

Analysis of Employees' Motivation and Reward System in the Company JOKVA OLOMOUC, a.s.

Jana Legnerová

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Ing. Petra Kressová, Ph.D.

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prof. PhDr. Vlastimil Švec, CSc.
děkan



doc. Ing. Anežka Lengálová, Ph.D.
vedoucí katedry

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ABSTRAKT

Tato bakalářská práce je zaměřena na problematiku motivace a systému odměňování zaměstnanců společnosti JOKVA OLOMOUC, a.s. Vychází z teoretických poznatků o řízení lidských zdrojů, motivace a odměňování zaměstnanců.

Provedený průzkum, který je zpracován na základě zápisu ze standardizovaných rozhovorů, analyzuje současnou úroveň spokojenosti zaměstnanců se systémem motivace a odměňování a zjišťuje postoje zaměstnanců k možným zlepšením.

Na základě výsledků analýzy je vypracován návrh vedoucí ke zlepšení systému odměňování zaměstnanců.

Klíčová slova: motivace, systém odměňování, zaměstnanci, mzda, peníze

ABSTRACT

This bachelor thesis is focused on employees' motivation and reward system in the company JOKVA OLOMOUC, a.s. There are theoretical knowledge related to human resource management, motivation and reward system.

Research, which is based on a transcription of standardized interviews, analyses a current level of satisfaction of employees with motivation and reward system. It also investigates with an employees' attitude to possible improvements.

On account of results of an analysis an improvement proposal that leads to betterment of the situation is made.

Keywords: motivation, reward system, employees, salary, money

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INTRODUCTION

"The people who get on in this world are the people who get up and look for the circumstances they want, and, if they can't find them, make them."

George Bernard Shaw (Shaw 1913, 41)

Motivation and reward system are two very important parts of human resource management. In each company motivation of employees is one of the first steps you have to focus on when you want to reach great results in a business. Every company also needs an elaborate reward system for employees. However, reward system is much more, than just pay structure. It also includes special employee' benefits, non-financial rewards and other recognition.

The author of this bachelor thesis will deal with employees' motivation and reward system in the company JOKVA OLOMOUC, a.s. This company has four offices; in Prague, Olomouc, Brno and Ostrava. This thesis will focus especially on a Brno office. This office was chosen by reason of that it was established as the last one. It means that there is not still a good system that performs well. In the company there is almost no motivation of employees and the reward system is also disunited and functionless. Due to this situation some employees are leaving the company, because they have no opportunity to reach better salary.

The aim of the bachelor thesis is to analyze the current situation of these two problems which are motivation and reward system in the company and propose some improvement. It means to find imperfections and intend to eliminate them. Finally some recommendations will be created and it will lead to improvement of the current situation.

In first theoretical part the author will concern with literature about human resource management, motivation and reward system. In second part which is analysis there will be an introduction of the company JOKVA OLOMOUC, a.s. For a next step, an analysis of current situation of motivation and reward system will be made. The results from interpretation will be important data for these recommendations. It will include particular ideas to get better the motivation and reward system.

I. THEORY

1 HUMAN RESOURCE MANAGEMENT

The aim of the theoretical part of the bachelor thesis will be to give information to readers about motivation and reward system in company. Thanks to literary sources these two terms will be explained.

Armstrong defines human resource management as: "*a strategic and coherent approach to the management of an organization's most valued assets- the people working there who individually and collectively contribute to the achievement of its objectives.*" (Armstrong 2006, 3)

Aims of Human Resource Management

The ability of the organization that it can be successful thanks its' employees is the general purpose of human resource management. Organizational effectiveness is one area that HRM strategies try to improve by developing procedures in areas as talent and knowledge management. (Armstrong 2006, 8)

Human resource management has a lot of policy goals. They are all trying to improve management in the company. Empowering employees to control their own self- progression and learning new skills or building greater employee commitment to the organization are two examples of policy goals connected with employees. Another matter the author will focus on is reward system. Human resource management wants to create reward strategies to support a performance-driven culture. (Armstrong 2006, 10)

For managers this domain of human resource management is one of the most vigorous and forceful areas.

There are a lot of circumstances that are exhorting managers to force their employees to work more effectively. The main goal of this is to obtain competitive advantage. These conditions are for example increased global price competitiveness, changing employment legislation, technologies and workforce composition. All these elements are causing a turbulent business climate. (Bratton et. al 1999, xix)

In the figure below there are some qualities which a good and successful manager should have. Each area of these four in which it is divided represents an important quality.

Management as Science

Successful managers are those who have learned the appropriate unwritten body of knowledge and skills

Management as Politics

Successful managers are those who can work out the laws of life in the organization

MANAGEMENT

Management as Art

Successful managers are those born with appropriate traits

Management as Control

Successful managers are those who can exploit and control workers

Figure 1. Management as Science, Art, Politics and Control

Source: Bratton, John, and Jeffrey Gold. 1999. Human resource management: Theory and practice. (New Jersey: Lawrence Erlbaum Associates, Inc.), 13.

Human resource management processes deal with HRM strategies and policies. (Armstrong 2003, 101)

Strategic Human Resource Management

This term describes an approach to the development of human resource strategies that will help the organization to realize its aims. (Armstrong 2003, 103)

According to Armstrong: "*Strategy determines the direction in which the organization is going in relation to its' environment. It is the process of defining intentions (strategic intent) and allocating or matching resources to opportunities and needs (resource-based strategy), thus achieving strategic fit between them.*" (Armstrong 2003, 104)

Strategic capability of the organization, which will contain the ability to formulate strategic goals and also implement them through the process of strategic management, is important for good development and start up of the strategy. The conception of strategy is not direct. It is also important to said that there is no one universal strategy that fits to every company. It depends on the situation in the organization and also on systems that are already there. It is not easy to launch a new strategy. It is a process of thinking and acting at the same time. (Armstrong 2003, 104)

2 MOTIVATION

2.1 Definition of Motivation

"Motivation is the art of getting people do what you want them to do because they want to do it."

Dwight David Eisenhower (American 34th president) (Baum et. al 2010, 315)

Gorman defines motivation as: *"a desire to do something that is so strong it propels you to actually do it. It's a feeling of wanting or needing something- an achievement, possession, location, relationship, level of health or wealth, or state of mind."* (Gorman 2007, 3)

A motive is a reason that compels people to do something. The goal of each company is to develop motivation processes and work environment that will help employees to work with a great results and in accord with anticipation of management. (Armstrong 2003, 215)

According Arnold, Robertson and Cooper *"there are three components of motivation:* (Armstrong 2003, 126)

- *Direction - what a person is trying to do,*
- *Effort - how hard the person is trying,*
- *Persistence - how long a person keeps on trying."* (Armstrong 2003, 126)

Motivation can be described as a goal-directed behaviour. People are motivated when they expect that the activity will be successful and there will be valued reward. The organization as a whole can offer a lot of incentives such as good reward system, satisfying work and an opportunity to learn new skills in some specialized courses. However managers are still the most important unit of whole motivation system. They should motivate their employees thanks to their skills. (Armstrong 2003, 216)

Managers' goal should be to help employees to recognize their prosperity with that of the organization. After this happens, employees will naturally feel motivated to work hard. (Bruce 1999, 1)

A good example is always the best way how to reach something. Leaders are the people who should motivate their employees because what they ordain others will follow. Leaders must reflect the vision, culture and purpose of the company. (Baltoni 2004, 6)

Motivation can't be measured because it is really not observable. Motivational processes are concluded based on this, that we observe behavior. There are a few factors that can say more about motivation. For example it is the direction of behavior or the force of action. (O'Neil et al. 1994, 141)

There are two types of motives and each leads to action.

Conscious and Unconscious Motives (McClelland 1988, 15)

Conscious intents - these intents predict action so well because they take into account motivation and also other determinants of action. Psychological studies have shown that almost all actions are connected with previous conscious intents. (McClelland 1988, 6)

Unconscious intents - it is connected with Freud. According to him "*unconscious motives shape even the most ordinary acts, such as forgetting a name.*" (McClelland 1988, 15)

2.2 Types of Motivation

In connection with this part that deals with motivation it is important to know one fact. An Anglo-Saxon literature does not make a distinction between **Stimulus** – an external impulsion, a spur that comes from person's surroundings and urge his/her activity; and **Motive** – an internal impulsion, a cause of a behavior of a person that determines a direction and intensity of person's behavior. (Gregar 2008, 34)

An Anglo-Saxon literature calls Stimulus – Extrinsic Motivation and Motive – Intrinsic Motivation.

Intrinsic motivation:

People motivate themselves in many ways. They can find or be given a work that satisfies their needs. In this type of motivation there are self-generated elements that affect people to act in particular way or at least to move to some direction. These elements involve for example autonomy, scope to exercise skills and faculty, feeling that work is important and we are securing it and finally interesting and work. (Armstrong 2003, 217)

Extrinsic motivation:

People can be motivated by management thanks to rewards such as commendation, pay or promotion. Motivation can be also negative. Some people work more effective when their boss is not fully satisfied. Employee knows that he/she can work even better and try it. These kinds of punishments are withholding pay or criticism. (Armstrong 2003, 217)

Intrinsic motivation is definitely better. It has a long-term effect and it is deeper because it depends on individuals. On the other side extrinsic motivation has powerful and immediate effect but will not last long. (Armstrong 2003, 217)

2.3 Motivation Theories

Motivation theories explain in detail what the process of motivation is. The theories are propagated over the years. Theories that have been criticized but on the other hand are still regarded as the motivation theories are Maslow and Herzberg et al. theories. There are three major motivation theories as follows: (Armstrong 2002, 56)

Instrumentality theory - this theory states that people only work for money. Important elements in this theory are reward and punishment. It is belief that if we do one thing it will result in another. (Armstrong 2002, 56)

Process theory - process theory is also known as *cognitive theory*. It deals with people's perceptions of their working environment. Psychological process or power that affects motivation and also basic needs, are two important ideas of this theory. It is thought that this theory provides more fitting approach to motivation than Maslow theory. (Armstrong 2003, 218)

Content theory - this theory is concentrate on content of motivation. It is believed that we take an action to satisfy our needs and identify the main needs that influence behavior. This theory includes both Maslow's and Herzberg's theory. (Armstrong 2002, 57)

Maslow's Hierarchy of Needs

This theory divides human needs into five groups that are common for everyone.

- Self-fulfillment (self-actualization)
- Esteem Needs
- Social Needs
- Safety Needs
- Physiological Needs (Armstrong 2002, 57)

Maslow's theory says that if we satisfy lower needs, the next higher need becomes dominant and our attention is turned to satisfying this one. However the highest need Self-fulfillment can be satisfied but not forever. This theory has been very influential but it is not perfect. It

was criticized for its' inelasticity. It is true that every person has different priorities and some people also don't need progress up in the hierarchy. (Armstrong 2002, 57)

As an example of Safety Need can be a work contract. An employee is more certain about his/her job when he/she has a work contract for an indefinite period than for a one year. It gives this person more safety.

Herzberg's two-factor model

Herzberg and his colleagues developed this theory. It is sometimes called motivation-hygiene theory. It says that the factors that support job satisfaction differ from those which lead to dissatisfaction. So there are two groups of factors. The first one consists of motivators and satisfiers which are intrinsic to the job such as recognition and achievement. The second one contains of dissatisfaction factors that are extrinsic to the job such as administration, company policy, relationship with superior and pay. (Armstrong 2002, 58)

2.4 Motivation Strategies

In motivating employees there is no one fixed way how to do it. Each person has different personality which means that a company can't satisfy all employees by the same idea. It is simply impossible. What the company needs are strategies for motivating and managing individuals.

