CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

FACULTY OF ECONOMICS AND MANAGEMENT

DEPARTMENT OF MANAGEMENT

DIPLOMA THESIS

TRAINING OF EMPLOYEES IN AN ORGANISATION

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DIPLOMA THESIS ASSIGNMENT

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Economics and Management

Thesis title
Training of employees in an organisation

Objectives of thesis

Main aim of diploma thesis is to analyse the system of training of employees in the ŠkoFIN company. Descrption of how the employees are trained, educated and skilled in order to be able to produce the best possible results in a company.

The theoretical part of the thesis will specify functions and areas of training and education.

Mention will be made of special courses, trainings and seminars which are employees required to attend.

The aim is to summarise all obtained knowledge and information and evaluate if the methods used in the ŠkoFIN company are sufficient or if there are still needed some changes in order to better train and educate its employees.

Additional aim is to develop a plan of changes in management of training and education with the support of the personal manager of a department.

Methodology

I will use a method of analysis, scientific literature and internal information of the company in my diploma thesis. I will have information directly from the leaders of this company who are responsible for training and education in the Czech Republic. I will also use information given by the managers with who I have an opportunity to discuss this topic.

In the second part of my thesis, I will focus on characteristic of an organisation, managing of training process and lastly the suggestion of changes in training management.

Schedule for processing

1. Introduction
2. Main aim and methods used
3. Literature review focused on education of employees in an organization (December 2012)
4. Practical part - case study - ŠkoFIN company (February 2013)
5. Conclusion (March 2013)

The proposed extent of the thesis

60 - 80 pages

Keywords

education, process, information, tools, online, training course, employee, progress, instrument

Recommended information sources

Armstrong, M.: Řízení lidských zdrojů, Praha: Grada Publishing, 2002, ISBN: 80-247-0469-2
Hroník, F.: Rozvoj a vzdělávání pracovníků, Praha: Grada Publishing, 2007, ISBN: 978-80-247-1457-8
Vodák, J., Kucharčíková, A., Efektivní vzdělávání zaměstnanců, Praha: Grada Publishing, 2007, ISBN: 978-80-247-1904-7
Wentland, Daniel M., Strategic training: Putting employees first, Amherst: HRD Press, Inc, ISBN: 0-87425-933-9

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Last date for the submission

March 2013

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Dean

Prague February 25. 2013

Declaration

I declare that I have worked on my diploma thesis titled "Training of employees in an organisation" by myself and I have used only the sources mentioned at the end of this thesis.

In Prague on 26.3.2013   Jan Kolář

Acknowledgement

VZDĚLÁVÁNÍ PRACOVNÍKŮ V ORGANIZACI

TRAINING OF EMPLOYEES IN AN ORGANISATION

Souhrn:

Diplomová práce je zaměřena na důležitost průběžného vzdělávání v dnešním světě. Cílem práce je ukázat, že efektivním vzděláváním a tréninkem lze ve společnosti dosáhnout významných úspěchů a být konkurenceschopný především v celosvětové ekonomické krizi. V teoretické části práce je popsán význam tréninku a vzdělávání, druhy tréninků či jeho oblasti.

Praktická část je zaměřena na tréninkové a vzdělávací metody ve společnosti ŠkoFIN s.r.o. Dále jsou zde popsány metody využívané v této společnosti. Na praktickém příkladu je dokázáno, že efektivní vzdělávání je pro firmu skutečným přínosem.

Klíčová slova:

vzdělávání, proces, informace, zaměstnanci, výkon, trénink, rozvoj, prodejce

Summary:

This diploma thesis is focused on importance of continuous training of employees in today world. The main aim is to show that effective training can be crucial in order to reach significant success and to be able to compete mainly in nowadays economic crisis. Theoretical part contains the importance of training, types of training or it´s areas. Practical part is focused on training methods used in ŠkoFIN ltd. There are described methods used on practical example and it is proved that effective training has a real benefit for the company.

Key words:

education, process, information, employees, performance, training, development, sales force

1 Introduction

The topic of this diploma thesis is "Training of employees in an organisation". This area is very familiar to me because of two reasons. The first reason is authors´ interest in training processes in companies and possibilities of training methods and the second reason is an opportunity to work in a ŠkoFIN ltd. company where the author is allowed to gather as much information as possible and also an opportunity to be in contact with people responsible for training and education in this company. Authors´ part time work in this company helps better understand the background of this area.

This diploma thesis has been focused on selected training methods used in the company which author sees one of the most value added but also there will be mentioned the training areas which need to be necessarily improved.

The training of employees is a hot topic in every company and this topic is very up to date because there are still more and more companies hence more competitors and if company wants to stay in the market and do the business profitably it must meet all new possible training methods needed to ensure that the company will deal with the high market demands in the right way. The major factor for successful business is the work of people. A human is a key factor who is responsible for the run of the company. People must be qualified, skilled, creative, motivated but most of all, they must know what they have to do.

Training methods have to be developed every year and all potential factors of financial and time losses must be taken into consideration while developing a new training plan. We have to take into consideration competitors, changes in the world market because of economical crisis, customers demand and suppliers' offers, new technologies etc. Setting a big effort for minimization of financial losses and maximisation of efficiency of working processes is crucial.

2 Objectives and methodology

Main aim of this diploma thesis is to analyse the system of training of employees in the ŠkoFIN ltd. and prove that systematic training is very important and leads towards big competitive advantage. There will be described training methods which are going to take place in order to produce the best possible results in the company and be able to compete in nowadays economic crisis. The theoretical part of this thesis will specify the meaning of training, its importance and areas of training and education. This part is followed by a practical example how a real company deals with continuous training and benefits from it.

