

# **Staff Satisfaction Survey in the Company Festo, s.r.o.**

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## **ABSTRAKT**

Bakalářská práce se zabývá souvislostmi mezi spokojeností a motivací zaměstnanců. Pro svůj výzkum jsem si zvolila české zastoupení firmy Festo s.r.o., která je vedoucím dodavatelem pneumatické a elektrické automatizační techniky. Teoretická část pojednává o dvou základních principech motivace, motivačních teoriích a jejich vlivu na spokojenost a věrnost firmě. Praktická část obsahuje bližší informace o firmě, ovšem nejdůležitější součástí praktické části je průzkum spokojenosti zaměstnanců prostřednictvím dotazníků a rozhovorů. Z dotazníkového šetření vyplynulo, že zaměstnanci jsou celkově s prací ve Festu spokojeni, ale ukázaly se jisté nedostatky, které by bylo potřeba zlepšit.

### **Klíčová slova:**

Motivace, spokojenost a věrnost společnosti, systém odměňování, průzkum spokojenosti zaměstnanců

## **ABSTRACT**

Bachelor's thesis is presenting a strong link between employee satisfaction and motivation. For my research I have chosen the Czech representation firm Festo Ltd., which is a leading supplier of pneumatic and electrical automation technology. The theoretical part deals with the two basic principles of motivation, motivation theories and their impact on satisfaction and loyalty to the company. The practical part contains more information about the company; however, the most important part is a survey of employee satisfaction through questionnaires and interviews. Questionnaire survey showed that employees are generally with the work in the Festo satisfied, but there are certain shortcomings which would need to be improved.

### **Keywords:**

Motivation, satisfaction and company loyalty, reward system, employee satisfaction survey

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**DECLARATION OF ORIGINALITY**

I hereby declare that the work presented in this thesis is my own and certify that any secondary material used has been acknowledged in the text and listed in the bibliography.

March 7, 2009

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## INTRODUCTION

The aim of my bachelor thesis is to make satisfaction survey in the leading world-wide supplier of automation technology Festo s.r.o. Festo is a globally-oriented family company with its headquarters in Esslingen, Germany.

My work will be divided into two parts. Firstly in theoretical part I will deal with motivation of employees especially management strategies for increasing motivation. Also I would like to point my view on managing people and their remuneration. Secondly in theoretical part I will analyze satisfaction of employees that is highly important for any company.

In the practical part I will make survey in the company Festo s.r.o. by means of two parts questionnaire. The first section will be employee motivation survey questionnaire. Second section will investigate employee's contentment. I will also include into my research a discussion with some selected members of the company. I hope the evaluation should bring honest feedback how employees feel about their company. My bachelor thesis will be talked over with the Human Resource Department.

I have chosen this topic because Festo wants to learn more about their employees' attitudes and opinions. Due to the financial crisis there were in the company made cost-cutting measures. Management has an interest to determine whether it had an impact on employee satisfaction. I really like this idea because only satisfied and motivated people are able to perform and reach better results. Only first-rate performances of employees bring huge competitive advantage in the market. I will do my best to interpret results properly, to help Festo not only to show how their employees are satisfied but also to help them to hold their best individuals.

## **I. THEORY**

## 1 MOTIVATION

Motivation of employees became one of the most important aspects in the workplace especially at ninetieths of the last century. It is highly important for companies to research how to increase the motivation of their staff not only to make a profit but also keep happy and *satisfied staff*.

Motivation is a psychological state invoking activity, behavior, action. (Lednicky and Vavrecka 2006, 160) This state result usually from an unsatisfied need which is very well described in *Taylor, Maslow* or *Herzberg theories* which will be mentioned later.

The art of motivating co-workers means to create in them an inner interest, willingness and zest to be actively involved in fulfilling the mandatory activities, corresponding to the mission and goals of the company. It is as combination of personal interest and effort of the participant in the work process and the process and the needs of the organization realized through the purposeful appeal of the manager. (Lednicky and Vavrecka 2006, 160) Motivation starts with an unsatisfied need and drives behavior towards satisfaction as can be seen in the following picture.



Figure 1 .Diagram of motivation (Donnelly et. Al. 1990)

### 1.1 Types of Motivation

Motive of our behavior is deeply embedded inside human personality. Because each of us has different preferences it is for managers very difficult to find out appropriate motives of

his staff. It could be very helpful to make difference between intrinsic and extrinsic motivation. (Daigeler 2008)

### 1.1.1 Intrinsic Motivation

Each person motivates himself according to his goals and nurture. Easily said, if manager recognizes these stimulations and finds some connection with his company targets will be successful in professional motivation. (Daigeler 2008) Professional motivation is the way and maintenance of a working activity, working morale, discipline and stability of employees in a company. (Lednicky and Vavrecka 2006, 160) There exist an array of ways how can be person motivated internally. These ways are called the *self-generated factors*. (Armstrong 2003):

- Responsibility (not only stereotype, it is said that even blue collar workers should have a bit of responsibility in their job. It would help them to feel them more needed)
- Attractive activities (not monotonous uninteresting working)
- Autonomy (freedom to act)
- Possibility to develop existing skills and qualification

### Setting Goals

The more is employee motivated viscerally the easier job will have his employer. This inner willingness is based on three components: first of all it is important to have a *dream*, some idea about the future. Secondly there come *goals* quite similar as dreams but more specific. Condition is something feasible. Good advisee is to write down these goals and hold them tightly. It would not be amiss to begin with small aims to be able to fulfill bigger one in the future. Last one component is *objectives*, the ways how goals are implemented. Because only motivated people are able to reach their destination. (Student: handbook University of Minnesota Duluth)

### 1.1.2 Extrinsic Motivation

It is when the person's motives are driven from outside. The tools are well developed *reward system* and *motivational program of company*. Unfortunately it is applicable also vice versa when any objection disappears, motivation disappears as well. There is one very important saying – “Reward employees or they will punish you.” A good manager must be well educated on how to evaluate company workers. Fortunately, there are lots of ways how to reward a well done job, because money is not the only tool how to make the

employees motivated. Reward system can be divided into two parts - material (financial) and psychological where appreciation is gratis. Very important is to mention that extrinsic motivation is not permanent, it have to be still revamped. Typical tools are: (Daigeler 2008)

- Money (increased pay, rewards)
- Social status and academical degree
- Be sure about the job
- Working conditions

It is necessary to mention that on the other hand poor performances and fatal mistakes have to be criticized not to occur again.

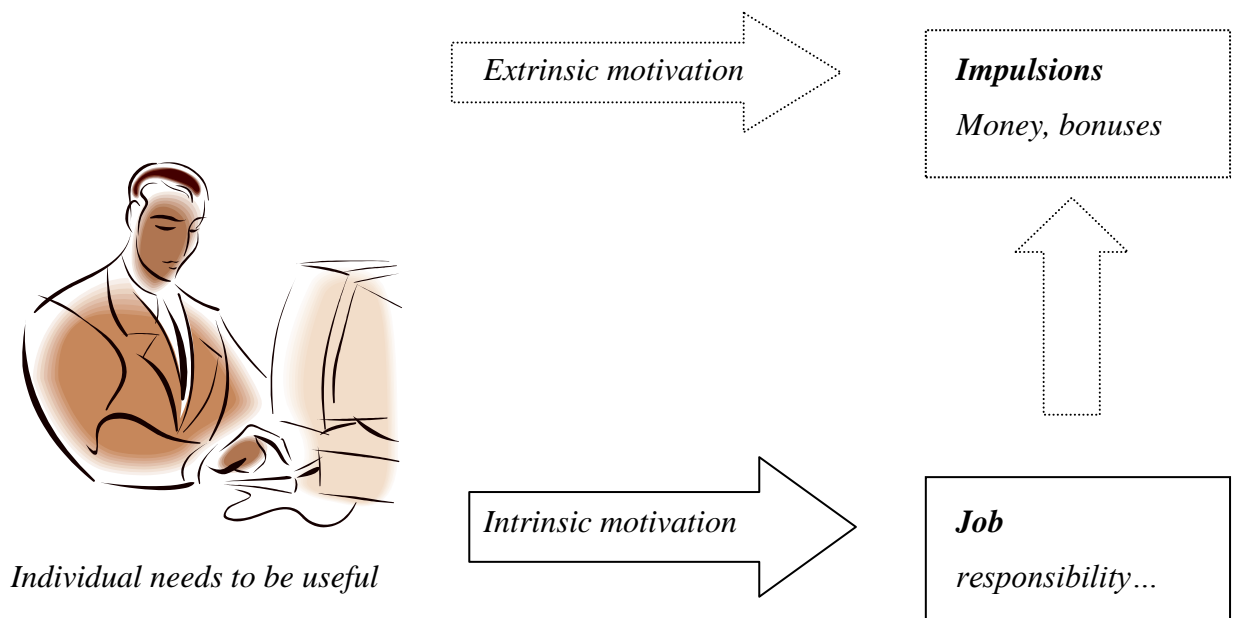


Figure 2. How to guide to intrinsic motivation (Daigeler 2008, 65)

## 1.2 Motivation Theories

There were set up several theories which are still used. They are proved, tested and highly developed. In each of the undermentioned theories is necessary to know interests and needs of employees. The most influential theories are following:

### 1.2.1 Instrumentality Theory

This is the theory according to Taylor which states that rewards or punishments (carrots or sticks) serve as the means of ensuring that people behave or act in desired ways. (Armstrong 2003, 218) This method was certainly useful in the past but nowadays it is not

useful in its basic form. There exists one saying “If you handle with people like with donkey, they will behave like it.” What does it mean? That is crucial to develop more sophisticated systems that will be applicable also in the future and will be able to recognize individual differences. (Armstrong 2003)

### **1.2.2 Content Theory**

Attempted to explain how are changing people’s priorities during the time. Strictly speaking this theory tries to describe real content and basis of motivation. Needs are divided into several levels according to necessity of satisfying. This theory was invented by Maslow in 1954 and his two-factor model Herzberg, Mausner and Synderman (1957). (Armstrong 2003)

#### ***Maslow’s theory of needs (Maslow’s Pyramid)***

According to Maslow, employees have five levels of needs: *physiological, safety, social, ego and self-actualizing*. Maslow believed that the lower needs have to be satisfied earlier than the higher one. As the physiological need can be money. Money is more or less one of the reasons why people go to work. But is it only money that matters? Definitely not, there exist additional wage forms, such as bonuses, obligations, etc. Employment security and employability (flexicurity) fulfill Maslow’s second need – safety. Good working relationship plays a very important role from social point of view. Ego and self-actualizing are internally connected because both of them relate to the psyche of individual workers. It is all about self-realization because every healthy person needs to meet targets.