Employees will be not motivated and satisfied when the company offers them just something. Even if it is a great benefit. The best thing is to provide them with what they really want. After that they become pleased. (Green 1992, 1)

Three distinct beliefs are parts of employees' faith that they will get what they want. (Green 1992, 1)

- In the first one they suppose that they can work sufficiently to get what is offered. So it deals with the relationship between striving and accomplishment.
- The second is belief that they get it if they effect well. It represents the relationship between accomplishment and result.
- In the third one they trust that what is offered will be satisfying. The relationship there is between results and satisfaction.

Employees are motivated to work well only when these three requirements come together. (Green 1992, 1)

But good motivation does not guarantee good work performance. Other quality that employers need is wanted skills. Unskilled person will never work well even if he/she is motivated. A company puts emphasis also on work environment. Without proper equipment, tools, information, time and budget employees can not perform well.

To sum it up, performance is combination of effort, skills and work environment. (Green 1992, 5)

2.5 Motivation Plan of an Organization

Motivation plan focuses not only on optimal use of work force but also on optimal satisfying and development of employees. The plan deals not only with financial rewards. A field of the motivation plan is significantly wider. The plan must be differential for each group of employees. There are a lot of areas of personal management that are important. For example development of a career, evaluation of a work, good working conditions, internal communication, working relationships and others. (Gregar 2008, 39)

Concrete examples of some material motivation opportunities are bonuses, share in profits, company car, supplementary benefits, housing benefits and others. Immaterial motivation contains flexible working hours, opportunity of promotion, approval, good locality of the company and others.

The motivation plan must be clear and published. It can't be created as a general regulation for reasons that it reflect specific characteristics. (Gregar 2008, 40)

2.6 Barriers of Motivation

These enemies keep people in a company from achieving things. There are two types of barriers of motivation. (Gorman 2007, 8)

- External Barriers - these are out in the world. It characters physical reality such as gravity, paucity, illness or death. Each person has own wants and needs and it can clash with other person's wants and needs. The positive thing is that people can overcome many of these external barriers by recognizing them and applying our knowledge, skills and new technologies.

- Internal Barriers - these barriers are in human minds and bodies. Although they are part of humans it's not possible to have a big control over them. Some beliefs and thoughts can obviously obstruct motivation. (Gorman 2007, 8)

2.7 Motivation and Money

Every person is working to earn money. There is no doubt that it is very important. But there are many possibilities how to evaluate our effort at work. So is money really the best way how to motivate employees? It is obvious that different people have different needs. For someone money can be the best motivational device. For other people it can be rather non-financial benefits. These people know that if they get extra money they will spend it on family needs and do not enjoy them themselves. In this case they will appreciate some kinds of voucher to relax centre or to some specialized shops. It can be also some trip or more days off.

There are doubts about effectiveness of money. When a person gets more money it causes satisfaction but lack of it causes on the other hand dissatisfaction. Everyone feels good when gets some extra money but this enthusiasm does not last for a long time.

Money can be considered as a positive motivation when it is in good circumstances. They can be regarded as a highly means of recognition and it can also attract future employees. By contrast, bad reward system in the company causes some problems. For example employees can leave the company. Therefore it is much important to have a good system of remuneration of employees. On the basis of this system employers can reward their employees fairly. (Armstrong 2006, 267)

3 REWARD SYSTEM

3.1 Definition of Reward System

Organizations are operated by people and there are also certain systems to help them. A system is an interconnected set of methods and procedures that are here to achieve wanted results. Here are some of them - IT systems, financial systems such as budgetary control and finally reward system. (Armstrong 2005, 112)

According to Armstrong reward management *"deals with the strategies, policies and processes required to ensure that the contribution of people to the organization is recognized by both financial and non-financial means."* (Armstrong 2007, 3)

The overall aim is to reward employees fairly, with no biases and harmoniously according to their contribution to the good results of the company. Not only pay and employee benefits are part of reward management but also other non-financial rewards such as recognition, learning new skills, development of new interesting opportunities and bigger job responsibility. (Armstrong 2007, 4)

The aims of reward system management are followings. Create the reward policies, processes and practices that will support the successful business of the organization. Create reward methods based on beliefs about organization values and wants and reward employees for the value they create are two of many specific aims. Others are for example reward the right things, harmonize reward practices with both business goals and employee values and develop a positive employment relationship. Finally help in the proceeding of motivating people as was already mentioned.

To achieve these aims, reward management must be crucial. It means that it deals with long-term tasks connected with evaluation people for what they do and what they achieve.

(Armstrong 2004, 4)

3.2 Total Reward

All aspects of reward are connected and treat as a whole. These aspects are base pay, content pay, employee benefits and non-financial reward such as intrinsic reward from the work. (Armstrong 2007, 31)

It combines two main kinds of reward:

Transactional rewards - matter between employer and employees contain pay and benefits.

Relational rewards - it is connected with development, learning new skills and new experience in work. (Armstrong 2007, 31)

Components of total reward:

Total reward consists of two parts. The first one is Financial reward which is Transactional reward as was already mentioned. It comprises of base pay, variable pay, share ownership and benefits. The second one is Non-financial reward which is Relational reward. It involves recognition, opportunities to develop skills, career opportunities and quality of working life. The whole concept is in the picture below.

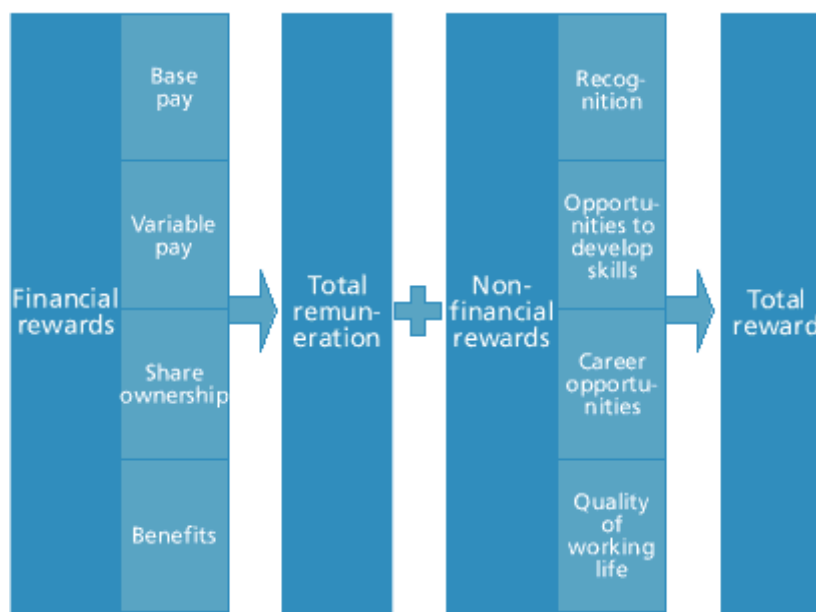


Figure 2. The Components of Total Reward

Armstrong, Michael, and Duncan Brown. 2001. *New Dimensions in Pay Management (Developing Practice)*. (London: Chartered Institute Of Personnel & Development), 4.

Most leading companies created their own model of total reward to reflect their own explanation of the idea. (Armstrong 2004, 14)

According to model of total reward, *Transactional reward* can be divided into two parts. First one is Pay which includes for example base and contingent pay, cash bonuses, long-term incentives and profit sharing. The second are Benefits such as holidays, pensions, health care and flexibility.

In *Relational reward* is as the first one Learning and development which means training, learning new skills and career progress. The second one Work environment represents leadership, recognition, quality of working life, job design and talent management. (Armstrong 2007, 34)

Total reward has a lot of benefits. Thanks to combination of various types of reward it has deeper and longer-lasting influence on the motivation of people. It is more oriented on individuals thanks to use of relational and transactional rewards. (Armstrong 2007, 33)

3.3 Reward Strategy

Reward strategy focuses on organizations needs which are related to reward policies and practices in the middle or distant future. It is visionary management because it concerned not only with vision of what reward policies will look like in a few years, but also with the matter how this vision will be realized. It is also regarded as an empirical management because it is focused on practical aspect. Strategic reward management understands needs of the organization and employees and tries to fulfill both. (Armstrong 2004, 30)

According to Armstrong the aim of the reward strategy is: *"to support the corporate and human resource strategies and align reward policies and processes to organizational and individual needs."* (Armstrong 2004, 31)

The right mix and levels of financial and non-financial rewards is important for the direction that organization should follow in the future. (Armstrong 2004, 31)

The structure of reward strategy

Any strategy must have two components. The first one is strategic objective that specify what it should obtain. The second one is a plan that defines how the objects will meet. In a form of questions it will be: "Where are we going?" and "How we are going to get there?" (Armstrong 2004, 36)

Reward strategy is considered as a linear and logical process. In theory it can be said that strategy is systematic process in which people think first, than act, formulate and finally implement. Reward strategists have to take notes while changes in their organization happen including the needs of stakeholders. These strategists must also follow new trends in business, which are for example advanced communication technology and demographic changes. (Armstrong 2004, 40)

3.4 Reward Policy

Armstrong characterizes reward policies as policies that: *"provide guidelines for the implementation of reward strategies and the design and management of reward processes."*

(Armstrong 2004, 43)

Here are some items that reward policy is connected with: (Armstrong 2004, 43)

Level of rewards - the policy on the level of rewards show if the company is high payer, pay average rates or pays below the average rate. Pay policy depends on several factors. Policies on pay levels will have a pay hierarchy with a number of grades.

Attraction policies - any attraction strategy should be based on competitive remuneration package.

Retention policies - these policies deal with retention problems the organization is confronting and tries to deal with them.

Flexibility - reward processes should operate flexibly. The reason is fast-changing conditions, changes in needs of the company or employees.

Line managers - they play a boss role administering rewards.

Involving employees - it is a good idea to give employees a voice in the design of reward processes because than reward policies and practices will be better accepted.

Communicating to employees - it is necessary to communicate to individuals, teams and representative bodies. They should know that reward processes are determined, how they plan to do it, how it influences them and how they will be helpful.

Transparency - it is not good to keep information about company pay policy in secret. Despite a lot of organizations in private sector do that. Employees will believe that reward management is fair only if they know how they are evaluated.

(Armstrong 2004, 43)

3.5 Forms of Wage

Forms of wage represent set of rules, methods and means that create a relation between a wage of an employee and results of his/her work. Two types of wages are basic wages and supplementary wages. **Basic wages** are time wage, task wage, shares wage and wage for expected results of work. Time wage refers to worked time and it doesn't depend on working output and for a certain time unit is wage scale apportioned. Task wage depends

on an amount of work that was done. Shares wage is defined by percentage of turn over or profit. *Supplementary wages* are bonus, premium, personal evaluation, employee stocks, shares on trading income and others. (Gregar 2008, 30)

3.6 Types of Grade and Pay Structure

These structures furnish a system for managing pay. Usual outcome of a formal job evaluation program is a grade structure which is also usually used as a part of non-financial reward processes.

Grade structures consist of series of hierarchy of grades or levels into groups of jobs are placed.

"Pay structures provide a framework for managing pay. A grade structure becomes pay structure when pay ranges or brackets are defined for each grade, band or level, or when grades are attached to a pay spine." (Armstrong 2004, 212)

The main kinds of grade and pay structures are: (Armstrong 2004, 222)

- *"Single-graded - sequence of job grades - 10 or more. Narrow pay ranges. Progression usually linked to performance. Most appropriate in a large, bureaucratic organization with well-defined hierarchies.*
- ***Broadbanded** - series of five or six 'broad' bands. Progression linked to contribution and competence. Most appropriate in delayed, process-based, flexible organizations. Where management capability is high.*
- ***Career family** - same grade and pay structures for each family. Career paths defined for each family in terms of key activities and competences. Most appropriate in organizations where a strong emphasis on career development is.*
- ***Job family** - separate grade and pay structure for job families containing similar jobs. Most appropriate where there are distinct groups of jobs in families.*
- ***Pay spine** - series of incremental pay points covering all jobs. Grades may be superimposed. Most appropriate in a public sector or voluntary organizations."* (Armstrong 2004, 222)

3.7 Employee Benefits

These benefits are made for get better affluence of employees. Employer provides these benefits in addition to money reward. It can make no more than one-third of a salary.

