during the young age. The proof which testifies it is the fact that the average age of Bata's employees was 26 years (Kudzběl, 2006). A smaller part of his employees was formed by very young people, some of them were barely 15 year old, who worked there as helpmate to the workers. High turnover of workers in Bata company was partially caused by women employees, who lost their position as they got married. Another factor influencing this situation was the fact, that he employed many young men who had to leave because of military service (Čekota, 1929).

As a Zlín mayor Bata bestowed every new born child 1000 crowns. This amount was automatically given to a child's account with 10% interest. Bata's employees were ensured also socially. Together with great architects such as Gahura and Kotera, he built family houses, flats, schools, hospitals, factories, cultural houses, film studios and other facilities. Most of these expenses were financed from the savings or paid from Bata relief fund (Kudzběl, 2006).

From the hard times, when Bata was going through all the kinds of jobs in the shoe industry, he discovered in which parts of the process losses come from and he found alternative ways to make the production more efficient. He turned this experience into the policy he started to spread. So that most of the recruited foremen did not start immediately at the position they asked for. They had to start from the lowest position and slowly, step by step, going through the all processes, they worked their way up. They had to know all the jobs in their department through and through (Kudzběl, 2006) (Erdély, 1990).

3.4.1 Attitude toward employees

The attitude Bata took toward his employees was unusual and there were people not in favour of him but as Bata said he did not need such people. Those, who faced new challenge positively and persevered in their effort, could take pride in being part of the most dynamic company in the country. These people built up Bata company. Their patience and self discipline was rewarded by wages in average twice higher than anywhere in the CSR. With this approach Bata ensured that his company was run by the people who loved work and were proud of being part of it (Cekota, 1929). In the case Bata would not be so firm in his requirements, the purpose of the company could not be satisfied. The system of organization and motivation would not work because people would be interested only in their wages. However, with his approach he formed people with interest in fulfillment. This is another reason why he put such an effort to education and training (Vítková, 2005).

3.4.2 Wages

The earliest form of payment was a common task wage. Workers were given the amount of money according to the quantity and quality of performed work. Initially, wages were differentiated into many categories. Later on it was stabilized into the system of 4 wage classes (Kudzbel, 2006) (Erdély, 1990):

- **The fixed wage** was paid to the technical-operative and administrative workers. Briefly to those whose output could not be measured by performed work.
- **The individual task wage** was given to some manufacture specialists according to the number of finished products.
- **The collective task wage** was received by the majority of Bata's employees, working at the running belt.
- **Wages with profit shares rate** were paid mostly to operational managers.

The above division of wages is the most fundamental one. The wages were further distinguished into other categories according to the responsibility that particular employee took and participation on the final profit. Due to the fact workers were paid both for quality and for quantity the wages were substantially different. Also in addition to the basic wage employees could get special bonuses given for extra savings. Wages were paid out weekly

whereas a particular amount of their earnings was automatically sent to employees account (Erdély, 1990).

Thomas Bata liked seeing people initiative and did not hesitate to remunerate them for their effort. The following table shows the average wages in Bata company compared to the earnings of the rest of Czechoslovakia (Kudzbel, 2006).

Figure 1 Average wage per week

	Bata's company	Czechoslovakia
Qualified man	400	270
Qualified woman	250	160
Unqualified man	280	150
Unqualified woman	160	95
Apprentice	180	65

3.4.3 Education and social service

Bata school of work was established in 1925 and it was accessible to everyone from the age of 14. The fact this school accepted only talented people and was run without any charges, gave the opportunity to study to anyone from all classes of society. This institute was not concentrated only on teaching a useful theory, that was always examined in the practice. One of the highest priorities was amplifying a character of young people. School regulations were strict and required strong discipline. Students had to follow rigorous schedule, which itemized the whole day of its student. Beginning with the morning exercise, ending in the evenings, when they got back from school or work and had to study. This training was tough, however the result was worth it. There were three basic forms of education. The first one was aimed on young men and women, the second one was intended to new employees and the last type presented higher education and specialized courses. According to the school slogan “let’s learn by work”, every theory was then examined in workshops (Kudzbel, 2006).