#### ***Herzberg theory of two factors***

One of the theories of motivation developed from the empirical analyses in the USA. (Lednicky and Vavrecka 2006, 302)

- Motivators (Satisfactors) – connected with intrinsic motivation, motivation to achieve higher results in the professional career. E.g. Achievement, advancement to higher level tasks etc.
- Hygienic factors (Dissatisfactors) – these factors don’t contribute to higher motivation but deal with satisfaction and dissatisfaction of employees. Hygienic factors ensure satisfaction of employees in their job; it is connected with working conditions. These factors are quite similar to extrinsic motivation and include e.g. quality of supervision, company policies and administration, interpersonal relations, etc. (12 Manage, The Executive Fast Track)

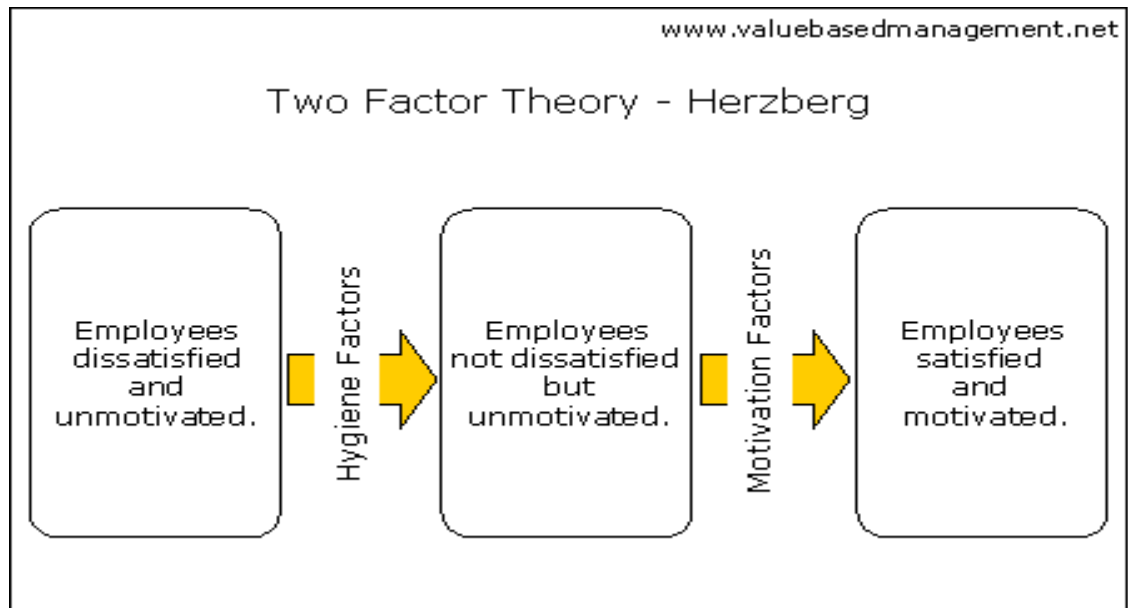


Figure 3. Two Factor Theory – Herzberg (Value Based Management)

### 1.2.3 The Process Theory (Cognitive theory)

The process theory is tightly connected with the psychological process that affects motivation. It can be seen as transformation of certain input into some output. This theory is seen as the most contributive in motivational program of some company. Processes are divided into three groups:

- *Expectations* - (this theory was firstly mentioned by Vroom 1964 lately developed by Porter and Lawler 1968) this theory plays with the fact that human goes to great pains to gain reward as big as possible. Employees think about relationship between effort and reward according to this theory.
- *Goal achievements* – (developed by Latham and Locke 1979) It is certain feedback on performance. The more difficult goal will be the greater effort will be. In this theory are very important knowledge and abilities which are connected with education of employees and their training.
- *Feelings about equity* – can be seen from two different views. The first believes that employees are happy and satisfied when each of them has the same opportunities and it is treated with them equally. On the other hand, when exist there some differences, employees expect any reward from it. (Armstrong 2003)



### 1.3 Demotivation

Each manager of personal department tries to develop techniques how to get the best results from their employees. Usually merit award (putting theories to good use) should not only lift positive aspects but also remove negatives and it is important to remember.

The more the employee will get the more will expect next time. It means that positive motivator is able to have a negative effect when it is not in a required amount. If in the company will occur some financial problems and it is not able hereafter afford the same standard as before there is a danger that even the best workers could be demotivated. (Clegg 2004) As more common demotivators are considered following: (Lednicky and Vavrecka 2006, 302)

- Disbelief in CEO or co-workers (company could have had some problems in past times e.g. bullying, affairs...)
- Nonchalance (can occur when employee takes his/her job only as a mean to get some money and doesn't care about company which works for)
- Badly developed informational system (employees don't know about their possibilities so as a last resort good developed motivational program can be useless if it is not clear and comprehensible for its users)
- Old and out of date working process
- Non-productive conferences

*Deprivation* - Can appear when some of vital psychic needs it is not satisfied for a long time. (Lednicky and Vavrecka 2006, 302)

There exists very nice business saying – *Sometimes the best solution how to deal with Demotivation is to fire all the unhappy staff*. Of course it is a last resort, because this behavior can lead company into trouble. It can worsen company reputation and it is feature that there exist some problems with human resource management. Human resource management (*HRM*) helps the organization to achieve success through employees. One of *HRM* aims is to meet human requirements and also monitor employees' satisfaction. (Armstrong 2003)

There are several features how to recognize employees' despair that usually leads to Demotivation. (Serendipity - Random Ramblings on Tech, Politics, and News):

- Failure ( when employees fail usually feel that they are not enough effective, or they have too much responsibility even their guilt can be shrewdly transmit to company's management)
- Loneliness ( is an indication of uncooperative colleagues or lack of communication within company workers)
- Dysfunction (not effectively assign working position or lack of clear objectives)
- Fear (it is connected in particularly with bossing or other type of bullying)
- Blame (for something publicly can lead to some kind of retribution)
- Mediocrity etc.

All the points above are deeply connected with *Business Ethics* of any company that engage with fair employment practices. Usually written statements try to defend employees the most common issues are workplace safety, sexual harassment, discrimination, privacy, whistle-blowing and corporate philanthropy. (Wood and Pile 2005)

## 2 JOB SATISFACTION

In recent times not only modern companies take care about their employees' satisfaction. To keep satisfied employees is important not only because of human point of view but also because of the fact that satisfaction of employees is reflected on production standards further on satisfied customers more or less in different branches. Any employer doesn't have ability to compel employees to love their job but what can do is to build up company where people want to work. There is clearly seen connection between satisfaction and motivation. On the other hand it is not rule that satisfied worker must be more profitable than dissatisfied worker is.

The term job satisfaction refers to the positive attitudes and feelings which people have about their work. (Armstrong 2003, 239) First person who was interested in job satisfaction was Australian theorist, psychologist and sociologist George Elton Mayo and his theory is based on *Hawthorne effect* (1924-1932) when he observed that workers are feeling better in teamwork as an independent unit. His theories also proved that people work not only for money but they have other motives. From historical point of view there are for job satisfaction also very important Taylors's and Maslow's theories which are mentioned above. Nevertheless the most famous job satisfaction model is called *Affect theory* (Edvin A. Locke 1976) which is based on the difference what worker has in job and what he would like to have. (Wikipedia)

### 2.1 The Main Factors Influencing Job Satisfaction

The main factors influencing job satisfaction can be divided into two groups extrinsic and intrinsic. It is connected with motivation to achieve certain goals which will be later awarded. This appreciation of done job will lead to satisfaction in personal and private life. (Matošková 2008):

- Remuneration - (pay, bonuses) it is very important to mention that pay rise can motivate only for quite short period of time.
- Work itself – should not be stereotypical, and should be in competences of employee
- Promotion and promotion possibilities – everyone should develop during his/her life, future career is an objection which can bring deep satisfaction.
- Supervision and power structure
- Coworkers and working conditions

According to these factors is developed *Job Descriptive Index* which measures employee satisfaction from several points of view (pay, promotions and promotion opportunities,

coworkers, supervision, and the work itself) by force of yes/no questionnaire. This Index is created by Smith, Kendall, & Hulin (1969). On the other hand when is necessary to measure satisfaction as a unit is better to use improved *Job in general index*. This index is better focus on individuals and not only on satisfaction as a unit. (Wikipedia)

There is also found narrow connection between job satisfaction and *working morale*. Guion (1958) defines morale as “the extent to which an individual’s needs are satisfied and the extent to which the individual perceives that satisfaction as stemming from his/her total work situation”. (Armstrong 2003, 240) Other type of working morale is related to the feelings which employees have about the job, what they should do and how are motivated. In the recent times employers have faced with second type of morale. Workers don’t meet their liabilities and instead of that are playing computer games, sending funny mails etc. This is huge problem because working potential of employees is not used properly and company loses. One solution is to evaluate workers according to job which is done or make them more satisfied in working process. It is better to prevent working dissatisfaction which could later result into working idleness. The way how to prevent dissatisfaction is to make researches or to use consultants. Correct dialogue with corporate management helps to find employee expectation, attitudes and motives.

## 2.2 Commitment

Loyal and satisfied workers are of cardinal importance in every company. Corporations which will teach how to utilize emotional energy of employees will have more competitive advantage than company who deals only with numbers and outcomes. Employees who feel emotions to their company try to do their best for it. This worker speaks positively about his/her own company; shares good ideas and is an engaged part of every working day. Mood and emotions while working are the raw materials which cumulate to form the affective element of job satisfaction. (Weiss and Cropanzano, 1996)

Commitment was defined by Porter 1957 and it is important part of human resource management. Commitment is crucial particularly for top managers because there should exist bonds between him/her and company to have a good command of obligations which are demanded. These top workers expect in return to commitment satisfaction of all internal and external needs.

Walton made in 1985 very significant step from control oriented approach to commitment strategy where he highlighted importance of individual power. Difference between commitment and loyalty is quite obvious, where commitment is something voluntary or

optional where the aim is to multiply workers possibilities. Commitment gives workers opportunity to become more creative and responsible. Still commitment can sound quite idealistic and in some companies it is not exploitable but it is just a question of time when became strong element of HRM. (jobs.cz)

New division of commitment is formed by Kochan and Dyer (1993). They see commitment as mutual relationship between company and employee. The main levels are: Factors affecting commitment are (Armstrong 2003, 263):

- *Strategic level*
  - Supportive business strategies
  - Tom management value commitment
  - Effective voice for HR in strategy making and governance
- *Functional (human resource policy) level*
  - Staffing based on employment stabilization
  - Investment in training and development
  - Contingent compensation that reinforces cooperation, participation and contribution.
- *Working level*
  - Selection based on high standards
  - Broad task design teamwork
  - Employee involvement in problem solving
  - Climate of cooperation and trust

A sense of excitement is created by the feeling to be needed as part of the company and to be proud of the company. *Empowerment* inherently belongs to commitment. In Toyota company decreased morbidity after giving bigger responsibility to their employees (job.cz)

### **2.3 Job Engagement**

Job engagement is connected with job satisfaction, job commitment and job motivation. It is way of behavior of employee to the company. Everything starts with careful selection of employees. Employee must believe in organization and must have intention to help the company makes things better. Employee must be interested in company structure and vision, should go along with other employees well, he/she must be helpful and respectful. Job engagement is connected with maturity of the worker to execute the set task.