There some categories of benefits such as pension schemes, personal security (illness, accident, life assurance, redundancy), financial assistance, personal needs (holidays, childcare, recreational facilities), company car and petrol, other benefits (subsidized meals, telephone costs, clothing allowances and others). (Armstrong 2004, 446)

To reach the best motivation effect some companies starts to use *Cafeteria system*. It is an optional system of employee benefits. Employee can choose which of these benefits are the most convenient for him/her. A few menus of employee benefits were created. A disadvantage of this system is administrative demands. (Gregar 2008, 31)

3.8 Tax Standpoint of Employee Benefits

According to a law of income tax of a natural person there are some employee benefits that are free from a tax. An opportunity for employees to attend medical and sports facilities or leisure amenities that is pay for example from social and cultural fund or from post-tax profit is one of these benefits. Others are a value of food, a value of non-alcoholic drinks, non-financial costs of an employee spend on technical growth of employees. Pension insurance fee of an employer with a state contribution that is transferred to an employee account is also a benefit that is free from a tax. (Ministry of Justice CR 2010)

4 SUMMARY OF THEORETICAL KNOWLEDGE

The author has gone through a lot of literature that deals with motivation of employees in the company and reward system. Useful information that was found was written down in the theoretical part of the bachelor thesis.

People spend a significant part of their life at work. For that reason it is important that they go there with enthusiasm, feel well in their office and have a good relationship with colleagues and also with their superior. These two fields that were mentioned are only parts of the whole system of company process.

The matter concerned reward system is too extensive that it is not possible to completely mention every problem. There are too many reward strategies and policies. This issue is very individual and really depends on concrete company.

To sum it up the theoretical part focused on literary sources about human resource management because it is a basic element. Secondly the author was occupied with motivation of employees. In this part some types of motivation, some motivational strategies and also barriers that are enemies of motivation were mentioned. Finally reward system which includes reward strategies, policies and also pay structure was explained.

All knowledge from theoretical part will be used in following analysis.

II. ANALYSIS

5 COMPANY CHARACTERISTICS

The aim of the analysis of the bachelor thesis will be to give information about the company JOKVA OLOMOUC, a.s. Next part will be an analysis of current situation of employees' motivation and reward system in the company. Methods that will be used are the transcription of standardized interviews made with all employees from the Brno office, the interview with the branch manager from the Brno office and also intradepartmental documents. Finally an improvement proposal to improve the situation concern motivation and reward system will be suggested.

5.1 Subject of Business

JOKVA OLOMOUC, a. s. offers complete deliveries of materials for constructions and reconstructions of a water main, duct and sewerage networks. The company provides innovative solutions in fields such as distribution of natural gas, water and sewerage. Other branches are anti-corrosive protection or drain of areas. Another activity of the company is providing building companies and private persons with a technical and advisory work. (Jokva 2010)

Assortment of the company divides into four groups: (Kvapil 2004, 18)

- Complete assortment for **sewerage** offers a wide range of products for construction and reconstruction of soil and waste pipes. There are a lot of kinds of these pipes made of different materials - earthenware, concrete, ferroconcrete, PVC. Other products are for example shafts, covers, seals.
- Complete assortment for **water main** offers a lot of products for building of water main pipes and fire ducts. These pipes are made of steel, plastic material or tractable cast iron. Other products are also covers, than warning conductors or water meter shafts.
- Complete assortment for **gas duct** offers different products for construction of gas pipes from renowned producers and importers.
- Complete assortment of **SUPERLIT** company's products.

5.2 History and Present of the Company

JOKVA OLOMOUC, a. s. is a private business company based in Olomouc that was established by Josef Kvapil in 1990. The company follows in 10 years tradition of the JOKVA company. This private business company was transformed into joint-stock company on 3/7/2001.

In July 2002 joint-stock company JOKVA OLOMOUC, a. s. opened its' first office in Říčany near Prague. Other offices were opened in Brno and Ostrava in 2004. (Kvapil 2004, 12)

During almost 20 years of the history this company built up a stable place in Czech market. This market focuses on delivery of complete material security for engineering networks. (Kvapil 2004, 12)

SUPERLIT

JOKVA OLOMOUC, a. s. cooperates with this company. In 2006 the company entered Czech market and became an exclusive representative for Czech and Slovak market with fiberglass tube thanks to JOKVA OLOMOUC, a. s.

The company SUPERLIT SANAYI, a. s. was established in 1961. It is a subsidiary company of KARAMANCI HOLDING company which features important role in business and industrial branch in Turkey. SUPERLIT recruited a wide range of clients all over the world. (Jokva 2010)

5.3 Situation Analysis of External Environment of the Company

5.3.1 Customers of the Company JOKVA OLOMOUC, a. s.

During the existence the company supplies its' material for various buildings in all the Czech Republic. Company's customers are both the biggest construction companies in Czech Republic and medium-sized companies, businessmen or final users. E.g. INSTA CZ, s.r.o., Metrostav, a.s., OHL ZS, a.s., STRABAG a.s., IMOS Brno, a.s., Montáže inženýrských sítí spol. s.r.o., MORAVSKA VODARENSKA, a.s., Dopravní stavby Brno, s.r.o. and others. These companies are named downwards according to money return. (company's internal tables)

5.3.2 Suppliers of the Company JOKVA OLOMOUC, a. s.

JOKVA OLOMOUC, a. s. nowadays co-operates with more than one hundred suppliers both national and foreign. The company buys some components from these other companies. The biggest turnover has the company BETONIKA plus s.r.o. This is a Czech company and it is situated in southern part of the Czech Republic. Other important Czech suppliers are e.g. SAINT- GOBAIN trubní systémy, s.r.o., Pipelife Czech, s.r.o., HAWLE ARMATURY, spol. s.r.o., WAVIN Ekoplastik, .s.r.o. From foreign suppliers the biggest one is KERAMO STEINZEUG N.V. based in Belgium. (company's internal tables)

5.3.3 Competitors of the Company JOKVA OLOMOUC, a. s.

JOKVA OLOMOUC, a. s. has four main competitors. It means that the company has 1/5 share on the market. This share differs in accordance with offices. E.g. Olomouc office is the head office so it has 2/3 of all orders in its' region. Brno office has approximately 1/4 of all orders in its' region and Prague office 1/10. The first one TECHNOMA a. s. is situated in east part of the Czech Republic. This business company is specialized in selling of materials for construction and reconstruction of water main and gas duct networks and dewatering systems. Second competitor PVC Alfa s.r.o. was established in 1994 and is situated in Ostrava and Olomouc. Third one is TECAM, spol. s.r.o. This company was established purely as a Czech company in 1994 and it has dynamic growth. The last of these important competitors is Glasspol, spol. s.r.o. It has its' main storehouse in Kroměříž which is near Olomouc where JOKVA OLOMOUC, .a.s. is situated. The company has five more offices and was established in 1991.

Other competitors are for example Intradex – A. M., spol. s.r.o. and HECKL s.r.o.

All competitors are better in a marketing field. Each company specializes in different products. JOKVA OLOMOUC, a.s. is good at gas products, TECHNOMA a.s. is good at sewers. (company's internal tables)

5.4 Situation Analysis of Internal Environment of the Company

5.4.1 Employees' Figures

JOKVA OLOMOUC, a. s. is situated in four cities in the Czech Republic. In Olomouc where is the main office, works 13 people. A main management of the company is placed here - a chairman of managing board and managing director. Other positions in this and also

in all other offices are e.g. sales agent, secretary, stores foreman, substitute of stores foreman, stock accountant, store man, product manager, financial manager. Of course these working positions differ in each office. In Brno works 10 people, in Říčany near Prague works 8 people and in Ostrava works 4 people. In all these three offices there is a branch manager that runs his office. All together it gives 35 people working in this company. (Kvapil 2004, 20)

In Appendices there is organizational setup of the central office of the company JOKVA OLOMOUC, a. s. see (Appendix P I) and also Brno office see (Appendix P II).

5.4.2 Economics Indexes

The company carries out its' business and production activity mainly in inland. From these activities the company reached following profits. The profit fell during years. This was caused by establishment of a new office in Brno. Expenses increased also because a number of employees became higher. The company also had to reduce profit margin because of rise of competitiveness. There is more than 5 million CZK decrease form year 2006 to 2008. (Annual reports of the company form years 200, 2007, 2008)

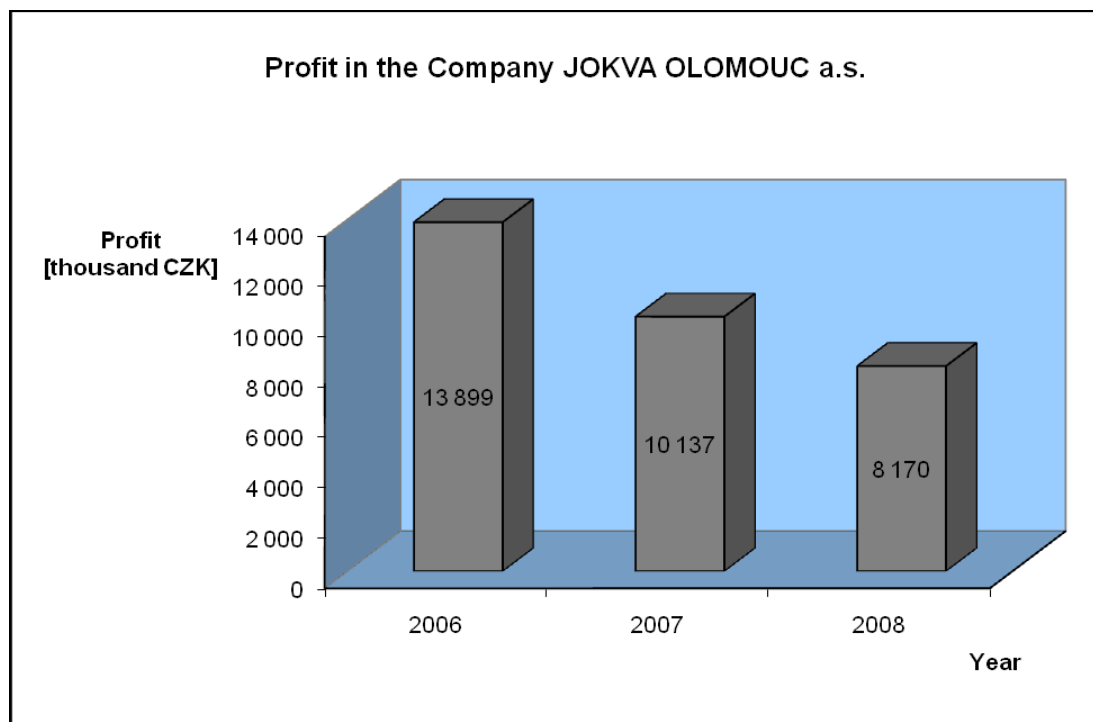


Figure 3. Development of Profit in the Company JOKVA OLOMOUC, a.s. in Years 2006 – 2008 in Thousand Czech Crowns (Own elaboration according to annual reports of the company from years 2006, 2007, 2008)

Another economic index shows extent of personal expenses on employees. It increased during these years. In 2006 more than 11 million CZK were spent on employees. In 2008, two years later, the amount of money is almost 20 million CZK. The difference is about 8 million CZK. It was caused by increase of wages. There were a lot of factors that influenced this change. Not only wages increased but also demandingness is higher. For example better cars, mobile phones and other items it all costs more money. (Annual reports of the company form years 200, 2007, 2008)