As underlying documents for the theoretical background were both internal and external materials. The external resources were used from available literature and PDF files of various studies. Internal materials were analysed and concluded with subject of matter experts from real existing company.

The practical part of the thesis was supported by author's part time working experience in the company ŠkoFIN ltd. and close cooperation with the head of personal department and head of area sales managers. An author had an opportunity to go through the design of training methods for a specific project and he could see the comparison between status "before" and "after".

3 Literature review

3.1 What is an organisation?

Every one of us is a part of any organisation. The belongingness to such an organisation is very important for each individual there. There is a situation very often that we have a feeling that no one cares about us and our contribution to the organisation was always minimised. Unfortunately, in many cases senior official think they are the greatest thing on earth and other people are there to do their bidding. This situation leads to fear and intimidation. The situation that everyone is trying to do it from Monday to Friday is not really where people want to be.

It is necessary to gain insight into the dynamics within an organisation. This has its roots embedded in systems theory. A system is a group of interrelated or interacting elements forming a unified whole which is working toward a common goal. This has been done by accepting inputs and producing outputs in an organised transformation process.

(Wentland, 2007)

There are three basic interacting components or functions within a dynamic system:

- An **input** function – involves capturing and assembling elements which enter the system to be processed
- A **processing** element or transformation process – converts an input into an output
- An **output** that has been produced

We can find all these three components in any organisation. But effective and efficient organisations have two more components:

- A **feedback** – data about the performance about the systems
- A **control** – involves monitoring and evaluating the feedback and determines if the system is helpful in order to achieve its goals

All mentioned five elements have to work in a harmonisation in effective and efficient organisations.

(Wentland, 2007)

In other words, system theory provides a meaningful methodology for examination the workings of an organisation. It shows us an interaction with other organisations through the global business environment.

Training of employees in an organisation is a decisive tool for modelling the level of success an organisation can achieve. The fate of an organisation has been determined by the quality of people within an organisation. The quality of these people has been determined by the training provided to them. There is a close link between training of employees and a success of an organisation.

A quality of people at all levels involved in an organisation determines organisational success or failure. That is because an organisation is nothing more than the system which people in an organisation created and the superiority of any creation ultimately depends on the abilities of those people who created it.

(Wentland, 2007)

3.2 What is training?

Training is a process through which people enhance and develop their efficiency, capability and effectiveness at work by improving and updating their knowledge, understanding and skills relevant to their job satisfaction. It also serves to help people in cultivating appropriate and desired behaviour and attitude towards work and people.

We should not compare training with education. It differs in many ways. Education is focused on enhancement and development of knowledge but training has aim to improve knowledge and understanding.

Training is continuous and lifelong process. People start train from the beginning of their life (begins receiving training from mother).

(Samanta, 1993)

In other words, training is organised and structured effort through which an atmosphere of learning, sharing and synthesizing of information, knowledge and skills are transmitted to the trainees with help of trainers.

Generally, training is the responsibility of three partners:

- The training institution
- The participant´s organisation
- The participants themselves

The training intends to fulfil the following objectives:

- Help trainees to acquire knowledge of the subject matter
- Using objects, programmes and problems in order to bring changes in attitudes, understanding and behaviour among trainees
- Help to put the theory into practice and bring generalisation from the various hypotheses
- Evaluation of potentials, abilities and competencies of trainees for a particular job or work skills
- Motivate trainees for self-learning and development

- Enhance the problem-solving and decision-making capability of the trainees
- Reduce a gap between actual level of performance and expected level of performance among trainees

(Samanta, 1993)

There should be also followed some cardinal principles. These principles are:

- The training should be meaningful and purposeful and should be based on existing field situation of the trainees
- It must start from the level where trainees actually are
- It must provide a strong basement for trainees self-improvement
- Must prepare trainees for changes of situations
- There should be ensured that there will be a transition of information from trainer to the trainees, from trainee to trainee and also from the trainees to the trainer
- Trainees should not be influenced by any factor during training. Training should be in informal environment where trainees can react and participate without any hesitation in the process of learning and sharing of ideas.

(Samanta, 1993)

Training is the use of systematic and planned instruction activities to promote learning. The approach can be summarised in the phrase "learner-based training". There are several responses an organisation can undertake to promote learning and this is one of them.

The main aim of training of employees in an organisation is to help achieve its goals using increasing its value of its decisive resource – people who are members of the organisation. Training means investment into the people with a purpose to achieve better performance and the best usage of their natural skills. One of the objectives of training is to develop skills and abilities of workers and improve their performance; help people to grow in an organisation in such way that the future needs of human resources of organisation could be maximally satisfied by the internal resources; decrease time demand needed for training and adaptation of workers who start working at new working positions or workers transited to other working positions or promoted hence to ensure that these

people will become able to perform this new work as quickly and with as low investments as possible.

(Armstrong, 2010)

Training can be defined as a development which leads to persisting and effective change in mental activity and action. Training hence includes not only "knowing" but also "doing".

Training ensures interaction between human and his permanently changing environment. This is a change which has two different qualities – adaptation and self-adaptation. Adaptation is reactive, self-adaptation deflects proactive attitude. Everything has been based on reality.

(Hroník, 2007)

Training has a purpose to develop people as individuals and its aim is to help them to be more confident and competent not only in their jobs but also in their lives.