The IES survey 2003 illustrates the strong link between feeling valued and involved and engagement (The Institute for Employment Studies): The survey showed chronological list

of individual elements. On the first place there appeared of course *job satisfaction* as the building stone for further elements. Dissatisfied worker doesn't feel necessary significance in company and also doesn't believe in company performance. Secondly it is very important *cooperation*. Since industrial process become more complex, individuals are not able to fulfill the task properly; therefore the cooperation is very important. Then *healthy and safety* good working conditions help better to feel being involved than *pay and benefits* that appeared somewhere in the middle on the scale. Other constituencies as *equal opportunities and fair treatment, communication* and informational system, *performance and appraisal*, which can be seen as external motivators, should be deeply developed because are strongly important in job engagement process. And finally employees see as the most important factor *training and further career*. These elements are influenced by company leadership. (Robinson at al. 2004)

Organizational learning and training have great potential for the future. They are required from employees, and also increase profit. Employees became more efficient in the working process and are able to adopt new technologies. Training and learning help to innovate strategies and new products. (McNamara 1997 – 2008)

### 3 REWARD SYSTEM

“Procedures, rules, and standards associated with allocation of benefits and compensation to employees”. (Business dictionary.com) Reward system is very important both economically and psychologically. It can motivate and at the same time satisfied. Reward system can be divided into three categories - formal, informal and special. Formal reward system is the most needful but it doesn't mean that is more effective than informal. Employees are evaluated according their skills, abilities, and their market value. (Donnelly at al. 1990) Reward system is an internal part of HRM, and deals especially with following two notions: (Lednický and Vavrečka 2006, 200)

- **“Reward** – Earnings being a result of particular negotiations (labour)”
- **“Labour** – One of four factors of manufacturing, a purposeful activity of man, focused on the creation of material and nonmaterial values which satisfy human need. Labour can be divided by many criteria, such as the character, the place of performance etc.”

#### 3.1 Informal Reward

In one exploration on Wichita State University, which was made by Gerald H. Graham, (Nelson 2000, 13) was discovered that employees are more often rewarded in return to be part of the company than in return to their effort. Therefore is quite important to show to employees respect in order to make them feel good to work for the company. One of the ways how to do that is to use in the company informal system frequently.

Advantage of informal reward system is quite obvious. It is not as expensive and demanding as formal reward system. Factors of informal reward system are (Nelson 2000):

- *Appreciation* – is completely for free and is able to lead to the job engagement. In order to be appreciation effective is necessary to appreciate immediately, and it is necessary to be concrete. After appreciation it is good to encourage for further successes.
- *Cheap Awards* – same specialists said that small pay rise is not effective at all. This small amount of money can be utilized much better. Cheap awards can improve relationship between employer and employee. As cheap awards are meant e.g. small presents as subscription of some business magazine, bottle of wine or lunch with superior.
- *Free time* – as break in addition, longer lunch time, longer weekend or free time after successful fulfilling of some task
- Social events/occasions, or some ceremony

### 3.2 Formal Reward (Remuneration)

Formal reward system is connected with money. There exist various ways how can be people rewarded. There exist different reward programs in different companies. But components are always the same - base pay, variable pay, share ownership and benefits. (Armstrong 2003)

#### Components of Formal Reward System

Components are money which belongs to employees for their job. Work must be made properly according to given demands and rules. (Donnelly 1990):

- *Wages* – are the most common in no managerial posts. Usually amount of money depends on number of units – *Job Wage*, *Task Wage* (piece rate system) or time increments *Time Wages* (employees are paid hourly), everything is paid separately. Also here should be included “*Proportionate (commission) wage* that is the form of basic wage reward when the wage amount of an employee is dependent either fully or partially on the quantity of the sold production”. (Lednický and Vavrečka 2006, 164)
- *Salaries* – usually used in middle and top management positions. Salary is based on periodic basis.
- *Benefits* – something extra that is added to usual payment. There exists series of bonuses as e.g. health care or health insurance, development of education etc.
  - Cafeteria system – which is used more and more frequently. It is in fact packet of benefits, which employee chooses. There always exist several possible combinations.
- Incentive payment, premium, bounty, staff shares, per cent from profit, increment, thirteen and fourteen pay

### 3.3 Reward for Special Activities

The main basis is to show to employee how is important in the company (job commitment). The idea is let employees responsible for their work and within decrease amount of heads. One of the first companies how tried to establish this new system was The Lincoln Electronic Company in Cleveland. (Nelson 2000)

These rewards are usually in the form of some evaluation or honour. Among the most famous belongs e.g. *Credit for excellent worker*, *Credit for customer service*, *Credit for attendance*, *Employee of the month* etc. This reward has bigger contribution if is staff of



the company included into selection, not only management. These rewards also encourage in competitiveness and better results. (Nelson 2000)

### **3.4 Job Evaluation**

“Job evaluation is a systematic process for defining the relative worth or size of jobs within an organization” (Armstrong 2003, 631)

Job evaluation is extremely important to provide equal pay for all employees. There is no exception to the rule that woman are remunerate less than man in the same position. This phenomenon occurs also in connection with foreign labour force or young employees. Usage of pay structures is necessary to avoid discrimination depict above. Also job evaluation is essential ingredient in audit or annual reviews. (Jones and Teevan 2007)

## 4 RÉSUMÉ OF THEORETIC FINDINGS

*Motivation* is nowadays one of the most important aspects for well done job. Not always dependent on money or status (Extrinsic motivation), but also on the powers that the given position offers. To date was developed many motivational theories that are still very well implementing in practice, of course, that with some innovation for instance Herzberg's theory based on Satisfactors and Dissatisfactors.

*Demotivation* occurs when an incorrect usage of motivational techniques and theories is exploited. This phenomenon can be great threat to company. The major risk is diffusion from an individual to the working group, which may drastically reduce the productivity of the enterprise.

*Job satisfaction* is necessary for both parts employees as well as employers. Lots of companies are hiring experts who make research and subsequently improve working conditions because only satisfied worker is loyal to the company, this loyalty has its specific term *Commitment*. When is company working with contended employees it is kind of prevention against staff turnover which is not good from the financial point of view. Another term which is together with job satisfaction and commitment in imaginary triangle is job engagement. *Job Engagement* is an employee's sense for responsibility and flexibility to the company as well as meeting challenges and building good relationships with colleagues.

*Reward system* helps company to increase healthy motivation. Every company should have the system well developed and employees have to be well informed of the possibilities of remuneration.

## **II. ANALYSIS**

## **PREFACE TO THE PRACTICAL PART**

The practical part of my thesis is divided into five sub-chapters. I investigate the detailed and overall satisfaction and motivation (intrinsic and extrinsic).

In first chapter I introduce the company Festo Ltd. which enabled me to realize the survey. This part will include basic information about the company as its history, business, scope, organizational structure, etc.

In the second chapter, which describes the survey itself, are defined the main objectives, methods and procedures for exploration. Second part is also testing of hypotheses.

The third chapter is interpreting the results of the survey and summarizes the results of the investigation, using graphs. This chapter reveals the existing problems but also suggestions for possible improvements.

In the fourth chapter is a SWOT analysis carried out on the basis of acquired information about the company, interviews with the Human Resource Department and employees themselves.

The last fifth chapter proposes concrete recommendations that could be beneficial for the company. In this chapter, it is also important to mention certain risks that changes accompanied.

For reasons that Festo Ltd is a foreign company is very important to mention the fact that the survey is carried out only in the branches of the Czech Republic.

## 5 FESTO

### 5.1 Basic Facts about the Company

Festo, world leading supplier of automation technology which has a global scope, was established in 1925. The full name of the headquarters in Esslingen in Germany is Festo AG & Co. KG. The managing directors are Dr. Theodor Niehaus (Speaker) Dr. Wilfried Stoll. Major businesses are all aspects of pneumatics as well as highly developed vocational training programs. This very successful company has an annual turnover 1,500 million Euro. The company innovation systems and unique problem-solving competence is using by more than 300,000 Festo customers in 176 countries. (Festo, worldwide, company)

Crucial idea and vision is in automation. Company tries to invent systems and technologies that will save time and money. Nowadays is very important for any company to behave ethical. Festo shares this core idea and as evidence is holding quality and environmental certificates. Also it is inspired by nature (is using air as a working devise not only for Ballooning) and is focus on energy efficiency to proof it is seeking how to produce the best results with minimal energy. (Press releases on the company)

Despite that Festo is number one of the market should be aware of competitors. Between companies which are at similar levels belong companies as SMC, Norgren, and Bosch. What is important to mention is the fact that Festo is cooperating with Gemü GmbH & Co. KG, Ingelfingen. (Company intranet) These two world leaders coact not only because of common business and threat of competitors but the main aim is to become stronger.