Another super-temporal feature of this school was teaching more languages. Bata as a well-travelled person realized the importance of knowing language. Bata school of work was considered as one of the most quality one and its graduates were highly valued in the world both for their experience, skills and their honest character (Cekota, 1929).

3.5 Customers

Bata's strong vision of public service and his desire to shoe as much people as possible drove him still forward. There were still people without shoes. With the sentence "People of the world need one billion pairs of shoes" (Zelený 1980, 5 s.) he used to say, he wanted to prove that there is still a lot of work to do and to encourage his employees to work in the same time. From the wide variety of his customers, it is obvious he obtained one of the goals. Shoes were no more seen as a privilege of rich people (Erdély, 1990). Bata ingratiated with his customers not only through the lowest prices, although it could be enough to do so. The unique service he provided his customers was unprecedented. Well known slogan "Our customer, our master" showed clearly Bata's attitude. His approach toward customers was innovative and other companies laughed at his philosophy. Many of them thought that it would turn him bankrupt. However, with this strategy, Bata gained not only host of money, but also new customers and their sympathies. In the USA, there is a system called "Customer is King" which is the parallel to Bata's approach (Zelený, 2001).

3.6 System "8S"

The system "8S" represents 8 dimensions that were derived from Bata management system. The mentioned dimensions are most fundamental ones and they are mutually interconnected. The following table shows output of this system recording the most important aspects, that presented pillars of the system (Vítková, 2005).

Figure 2 System 8S

English equivalent	Czech version
world class	světová třída
cooperation	spolupráce
self-government	samospráva
participation	spoluúčast
co-ownership	spoluvlastnictví
self-management	sebeřízení
co-entrepreneurship	spolupodnikání
competition	soutěž

4 BATA IN THE WORLD

Thomas Bata's curiousness led him first to the local market research, later on he continued further across the borders. His international agency started with his journey to Vienna, where he tried working on his own for the first time. However the most beneficial business journey was definitely one of his travels to the USA. The first one was made in 1904 when Bata was working as a labourer in American large companies and studying their methods in detail. As they were more technically advanced, Bata was impressed and he wanted to know more and more. Thus he was fired from these companies many times because they did not believe someone could be so tenacious. During the second visit of the USA in 1911, he acted there like a businessman but also as a line worker in Ford factory. This time he spent his leisure by studying great American entrepreneurs. Among the biggest American business icons that he admired were Taylor, Gilbreth and Ford (Kudzbel, 2006). Bata absorbed new experience and after the return to his company, he established there band production per sample of Ford (Pokluda). Every knowledge he learnt during his abroad journeys he brought to the enterprise, where he conformed it to its conditions (Devinnat, 1989).

Bata started to spread the production in 1911 all over the world and his company was so successful that the whole world of shoe industry felt threatened and started to stand out against him. They strove hard to enforce a special anti-Bata policy to complicate him to export his products into their countries. However, Bata did not gave up and started to spread his production to new countries (Zelený, 2001) (Cekota, 1929).

Thomas Bata is not only Zlín icon. His work is exposed to the admiration to the world. Already during his life people from various countries were coming into his company to see the key of his success (Cekota, 1929).

4.1 Bata today

Nowadays the sales network of Bata organization performs in 70 countries and it is still broadening its scope of operation. With 5000 retail stores within 5 continents Bata company serves 1 million people a day and with respect to the continual effort put into the research, it still remains among the top shoe retailers in the world. Although they are worldwide present, its local companies have still self-administration (Bata.com).

Of course the form of today Bata corporation has suffered many changes but the core is the same. The priority number one is still service to the public. As it is said on official websites of Bata a. s., their aim is to build up a first-class comfort of modern design through providing great personal service and organization of stores. Among the biggest changes the management system went through is certainly the fact that Bata company moved from production to service and it no more runs the open book management as it became a private company. Another fundamental turn consists in the role of leader, which is no more autocratic (Bata.com).