The training field is growing very rapidly and it was important from the beginning of mankind. But its importance today is much greater. There are many reasons for it. The most important reasons for this are:

- The pace of change
- The attitude of employers
- The attitude of individuals

(Hroník, 2007)

The pace of change

It is increasingly gathering momentum. We cannot determine that what was appropriate ten years, one month, one week ago is no longer appropriate today. It depends on situation how it is changing.

The pace of change is accelerating so obtained skills and knowledge in the past will no longer be sufficient to equip a person for a lifetime. They are appropriate only for limited time period. After that it becomes obsolete. Nowadays, the situation is not like that people are doing the work for whole life with almost no changes. The processes are improving and it is important to react for it. Changing technology, globalisation and recession started to influence us so we have usually an opportunity to work in several companies on several positions. Our employees expect changes in jobs to keep up with developments in technologies, legislation, management practices and organisational restructuring. These are the reasons why multi-skilled workers are required. Future employers should be shown the evidence of their commitment by employees, to their own professional development in order to maintain their marketability.

(Hroník, 2007)

The attitude of employers

Attitudes of employers to the training are changing. Many employers believe that training is a big cost which is not always necessary and thus it is the first thing that accountants cut back. But recently many employers start recognising that training is an investment and not the cost. Nowadays, training is on of the areas where the huge amount of money has been spent and these investments will return back in the future.

(Hroník, 2007)

The attitude of individuals

Also the attitude of individuals related to their development is changing. Training and development are lifelong processes. We have to realise that the ability to learn does not always decline sharply with age and that our personal development is important for our individual growth as well as for occupational success.

Many employers are becoming aware of this shift in individual attitudes.

Personal development is understood as more important than money, power, or even comfort at work. All people in an organisation are expected to a full return in their investment.

Training market is still growing and it is hence available from a variety of sources. Large organisations provide usually their own training and some companies form consortiums to widen their provisions. There are a lot of possibilities of public and private educational institutions, consultancies, professional associations, television and other media which offer a variety of approaches which must be matched to the needs of every individual and the organisation.

The main aim of all these sources is to provide individual satisfaction and development so that the employing organisation can also benefit from it. Development of new skills and knowledge, particularly through the variety of techniques available leads to higher individual satisfaction. This is also the reason of increased competencies and confidence and results in personal growth.

(Hroník, 2007)

3.3 Why the training is important?

There is a growing competitive environment among companies worldwide and it is more significant every day. In order to succeed in such an environment the companies need to find a way how to "be different" and how to get a competitive advantage. In other words the key factor is to avoid any possible losses and adapt or improve all currently running training methods to reach higher effectiveness. If necessary the other solution is to develop new training methods in order to meet the market demands.

These days the world is facing an overall economic crisis where not stable and weak companies can go bankrupt easily. The primary objective of company managers should be to do everything possible to keep his company in the market and develop a strong competitive advantage in comparison with other companies from the same field of business. The aim of any manager of any company is to survive, meet customers' needs and wants and do the business profitably.

The consumer´s / customer´s perceptions and expectations are changing. High quality products and services are required and there is a wide range of companies they can choose from. Quick response and flexibility is needed in order to satisfy customer´s needs and also it is important to ensure that customers will come back again.

There are many possible ways how to make this happen. It is known, that all companies are dependent on human beings and only these humans can assure the company will operate in the market in the right way. This is a reason why the quality of humans is so important hence their training, development and skills development are key elements in order to do the things right.

(Hroník, 2007)

3.4 Training and education

Training and education are contributing for skills development of all individuals in an organisation. These processes (training, education) are closely linked together and are also influenced by each other.

Better understanding of these processes gives us the fusion of following attributes:

- Who? – a subject of training and education
- What? – a content of training and education
- How? – a form of training and education
- When? – a time scope of educational process
- Why? – a motivation towards training and education

Training and education is an important component of activities of personal management in an organisation. It is a tool in order to obtain a higher level satisfaction of employees within their performance. A need for education is primarily based on quick changes in the markets caused by new areas of business, development of new technologies and new job opportunities.

Education does not have to be necessarily an answer for all problems which exist within an organisation. It can be one of them but not only one solution of problems which do not allow fulfilling the goals of organisations.

Realisation of corporate education and its attitudes:

- It should be implemented (e.g. managerial skills)
- It must be implemented (basic requirements for education)
- An organisation wants it to implement (evidence in long-term horizon)

(Folwarczná, 2010)

3.5 Training of employees in an organisation

According to Hroník,(2007), development of an organisation and its members leads to higher performance of all company. But it is not possible to focus just on one person and do not pay attention to another one. But usually in practice, we have a tendency to focus more for one person than to the others. Nowadays, the majority of large companies put effort for organisational training and organisational development because the organisational environment is important for application of individual activities but also for its development. Author also specifies a strategy of organisational development which is characteristic for concentration on changes in operation of whole organisation and its parts (teams, departments, divisions etc.) and common participation on specific problems during the run of an organisation. Training activities have its supporting role. The author also specifies a strategy of individual development where he believes that there is a high level organisation if there are professionally and specialised prepared individuals.

(Hroník, 2007)

Armstrong,(2010), understands training of employees as an investment to people with purpose to reach their better performance and the best possible usage of their natural skills.

(Armstrong, 2010)

3.6 Characteristics of corporate training

Corporate training becomes as a part of personal activity. The support and organisation of training and education of its employees means that organisation very appreciate the effort of its workers. It gives them the perspective and for its own expenditures allows them to increase their competitiveness on the labour market. By supporting of employee development, it contributes in improving and increasing of the efficiency of inner processes and also contributes for development of an organisation as a whole.

Development of human resources is different approach in comparison with employee development. It includes mainly development of organisation flexibility as a whole and a development of working ability.