#### 5.1.1 Global Coverage and Production

Festo employs around 12,000 employees worldwide. Around the world can be found 56 independent Festo companies divided into more than 250 branch offices. Service is providing in 176 countries. (Festo, worldwide, company)

The main production location (about 80 %) is in Esslingen-Berkheim, Ostfildern-Scharnhausen, and St. Ingbert-Rohrbach. Anyway some products are made in other locations as for example Brazil, Bulgaria, China, and Switzerland. What can be considered as a main advantage of production is the fact that dispatch within central Europe is within 24 hours. Demonstration is German Logistics Prize obtained in 2003. (Festo, worldwide, production)

### 5.1.2 Products

“The main business areas are Automation with pneumatic and electric components and systems and Training in industrial automation” (Festo, worldwide, products)

Festo makes clear on its products primarily through catalogs and the amount of products that can be found in it is about 25,000 in several hundred thousand variants. Exactly company provides structural units ready for installation in addition seek solutions to the specific needs of the specific industry e.g. automotive, manufacturing, etc. (Intranet, private web-based network)

Innovation and the attempt to come to market with something new are clearly proven. The company owns about 2,800 patents to its products. “Special products are: Components, modules and systems, ISO standard products, industry- and application-specific products and combinations of pneumatics and electronics. The company can be proud of winning approximately 70 national and international design awards in the last five years.” (Festo, worldwide, products)

Festo has developed many tactics to raise public awareness. Between myriad of ways how to attract new customers or suppliers belongs fair trade which enjoys great popularity. Occurrence is about 150 per year globally. Company is also applying to a large extent E-commerce and online shops. (Festo, worldwide, products)

### Didactic

Didactic is an intention to convey instruction and information as well as pleasure of entertainment from teaching. (Yourdictionary.com)

“Festo Didactic GmbH & Co. is the professional qualification solutions for manufacturing and process automation”. (Festo, worldwide, didactic)

Didactics profit from operations is an integral part of the profit of the company and is divided into three basic layers. First activity is so called *Learning systems*, for instance courses and instructor material and workbooks. Also here comes training and simulation software: FluidSIM®, COSIMIR® and web-based training. Secondly *Training and consulting* with approximately 42,000 participants per year, in over 2,900 seminars and workshops. Last but certainly not least *Festo Lernzentrum Saar GmbH* that provide of seminars and consulting services for training in technology, data-processing, commerce, management teamwork and also coaching. (Festo, worldwide, didactic)

### 5.1.3 Support Training of the Employees

It is not easy to maintain so large and profitable company in the running. Therefore company need to keep and motivate employee to avoid staff turnover. One of the possible ways how motivate is to offer effective and continuous training. Nevertheless, education is not only the tool of motivation but also necessity.

Given that about half of the 12,500 employees does not work in the territory of Germany and approximately 3,500 employees is working in the field, staff is encouraged to use one of the many opportunities for training. (Intranet, private web-based network)

Festo offers internationally applicable professional qualifications (certificates). In order to involve new workers into the process of work also offers training for beginners. Festo Academy is proof that the company places great emphasis on development of workers. The proof is expenditures which represent 1, 5 % of turnover. (Festo, worldwide, education)

## 5.2 Regional Offices in the Czech Republic

The company Festo is occurring on the Czech market for more than 25 years. In 1990 there was established Festo s.r.o. in Prague, which was intended to provide its above standard services also to Czech customers. For the sake of wider and better accessibility there was open office in Zlin in 1999. One of huge amount of production locations is also in the Czech Republic in Ceska Lipa. Customers are offered by several methods of purchasing products. One possibility is to order goods through the internet, telephonically or personally in branches, which have their own warehouses. Products of Festo Company are characterized by particularly high quality and long period lifetime. Proof of the quality is certificate DIN ISO 9001 (Festo, Czech Republic)

In addition to traditional specialist periodicals is very popular among customers the company magazine Casopis Trends in automation. There it can be found information about new products, services, but mainly are presenting interesting applications from customers. (Festo, Czech Republic)

### 5.2.1 The Basic Objectives of the Company

Any company that wants to achieve its goals and wants to be successful in the market should have its own mission, vision and objectives. Listing for the company Festo is the following: (BSC F-CZ 2007)

- *To become a supplier numero uno of goods and services for customers*
  - To become the majority supplier for customers with a high potential

- Improved market position in the new fields
- Improved offer and sale of existing services
- *Maintain financial independence*
  - Comply with the budgetary costs
  - Analyze and maintain the profitability of the company
- *Take into account the company staff*
  - Increase the motivation of employees
  - Increasing global view of everything that relates to Festo
  - Increase willingness to actively promote the implementation of necessary changes
  - Facilitate and promote the continuous training of employees
- *Processes with high productivity*
  - Search opportunities for increasing services and realize them
  - To use marketing in increasing the customer orientation
  - Increase the productivity of teams

### 5.2.2 Organizational Structure in the Czech Republic

Czech Festo employs about 64 workers. The basic division of employees is into two basic groups. First group are *Office Workers* and second one are people working in the field, so-called *Technical Advisers* from German *Fachberater*.

The second group includes in the Czech Republic 15 employees who work from home and in the field; they are using mainly company car, laptop and mobile phone. This method is named with modern term *Teleworking*. These employees drive out to customers, provide technical support in companies and fix new contracts.

Office workers (in Prague and Zlín) provide commercial and technical support and facilities for workers from the field. (Notes from talk)

### 5.2.3 The Formal Structure in the Czech Republic

The whole company is chaired by Executive director Ing. Vladimír Broz. The rest of society is divided into three notional departments: (BSC F-CZ 2007)

➤ Executive Director, GF, SM

*DI*

➤ Call Centre, **ZS**

➤ Technicians (Engineering Department), **TS**



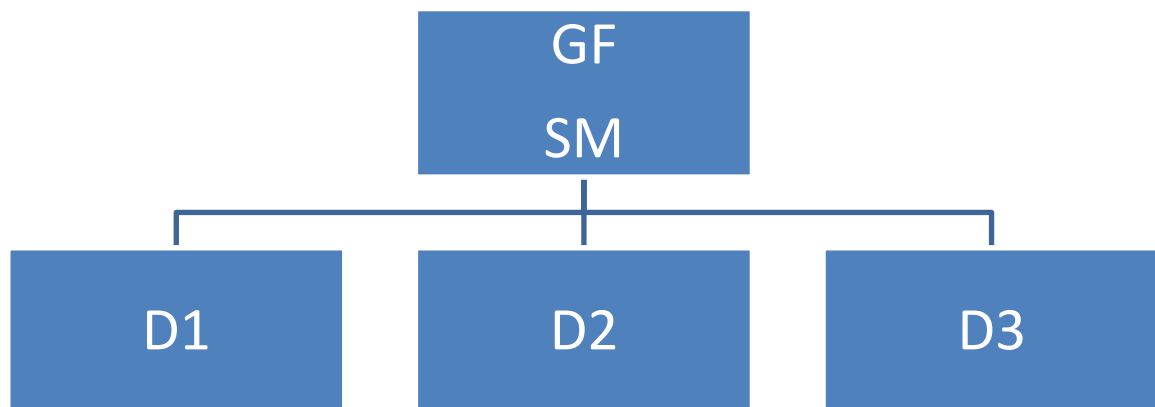
- Finance Department, **FCV**
- Human Resource Department, **ADMIN**
- Informational Technology, **EDV**

*D2*

- Sales Department, **SALE**
- Customer Service, **CSB**
- Process Engineering, **PA**
- Marketing, **MARKET**

*D3*

- Didactics, **DIDA**
  - Seminars, **DIDA-SEM**
  - Hard Ware, **DIDA-HW**



*Figure 4. The formal structure of the Festo (BSC F-CZ 2007)*

#### **5.2.4 Basic economic indicators**

Company's turnover of the year 2007 was 720 million CZK. It increased of 66, 2 million from the previous year, so the increase was about 10, 1 %.

Capital of the company is 102 764 000 CZK. (Internal sources)

### 5.2.5 Employee Structure in the Czech Republic

In the company Festo s.r.o are employees structured according several criteria. The basic division is according to gender, age, length of employment by Festo, head of departments, form of employment and period of employment: (Internal Resources, 2008)

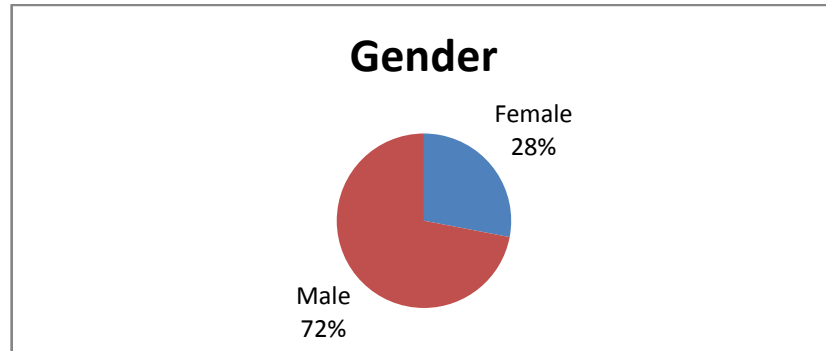


Figure 5. The ratio of women and men in the company (Internal Information), custom processing

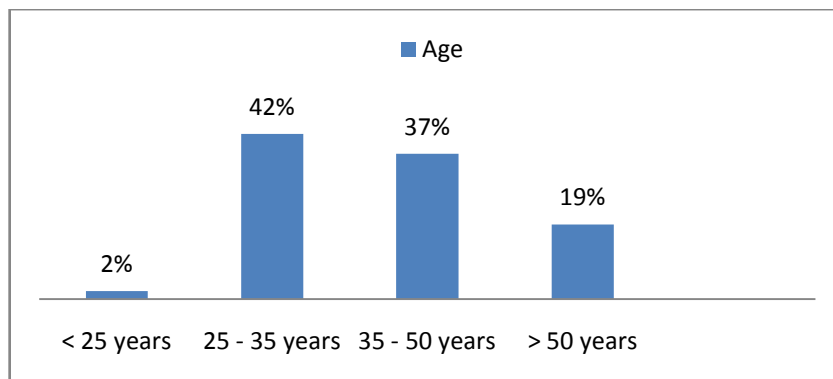


Figure 6. The ratio of age in the company (Internal Information), custom processing

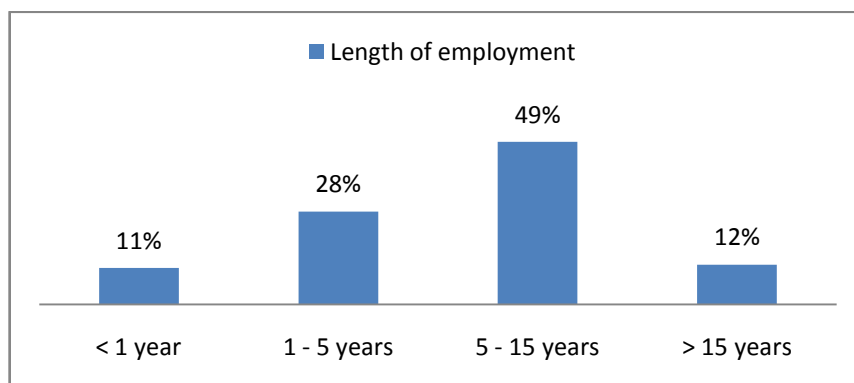


Figure 7. The ratio of length of employment by Festo (Internal Information), custom processing

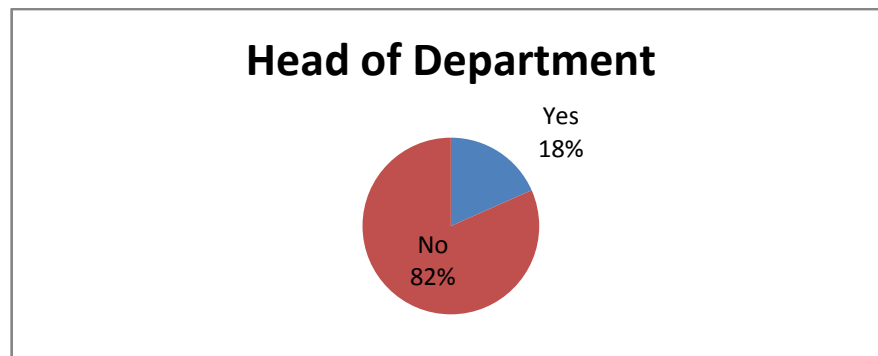


Figure 8. The ratio Heads of departments (Internal Information), custom processing

“Clerical work in an office environment is generally considered to be the ultimate definition of a white collar job. This often means a white collar worker has a significant number of responsibilities and a longer work week than hourly blue collar workers. A white collar job description does not always provide protection from manual labor, however.” (WiseGEEK)

In both Czech branches as in Prague as well as in Zlín are white-collars all workers. Entire 93 % of employees are employed open-ended.