The proof that innovation still takes its important part in this company is the fact, that six shoe innovation centres were opened all over the world. They look after the innovation both of the products and of all the process. Each of these centres oversees own survey and solves challenge of different climate and environment constraints (Bata.com).

The contribution of Thomas Bata is still commemorating through the Thomas Bata foundation which is handing down his principles and wisdom as heritage to the present day society (Zelený, 2001). It is an organization following up Bata's thoughts and supporting education, arranging courses and cultural activities (Batova-vila.cz).

5 MODERN TRENDS IN THE MANAGEMENT SYSTEM

The world is changing very fast and globalization became its characteristic feature. Thus the companies have to follow most outstanding world changes and adapt to the trends all the time. Companies that do not react can not survive. Modern Japanese and American systems highly influence European management and by virtue of this, it does not have its own image. The problem of today managerial system is the lack of complexity.

Modern trends stress the importance of concentrating on customer. They are more demanding and fastidious and the companies, which do not set their wishes as the highest priority, meet their power. Among the key factors of being successful in today age of informational society is speed, motivation and flexibility. One of such systems, which is often compared with Bata system management is knowledge management (Souček, 2005). Some even claim that Bata system management created theoretic base for the knowledge management. Among the most outstanding features these systems have in common are definitely stress on human being, new technologies, promotion of education and competition and emphasis put on quality (Vítková, 2005).

The main feature by which modern management system defines its form is advanced technologies. The most fundamental one is the informational technology which did its important role and sped the processes up, however the core of business became in most cases the same (Souček, 2005). Another distinct element is the fact that whereas present systems are based on theory, Bata system management was formed from practical experience. Its theory was extrapolated from the long years of praxis and business success (Zelený.com). Resulting from this fact, it could be said that Bata system management was formed rather intuitively then scientifically (Mezinárodní konference, 2001).

Many of Bata's thoughts were supertemporal. Despite his passion for machines, he providently claim that the most valuable source of the company are the people and their knowledge. That is the reason why did he put so much effort to educate them (Mezinárodní konference, 2001).

5.1 Knowledge management

The knowledge management, as it is evident from its title, is based on working with knowledge. This system concerns the organization of the company, whereas the application of its principles is not restricted to the field of its action. It is one of the most discussed methods, as knowledge became the essential source of the company of the 21st century because it means the strongest competitive advantage. The practices of knowledge management could be used in trade, social or educational organizations. The importance in such organized company is put on the continuous training and education. And as follows, it profits from the acquired knowledge. One of the most important features of this system is processing of information. All the actions are managed with an excellent IT system and technically advanced technology. Information infrastructure, which support gathering and sharing of such information, is essential (Collison, 2005).

This system uses direct links between the customers and a company and within a company itself. Great advantage is a possibility to cooperate with people all over the world, so that the business of the company is no more tied to the particular place. One of its targets is an effort to create barrier free access. The complexity of this method is obvious from the scale of activities it includes. It roofs reengineering, human resource management and many others. All mention features together with the ability to make them interconnected, and respect of the dynamics of the market, make this system highly effectual. However the weak point of this system lies in the higher requirements on coordinating skills of management (Bureš, 2007) (Vítková, 2005).

An approach of Bill Gates could be seen as an example of this type of management. In the same time he could be seen as a representative of successful managerial style of present days.

6 BILL GATES

William Henry Gates III. was born on the 28 of October 1955 to the well educated family. He had supportive parents who wanted him to become a lawyer. After the finishing elementary school, he entered private Lakeside School, where he revealed his interest into computers for the first time. During the studies at Harvard he met many of his future colleagues. With one of his classmates, Paul Allen, he programmed the first validator language Altair BASIC. With this program he enjoyed a great success and as 23-year old man, he became for the first time the world richest person. Today Bill Gates delegated his responsibility to other people and holds the position of the chairman of Microsoft Corporation (Štolová, 2006).