A system of a corporate training is still repeating cycle which reflects both general organisational strategy but also specific requirements of educational and developmental strategy. Corporate training includes employee orientation, retraining and development; further training and all of this has been financed by the organisation.

Systematic training has been composed from following steps:

- Needs identification
- Budgeting and planning
- Realisation
- Process effectiveness evaluation

Investments of organisations into training and development of its own employees are a tool of stabilisation of human capital and become a tool of reaching better investments return.

(Koubek, 2001)

3.7 The contribution of training to the business

There is a close relationship between training and profit and trainers must be aware of it. Senior decision-makers must understand training as investment. The purpose of the training is not only to create skilled workers but also to maintain the high level of skills desired by the constantly changing workplace and to assure that people will be equipped to meet future demands.

There is a precisely determined corporate and business strategy in every organisation and there must be value added to the business in any case. Hence training should be in accordance with the direction of the corporate and business strategy and information should cascade down the organisation from senior management. Training provision should therefore help meet the business needs. Trainers should use every

opportunity to give feedback on success, particularly upon the impact on the business, to senior management.

(Pont, 2003)

3.8 The trainers and their role

As the years go by, organisations are realising that the human assets are the most important assets they can have for achieving their objectives satisfactorily. Human assets should be very properly utilised and managed in order to achieve and accomplish the organisational goals. And this is the reason why they have to be trained. They need to improve their skills, knowledge, understanding and they need to orientate to the job they are supposed to do effectively.

In this case, the trainers play a huge role in order to accomplish these tasks. They must know very properly the psychology of the people to utilise their potential effectively.

In order to be a good trainer, the trainers must acquire the desired knowledge and develop a wide range of skills. Trainers are expected to do their work effectively, meaningfully and purposefully. They must be able to get to know the facts and findings about the performance problems and people in organisation, they analyse and interact with them and they must be able to find appropriate solutions to the specific problems. (Samanta, 1993)

Generally, four broad and major functions are performed by the trainers.

They are namely:

Administrators

The training managers are supposed to set policies. These policies have aim to develop the human resources of an organisation. The policy is carried out through systems and programmes. Their aim is to plan, organise, direct and control the training functions.

At the very beginning, they care about the performance problems of the members in an organisation and have a task to distinguish between training and non-training needs on the basis of existing or arising problems. After that, they can identify and prioritise training needs which are based on certain criteria in order to match them with available resources.

Next stage includes development of training strategies and formulating of specific programmes which are based on the employee´s background and needs. The time line for the training has to be set up. Length of the training sessions is determined accordingly. Then they establish budgets and monitor adherence to those budgets. They may also control decisions about learning methods and media.

Lastly they implement suitable evaluation mechanisms which are then built into all training programmes.

Training managers have to do administratively lot of planning and organising and translate the abstractions of policy into workable day-to-day decisions of control and implementation.

Consultants

In the role as consultants to the organisations with human performance problems, the training managers help executives of such organisations to solve these problems. Accomplishment of this task is very difficult. The main reason of it is that when people have problems it is often very hard to discover the real nature of the problem. If the executives in the organisation find some problems, they find it difficult to admit that problems exist. Such admission can be very threatening. As a response to this, training managers are required to develop specialist skills to perform effectively the consultant´s role for identifying problems and devising ways and means to overcome them. Consultant´s role is to separate out the training needs from the non-training needs.

In other words, they are supposed to find places where training is an appropriate remedy. Sometimes training itself may form a part of the overall strategy for improving performance.

Designers of Learning Modules and Experiences

Training managers are supposed to design training programmes, create lesson plans and develop learning materials. In order to do it in the right way, they must possess wide knowledge of learning methods in order to meet a variety of learning objectives. There are many different kinds of training programmes which have to be designed and conducted. The kind of training program depends on training needs and learners´ background. There are for example training programmes for individuals or for groups.

There are three distinct domains of behaviour in which the trainer wants the trainees to grow:

<u>Cognitive or mental skills</u> – best acquired by reading, lectures or demonstrations.

<u>Psychomotor skills</u> – using body language; psychomotor growth often relies heavily on job instructions training where the trainers explains and demonstrates the task one at time and learners are doing it and reviewing the same as soon as possible.

<u>Affective domain</u> – this is connected with area of emotions and feelings. Such new awareness can hardly result from a lecture or reading assignment

As designers of learning experiences, the training managers need knowledge, experience and a value system of learning or teaching methods. They have to know when to use which method, how to determine which method is the most appropriate and make a compromise with the most suitable method and the budget in order to make the most efficient solution.

 (Samanta, 1993)

Instructors

Instructors are the ultimate delivery agents of the learning system. As instructors, training managers manage the critical dynamic process – acquisition of new behaviours by the learners. Involvement is much more preferred than favourable impression and this should become the focus.

Guiding the learning process itself is the primary objective of the instructor. Interests and experience of the learner can influence the content of the learning. Also needs of the organisation of which they form a part are influenced.

(Samanta, 1993)

3.9 Training Cycle

Training cycle can be viewed as a cyclical process which is on-going.

Training can be divided into a number of different elements. Each may be carried out at several levels, in different ways and at different stages in the employment relationship.

(Pont, 2003)

These elements of training cycle are:

Identifying (analysing) of training needs

Organisation sets the overall objectives and the specific requirements for individuals.

There are main areas where it may take place:

1) Needs at organisational level – in which areas of organisations is training most needed?
2) Needs at occupational level – process of job analysis; what is needed in terms of skills, knowledge and attitude?
3) Needs at individual level – who needs training in what? Determining the gap between current level and desired level of skills, knowledge and attitude. This is the process of need assessment.