## **6 STAFF SATISFACTION SURVEY IN THE COMPANY FESTO**

### **6.1 Objective of Investigation**

This task was given me from the Head of the Human Resources department in Prague. The importance of this research is quite obvious not only because of necessity to keep satisfied and motivated employees but also because of the reason that past satisfaction may change due to financial crisis. It is very important constantly monitor the attitude of employees to work and improve their motivation. There is a need to detect existing problems and create measures to remedy. Through research, in particular, SWOT analysis can identify future threats. They may also be detected future options to increase efficiency and increase sales. Employee participation in this research is advantageous for them because can improve their work, workplace and professional attitude.

The aim of the research is to analyze the current employee satisfaction and to propose solutions in critical areas.

### **6.2 Procedures and Methods of Research**

To obtain the sample, I contacted 30 of 64 staff, representatives of each department of Festo Company in the Czech Republic (via electronic mail) where they have been offered cooperation to my thesis on the research work satisfaction.

Given that the representation of employees in the Czech Republic is not great, I have chosen the form of anonymous questioning for greater comfort and openness of staff. It was not easy to come the way of research that would guarantee absolute anonymity on the Internet I finally discovered <http://www.vyplnto.cz> sites that offer this option. After the appropriate steps such as registration and understanding the system I could begin to fully exploit the possibilities.

Most questions/claims in the questionnaire are set up positively and the people should determine whether to agree or not.

#### **Interview with Employees**

Since I included in questionnaire only one open question, and I felt importance to get to know from employees' maximum information, I also do research in the form of an interview. For this interview I selected two staff from the Zlín branch, I asked for help by telephone.

## Questionnaire Survey

The most important part of my research is *Questionnaire survey* that is based on employee satisfaction survey that was created by easyresearch.biz and his legitimate user is Jiri Koukal, MBA. In developing and evaluating this questionnaire, I also used the available literature. Respondents were provided with all necessary information to fill it in a proper way. Questionnaires were available in bilingual form. The questionnaire can be found in Appendixes.

The questionnaire contained factors evaluation motivation, satisfaction, commitment and engagement. The factors are: (Sustrova 2005-2006)

- Working conditions
- Colleagues
- Superiors
- Self-realization, the possibility of developing skills and future career
- Organization quality and management
- Financial evaluation, reward system, employee benefits
- Identification with the company and overall satisfaction

## Details of Research

Survey period: From 8<sup>th</sup> April to 22<sup>nd</sup> of April

Survey method: Oral and written form (online)

Number of items in questionnaire: 29 predefined questions and 1 open one

Number of question in dialogue: 8 questions

Respondents: Addressed to 49 % of workers (representatives of all departments)

Obtained the views of 36 % workers and 77 % of respondents

Personally, I think that the selected sample is valid because the questionnaires was sent to carefully chosen representatives of each department

## 6.3 Interpretation of the Results of the Survey in FESTO

This chapter summarizes the research findings. Results of questionnaire survey are presented in the form of graphs, which are divided according to the investigation factors into 7 groups. The most important findings from the interview are in this chapter recorded as well. The results should help trace the problem and identify possible solutions and may be an inspiration to the proposals for improvement.

The following charts show the exact results that arise from the questionnaires and comments on open questions.

**6.3.1 Results in Working Condition Area**

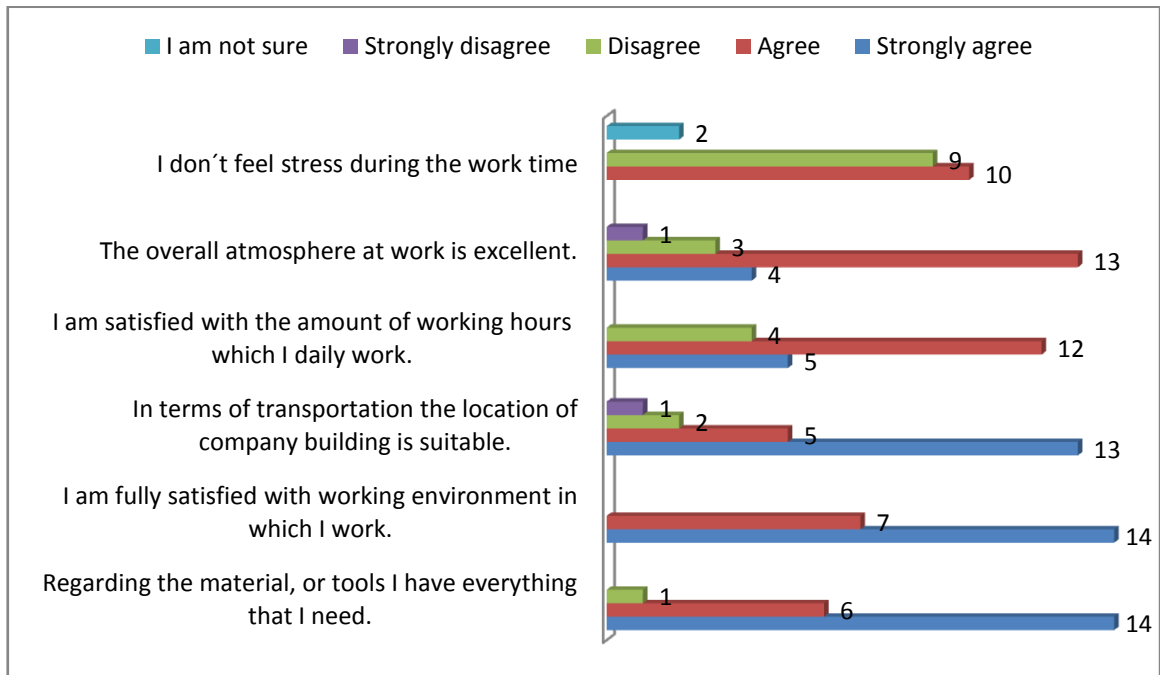


Figure 9. Results in working condition area, numbers of respondents

The results show that staff working conditions are relatively satisfied for employees. Four employees from responded people don't agree with the statement that overall atmosphere on the work place is perfect. They commented it with the fact that from time to time is atmosphere influenced by nervousness of some employees. One statement was that it is normal staff that it cannot be anywhere different.

This nervousness likely stems from the stress. Almost one half of employees feel stress when working. Paradoxically, it may be advantageous for someone because under these conditions perform the best results. Nevertheless almost all higher positions are connected with stress in this time.

Another obvious problem is for some staff working hours. One staff member commits oneself that almost every day is working overtime and therefore cannot his time well. Three workers, who have a problem with commuting, commented that way to work takes two hours and must get up very early. On the other hand they are aware that such a good position would be difficult to find.

6.3.2 Results in Colleagues Area

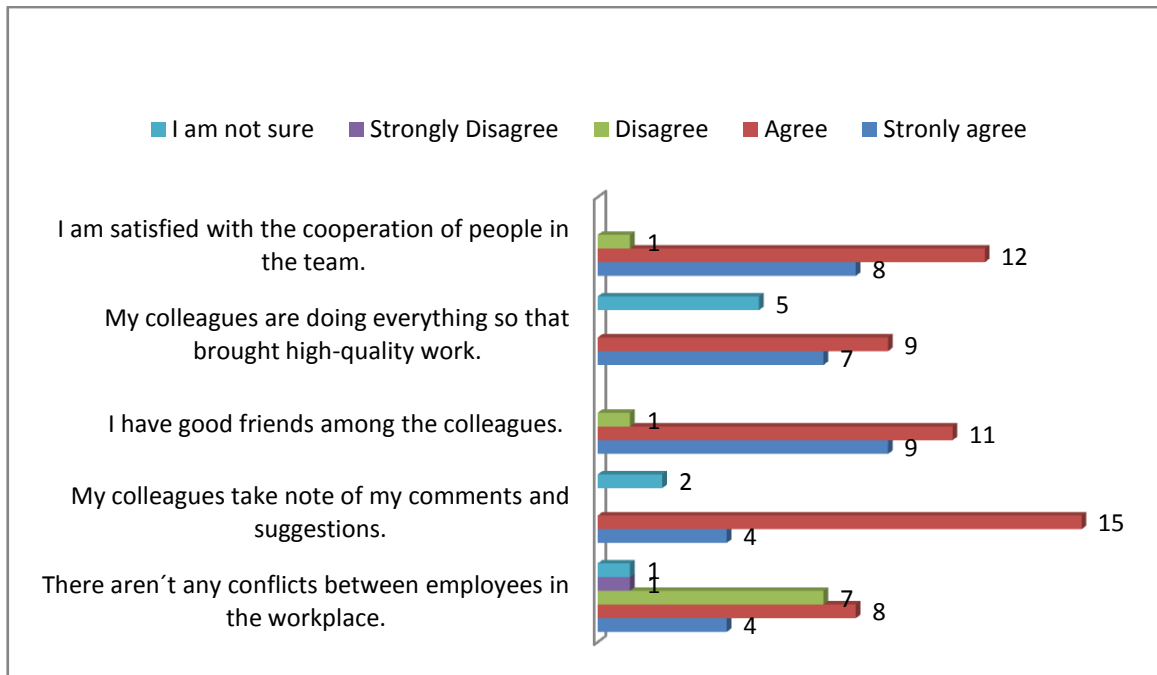


Figure 10. Results in colleagues' area, numbers of respondents

Again there is clear the predomination of the positive assessment which means satisfaction of employees. The most disputatious statement is connected with the occurrence of conflicts. It is evident that everyone cannot be a friend and that not always must employee understand each other. It depends on the nature and approach of each individual which would not admittedly interfere in working process.