There are people who admire him and liken him to the Messiah, on the other hand he has many opponents. As every successful person, also Gates has his enemies who find some fault on every step he makes. These people accuse him of causing unfair competition and being a niggard who spent too little money on a charity. Whereas the truth is that he invests stillion of dollars on beneficent activities each year. They claim he is not a manager because he is just taking the ideas of other authors. However these gossips were proved to be unfounded, caused by the pure envy. Whether he spent enough time in charities or not, Gates is without doubt a remarkable person who has something to say to the present world (Dearlove, 2003).

6.1 Personality

Some people style Bill Gates into the role of genius and actually, regarding his intelligence quotient it is no wonder. The others perceive him as arrogant fiend. Both the first view and the second one have something in common. The fact he is an exceptional person. He is well educated and since his youth he has been interested in reading. He loved reading about famous people and he has been avid reader of science fiction as well. Essentially his career could be seen as some kind of transformation science fiction story into reality (Dearlove, 2003).

Despite his rocket career as a business man, the philanthropy still plays an important role in his life as well. Together with his wife he runs Bill & Melinda Gates Foundation which is concentrating on the global health and development. One of their aims is making education

available to everyone. The planned expenses for 2009 were more than 3 billions (Friedman).

6.2 Microsoft

Bill Gates, the chairman of Microsoft Corporation, started his career as a young boy. This man, generally reputable as a leader of world of software, left Harvard to be able to fully concentrate on his hobby, which became his lifetime employment. However during the short time spent at Harvard, he managed to develop a concept of programming language BASIC. In 1975 he started his business together with his friend from childhood Paul Allen. Guided by a strong vision they started to work on a program for something that even was not used. At that time he had already done some smaller project, however his career was fired up when a huge company IBM underestimated him and proposed him participating on their operating system. This system brought Microsoft huge success and prepared the way for its career (Štolová, 2006).

Gates together with people from Microsoft was continually improving their software technology with a simple vision in his mind. He wanted to enable general public working with the computers. In the same time they strove to make the production cheap. Bold idea at first started to slowly form into the reality (Dearlove, 2003).

The organization of Microsoft company is unique. It is well known for its specific style of management and atmosphere. The environment is seen at first sight through the way, employees dress. They were clothes in which they feel comfortable. It is firstly caused by the fact that Gates hates wearing formal clothes, secondly it has influence on the atmosphere in the company. Such an environment sets the ground for creativity and tenacity. The feeling of being comfortable and free is a luxury which not many firms can arrange. Bill Gates realizes the importance of knowledge workers and takes great care about them not only in work (Dearlove, 2003).

The remarkable feature of the company is the way they treated their customers. Bill Gates claims that companies should be concentrated mostly on the discontent customers. Microsoft records their complains into the database and use it as a mean of improving its

processes and service. According to this idea Gates implemented a motto „ The first step in answering any hard business question is to look at the facts“ (Gates 2001, 4 s.).

Concerning employing new staff, Microsoft sorts every week hundreds of job applications. As well as they use information technology within the frame of all their operations, they do it same with this process. Applicants fulfil the form and send it to Microsoft via Internet. The company keeps information about them in its databaze and in the case of emergency it searches there for appropriate one. Gates prioritizes recruiting young people. It is due to the several reasons. to work with Gates assumed quite negative opinion toward commercial school. he claims that students of Harvard miss the humility, veneration toward their enemies and deep understanding of business essence (Dearlove, 2003).

6.2.1 Digital nervous system

Digital nervous system is concept introduced by Bill Gates. His author describes it as „the use of information technology to satisfy people´s needs at work and at home, just as the human nervous system supports the human mind“ [Gates 2001, 1 s.]. Bill Gates compares his system of organization to the human nervous system. (Gates, 2001).

So the critical competitive advantage could be acquired right through the working with information. It is fundamental to have right information, ab ability to process them and sent to a particular person. Gates claims that business should be done by the speed of thought. The success of the company in 21st century lies in the ability of setting such environment in which business ideas and processes could flow as fast and naturally as the thought is runing in the brain (Gates, 2001). This concept shows the contribution of computer technology to the society. (Microsoft.com)

ANALYSIS

7 COMPARISON OF BATA COMPANY AND MICROSOFT

Comparing previous two systems of governance, it is obvious at first sight that they have many features in common. Although first mentioned system existed some 90 years ago and the second one is still largely prosperous. Looking at Bata's system as an *old* one and comparing it with Gate's system of management seen as an representative of modern management system, the number of conjunctive features is suspiciously high.