The importance of mentioned three areas varies from situation to situation but the result is the same – people identification and the competency gap to be bridged.

Planning and designing the training approach

It requires a lot of information and it is time demanding phase. Sometimes there is a tendency to skip the planning phase and jump directly to some sort of action. But the planning phase is important. The time invested in a good planning will have significant positive results later in the cycle.

There are the tasks to be addressed in this phase:

1) Defining the learning objectives of the training
2) Deciding the most appropriate methods of the training
3) Determining the staffing and support
4) Media selection
5) Deciding upon content
6) Evaluation tools are identified
7) Deciding on prerequisite and pre-course preparation for the learners
8) Organising and sequencing the training

(Pont, 2003)

Developing of training materials

Two previous stages are integrated into a complete set of materials in order to start the course and meet determined learning objectives in this stage. This stage is the most time demanding phase in whole cycle.

There are five main training materials which have to be developed and assembled:

1) Course outlines
2) Sessions plans
3) Materials of the learner – hand-outs, readings, workbooks, etc.
4) Audio-visual support – projector, flipchart, sound system, etc.
5) Evaluation forms (sheets)

Other important activities have to be carried out during this stage:

1) Background reading – to be familiarised with the topic

2) Reviewing existing materials and its adjustment or replacement

3) Fitting individual training sessions into a logical sequence

4) Ensuring about all administrative arrangements (booking a venue, etc.)

5) Putting new materials into validation before the event(e.g. films/videos)

(Pont, 2003)

Delivering the training

If all previous stages come together, this stage takes place. There are higher chances for success in the case that preparation and planning have been done thoroughly. Now, the rest is up to trainer.

Trainer is required to present the training in the best possible way. Other important roles the trainer is required to do are for example facilitating, motivating, leading, inspiring, co-ordinating, evaluating, managing, etc.

(Pont, 2003)

Training evaluation

This part is very important but unfortunately it is very often neglected.

There is an evaluation of following factors in this stage:

1) Self – via self – analysis, feedback from colleagues from the training team and evaluation sheets. What should be done better? What to improve?

2) The course materials – is it sufficient or do we have to update it, revise it, replace it?

3) The course as whole – self, trainers, observers

4) Individual parts of the course – self, trainers and observers

5) How is the situation after the course - do I perform better? Was it effective in order to use it in real world?

Without this stage, it could not be an effective training. This stage is also called "learning."

(Pont, 2003)

Figure 1: Training cycle
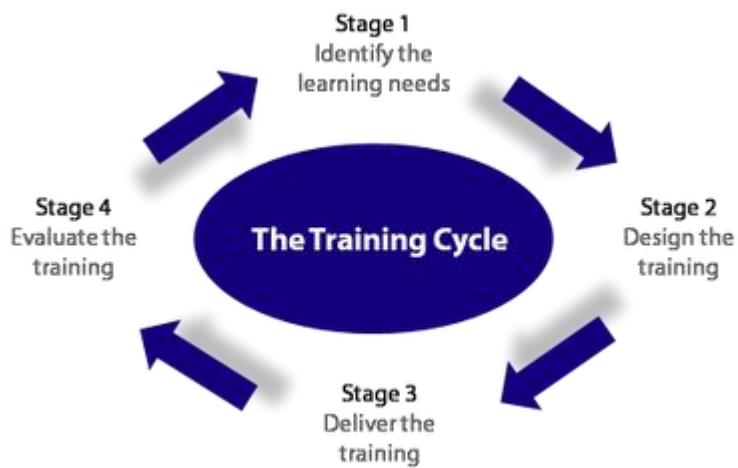
Source: http://mournetrainingservices.blogspot.cz/2009/06/training-cycle-explained.html (27.12.2012)

3.10 The justification for training

Training can be justified within following circumstances:

- The work requires skills that are best developed by formal instructions
- We do not have to rely only on experience. It is required to develop different skills in order to meet new demands.
- Most of the tasks are so specialised or complex so not all people are able to master them on their own initiative at a reasonable speed.
- In order to ensure meeting employees responsibilities, they must be imparted critical information.

 (Armstrong, 2010)

3.11 Systematic training

The training must meet defined needs. It should be systematic in those areas in which it is specifically designed, planned and implemented. People, who know how to train, have a responsibility to provide the most efficient training. The impact of training is carefully evaluated.

(Armstrong, 2010)

3.12 Just-In-Time Training

This form of training is closely linked to the pressing and relevant needs of people by its association with immediate or imminent work activities. It is delivered as close as possible to the time when the activity is taking place. Identification of latest requirements, priorities and plans of the participants are basis for the training.

(Armstrong, 2010)

3.13 Types of training

There are several areas where the training takes place. Training programmes or events can be concerned with any of the following:

- Manual skills
- IT skills
- Team leader or supervisory training
- Management training
- Interpersonal skills such as leadership, team building, group dynamics
- Personal skills such as assertiveness, coaching, communicating, time management
- Training in organisational procedures or practices such as induction, health and safety, performance management, equal opportunity or managing diversity policy and practice

  (Armstrong, 2010)

3.14 Training needs analysis

An analysis of specific training needs of the organisation and also training of its employees is one of the most important assumptions of effectiveness of training. Its importance grows up in such situation when there are limited expenses in the area of employee´s development.

Training needs analysis, in other words establishing which kind of training and courses organisation requires and which specific development activities can increase their performance, should be short-term but also long-term.