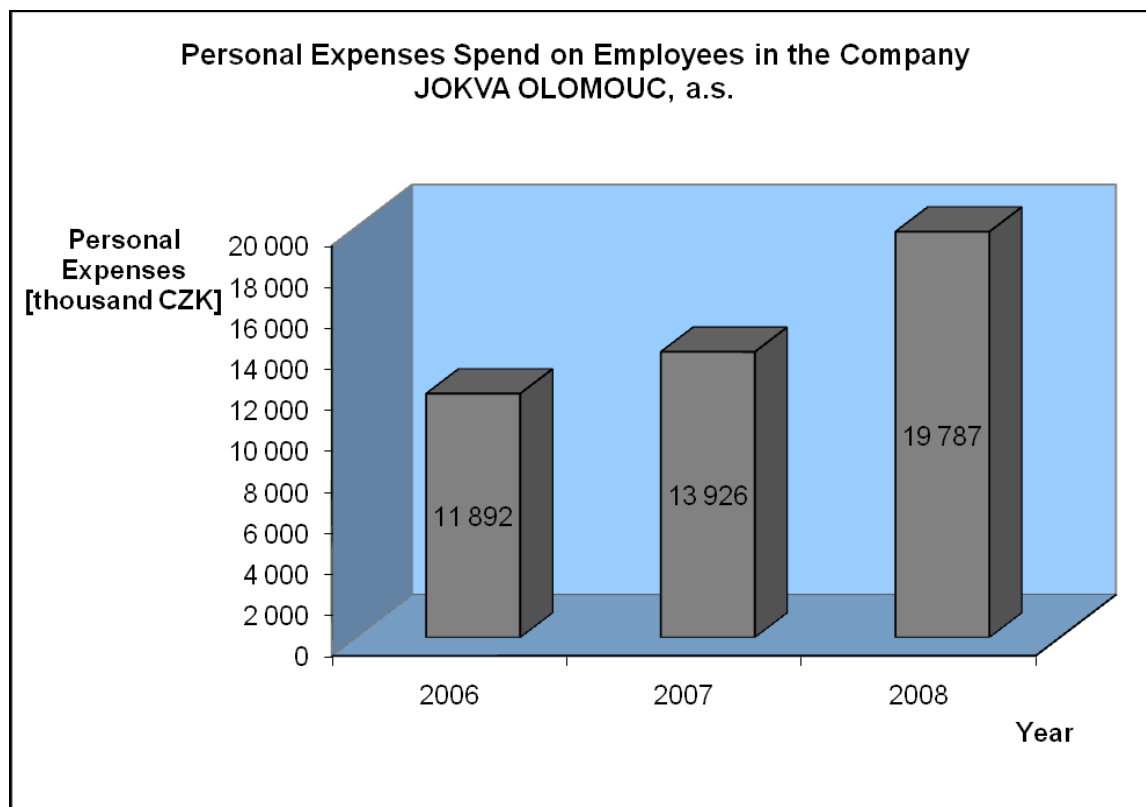


Figure 4. Extent of Personal Expenses Spend on Employees in the Company JOKVA OLOMOUC, a.s. in Years 2006 – 2008 in Thousand Czech Crowns (Own elaboration according to annual reports of the company from years 2006, 2007, 2008)

5.4.3 Visions and Goals of the Company

The company's effort is to constantly improve services towards to customers. It is a philosophy of complete improving. It means that the company uses acquired information to make the control over the company better. Important part of this philosophy is also good relationships with clients, partners, suppliers, employees and other involved people.

There are some activities which the company uses to improve the situation: information from internal audits, analysis of reasons of complaints, everyday communication at all levels or monitoring of customer's satisfaction.

Every employee should inform management when they find out some weak place or dissonance. (Jokva 2010)

6 ANALYSIS OF CURRENT SITUATION OF EMPLOYEES' MOTIVATION AND REWARD SYSTEM IN THE COMPANY JOKVA OLOMOUC, A.S.

6.1 The Aim and Courses of Analysis

The aim of the analysis is to analyze the current situation of two problems which are motivation and reward system in the company. It means to find and describe imperfections. Three methods are used in the analysis. The first one is an interview with the branch manager of the Brno office. On the basis of this interview there is a description of the current situation of an employees' motivation and reward system. The second one is the transcription of standardized interviews. Employees answered to prepared questions. This refers only to all employees of a Brno office. It means that this standardized interview was made with 9 employees. The author also utilized information from intradepartmental documents.

6.2 Reward System

This part is focused on reward system that the company has. It refers to all employees. Generally a wage of every employee consists of two parts. The first one is a basic wage and the second one is a supplementary wage. E.g. the basic wage of a store man is a time wage. It depends on number of working hours. They have 56 CZK per hour. On the other hand sales agents have task wage. Each sales agent has a different wage because now it is set individually. It depends on a region in which they work and also on work load. There are two groups of sales agents. One works outdoor and second works in an office. These that work in a field are better paid. Sales agents also have a different amount of wage relate to productivity.

Personnel policy in the company is on a bad level. The company doesn't have any staff department. There is a scale of wages in the company.

QUARTERLY REWARD (Brno office)

If the office fulfills three criterions it can obtain 30,000 CZK every quarter - 10,000 CZK for each criterion. This money receives the branch manager and it is up to him how this money is reallocated.

These three criterions are:

1. To pay claims that have to be paid within 60 days no more than 30 days after due date.
2. Profit in a quarter must be more than 3 %.
3. Turnover must be higher than situation of the stock and stocktaking can't be higher or lower more than 0.5 % than situation of the stock is.

The first criterion deals with claims. All claims that have to be paid within 60 days are paid no more than 30 days after due date. This is because 80 % of supplier companies want payment within 60 days. It is better to have money in the company as soon as possible. This criterion depends mainly on the branch manager. He/she deals with payments and he/she can carry out this task. The money should be given to the branch manager and sales agents. The problem is that a cash flow is very long. The money goes through at least five subjects. Brno office never gets this part of quarterly reward because this criterion is almost unfeasible.

The second criterion is related to a profit. The profit in a quarter must be more than 3 %. E.g. it means that turnover of the company is 10 million CZK, products were bought for 9 million. In this case profit is 1 million CZK. It is 10% of turnover. Costs spend on the office are 550,000 CZK. Final profit is 450,000 CZK what is 4.5 %, so more than 3 %. In this case the office will get this part of a quarterly reward. In practice this criterion can be fulfill when the season is. For this company it is in 2nd and 3rd quarter. On the other hand in 1st and 4th quarter the weather is not so suitable and companies don't build so much. Because of that the turnover is not so high.

The third criterion is divided into two parts. The first one is that the turnover must be higher (3 % increase) than situation of the stock. E.g. the turnover is 10.3 million CZK and stock is 10 million CZK. The second criterion deals with stocktaking that is each quarter. It can't be higher or lower more than 0.5 % than situation of the stock is. E.g. it means that if a value of products in the stock is 10 million CZK the stocktaking won't be more than 10 050,000 CZK and less than 9 950,000 CZK. This is the maximum limit. Both possibilities are wrong. Higher stocktaking means that there was an exchange of goods or another mistake. Of course that lower stocktaking is worse because the company lost money. It causes e.g. that different and more expensive products were given over instead of

the right ones that were cheaper. This criterion depends mainly on the stores foreman and also on store men. It can be a great motivation for them to have this matter under control. The amount of money that the office gets for this criterion will be reallocated mainly between them. For example 5,000 CZK gets stores foreman and other 5,000 CZK gets store men. But there is one negative rule in this last criterion. If one of these two parts is not fulfill the money is not obtain.

In practice the Brno office fulfills *second* and *third* criterion in 2nd and 3rd quarter. In 1st and 4th quarter the office doesn't manage to carry out none of these criterions.

The company director and a chairman of managing board gives away these money to offices. Branch managers receive the money and it is up to them how the money will be reallocated. There is no introduced system according to which it works.

ESPECIAL REWARD FOR A WELL REALIZED WORK

Every month it is within the remit of the branch manager to award this especial reward to one of his employees. The amount of money is 1,000 CZK. Every month it can be only one person. It is up to the branch manager. There is no rule for this reward. The money often get someone who has no paid overtime and stays often longer at work. It refers to sales agents and a woman that devise quotations. The money gets a person who arranges some exclusive business. This refers to sale agents. The branch manager also doesn't have to give this reward but in a reality he gives the money every month to one person.

CHRISTMAS REWARD (13. SALARY)

This kind of reward started in the company before two years. Every employee gets an amount of money that is half of their gross wage. This money is paid in November so employees get it in December in a payday. There are some criterions connected with this reward. E.g. the gross wage is 20,000 CZK. The Christmas reward should be 10,000 CZK. If the employee works in the company only half year he/she will get only 5,000 CZK.

REWARD OF NET PROFIT 10 %

In June that is 6th month in a year the company makes balance accounts of a previous year. From a net profit of a previous year 10 % is taken. The company director and a chairman

of managing board gives away this money to individual offices. There is again no rule how to do that. It is just up to him. He gives the money to every branch manager. They can reallocate the money on account of their consideration. There is no fix rule how to do that. This reward is full of imperfections. It is necessary to have some fix system how to reallocate the money. It will bring higher motivation to employees and it will be more effective. Now employees think that this is not in equity.

A big problem in this reward of net profit is that it doesn't work always. It depends on the amount of money that creates this 10 %. If it is too high the company director and chairman of managing board just provide less percentage. On the bases of this there should be a new system created. To make some minimum and maximum money limit that will be provided is necessary.

OVERTIMES

The company pays maximum 10 overtimes hours in a month to employees. The amount of money is set by a law and it is 125 % of an hour wage.

HOLIDAY

There are premiums for working on holiday. An hour wage should be 100 % higher than a normal hour wage is. This is also given by a law.

6.3 Motivation

Motivation system in the company has two parts. The first one is on basis of rewards that were mentioned before. The second part includes all kinds of benefits that are not directly added to a salary.

The first part of employee' motivation is maybe more important for some employees. Extra money that employees can get to their salaries is a great motivation. Sales agents can obtain a part of money from quarterly reward from its' second part if the profit is more than 3 %. Another chance they have is to realize their work well or to find out a new customer. This can be another 1,000 CZK added to their salaries. Finally a part of money from net profit from previous year can be theirs.

People that take care about the stock can obtain some money from third part of quarterly reward. It refers to stores foreman and store men. 10,000 CZK can be split among them.

The second part just broadens the previous part. These non-financial bonuses are also very important and useful. The company provides meal tickets to all employees. The company pays 50 % of this meal ticket. So e.g. if the meal ticket has an amount of 65 CZK the company pays approximately 33 CZK. The company director and a chairman of managing board, branch managers, sales agents and economist own a company car. At the present time they can use it for work purposes and also for private purposes but these private kilometers they have to pay. As a next helpful item that some employees can have is a mobile phone. It is provided to the company director and a chairman of managing board, sales agents and stores foremen.

According to the Labour Code an employee is responsible for damage to an employer. This damage must be caused by breach of a duty while fulfilling tasks. (Jakoubka 2008, 123)

Because of this law the company pays insurance to employees. It is called an insurance against damage caused by employee. If an employee, for example store man, breaks some product the company gets some amount of money from this insurance.

Employees of the company have reduced prices for a purchase of materials of engineering network. The goods is for example pavements, bricks and other material necessary when building a house. There is not fix percentage discount. Employees get the goods always almost for a purchase price.

Other motivation that the company try to offer to its' employees is e.g. a good reputation of the company, pleasant working conditions or feedback.