7.1 Common elements

Both Microsoft and Bata company enjoyed an incredible success. It is curious that although the practices of these companies are widely known, other corporations which tried to apply their policy did not succeed. Among the most evident features these systems have in common is definitely the specific approach toward their customers. More than half a century ago Bata introduced something what is now perceived as the highest priority of every business. Similarly Bill Gates stresses the importance of the customers, especially those unsatisfied ones. According to their complaints he improves his products and processes.

Another linking element is the stress on knowledge and information. Bata as one of the first people realized the importance of knowledge workers and put a substantial effort and finance to develop their skills. It is known that he enclosed himself with the canniest people and wanted to be regularly informed about the newest technologies. The same did Bill Gates years later.

In spite of their distinct social background, they both started to be interested in that particular field as very young boys. What began as a hobby became their lifelong mission. As freshmen they were underestimated by their surrounding, however they did not gave up. The great visions, they both had from the beginning, forced them forward. Their visions had also a common idea. It was an effort to make the production as cheap as possible and via this serve to the public. The fact which also united these corporations is their worldwide presence.

Despite of the fact, these companies are characterized by unique organizational structure, the communal features could be found even at this level. Above all it is the same system of motivation. They were working with sharing their profits, great method of motivation and making employees feel as part of a whole. Both Bata and Gates also took great care about their workers not only in the work.

Another linking device is the wave of envy and as follows suspecting from vile tactics and unfair competition their which was triggered by their success. It caused them problems and auditing by state bodies, however it was proved in both cases they were running their business legally.

7.2 Distinct features

The main point at which these management systems differ is their managerial style. Although the importance of leader plays fundamental role in both systems, way in which it is asserted is exactly reverse. Whereas the position of Bata was absolute and the important role represented the authority, Gates is more liberal. He prioritizes collective work and leaves his workers great space and freedom. An easygoing atmosphere in Microsoft is conspicuous at first sight in the way employees dress. This approach has again dealings with the personality of the leader. On one hand there is painstaking Thomas Bata, who loves order and discipline and on the other hand, there is Bill Gates, a freethinker. Another point where they draw apart is their approach to demands on applicant. Bata company was looking for people with strong moral values, who would adapt themselves to the company's policy, while Microsoft seeks for team workers with great knowledge in the particular field.

7.3 Result

The result of this comparison can not demonstrate anything else than the fact Bata system management was timeless and its principles are valid till today. As it was proved with this juxtaposition, fundamentals of this system are still current and they are in principle widely used.

High number of similar features with some other systems leads to the often likening of Bata system with others. However whether Bata system management is compared to

knowledge management, quality management or any other modern systems, it is evident that it covers all fundamental features of modern theories and practices that are present in every successful organization.

8 SWOT ANALYSIS OF THE BATA COMPANY

SWOT analysis is a comprehensive method which helps companies to objectively assess the current situation of their states. The core of this analysis lies in defining most outstanding features which the enterprise teems in. It analyzes both the positive and the negative aspects. The aim of negative elements analysis is to determine weak spots and subsequently try to minimize them. Parsing of strong points then shows the company way it should hold. It concerns internal and external factors due to which it obtains a complex picture of the state of its business. It is kind of advisor for future steps, indicating needful alterations, potential problems and precautions that should be done to eliminate them. Its output should help company to maximize its profit.

The following analysis makes an attempt to reflect implementation of original Bata system management into the modern companies. The output should demonstrate whether it is exercisable or not. In the case it would be possible, the work will try to reveal to what extent it is applicable in present world.