(Armstrong, 2010)

3.14.1 Analysis and establishing of development needs

Long-term analysis of training needs has been focused on future or expected qualification requirements of individual categories of employees which are necessary to maintain or increase business competitiveness. Short-term analysis of training needs have been focused on actual deficiency in abilities of individual employees or their groups which do not allow them to reach required performance.

Establishing of long-term development needs of the organisation has been based on analysis if inner factors which influence development of a company and also has been based on changes in strategy. It comes from technological and market changes which change the content of working positions then from the long-term sales plan, production and investments but also the rationalisation, product diversification, organisational changes etc. which have an impact on qualification requirements of individual working positions. It has been also based on job market situation development, availability of qualified professions etc.

(Armstrong, 2010)

3.14.2 Short-term training needs

Short-term training needs analysis has been based mainly on continuous and regular performance evaluation of employees from the employers perspective but also from the perspective of their co-workers and customers, then has been based on specialised brainstorming or development centres and surveys among employees.

Whilst the result of long-term needs analysis should be developmental requirements of specific working positions, in the case of short-term analysis, there are mainly individual developmental plans of each individual in an organisation.

(Armstrong, 2010)

3.14.3 The role of managers and human resource officers

Training needs analysis represents one of the most complex tasks of human resources management. The process should be implemented with the participation of human resources experts in cooperation with direct superiors and employees themselves. Participation of the management is important in order to direct the development process in the right way and also the employees should accept the process as a tool in order to reach their specific tasks. Human resources officers have to know the objectives of the organisation and its departments and also they have to know their main processes, working conditions and employee´s required abilities. This knowledge is very important in order to be able to oppose if necessary, preferably based on examples and opinions of managers who undervalue the importance of developmental activities. Human resources officers have to search for this information outside the frame of their department. Regular interviews with supervisors and with other employees working in different departments in an organisation are the tools how to acquire this information.

(Armstrong, 2010)

3.14.4 Analytical tools

Individual superiors' evaluation of their sub-ordinates has been the basic tool of training needs analysis from the short-term perspective. Their main aim is to specify areas in which they are required to improve their performance and superiors should recommend developmental possibilities and methods which can help employees to meet these requirements. Some other methods need to be used in order to strengthen the analysis of training needs and increase its efficiency.

 (HRM, 2012)

These methods are following:

- Focused interview with managers

  Main aim is to complete feedbacks of regular evaluation and to evaluate whether the development is the adequate solution of performance insufficiencies.

  Questions asked can be for example:

  - What exactly does the specific person make in a wrong way?

  - What exactly does the specific person make in a right way?

  - How long does the given problem persist?

  - What are the consequences of insufficient organisational performance? (E.g. higher expenditures etc.)

  - Why do we think that the best solution is the training?

  - What results do you expect after the training finishes?

  - What is the opinion of other workers about this problem?

- Meetings and interviews with employees

  Unlike the regular evaluation, it takes place in more open atmosphere which allows to capture our own evaluation of employees more detail and to find out their possible barriers when trying to reach the full performance (the obstacles they meet at work every day, what would simplify or make their job easier etc.). It is very important to aim these interviews on the areas what workers really need from the qualification development insight, and not what they just want.

  (HRM, 2012)

- Superiors evaluation from the bottom

  Employees evaluate their direct superiors mainly in case of their managing ability. The evaluation is anonymous and can bring valuable incentives for the superiors´ managing abilities development.

- Employees evaluation by their co-workers

  This point is important in the case that all employees who evaluate each other closely cooperate and are dependent on performance of other employees. This is an important tool of training needs analysis from the point of view of working group performance improvement. Its significance grows up in such situations when managers do not have an opportunity to systematically monitor the performance of their employees.

- Questionnaire surveys

  Big advantage of questionnaire surveys is that there is a possibility to include a big amount of people in the survey and employees have an opportunity to express their development needs which they would not like to mention at personal meeting. Questionnaires should not be too extensive and should also include the question where there is a possibility to mention free expression and should include open questions. The disadvantage of the questionnaire is that there can be captured rather personal wishes then objective developmental needs.

  (HRM, 2012)

- Specialised brainstorming

  It is possible to perform it in smaller groups of people with an ideal time limit of 2 hours at maximum. The main objective of specialised brainstorming is to support the discussion about developmental needs and focus on the analysis of specific needs more detail.

- Development centres

  Development centres usually require more demanding preparation but it represents very effective method of developmental needs recognition in relation with specific activities or working positions. The big advantage is the possibility of direct observation of more people when performing model tasks, which are very similar to real situations. Other advantage is that there is a possibility to receive the feedback immediately.

  (HRM, 2012)

3.15 Training trends – objectives, techniques and results evaluation

The solution of increasing efficiency of corporate training includes three principles:

- Establishing of specific training objectives and individual training actions

- Determination of appropriate training techniques

- Regular monitoring and evaluation of used techniques and an analysis of training results

If all mentioned principles will meet its objectives, it is possible to gain better training results also in the case that an organisation decreases the inputs reserved to training purposes.

The most often transgression against these principles is for example an adaptation of training content to the offers of training companies, using methods which do not allow

a sufficient activity of employees nor individual trainers approach and results evaluation based only on employees satisfaction.

(Švábenský, 1965)

3.15.1 Training activities objectives

In the case that objectives of training action are not clearly determined, it is not possible to prepare and evaluate, if this action has met its objectives. Objectives of training actions should be hence formulated as most clearly as possible, using specific abilities (assumptions of individual performance of specific tasks or change in a methods when performing the task), which are supposed to be created. These can be for example objectives of language training established in the way in order to create language abilities necessary for communication with customer, headquarter etc.