My opinion on these motivational elements is positive. The company provides its' employees a lot of benefits but the true is that there is still a space for a new motivational elements.

6.4 Transcription of Standardized Interviews with Brno Office Employees

There are strictly given rules how to make a conversation. An aim if an interview is pointed out. Questions have to be given in a right order and no question can be omitted. Wording of questions have to be observed. There is no possibility to ask behindhand questions.

Aims of the standardized interviews

There are three main aims that have to be detected. The first one is to find out if employees of the Brno office of the company JOKVA OLOMOUC, a.s. are satisfied with a current situation of motivation and reward system. The second aim is to find out if these employees derive benefit from offered classes of English language. The third and final aim is to discover what type of benefits employees prefer.

Questions in a questionnaire

To see used questionnaire (*Appendix P III*).

There are two types of questions in the questionnaire. Closed and partially closed questions. There are eight closed questions and from that one question is form of multiple choice when an interviewee can choose more answers. One of the other eight questions is an identification question, one question is on the basis of an evaluation by the help of an evaluative scheme. Other four questions are form of multiple choice when an interviewee can choose only one answer. Last type of closed questions is two questions based on importance of an evaluation.

Partially closed questions are combination of closed and opened questions. This partially closed question originates when varieties "other" or "from the reason" are added in closed question. Than it is opened question and it allows interviewees to freely express their ideas.

Research sample

Brno office of JOKVA OLOMOUC, a.s. has nine employees. All these employees did an interview.

Data evaluation

Two tables are created. The first one is a table with values of absolute frequency and the second one is a table with values of relative frequency. (Because a total sum of interviewee is nine, percentage value of one answer is 11,11 %. It is because a value of nine answers is 100 %.) In the text and graphs the author rounds the amount to whole numbers . It means 11,11 % will be 11 %. On the basis of the table with relative frequency there are graphs created. To each question there is a graph and a word commentary.

The table of an absolute frequency (Appendix P IV) and the table of a relative frequency (Appendix P V) are in the Appendices part in the back.

Firstly it was investigated if employees are satisfied with their salary in relate to their effort.

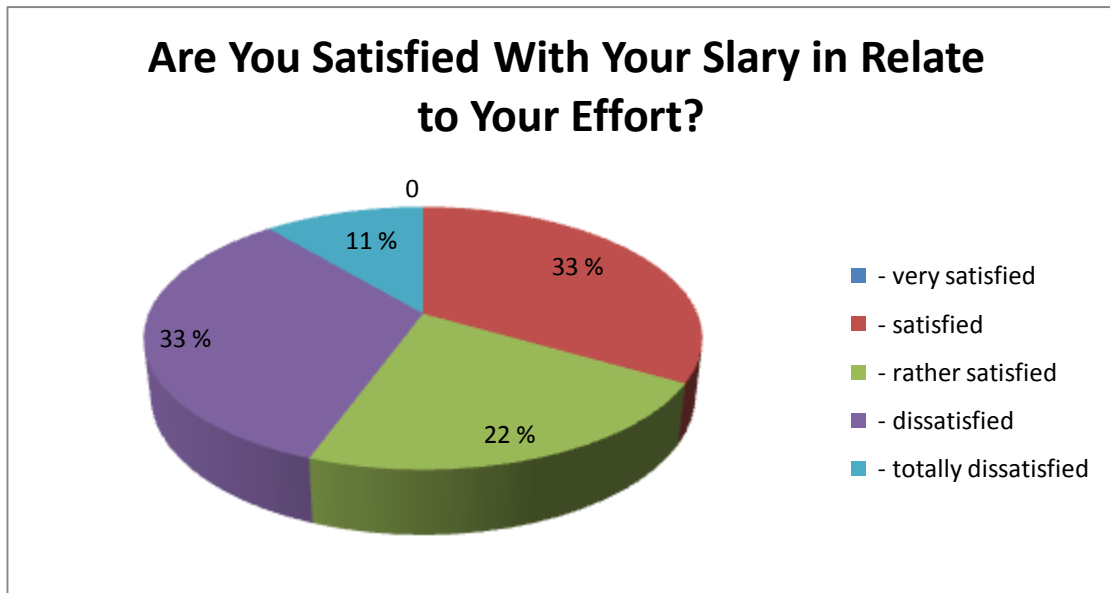


Figure 5. Satisfaction of Employees with Their Salary in Relate to Their Effort (Own elaboration according to results of standardized interviews)

This graph is made from a relative frequency. An evaluation of this question is contradictory. 33 % of employees are satisfied with their salary and second 33 % are dissatisfied. Other 22 % of employees are rather satisfied and last 11 % are totally dissatisfied. These results show that the situation is bad and it needs some changes.

Next part deals with motivational elements that employees are satisfied with.

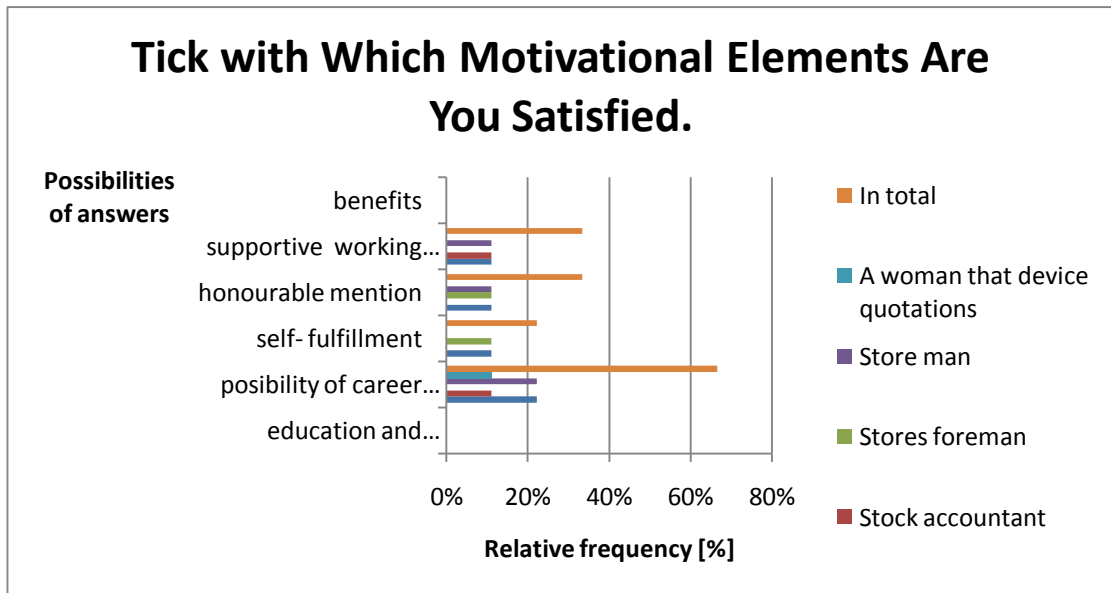


Figure 6. Motivational Elements with Which are Employees Satisfied (Own elaboration according to results of standardized interviews)

This graph is made from a relative frequency. The most employees are satisfied with possibility of career progress. It was 66 % of employees. Other elements that employees are satisfied with are self- fulfillment, supportive working environment and honourable mention. With education, development of employees and benefits are employees dissatisfied.

Other problem that was solved was how employees perceive motivational and reward system in relate to other companies.

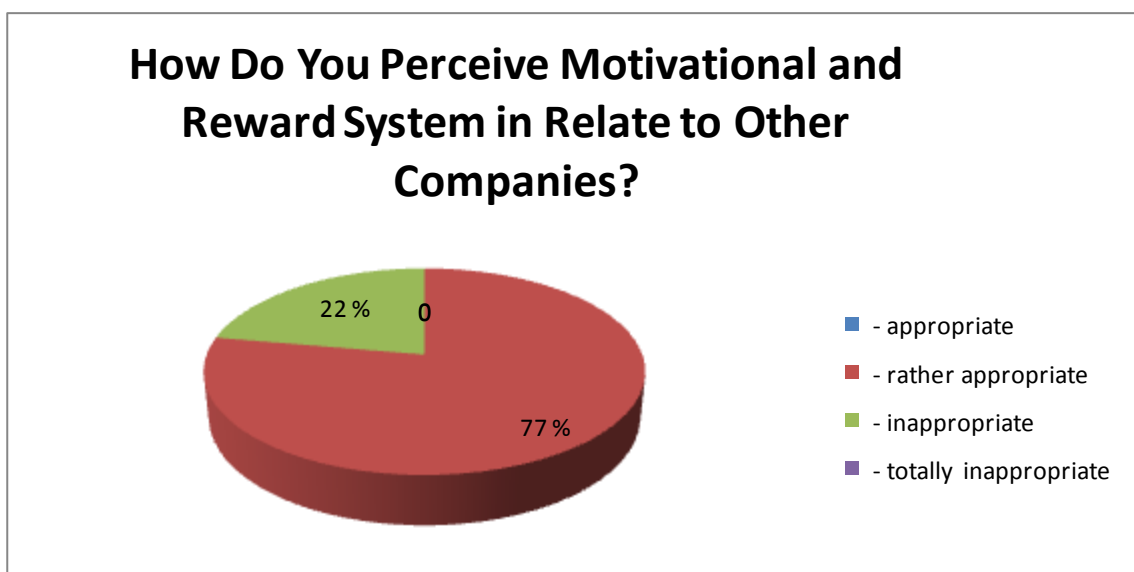


Figure 7. How Employees Perceive Motivational and Reward System in Relate to Other Companies (Own elaboration according to results of standardized interviews)

This graph is made from a relative frequency. An evaluation of this question is predominantly positive. 77 % of employees think that motivational and reward system in relate to other companies is rather appropriate. Other 22 % of employees have a different opinion. It is very good that employees have such a positive feeling.

Other problem concerned with English language courses.

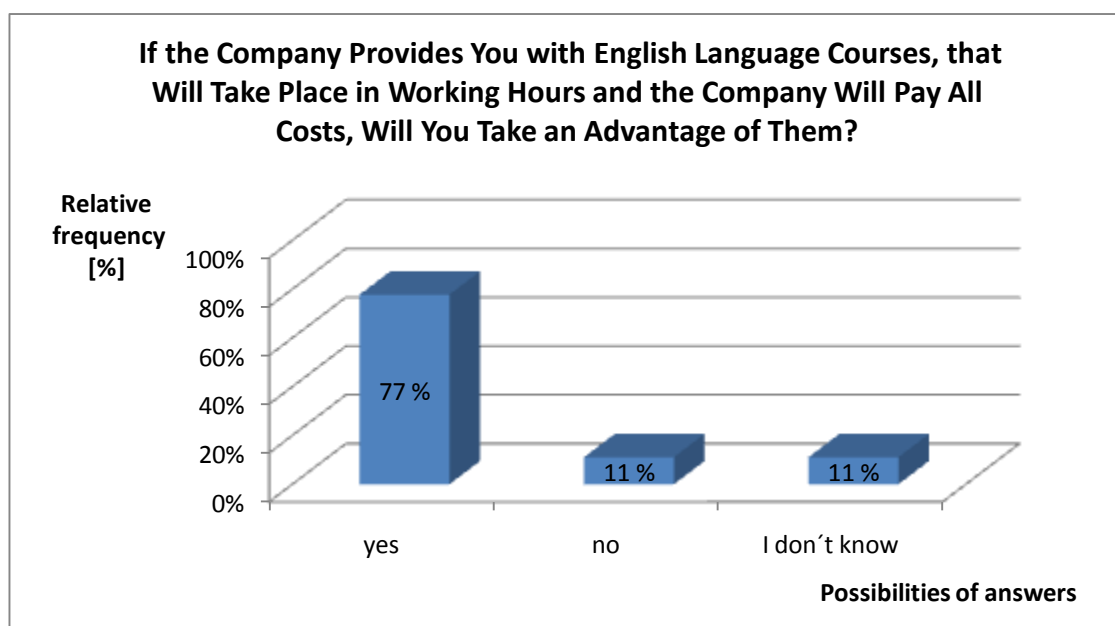


Figure 8. Request of Employees on English Language Courses (Own elaboration according to results of standardized interviews)

This graph is made from a relative frequency. From these answers it is obvious that employees of the company will take an advantage of English language courses. 77 % answered positively. One employee is not interested in these courses and one doesn't know. Employees know that nowadays it is important to know at least one world language.