8.1 Strenghts

There are many strong points in Bata system of governance. From the most remarkable strengths it would be definitely his approach to customers, which is today signalized as the highest priority company should have. Although quality is certainly fundamental feature to become a good company, it is not enough to be successful. With modern technologies and trifle of effort, quality products could be provided in every organization. Still it is good to build on quality. However there are not many entrepreneurs who could supplement quality with low prices of products that would be affordable to everyone. The important feature is the fact that everything was managed directly, without any middlemen, that would increase company costs and valuable time.

Another great point by which Bata enhanced his customers was continuous innovating, following trends and accustomizing their production to them. As well as innovation kept Bata company in front of the competition at that time, it would do so even today because even now, innovation is one of the company's most important issues.

The stress on knowledge and training of own employees, which Bata providently advocated is widely used also in major modern organisations. His demands on employees were strict however the system as he was envisaging it could not exist without such approach. Bata knew that success of the organization is directly dependent on all participants, that was the reason he established his school of work. It was an admirable step which ensured him just the same people he was looking for. This advantage would be still valid because today schools provide students with knowledge that lies far from the business practice.

Bata was great at excogitation of ways how to motivate his employees. By profit sharing, penalties and also with given speeches he motivated his employees to work as hard as they could and in the way he needed. With profit sharing he got much more. He made his employees feel as a real part of the company. This feeling of belonging somewhere and knowledge of shared responsibility made them loyal. Satisfaction of the employees played there an important role, without which it would not be possible to fulfil the purpose of Bata company. Bata ensured his employees with great money, living conditions, social benefits, cultural and sport enjoyment. This is the advantage that not many companies could realize.

The steps Bata took could seem trivial now, however that time it was very progressive and unusual. although particular parts could seem primitive, the system works only as a whole and as such, it is the complex elaborated in the smallest details, from the proper organization of the firm, through the care provided to employees to the unique customer services. Although there was continuous effort to make their product cheaper, it did not have any harm of the quality. What more, the quality was checked several times. With his policy he not only raised the standard of living of his employees but of all people who surrounded him.

Autonomy is one of fundamental pillars of the system, which kept Bata ahead of the competition and which protected him from harmful effects of the world happenings. This feature was ensured by many ways. Above all it was the ability to assure most of the activities with own means. From the purchasing of the material, through its processing to the selling of the products, everything was done within own network. That spared the company from idle time, profit losses and redundant costs. It also kept the company stronger in the period of world crisis and upheld the fluent run of its business.

8.2 Weaknesses

Knowing their own weak points gives the companies opportunity to intervene. More detail they know about the problem, better tools they can choose to set it right. Important role in this part is planning, where the company sets its targets and tools by which it wants to achieve them. One of the weak points of Bata system governance is the strong position of the leader, which is almost absolute. His managerial style was autocratical. He was giving orders and expecting them to be done. Employees had to follow his instructions, in other case Bata could fire them. As there were no labour unions and no general digest of their rights, they did not have any other possibilities than „set the teeth“ and work. In today democratic countries, this approach would cause him many problems. Concerning an approach to the employees, they did not even enter the enterprise and Bata wanted to know everything about them. The checklists with details about the employees and applicants had its own reason, however today legal system would not permit it.

Another feature that would be problematic in this period the long-term planning. Planning has its ir retrievable role in today business and companies could not exist without some plans for short periods. However plans for years ahead are by virtue of the market dynamics impossible. As well as long-term planning, it would be hard to adhere the condition of paying everything immediately in cash and the same demand from the purchasers and customers. If it were not even absurd.

8.3 Opportunities

One of the greatest opportunities is without question the possibility to use the Internet. It is unimaginable what would Bata manage with Internet at his hands. Not only the Internet but informational technology in general could manage miracles. Informational technology

would incredibly fasten and simplify all processes which would drive company again forward.

Learning by example, method used by Bata both in work and in personal life, is easy to say but harder to adhere. Thomas Bata proved it is possible and today companies should model themselves after him. In most cases, the chase for profit defeated the original purpose of business, the service to public.

Globalization made world more open and interconnected, so that it would be easier to spread the production. Concerning the export, there are also advantages resulting from being part of European Union.