Significance of specific training objectives is based on possibility to allow establishing a group of people who should participate. Clear training objectives increase the responsibility of all training participants. These objectives are significant in order to allow evaluating new knowledge and skills obtained during the training.

But employees' development does not solve company organisational performance problems. Such problems can be related to managing, motivation or organisational performance deficiencies. If the situation is like that, the training does not fulfil its purpose and its significance will be at least limited.

When considering the training of new employees, it is suitable to standardise content, but also an individual steps, which trainers and lectors should use as a key stone. Employees should prepare written manuals with main purpose to summarise determined working steps and mention the most often appeared problems and its solutions, which they have to deal with when performing the tasks. The most suitable are usually electronic sources which allow finding the most suitable solution very quickly.

Training programs objectives for other employees should be based on two main sources:

- lack of employees abilities, and

- expected future organisational needs

Lack of employees' abilities is based on continuous or regular evaluation of employees' performance from their supervisors´, co-workers or subordinates perspective. Evaluation from the human resource officers can be sometimes used too. Also specialised managerial brainstorming, development centres or questionnaire surveys among managers or employees can bring information about performance deficiencies.

Expected future organisational or individual employees group requirements are other informational sources. It deals with new abilities requirements and other assumptions caused by the planned or expected technological, product or organisational changes in a company, and then by changes in relations with customers etc., which allow to maintain or increase company's competitive ability.

(Švábenský, 1965)

3.15.2 Selection of training techniques

Efficiency of training techniques has been based on two requirements:

First requirement is to assimilate training topics as much as possible to the real characteristics of tasks which participants deal with everyday at work. Motivation and employees ability to learn new approaches is the highest in this case. Most efficient trainings are usually these, which connect training with individual consultancy, in other words, which helps employees to eliminate all obstructions connected with the growth of their individual performance.

Second requirement is the possibility to use new techniques and working approaches in practice but still in the frame of training. The training is usually most efficient based on our own experience and also on trial and error experience. The most efficient trainings are those which allows and supports participants own activity which also results to better atmosphere and willingness to attend the training course in the future.

Additionally the practice of solving real or simulated working situation is important mainly in those areas, where the failure of employees can lead to very serious problems (positions of managers included). One of the main aims of the training is to point out participants possible mistakes before they do these mistakes in real situations.

Trainings are more efficient if it is divided in more parts in shorter time horizons. The reason is higher participants' attention and the possibility to use new techniques in practice immediately. As training methods, which meet both mentioned requirements, can be trainings, based on case studies, where participants solve specific problems in specific situations. These situations can be simulated or these which appeared in the real situation in the past.

Case study solving develops big scale of different abilities – analytical, conceptual, decision-making, communication, ability to manage time, to present etc. Its significance is based on the fact that situations induction solutions are usually group derived. All participants hence have the possibility to develop their working abilities and solve problems in team, to land an ear solutions suggested by others and mutually discuss these solutions. Case studies are very interesting because it comes from situations which already happened in real working situations. Participants hence can identify themselves to the roles of people, often to the roles of managers, who solved these situations in the past. Participants can test their abilities and confront it with real solutions which were used in real situations.

It is possible to divide case studies into several groups based on the objectives of their usage. There are included problems oriented studies focused on solution of specific real organisational problems, mostly strategic topics related to the choice of production or marketing orientation, studies oriented on analysis and evaluation of managing style of certain organisation or a manager. There are also included situations where participants are confronted with requirement to solve specific managerial problems connected with leading and managing people. There can be problems in performance empowering, responsibility or motivation of co-workers, to solve conflicts in the working environment or to force misunderstanding of employees for changing which are going to be implemented in organisation.

(Švábenský, 1965)

3.15.3 Training results evaluation

It is always necessary to measure results of training activities (mainly these activities which are supposed to ensure higher performance or changes in attitudes of participants). It is important to measure them with regard to its predetermined objectives. Significance of this evaluation is based on verifying and analysing of its techniques efficiency or the way of its design but also it is based on participants and organiser´s motivation empowering in order to achieve required results. If participants do not complete these test successfully it is necessary to continue in the training. Ability to quickly fulfil training requirements does not have to be always decisive.

Quickness of learning of new attitudes does not always correspond to the quality of really performed tasks.

Training results can be evaluated by the verification, if participants of the training obtained new knowledge. This can be done immediately after the end of the training. Final evaluation can be done by lectors or participating superior and in some cases also human resources officer. Second possibility is the evaluation based on changes in employees´ behaviour in working environment that means usage of newly developed abilities in practice. This form of evaluation should be presented in certain time distance from the end of the training but the final term of evaluation should be determined in advance.

Third possibility is the evaluation of performance at work which is measured by specific performance indicators. These indicators can include for example individual or team work productivity, quality of production or sales volume. The most difficult is the assessing the financial profitability of training events which is characterised by ratio between improvements of performance indicators and total training costs. Financial profitability should be verified mainly by training events of wider range.

If training requirements were not met, it should emerge from its evaluation whether this fact is related to the non-corresponding orientation, not appropriate execution and inappropriate manipulation with application of new experience in practice or with impossibility to apply new ability in practice, etc. Criterion of training events participants' satisfaction can be of supporting character but the final evaluation should not be based mainly on it. Fulfilling of training objectives or improvement of performance indicators

in an organisation and participant's satisfaction do not have to be in accordance necessarily. Training participants' satisfaction is in most of cases influenced by their total working motivation and satisfaction.