Evidence that the relations are not critical in the workplace is that employees are able to respect each other. Indeed, all except one of the respondents replied that they have friends in the workplace.

Insignificant one of the respondents answered that he/she is not satisfied with the cooperation of the team, but the reason is probably that he/she is not team player. Otherwise, the result of cooperation between employees is more than good that is a big plus for the company.

6.3.3 Results in Superiors Area

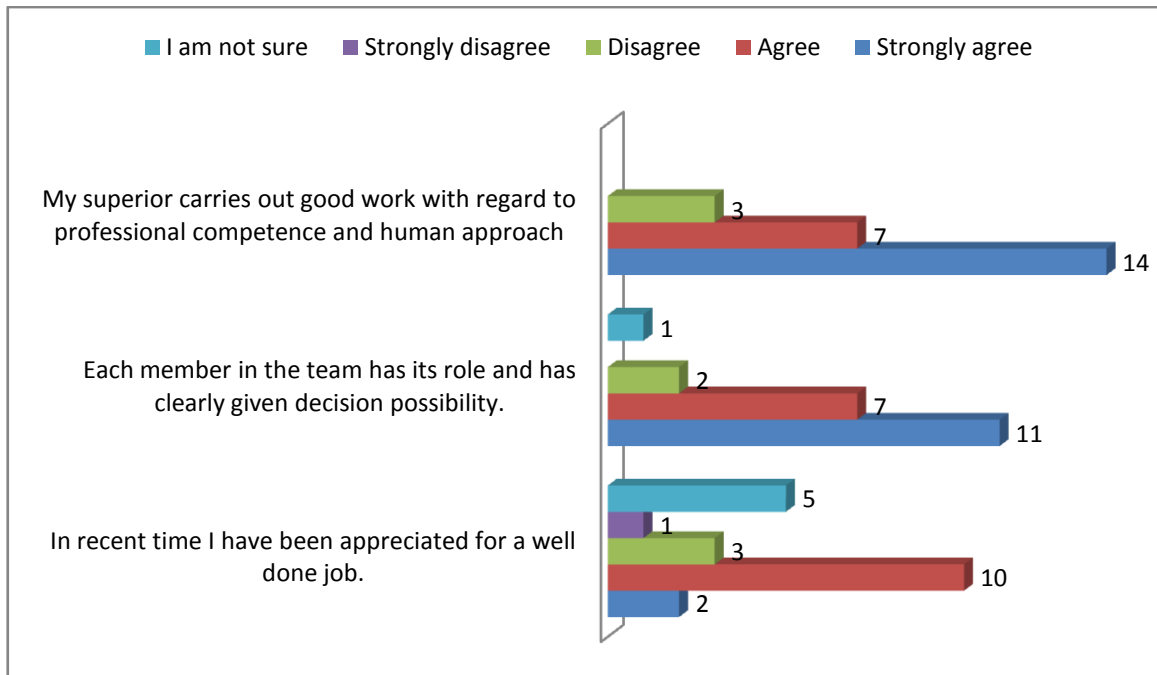


Figure 11. Results in superior area, numbers of respondents

In the superiors area is probably the biggest dissatisfaction because some employees' don't feel rewarded from the informal point of view. It would be sufficient simply say thanks you did a good job. On the other hand, managers in the company Festo are not many. Supervisors are usually busy enough that don't notice a good work. Unfortunately praise from the boss is part of the motivation, which is in this case missing. The firm seeks to motivate employees particularly with money and benefits so that it is not possible to say that the motivation was in this case underestimated.

Two individuals affirm that it is not always clearly obvious the right for decision. So that unusually starts unnecessary conflicts, which could be avoided.



6.3.4 Results in the Area of Developing Skills and Future Career

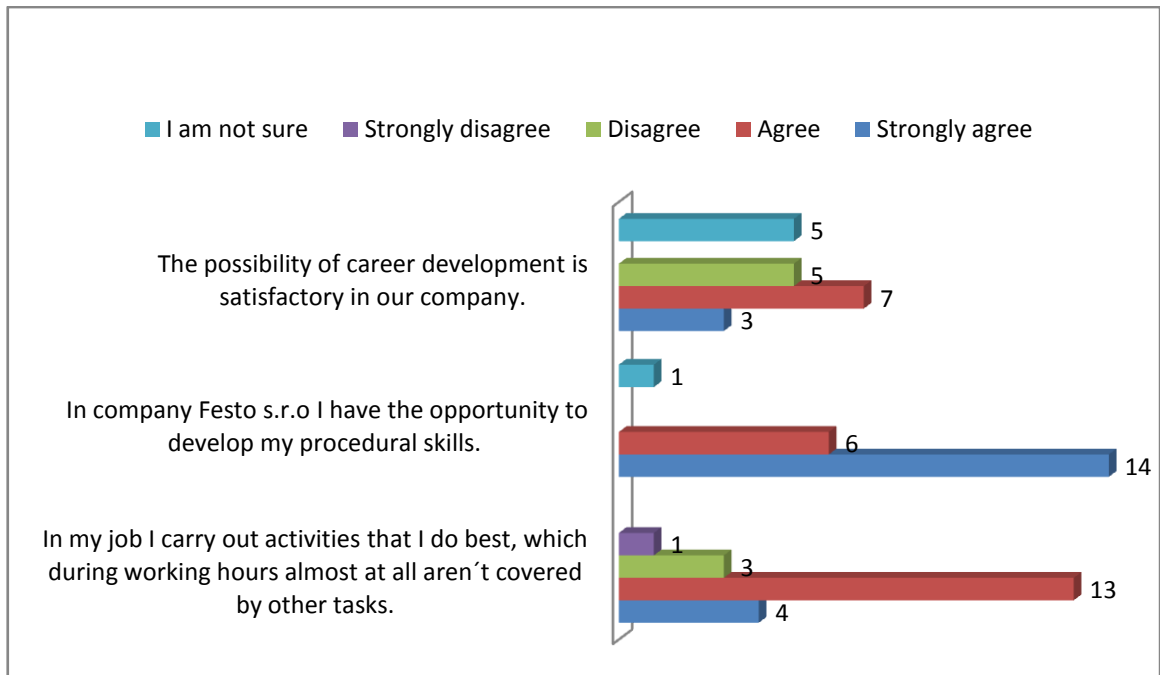


Figure 12. Results in the area of developing skills and future career, numbers of respondents

The big advantage is that the company Festo is responsible for the continuous development of staff as well as for their education. Company offers many courses for employees that result in satisfaction. The company offers for instance language courses that are necessary not only for the fact that Festo is a foreign company.

On the other hand big problem occurs with career development. This is due to the fact that the representation of foreign company in the Czech Republic is not sufficiently great to ensure a permanent career development. And it may decrease motivation. Given that in the branch in Zlín work only six employees, some of them must do things that are not covered in their job descriptions or contract. The low number of employees also prevents the delegation of tasks to someone else who is not at that moment so busy. In the worst case it may happened that employees will be assigned to do a task that will not be able to resolve.

**6.3.5 Results Connected with Organizational Quality and Management**

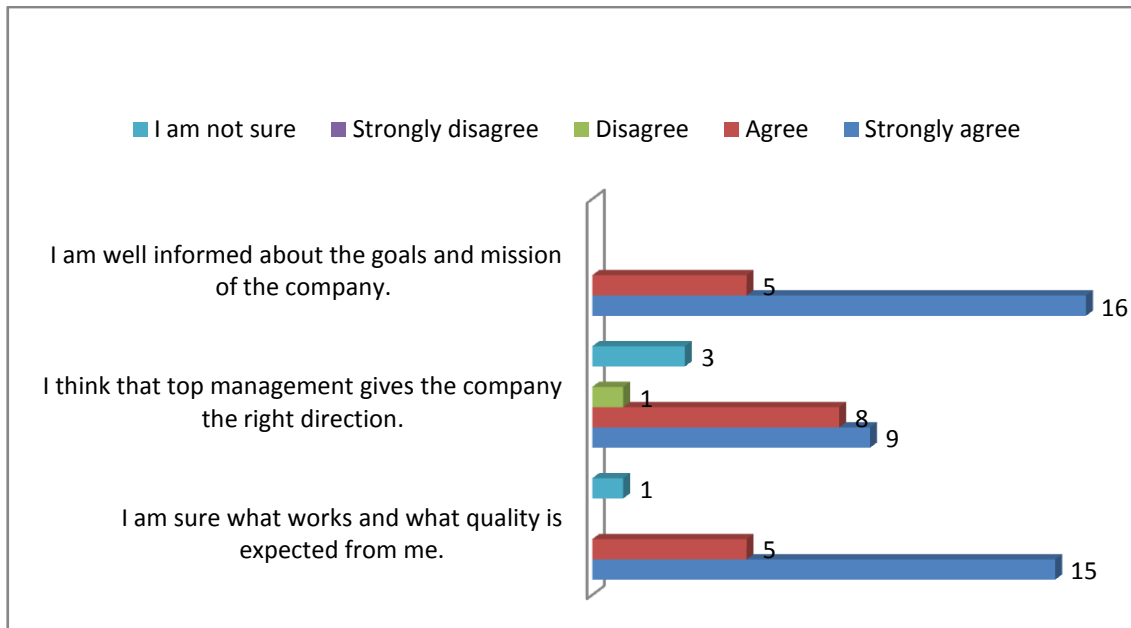


Figure 13. Results connected with organizational quality and management, numbers of respondents

In this chart is again visible a huge satisfaction with organizational quality and management. The company provides huge number of meetings to ensure their employees about the goals mission and strategies of the company.