8.4 Threats

Realizing its potential threats, the company can establish such a policy for the future that would help prevent these threats from becoming truth. In the case of Bata company, it is especially the approach to the employees, which could not be possible to follow today.

The great point that can not be left out is the fact that Bata system of governance was largely dependent on the personality of the leader. Another point is of course the character of the employees, he was claiming so carefully. Bata's claims on applicants were so demanding that they would probably can not be satisfied today.

Concerning the conditions outside of the company, there is stronger competition by virtue of the globalization. The great peril presents the 21st century market, that highly differs from the previous one. Its core moved from production to the more abstract items. So at this point, there would be necessary to reach the most apparent acclimatization. Another issue, that should be considered there, is the fact that advantages, which kept Bata in front of the competition at that time are now widely known. To be accurate, they are often used in the region of his action. Thereby he loses the main advantage he abundant in.

Figure 3 SWOT analysis

	Helpful	Harmful
Internal origin	Quality	Absolute position of leader
	Low price	Claims on employees
	Customer policy	No labour unions
	System of motivation	Long-term planning
	Employees	Pay cash
	Continuous inovation	
	Adaptability	
	Autonomy	
External origin	Internet	Specification of 21st century market
	Informational technology	Job applicants

8.5 Result of SWOT analysis

From the result of this SWOT analysis it is evident that pros definitely outweigh the cons. Of course there are some negatives and threats concerning implementing this system into the modern business, however the number of them is very low and they are not as serious, so that it would not be possible to overcome them. It is not only due to the time when this system appeared. As an enterprise is a living organism, it would be difficult to implement both any modern systems and old ones with a mechanical approach.

Within applying this system into practice, it is essential to separate those features depending on that particular time and setting from those relatively permanent ones. Then it would be easier to realize which elements to imply, from which today society should take a lesson and which ones are no more suitable.

From the previous analysis it is obvious that Bata system management could find its utilization in a wide sphere of today's world. However concerning the business sphere, it would be problematic to set these principles in the semi-state organization and even impossible in the

state enterprises. The structure of these sectors is strictly set and does not allow any other changes.

By virtue of altered agricultural, social and political conditions of present market, it is not possible to copy Bata system management in its original form. Fundamental features of business environment of previous century are no more valid so that it is necessary to sparingly accustomize its arrangement. The same way as it is with every successful system, which has to be develop and regenerate all the time, also Bata system management needs some updating. However with some diminutive changes in its organization this management system could be highly effective even today. Czech business could finally found its own original and unique form.

9 APPLICATION OF THOMAS BATA POLICY INTO THE MODERN COMPANY

An enterprise is a living organism and as such it would be as problematic trying to implicate old system as new one with mechanic approach. It is not possible to take one system management and simply put it into other company. Instead it is necessary to study requisite system in depth, analyze it with respect to the wider context and as follows implicate features.

One of the most fundamental features which distincts this century from the previous one, is the approach to the production. Whereas Bata's philosophy of world business was to search market for his products, now the situation is different. Entrepreneurs have to search empty space in the market and according to its needs they start to produce demanded products and services.

In today fast changing time it is not enough to apply particular features of successful modern systems. It is essential to unite these elements together and make them interconnected. Bata system management presents even today unique, complex and integrated, satisfying previous criterion.

Analysis revealed spheres where it is possible to use Bata's system and it is wide area. It also distinguished those parts where it would be problematic and those where it would be almost impossible. Despite the spheres which do not concern business, Bata's principles could be set in every enterprise. The most problematic is public sphere and organizations with . It is by virtue of the fact that this system requires substantial degree of self-government and autonomy. In the case of state companies, system itself is restricted by inner organization. State regulations, laws and other restrictions plays great role within applying Bata system into the modern company.

The success of applying Thomas Bata management into the current business relies on using it as a complex, not series of particular features. All elements must be interconnected and work throughout the whole scale. Otherwise the system would lose its effectiveness.