Then it was investigated what form of teaching employees would prefer.

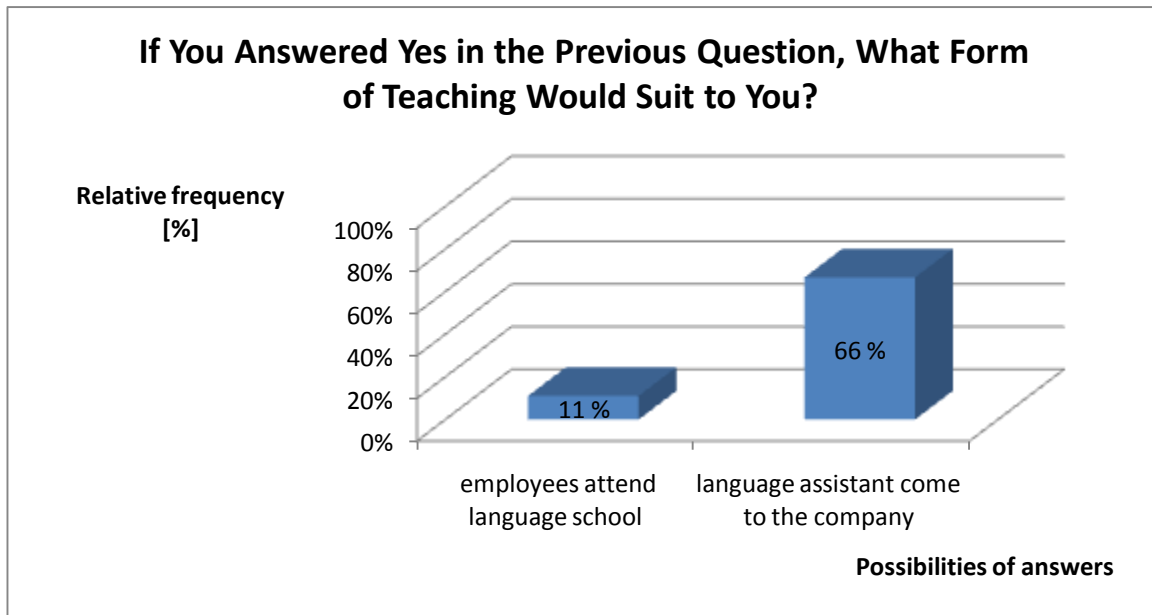


Figure 9. Form of Teaching of English Language Courses (Own elaboration according to results of standardized interviews)

This graph is made from a relative frequency. From 77 % of employees that want English language courses majority (66 %) want a language assistant to come to the company. Definitely it is more comfortable for them.

Other task also dealt with English language.

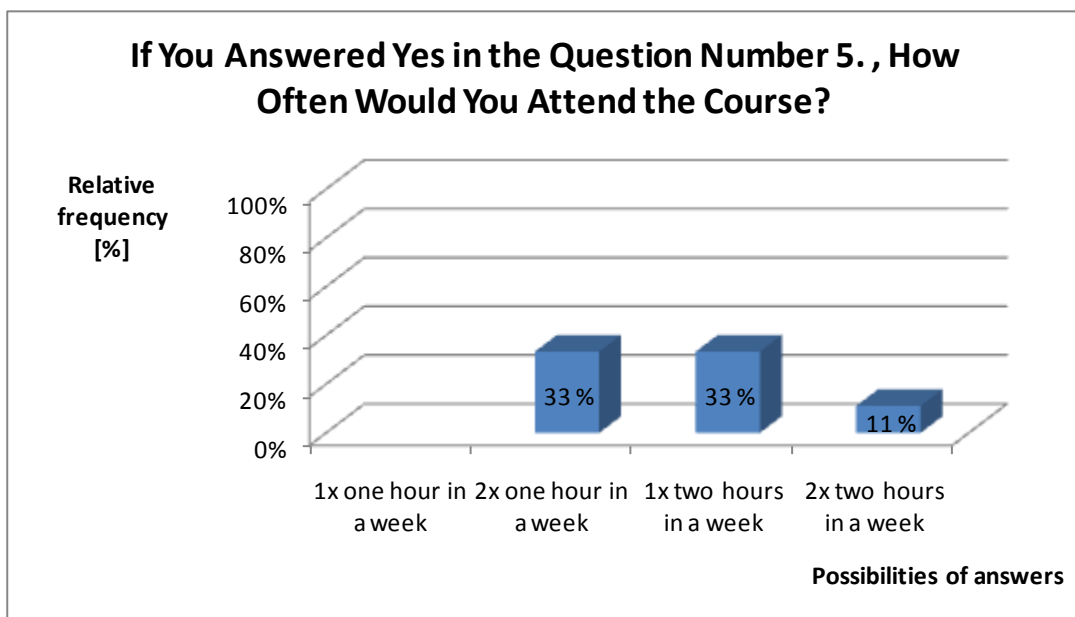


Figure 10. Attendance of English Language Courses (Own elaboration according to results of standardized interviews)

This graph is made from a relative frequency. On the basis of this answers it is hard to make a decision which alternative to choose. 33 % of employees want one hour twice a week. Other 33 % of employees want two hours once a week. Basically it is the same number of hours just in different intervals. One employee is more interested in this courses and wants two hours twice a week. It is good that employees want to spend at least two hours a week learning English.

Next it was investigated what form of 13. salary employees prefer.

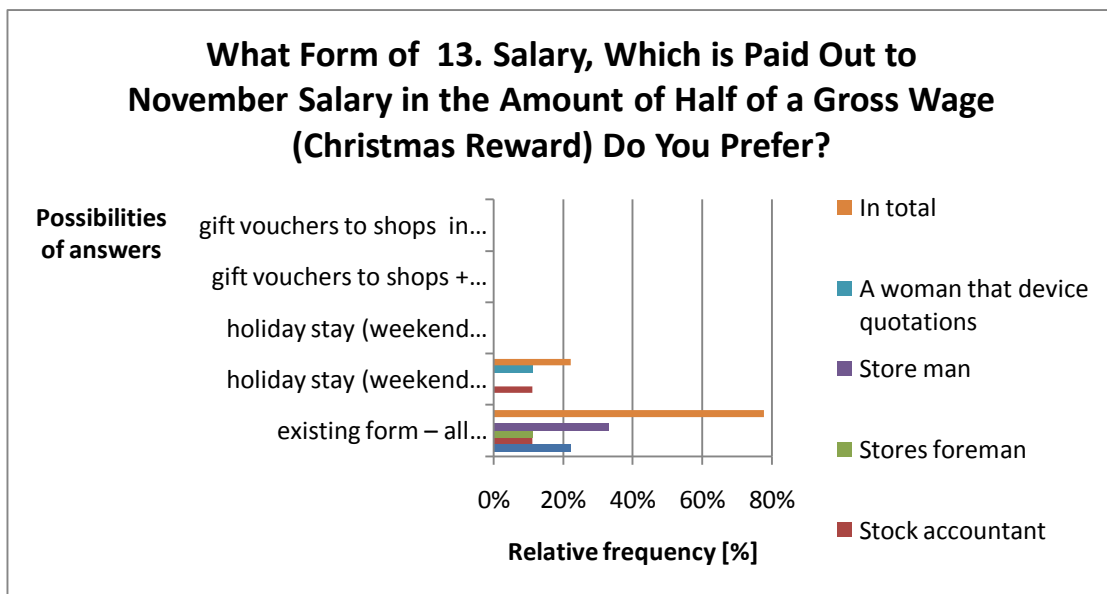


Figure 11. Form of 13. Salary (Christmas Reward) (Own elaboration according to results of standardized interviews)

This graph is made from a relative frequency. Majority of employees want 13. salary (in the company it is called Christmas reward) in an existing form which is cash. All 77 % of employees want it. There is also one other possibility that is interesting for 22 % of employees and it is holiday stay (weekend stay for a family) + ½ of 13. salary. From there results it is obvious that employees still prefer cash instead of some non- financial benefits.

Other task related to a form of Especial reward for a well realized work.

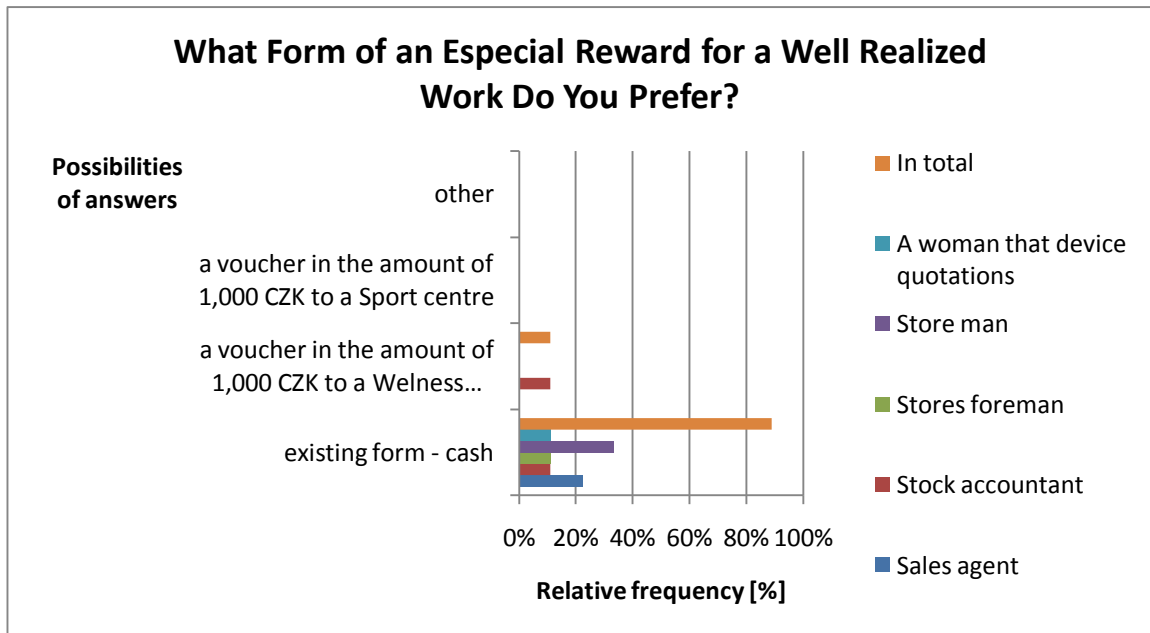


Figure 12. Form of Especial Reward for a Well Realized Work (Own elaboration according to results of standardized interviews)

This graph is made from a relative frequency. This question and its' answers are similar as the previous one. 88 % of employees prefer to get Especial reward for a well realized work in cash. Only one person, stock accountant, prefers to get a voucher in the amount of 1,000 CZK to a Wellness centre. As the author mentioned before cash is still the best form of reward for most of people.

The last problem related to a Pension income instance.