**6.3.6 Results Connected with Financial Evaluation and Reward System**

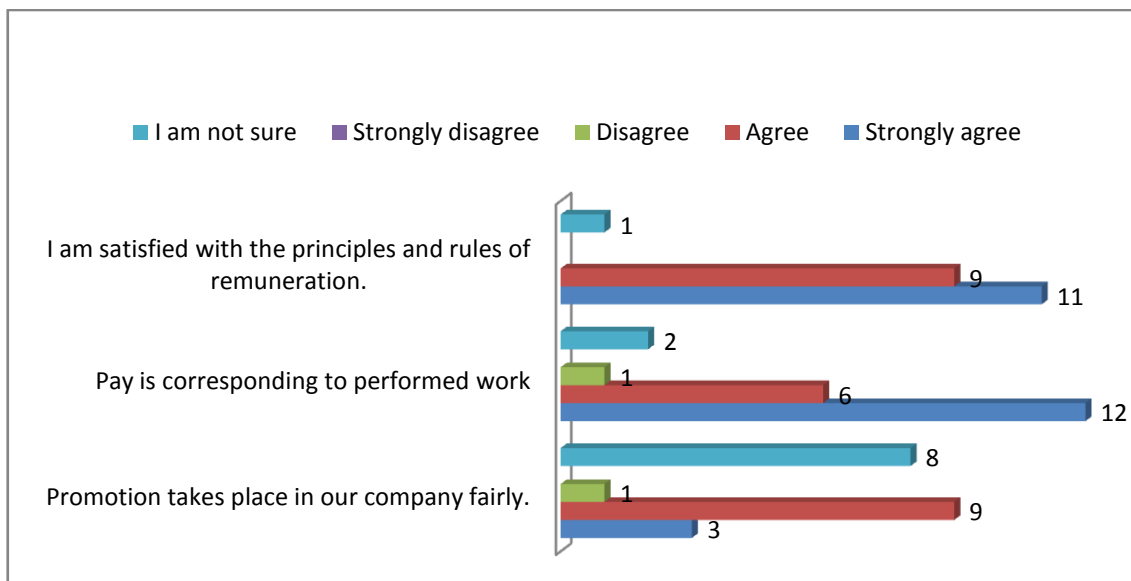


Figure 14. Results connected with financial evaluation and reward system, numbers of respondents

Despite the satisfaction of employees still exceeds, there can be seen some uncertainty regarding the promotion and a chance to get more salary is reduced. Many staff is working in the company for many years and would merit promotion, unfortunately, there doesn't exist any positions available for their raise. On the other hand, almost any company has not any written rules, which would guarantee promotion and the subsequent increase of salary. It is also highly satisfactory that almost all workers are satisfied with the amount of their salary.

**6.3.7 Identification with the Company and Overall Satisfaction**

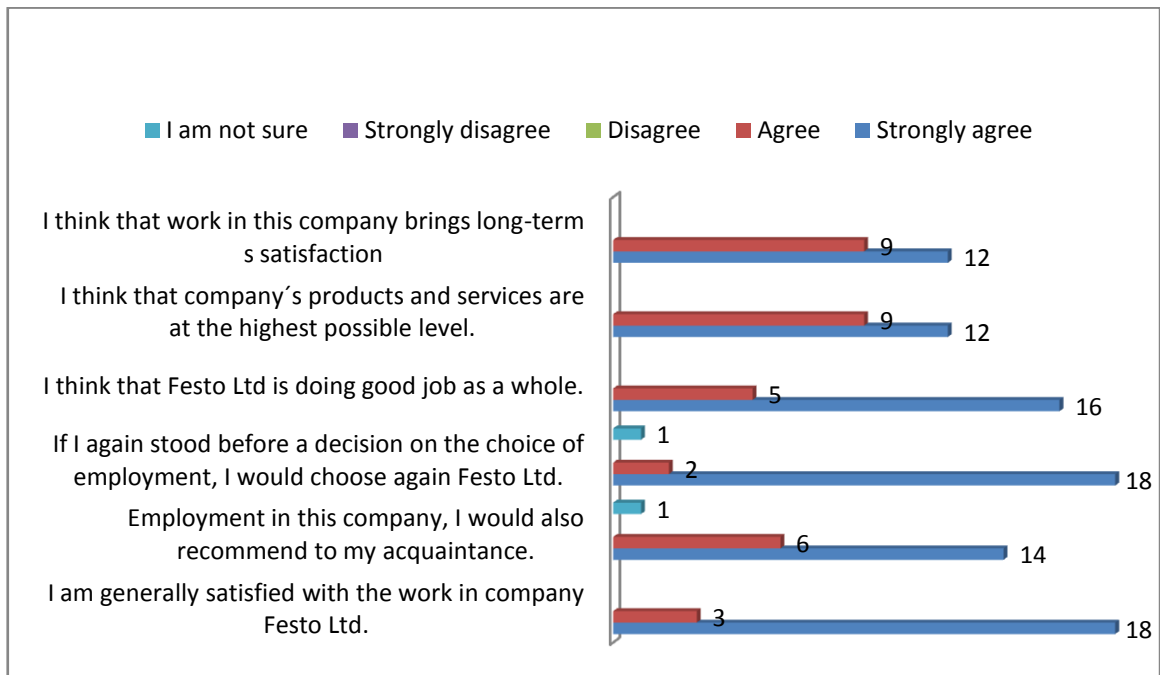


Figure 15. Identification with the company and overall satisfaction, number of respondents

The chart above represents the overall satisfaction of employees in the company Festo. It shows that everyone from the sample is very contented with his job. This result shows stabilized position of the company. It is visible that employees are strongly identified with the corporate objectives. It also demonstrates commitment and engagement of employees.

**6.3.8 Result of Interview**

Interview with staff and the Head of Personnel department, I have included in my research on the grounds that I wanted both underlay data from questionnaires and identify more facts connected with their employment in the company.

For my interview I met with two staff from Festo Company in a pleasant cafe. I tried to make them feel relaxed and the most open, which would be impossible to achieve from my point of view at their workplace. I was delighted that my invitation was accepted by an employee of internal services (IS) as well as by the worker from the field (OS).

Questions were following:

- 1) How do you like the company where do you work?
- 2) Do you think that competitors' are threat for your company?
- 3) What problems/attacks are you struggling with?
- 4) Do you feel impact of financial crisis?
- 5) What cost-cutting measures had to be made in the company because of financial crisis?
- 6) Which advantageous that Festo offered to you in passed time had to be called off?
- 7) In which way is company responsible for your education?
- 8) What would you change in your company?

Transcription and translation of the interview is given in Appendix.

From an interview is quite obvious that the two employees are satisfied with their job. They are so faithful that aren't irritated with cost-cutting measures which are result of the financial crisis. They believe that after the crisis recedes, the benefits will be used again. They are sure that work in the company which is number one in the Czech market. The staff welcomes the company access to education, which company offers them in a fully. The problem on which they agreed is a communication between colleagues. Since the firm is in continuous operation, it is necessary to always transmit the current information but unfortunately it is not always so.

#### **6.4 Summary of Findings from Research**

Research results are very positive for the company. The company claims as one of its stated objectives the satisfaction of their employees and through this investigation it is clear that it is truth. Festo really takes care about their employees. Festo employees are generally satisfied with the work in the company and say that their job will satisfy them also for the future. Reasons for that are ensuing: the pleasant working environment, the possibility of working skills development, the good cooperation with colleagues and much more. From the research is quite obvious that employees think that the company Festo is doing the quality work and services and products are at the highest possible level.

However, during the inquiry there appeared some problems that could be improved in future. One of the biggest problems is stress on the workplace. It is quite obvious because in the company are working only managers and white collar workers. They need to be during the work shift fully concentrated. Only compliance with the breaks when it is appropriate and maybe some simple exercises can help them to vent. Another obvious problem is a conflict in the workplace that is likely to occur as the result of stress. A fraction of respondents sees the issue from the side of superior and some of them feel unappreciated. Last but not least is the fact that in the Czech branches are not any possible positions for a career development because of the company structure.

During my investigation in the company I also thought about strength and weaknesses of Festo. *Strengths* are following:

- Supports the staff
- Strong corporate culture
- High quality of products
- Innovative approach
- Variety of work
- Good working conditions
- General management of Festo

On the other hand the company should see an opportunity in dealing with following *Weaknesses*:

- Weak collegial spirit
- Unfair income
- Change of good employees age
- Unclear definition of competences

## 7 RECOMMENDATIONS

Given that in the Festo Company there are no major problems even though I was expecting them at least suggest improvements for which I was able to detect.

In this chapter I will recommend for the company Festo Ltd. in the Czech Republic possible solutions of the problems which I have discovered in my research and in developing SWOT analysis. Recommendations will be transmitted together with the results of the survey to the head of Human Resources Department in Prague. Recommendations will be also based on the information that I have obtained from the head of HRM as well as on some literature.

### **Stress at the Workplace**

In my research is clear that the greatest problem is a stress at workplace. As a result of stress may not be the worker sufficiently concentrated, thereby is reducing their labor productivity. Employee is more tired and consequently long-term stress made staff exhausted and demotivated. A worker is becoming tenser due to stress, which may occur in contact with clients. The threat is a loss of customers because of excessive disproportionate negotiations in trade meeting

Solution: Here, I recommend the company to carefully monitor the stress in the workplace. The easiest way how to do that could be to enter this work such as bachelor's thesis to any student. Then superiors should not require inappropriate mental workload. To overextended staff I would render on the request subordinate employee who could be delegated with certain tasks. There could be seen as a problem an increase in the cost because of a new worker. It is important to allow workers to take fully breaks when it is necessary and offer a variety of work. As a result of the financial crisis, it is not possible to recommend the extra holidays or convalescence

### **Working over Time**

Another demonstrable problem is the fact that some employees are too busy and they must often work over time. Therefore they are dissatisfied with the amount of working hours.

Solution: My advice is to fix the regulation of working hours, offer extra money to workers who are often working overtime to secure fair income with comparison with other colleagues. Another solution may be to train employees to use their time effectively. I

would recommend securing a course on time management which could be of great, not so expensive benefit.

For this opportunity I would recommend the company GOPAS which implements these courses. And what it should benefit? Teach worker to know himself/herself, to define long and short-term objectives, analyze the existing situation and use simple methods to increase personal productivity. Methods of teaching are following: combination of presentations by instructors and independent work of individuals and groups of participants in the course followed by presentations. During the course participants will get the simple test to analyze personality. Price per course for one person in Prague is 15000,-CZK (GOPAS). I recommend securing a course on time management which could be great benefit.

### **Conflicts on the Workplace**

Another problem is the occurrence of conflicts on the workplace. Usually, conflicts are divided into two basic groups. The conflict became destructive if is not timely and successfully resolved. Anyway conflicts don't have to be always bad, even may be to the benefit of case. Mobilizing conflicts are those that have a positive impact on the workplace, as conducive to development and its improvement. (Crkalova and Riethof 2007)

Solution: Conflicts in the workplace cannot be ever completely removed but they may be in many cases prevented. Most experts advise structuring employees into different groups. But that it is not possible in the branch in Zlín because there are not enough employees to create teams. If the problem occurs it is always necessary to fix it immediately. Mistakes have to be always explained not gossiping about it.

### **Unclear Competences**

Some employees are confused in their accurate competences within a team which can carry unnecessary problems in the workplace. There is necessary to foster team spirit among colleagues as well as willingness to be involved in activities.

Solution: My recommendation is for management that they should secure clear definition of competence and responsibility according to knowledge and abilities.

**Problem with Commuting**

For the reason that in the Czech Republic there are only two branches some employees have problem with commuting.