9.1 Contribution to the current world

The heritage of Thomas Bata does not rest only upon the tangible property such as factories, machines, transportation network and basically the city of Zlín, which he left behind. It is above all the experiences, knowledge, values and his philosophy all of whom people should utilize. The contribution of this person touches many spheres of today life. The principles he professed are not valid just for modern entrepreneurs but for society at all.

One of the most important points of his legacy for today society is definitely the stress put on moral values. Although modern theories set the customer right to the centre of business, the reality is many times different. In most cases it is just profit standing at the top of company's list of priorities and moving customers to the background. Whereas they forget the original purpose of the business, thus the service to public. In today accelerated world they should stop for a while to think about their priorities. In other case they are predestined to collapse. That is another reason why today business should take . It is pleasant that principles of Bata's system are today spread by his descendant Thomas Bata and his wife with special stress put on etc. Their was rewarded in 2007 with Responsible Capitalism Award.

By virtue of unification within European Union, European business does not have its own specifics, like it is in the case of American or Japanese management system. There is lack of comprehensive management systems. Bata created such one and that is another reason why it is sad his system is no more used. He did not build only extremely successful shoe company which has been operating till today. He formed also honest people, entrepreneurs who shaped the future business. By revival of Bata management system into reality, Czech entrepreneurship would obtain its own resemblance and followingly the country would achieve higher prestige in the world. The czech business would rise its competitiveness.

His willingness and craving to learn more and develop his concern should be perceived as a model of business approach of every entrepreneur. Thomas Bata ones said that their success was not caused by using workers hands, but it was due to involving their brain and heart as well.

It is above all the experiences, acquirements and values of whom people should utilize. Thomas Bata ones said that their success was not caused by using workers hands, but it was due to involving their brain and heart as well.

Withing the evaluation of modernity of Bata system, it is necessary to consider the conditions of present century as it differentiates in many previous one. However with respect to the fact Bata system emerged approximately 80 years ago and it is still highly discussed issue, there is no doubt it has still something to say. Even though modern management methods do not make any legacy toward Bata, they are at least strongly influenced with them. Today managers use his principles whether knowingly or not. Persisting validity of his fundamentals show that without question the ideas of Thomas Bata are timeless and they live beyond his death. With this concept he outrun the theoretic knowledge which was compactly described years later.

His legacy is still present through the Bata foundation, which take care . It is also Junior Achievement, set in Bata's villa, great project of developing young people who jus. This concept provides them with valuable knowledge, experience and skills needful to run business.

CONCLUSION

Although socialistic regime with its ills is over, in the Czech Republic, there is still lack of adaptable organizations with the complex approach. Czech business suffers from absence of its own identity. Globalization and world management systems are coming to us from foreign countries and companies are just taking them over without any cogitation whether they fit local needs or not. Thomas Bata found such a great system, complex in all directions and it is our loss that we do not realize its potential.

The perception Bata system management as old is false and it is caused by the lack of information. This system is just forgotten and in spite of its quality it is still unrecognized. Despite its simple idea – service to public – it is a sophisticated system, elaborated in the smallest details.

Whether Bata system management is compared with knowledge management, quality management or any other great system of present days, we could find there many common features. The fact that Bata system contains almost all the principles that present companies generally follow, but it is not truth vice versa, is interesting.

It is not possible trying to apply Bata system management just from the technical point of view because it works only as a whole. The set of principles of Bata system management is definitely headstone of management system of modern companies and every entrepreneur comes out of it whether knowingly or not. Persisting validity of Bata's ideas and methods demonstrates the quality of this system. Although it is unavoidable to accustomize it to the conditions of today market, his principles are still applicable.

The philosophy of Bata was simple. He wanted to serve his customers. There are countless numbers of ways how he proved it. Planning, profitsharing, autonomy, purchasing policy and many others. All these elements formed the unique system by which he did not delight only customers but he managed to bring satisfaction and fulfilment also to his employees. In addition whole Bata's business was based on highest possible quality and low price. Satisfaction of these criterions is great challenge for today entrepreneurs and not everyone is able to master it.

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