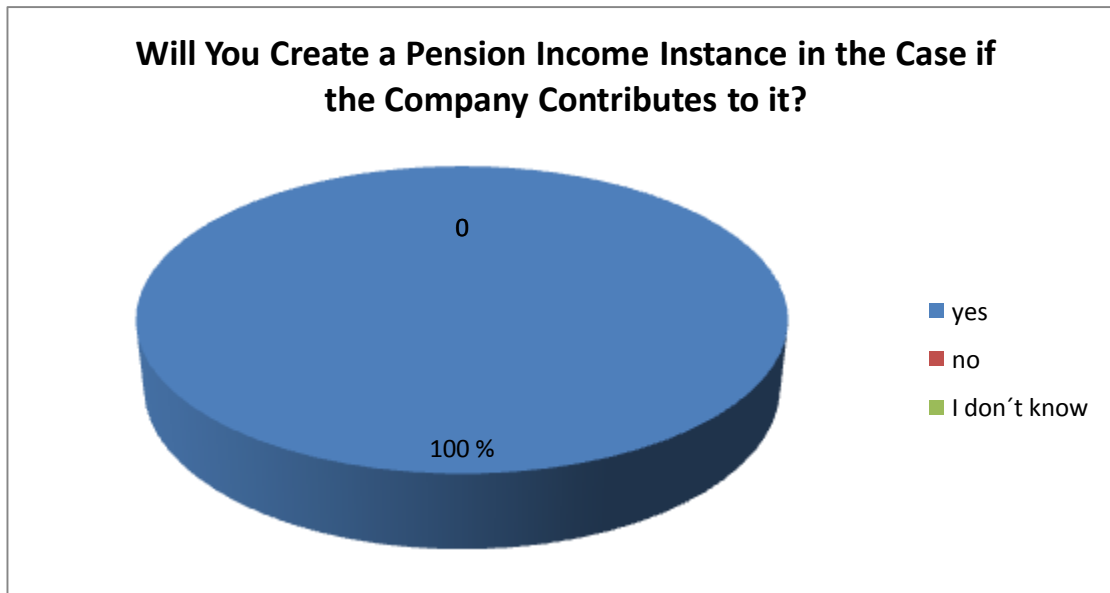


Figure 13. Request of Employees on Pension Income Instance (Own elaboration according to results of standardized interviews)

This graph is made from a relative frequency. Answer to this question was same for all employees. All of them are willing to create a Pension income instance in case that the company will contribute to it.

6.5 Summary of Analytical Findings of Current Situation of Employees' Motivation and Reward System

This part consists of three parts. The first two parts are description of the current situation in the company on the bases of an interview with the branch manager from the Brno office and also intradepartmental documents. At first the author focused on the reward system and after on the motivation of employees. These parts deal with all employees of JOKVA OLOMOUC, a.s. company. Quarterly reward is described there. It works but not every time the same. There are a lot of imperfections that need to be removed and substituted with a better and more elaborated system. It will be a benefit not only for employees but also for leadership of the company. Another reward that is described is Reward of net profit 10 %. There is absolutely no system how to reallocate the money on the offices. In recommendations there will be elaborated a new system how to do it. Others minor rewards such as 13. salary and overtimes worked well.

The last part is the Transcription of standardized interviews with Brno office employees. To each question there is a graph and word commentary. In the Appendices P IV and P V there are two tables that also relate to results of these standardized interviews. The first one is a table of an absolute frequency and the second one is a table of a relative frequency.

Positive results from this research are e.g. that employees think that motivational and reward system in the company is rather appropriate in relate to other companies and that half of employees have a positive view on amount of their salary in relate to their effort.

Negative result is that employees are not satisfied with benefits and education and development of employees in the company. It is because there are not language or other courses that employees can attend to improve.

7 RECOMMENDATIONS FOR IMPROVING MOTIVATION AND REWARD SYSTEM

In this part of the bachelor thesis the author will give some improvement proposals. It is created firstly on the basis of interview with the branch manager of a Brno office. It refers to current situation of the company. These parts that are not elaborated and worked out will improve. An order will be same as in a previous part. First reward system will be mentioned and next will be motivation of employees.

The second part is on the basis of the transcription of standardized interviews.

7.1 Reward System

QUARTERLY REWARD (Brno office)

There are three criterions and for each the office can obtain 10,000 CZK. The branch manager receives the money and it is up to him how this money is reallocated. This is the reason why some system will be suggested. If there is a fix rule how much money an individual person gets it will be more effective and motivating.

The first criterion deals with a maturity of invoices. This 10,000 CZK should be reallocated between people who are responsible for these invoices. 6,000 CZK should get the branch manager, and each sales agent should get 2,000 CZK. They all influence this problem but the reason why the branch manager has the biggest amount of money is reasonable. He knows owners of companies and thanks to this the communication has a higher weight. There is a direct communication with management of the company. If a sales agent gains a new customer he must look after a maturity.

The second criterion concerns a profit. The office can obtain 10,000 CZK when this criterion is fulfilled. People that have the biggest credit on this task are the branch manager and sales agents. They all get 2,500 CZK and the branch manager gets extra 2,500 CZK because he has a directing function.

The third criterion deals with a stock. A stores foreman is the main person that takes care about the stock. He is responsible for a number of products so he should get 4,000 CZK and each of three store men 2,000 CZK. This criterion is divided into two parts and if one of them is not fulfill the money is not obtained. This will be changed. The amount of money will be divided into two parts. 5,000 CZK will be for each task and they won't depend on

each other. If just one task will be fulfilled, the company will get 5,000 CZK for this criterion.

REWARD OF NET PROFIT OVER 10 %

10 % from a net profit of a previous year is given to individual offices. There is no fix rule how reallocate the money. The new rule is following. If the profit in a year will be 10 million CZK the 10 % is 1 million CZK. This will be divided into two parts. If the whole 1 million is 100 % the first part 40 % will be divided into each office. There are four offices (Brno, Olomouc, Prague, Ostrava) and each will gets a same amount: 10 %. The second part 60 % will be divided on the basis of the turnover that each office makes. There is a possibility that these 10 million is created 6 million by Olomouc office (60 %), 2 million by Brno office (20 %), 1.5 million by Prague office (15 %) and 0.5 million by Ostrava office (5 %). The second part 60 % is considered to be 100 % and the money will be reallocated on the basis of achieved turnover of each office.

The second part 60 % is 600,000 CZK = 100 %.

Olomouc office should get 60 % what is 360,000 CZK.

Brno office should get 20 % what is 120,000 CZK.

Prague office should get 15 % what is 90,000 CZK.

Ostrava office should get 5 % what is 30,000 CZK.

It means that Brno office obtain an amount of money 220,000 CZK altogether: 100,000 CZK from the first part and 120,000 CZK from the second part. Ten people work in this office: 1 branch manager, 2 sales agents, 2 stock accountants, 3 store men, 1 store foreman and 1 woman that devise quotations. Employees who have paid overtimes are not involved in this reward. It is related to store men and stock accountants. Final number is five people who will get the money from this reward. 220,000 CZK is 100 %. The branch manager gets 40 % because he has the biggest responsibility. Other four people (two sales agents, store foreman and a woman that devise quotations) get each 10 %. Sales agents get also that 20 % that left because they can affect the business. This 20 % will be reallocated between them on the basis of two criterions. It depends on if they work outdoor or in an office. The second criterion is that it will be reallocated on the basis of turnover their clients make. To

keep this under control sales agents should provide the branch manager with an information that refer to their clients and the turnover they made.

7.2 Motivation

The company can provides its' employees with other non-financial bonuses. The first one can be increase of days of holiday from twenty to twenty-five. The company director and chairman of managing board will confirm this proposal. The second benefit can be a contribution on vitamins (20 % sale). What refers to a company car, employees can consider a way to work and back as a journey of duty. This journey will be paid by an employer.

7.3 English Courses

From information that came from the survey the author proposes recommendations that will improve the current situation. The first one deals with an English language courses. The company realizes them once a week and a language assistant will come to the company. These courses will last for 90 minutes. School of English P.A.R.K. that the company chose has costs 450 CZK for 45 minutes. The company will have two lessons so it pays 900 CZK per week. But the final price of in-company courses is always the subject of mutual agreement and is primarily dependent on location, time and volume of courses, composition of teachers and course program.

7.4 Pension Income Instance

Concern a Pension income instance the author recommends to the company introduce it because 100 % of employees of Brno office will create it, if the company contributes to it.

CONCLUSION

This bachelor thesis is focused on motivation and reward system of the company JOKVA OLOMOUC, a.s. The aim of the bachelor thesis was to analyze the current situation of motivation and reward system in the company and propose some recommendations. It means to find imperfections and intend to eliminate them.

To get deeply in this problem first of all there has to be a theoretical part. It is divided into three parts. The first one is a human resource management field, than motivation and finally reward system. It is important to have this general information to understand this topic better.

The aim of the second part analysis was to disclose satisfaction of employees with the current situation of motivation and reward system and find out employees' attitude to possible innovation changes. The first part company characteristics give a lot of information about the company. The second part the analysis of current situation of employees' motivation and reward system in the company is based on interviews with the branch manager of the Brno office, standardized interviews with employees of Brno office and intradepartmental documents. These standardized interviews are evaluated in this part and data that come from this are basis for the last part. The third part is recommendations for improving motivation and reward system. The author presented and suggested these new ideas to the company. E.g. Reward of net profit over 10 % was carefully elaborated and English courses will be realized.

I resolutely believe that the company utilizes offered recommendations and it will improve the current situation. This field is concerned in employees and it is important to every company to have satisfied employees. They are the main subject, main power in each company.