Solution: I advise the company to offer such employees the possibility to work out several days in a week from the house so called Teleworking. “The use of home computers, telephones, etc., to enable a person to work from home while maintaining contact with colleagues or customers which allows mutual cooperation and communication without physical contact.” (The Free Dictionary by Farlex)

The disadvantages and potential risks: Because Teleworking is still a modern tool; the costs of its implementation are relatively high. Additionally, staff can feel a social barrier after the removal from the team. The use of certain devices such as webcams may not be pleasant for all. From the company point of view may come up problems when checking the done work.

**Leadership Style**

Also it might have been good to improve relations between subordinates and superiors. Some employees are not sure about manager's leadership style.

Solution: I recommend regular monitoring of the relationship between subordinates and superiors. Good manager should be able to deal with opinions and criticism. This information can bring feedback that can gradually improve the current state. Staff would be appropriately commended for the good job from time to time. Managers should admit their own mistakes to act as a model.



## CONCLUSION

In my bachelor thesis I have done employee satisfaction survey in the company Festo s.r.o. in the branches in the Czech Republic. First of all I contacted the head of HRD and offered my cooperation in solving some current issue. Due to the current financial crisis in the world and the need to implement cost-cutting measures I was offered to take satisfaction survey in order to determine how the staff is dealing with this problem.

For an indication of the broader context of employee satisfaction I looked in the theoretical part on motivation which is with satisfaction closely linked. In the theoretical part there are also mentioned items as reward system, work commitment and engagement as a tool of the satisfaction.

In the practical part there are interpreted the detailed research results and their graphic representation. Research has revealed a major satisfaction that was for HRD very positive outcome. Anyway survey that was conducted through anonymous questionnaires and interviews demonstrated some shortcomings in the company to that I have recommended a possible solution. Festo employees are generally satisfied with the work in the company and say that their job will satisfy them also for the future. Reasons for that are ensuing: pleasant working environment, the possibility of development of working skills, good cooperation with colleagues and much more. From the research is quite obvious that employees think that the company Festo is doing quality work and services and products are at the highest possible level. During the research there appeared some problems that could be improved in the future. One of the biggest problems is stress on the workplace and working overtime and some more. I proposed several options how to solve problems. As the most interesting one I would determine the time management training course for employees.

I was very pleased with cooperation with the personnel department. I was given a lot of important internal information that helped me in research. I also appreciate the willingness of Festo employees, participating in my project was great. I think that the big advantage was my participation at the trade fair where I had the honor to meet a lot of employees' personally. I think that the objective of work I surely managed to meet. I dare to say that I handled the challenge well and I am satisfied with the work itself.

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**LIST OF ABBREVIATIONS**

HRD	Human Resource Department
I.S.	Inside Service Employee
O.S.	Outside Service Employee
ZS	Call Centre
TS	Technicians (Engineering Department)
FCV	Finance Department
EDV	Informational Technology
SALE	Sales Department
PA	Process Engineering
DIDA	Didactics
SEM	Seminars
HW	Hard Ware

## APPENDICES

- P I Transcription and translation of the interview
- P II Employee survey in Festo Ltd. questionnaire (English language)
- P II Certificate
- P IV Festo company (Pictures)

## **APPENDIX P I: TRANSCRIPTION AND TRANSLATION OF THE INTERVIEW**

My first question was: **How do you like your job in the company where you work?**

I.S. (Inside Service Employee) I like it very much, I am interested in this work – it is a lot about a contact with the customers, either by phone or personally. Sometimes I am under pressure when I have a feeling that I do not meet the deadlines. According to the law of unexpected turns often a number of customers come at a time and the telephones ring simultaneously. In such cases it is necessary to set priorities and to decide immediately what to do earlier. Whether should I apologize to a customer who came personally and to take a telephone call or vice versa?

O.S. (Outside Service Employee) What a stroke of luck that the technology progressed and we have modern phone devices which record the lost phone calls. At the mobile phones it is usual; however, at the firm telephone lines it is not always common.

I.S. Yes, but in spite of that I think it is better to take a telephone call immediately and to apologize to a customer with promise of calling later. If I let the telephone ring, there is a risk that the customer will call a competitor.

**Does it mean that the competitors mean the problem for you?**

O.S. Of course, the competitors are at our heels and in spite of the fact that we are number one in the marketplace as regards the sale of pneumatic components, we meet with the attacks of them almost daily.

**You said *with attacks*?**

O.S. Figuratively speaking. The competitors try to obtain our customers, they promise better prices, better delivery terms, and better technical support. Sometimes they manage to take over some our customer but mostly they are not successful. And our total victory is when after a time such customer returns back to us.

I.S. However, we do not want to say that the competitors mean nothing for us. On the contrary, I think that it is our driving force which drives us on and forces us to be better and better in the sphere of business.

**Do you feel in your business an impact of crisis?**

O.S. Of course, at present it is the biggest problem. Considering that we live on selling components mainly to companies from the machine and automobile industry and there is the greatest drop-out, we are influenced by it negatively as well.

I.S. Our main task is to go through this unfavourable time and hopefully the economics will be recovered early.

**Does it mean that because of the crisis you had to accept some cost-cutting measures?**

I.S. It stands to reason. We all should now save money. I think that all employees of our company, just as me, understand that we simply have to deny some advantages to which we were accustomed.

**Which advantages for example?**

I.S. For instance we had in the past several times a possibility to take part in the company weekend which had always very positive influence on reinforcement of the team. We could get mutually acquainted and maybe even become friends. But for such company weekends there are not money now and we all definitely understand it.

O.S. But it is necessary to say that although there were various cost-cutting measures applied, the certain standard was observed and we do not feel these measures very painfully. We hope that the situation will not be worse.

**Could I ask you how the company cares about your education?**

O.S. Yes, in this respect very well. The employees, of course in dependence on their position, are regularly trained and learn how to negotiate with the customers, how to respond to objections and complaints, etc....

I.S. We can as well educate in foreign languages. The company for example arranged for us the English courses.

**What would you like to improve in your company?**

O.S. Important is communication between colleagues. It is necessary to hand over the updated information. Unfortunately, it is not always common. It is unpleasant when I contact a customer in some matter and find out that my colleague solved it already before me.



I.S. I also think that it is important, if there is some conflict between colleagues, to tell the opinions without any emotion. The quarrels in the workplace influence negatively a working atmosphere.

I agree with your opinion. So, I wish you a lot of working and personal success and the shortest impact of crisis on your business as possible. Thank you for your time.

## **APPENDIX P 2: EMPLOYEE SURVEY IN FESTO LTD.**

### **QUESTIONNAIRE (ENGLISH LANGUAGE)**

Dear employee, in your hands is occurring questionnaire which could improve your work, workplace and professional attitude. Your opinion is very important as feedback for future improvements suggestion. All questionnaires are anonymous and I would be very grateful if you answer all questions truly to prevent fraudulent misrepresentation.

Please tick only one option for each claim. There is available empty space where do you feel necessary, please use it for your comment. This survey and future representation is part of my bachelor thesis.

1) I am generally satisfied with the work in company Festo Ltd.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

2) Employment in this company, I would also recommend to my acquaintance.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

3) If I again stood before a decision on the choice of employment, I would choose again Festo Ltd.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

4) I think that Festo Ltd is doing good job as a whole.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

5) I am sure what works and what quality is expected from me.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

6) In my job I carry out activities that I do best, which during working hours almost at all aren't covered by other tasks.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

7) Regarding the material, or tools I have everything that I need.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

8) I am fully satisfied with working environment in which I work.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

9) In terms of transportation the location of company building is suitable.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

10) I am satisfied with the amount of working hours which I daily work.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

11) I am well informed about the goals and mission of the company.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

12) The overall atmosphere at work is excellent.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

13) There aren't any conflicts between employees in the workplace.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

14) I don't feel stress at work.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

15) In recent time I have been appreciated for a well done job.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

16) My colleagues take note of my comments and suggestions.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

17) In company Festo s.r.o. I have the opportunity to develop my procedural skills.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

18) I have good friends among the colleagues.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

19) My colleagues are doing everything so that brought high-quality work.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

20) I am satisfied with the cooperation of people in the team.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

21) Each member in the team has its role and has clearly given the decision possibility.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

22) I think that top management gives the company the right direction.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

23) I think that company's products and services are at the highest possible level.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

24) Promotion takes place in our company fairly.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

25) The possibility of career development is satisfactory in our company.

- a) Strongly Disagree
- b) Disagree
- c) Agree
- d) Strongly Agree

**Substantiation:**

26) Pay is corresponding to performed work.

- a) Strongly Disagree
- b) Disagree
- c) Agree

d) Strongly Agree

**Substantiation:**

27) I am satisfied with the principles and rules of remuneration.

a) Strongly Disagree

b) Disagree

c) Agree

d) Strongly Agree

**Substantiation:**

28) I think that work in this company brings long-term s satisfaction.

a) Strongly Disagree

b) Disagree

c) Agree

d) Strongly Agree

**Substantiation:**

29) My superior carries on good work with regard to professional competence and human approach.

a) Strongly Disagree

b) Disagree

c) Agree

d) Strongly Agree

**Substantiation:**

Results will be hand on to the chief of human resources in Festo s.r.o. Thank you very much for your attitudinal judgment and the time that you spent with filling.

*Papirková Magda*

## APPENDIX P 3: CERTIFICAT

ZERTIFIKAT ♦ CERTIFICATE ♦ 認証書 ♦ CERTIFICADO ♦ CERTIFICAT

  
Management Service

# CERTIFIKÁT

Certifikační místo  
TÜV SÜD Landesgesellschaft Österreich GmbH  
potvrzuje, že podnik

## FESTO

S.r.o.  
Modřanská 543/76  
CZ-147 00 Praha 4

zavedl a používá  
systém zaručující kvalitu v oboru

**Prodej pneumatických a elektronických prvků  
a systémů pro průmyslovou automatizaci  
Prodej výukových prostředků, učebních pomůcek a seminářů  
v oboru automatizace**

Podle auditu, zpráva č. **153851**  
bylo prokázáno splnění  
požadavků normy

### ISO 9001 : 2000

Tento certifikát je platný do **června 2011**  
Registrační číslo certifikátu **Q1530633**

  
Vienna, 2008-08-28

  
ISO 9001:2008

Certifikační místo  
TÜV SÜD Landesgesellschaft Österreich GmbH  
Campus 21 Europaring A04301, A-2345 Businesspark Wien Süd, Austria

TUV®

M301 07/2004

Certificate ISO 9001 : 2000 (Festo)

## APPENDIX P 4: FESTO COMPANY (PICTURES)



*Headquarter in Germany (Festo)*



*The Sample of Modern Technology (Festo)*