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LIST OF ABBREVIATIONS

a.s.	Akciová společnost – Joint stock company
CZK	Czech crown

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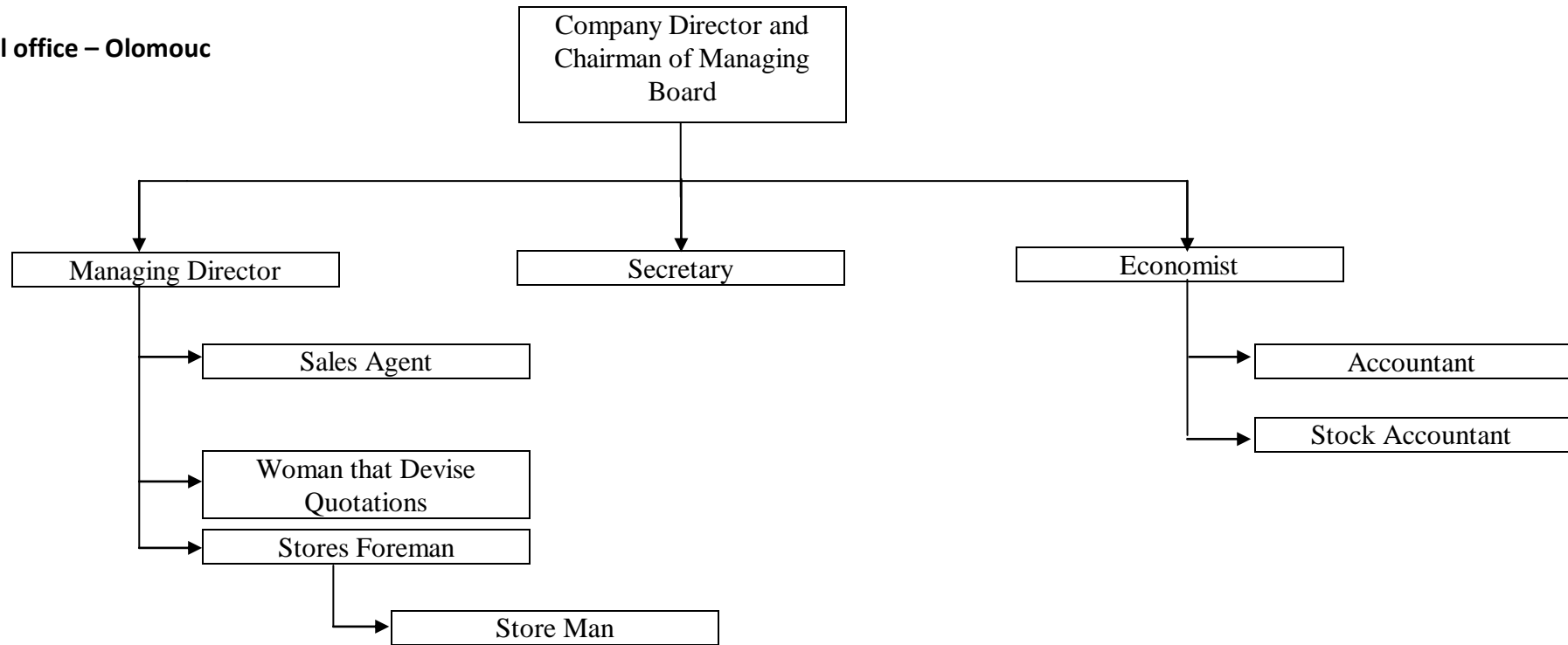
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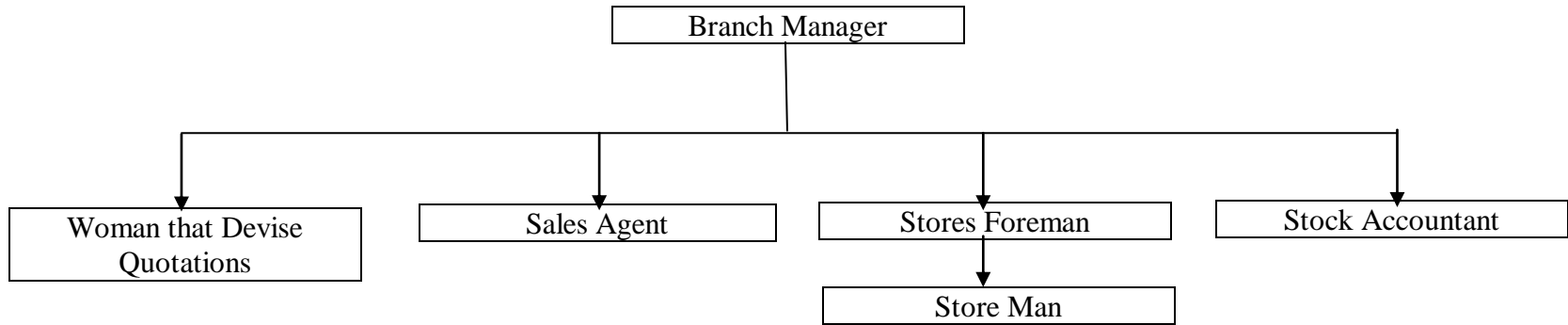
Central office – Olomouc



(Kvapil 2004, 22)

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Office - Brno



(Kvapil 2004, 24)

APPENDIX P III: TRANSCRIPTION OF A STANDARDIZED INTERVIEW

ZÁPIS ZE STANDARDIZOVANÉHO ROZHOVORU TÝKAJÍCÍ SE SPOKOJENOSTI ZAMĚSTNANCŮ SPOLEČNOSTI JOKVA OLOMOUC, a.s. SE SYSTÉMEM ODMĚŇOVÁNÍ A BENEFITŮ.

Vážení zaměstnanci,

Jsem studentkou 3. ročníku Fakulty humanitních studií Univerzity Tomáše Bati ve Zlíně. V rámci vypracování mé bakalářské práce na téma Analýza motivace a podnikového systému odměňování zaměstnanců ve firmě JOKVA OLOMOUC, a.s. se na Vás obracím s žádostí o zodpovězení těchto otázek. Rozhovor nebude trvat déle než 5 minut. Vaše odpovědi mi pomohou s vypracováním návrhu, jehož zavedení do Vaší společnosti přispěje ke zlepšení podnikového systému motivace a odměňování.

Předem děkuji za upřímnost a pravdivost Vašich odpovědí a za případné návrhy.

1. Jakou funkci ve firmě vykonáváte?

- Obchodní zástupce
- Skladová účetní
- Vedoucí skladu
- Skladník
- Cenařka

2. Jste spokojeni s Vaší mzdou ve vztahu k Vámi odvedenému výkonu?

- Velmi spokojen
- Spokojen
- Spíše spokojen
- Nespokojen

- Zcela nespokojen

Pokud ne, z jakého důvodu?

3. Zaškrtněte, se kterými motivačními prvky jste ve firmě spokojeni.
(můžete označit více možností)

- Vzdělávání a rozvoj zaměstnance
- Možnost rozvoje kariéry
- Seberealizace
- Uznání
- Podporující prostředí
- Benefity

4. Jak vnímáte systém motivace a odměňování v porovnání s ostatními firmami?

- Vyhovující
- Spíše vyhovující
- Nevyhovující
- Zcela nevyhovující

5. Pokud by Vám firma nabídla kurzy anglického jazyka, které by probíhaly v pracovní době a firma by platila celé náklady, využili byste jich?

- Ano
- Ne
- Nevím

Pokud jste odpověděli Ne nebo Nevím pokračujte 8. otázkou.

6. Pokud jste v předchozí otázce odpověděli Ano, jaká forma výuky by Vám vyhovovala?

- Zaměstnanci navštěvují jazykovou školu
- Lektor dochází do firmy

7. Pokud jste v otázce č. 5 odpověděli Ano, jak často byste kurz chtěli navštěvovat?

- 1x hodina týdně
- 2x hodina týdně
- 1x 2 hodiny týdně
- 2x 2 hodiny týdně

8. Jakou formu 13. platu, který se vyplácí k listopadové výplatě ve výši poloviny hrubé mzdy (Vánoční odměna) upřednostňujete?

- Stávající formu - celá částka v penězích
- Rekreační pobyt (víkendový pobyt pro rodinu) + ½ 13. platu
- Rekreační pobyt (víkendový pobyt pro rodinu) v celé výši 13. platu
- Dárkové poukázky do obchodů + ½ 13. platu *
- Dárkové poukázky do obchodů v celé výši 13. platu *

*volný výběr z 5 obchodů- Ikea, Hervis sport, Parfumerie Douglas, Electro World, Tesco

9. Jakou formu Mimořádné odměny za dobře odvedenou práci upřednostňujete?

- Stávající formu - peníze
- Poukázka v hodnotě 1 000 Kč do Wellness centra
- Poukázka v hodnotě 1 000 Kč do Sport centra
- Jiné:

10. Založili byste si penzijní připojištění v případě, že by Vám na něj zaměstnavatel přispíval?

- Ano
- Ne
- Nevím

APPENDIX P IV: TABLE OF AN ABSOLUTE FREQUENCY

	Sales Agent	Stock Accountant	Stores Foreman	Store Man	Woman that Device Quotations	In Total
2. Are you satisfied with your slary in relate to your effort?						
- very satisfied						
- satisfied	1			2		3
- rather satisfied		1			1	2
- dissatisfied	1	1	1			3
- totally dissatisfied				1		1
3. Tick with which motivational elements are you satisfied.						
- education and development of employees						
- posibility of career progress	2	1		2	1	6
- self- fulfillment	1		1			2
- honourable mention	1		1	1		3
-supportive working environment	1	1		1		3
- benefits						
4. How do you perceive motivational and reward system in relate to other companies?						
- appropriate						
- rather appropriate	1	2		3	1	7
- inappropriate	1		1			2
- totally inappropriate						
5. If the company provides you with English language courseses, that will take place in working hours and the company will pay all costs, will you take an advantage of them?						
- yes	2	1	1	2	1	7

- no				1		1
- I don't know		1				1
6. If you answered Yes in the previous question, what form of teaching would suit to you?						
- employees attend language school				1		1
- language assistant come to the company	2	1	1	1	1	6
7. If you answered Yes in the question number 5. , how often would you attend the course?						
- 1x one hour in a week						
- 2x one hour in a week	1			1	1	3
- 1x two hours in a week	1	1	1			3
- 2x two hours in a week				1		1
8. What form of 13. salary, which is paid out to November salary in the amount of half of a gross wage (Christmas reward) do you prefer?						
- existing form – all amount in cash	2	1	1	3		7
- holiday stay (weekend stay for a family) + 1/2 13. salary		1			1	2
- holiday stay (weekend stay for a family) in the amount of whole 13. salary						
- gift vouchers to shops + 1/2 13. salary						
- gift vouchers to shops in the amount of whole 13. salary						
9. What form of an Especial reward for a well realized work do you prefer?						
- existing form - cash	2	1	1	3	1	8
- a voucher in the amount of 1,000 CZK to a Welness centre		1				1
- a voucher in the amount of 1,000 CZK to a Sport centre						
- other						
10. Will you create a Pension income instance in the case if the company contributes to it?						
- yes	2	2	1	3	1	9
- no						
- I don't know						

APPENDIX P V: TABLE OF A RELATIVE FREQUENCY

	Sales Agent	Stock Accountant	Stores Foreman	Store Man	Woman that Device Quotations	In Total
2. Are you satisfied with your slary in relate to your effort?						
- very satisfied						
- satisfied	11,11%			22,22%		33,33%
- rather satisfied		11,11%			11,11%	22,22%
- dissatisfied	11,11%	11,11%	11,11%			33,33%
- totally dissatisfied				11,11%		11,11%
3. Tick with which motivational elements are you satisfied.						
- education and development of employees						
- posibility of career progress	22,22%	11,11%		22,22%	11,11%	66,66%
- self- fulfillment	11,11%		11,11%			22,22%
- honourable mention	11,11%		11,11%	11,11%		33,33%
-supportive working environment	11,11%	11,11%		11,11%		33,33%
- benefits						
4. How do you perceive motivational and reward system in relate to other companies?						
- appropriate						
- rather appropriate	11,11%	22,22%		33,33%	11,11%	77,77%
- inappropriate	11,11%		11,11%			22,22%
- totally inappropriate						
5. If the company provides you with English language courseses, that will take place in working hours and the company will pay all costs, will you take an advantage of them?						

- yes	22,22%	11,11%	11,11%	22,22%	11,11%	77,77%
- no				11,11%		11,11%
- I don't know		11,11%				11,11%
6. If you answered Yes in the previous question, what form of teaching would suit to you?						
- employees attend language school				11,11%		11,11%
- language assistant come to the company	22,22%	11,11%	11,11%	11,11%	11,11%	66,66%
7. If you answered Yes in the question number 5. , how often would you attend the course?						
- 1x one hour in a week						
- 2x one hour in a week	11,11%			11,11%	11,11%	33,33%
- 1x two hours in a week	11,11%	11,11%	11,11%			33,33%
- 2x two hours in a week				11,11%		11,11%
8. What form of 13. salary, which is paid out to November salary in the amount of half of a gross wage (Christmas reward) do you prefer?						
- existing form – all amount in cash	22,22%	11,11%	11,11%	33,33%		77,77%
- holiday stay (weekend stay for a family) + 1/2 13. salary		11,11%			11,11%	22,22%
- holiday stay (weekend stay for a family) in the amount of whole 13. salary						
- gift vouchers to shops + 1/2 13. salary						
- gift vouchers to shops in the amount of whole 13. salary						
9. What form of an Especial reward for a well realized work do you prefer?						
- existing form - cash	22,22%	11,11%	11,11%	33,33%	11,11%	88,88%
- a voucher in the amount of 1,000 CZK to a Wellness centre		11,11%				11,11%
- a voucher in the amount of 1,000 CZK to a Sport centre						
- other						
10. Will you create a Pension income instance in the case if the company contributes to it?						
- yes	22,22%	22,22%	11,11%	33,33%	11,11%	99,99%
- no						

- I don't know						
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