(Švábenský, 1965)

3.16 360 degree feedback

When considering a term feedback in the context of organisation, this simply means that it is opinions which are delivered by all co-workers related to our work or our work behaviour. It is information about how other people from our organisation perceives us, what they think about us and what they see as our good sides and our dark sides. An opinion of just one person, usually the boss, does not have to always be appropriate information. This is the reason why 360 degree feedback is the more appropriate source of information.

The growth of the 360 degree feedback has been probably the most significant trend in leadership development field over the past twenty years. The implementation of 360 degree feedback process is very often used in many organisations.

(Fleenor, 2008)

There are some rules and recommendations which should be taken into consideration:

- 360 degree feedback should be followed by any other component. This process should not be implemented as a stand-alone event.
- Whole process should be supported by the boss. This is a critical point as well as setting participant´s specific development goals.
- The process is the most efficient when it begins with the top executives of the organisation then cascades through the organisation.

- We have to beware the bad administration of 360 degree feedback process. It can be fatal for future administration.

The right timing of 360 degree feedback process is very important.

(Fleenor, 2008)

There is a great opportunity to express opinions of all people in an organisation. They can express opinions about what they like/ what they do not like, what they thing should be changed in an organisation. In other words all employees can express their satisfaction with present situation in an organisation.

(Fleenor, 2008)

3.17 Training areas

We can systematise training also according our own content. Sometimes there is an application of "soft" and "hard" competencies. Each of specified areas of training can be realized in different forms – as attendance training or via e-learning.

 (Hroník, 2007)

The basic training areas are following:

Functional training

For example a project architect, salesman etc. has characteristics of professional training and teaching in stock. It follows a description of the job and ensures that workers can successfully and in a standard manner perform his work. It is also a subject of certification.

Additional functional training

Sometimes there is an interdisciplinary preparation. It is additional. What is for one worker a functional training, it is an additional training for other worker. The boundaries of development of "soft" and "hard" competencies perish.

A managerial training

There are many forms of managerial trainings. It starts from MBA till the partial activities as a training of group, team problem solutions and development of other managerial qualifications.

Language training

Language skills have been trained there. The communication is a key stone in order to be able to cooperate with foreign people and solve problems.

IT training

IT skills are very important nowadays. Almost everybody is using IT equipment in professional life. It is very important to be up to date with this issue.

Purpose training

Stress management, effective phone call processes etc. has usually character of soft skills development but it is not limited only by these skills. It has been often set up as a just-in-time and often in a form of standardised solutions. A big scale of training activities included in an action plan has character like this.

Statutory training

All people in all organisations are included in this kind of training. It is obligatory for everybody. There are given training activities by the law. It has non-selective nature – it is for everybody.

(Fleenor, 2008)

Figure 2: Training areas of "on-the-job" and "off-the-job training"

Training area	Temporal relationship	
	On-the-job	Off-the-job
Functional training	Rotation, on-the-job training	Lecture
Additional functional	Rotation, work on a project	Project management course
Managerial training	Individual coaching	Leadership
Language training	Internship at a foreign branch	A company course
IT training	Making ppt. presentations	Making presentations training
Purpose training	Shading	Time management, outdoor training
Statutory training	Briefing	Job security training

Source: own processing (Fleenor, 2008)

3.18 Soft skills training

"*Knowledge or skills that cannot be taught, although, of course there is obvious evidence, that it can be learned or acquired. It may therefore be regarded as ′know-how′, i.e. a "knack" for doing something.*"

(Rao, 2010)

"*The way we communicate with others and with ourselves ultimately determines the quality of our lives.*"

(Rao, 2010)

Soft skills are also sometimes called "people skills." It is hard to observe, measure and quantify them. In other words, soft skills are behavioural skills.

These skills are aimed for all age groups of people but they are used by young people most often and are applicable in all areas of activity. There are no limits for soft skills. We can use soft skills also in our personal and social life, not only in professional life.

This kind of skills is not changing over time – they remain the same because they are not dependent on technologies which are still developing. Soft skills become still more and more important because of growing complexity as people need to be dealt with lot of care and caution to get the tasks executed effectively and efficiently.

If we want to be a successful professional, soft skills will help us with that. These skills help us present ourselves professionally and also make leaders stand out from the pack.

If we are good in soft skills, it means that we are dealing with other people in a good way and promotes better relations among people. This also leads to better communication between individual departments in an organisation and it has a positive impact on overall performance. Dealing effectively with the soft skills means better co-operation among people. These are the things which lead to better productivity and performance.

Soft skills training is far away from conventional methods of the training where lot of interactive activities are conducted related to behaviour. The training helps in bringing out behavioural changes among the individuals. During this training, real life environment is created and participants are trained in a simulated environment through several role plays, activities, exercises and participation.

(Rao, 2010)

3.18.1 Objectives of soft skills training

The main aim of this training is to help people develop their capabilities and competencies. This training should serve people to confidently handle tasks, do it effectively and efficiently and be more competent. Interpersonal skills, leadership skills, communication skills and team building skills have been developed by the trainees.

It helps them in enhancing productivity and performance at the workplace. Also students use this training. It should help them to get the job easily, hence to help them to acquire employability skills.

(Rao, 2010)

3.18.2 Training Methodology

The process of training program involves several role plays, group activities, exercises, management techniques and feedback. The profile and the requirements of audience are deterministic for the process. Participants should leave their comfort zones through effective interaction and participation. This is essential in order to effectively deliver the training process. The practical interaction helps the participants in energising and activating themselves.

Training gets people thinking, gives the new abilities and capabilities and enhances their self-awareness and self-worth by discovering and developing. Experiential training is the basement for the training methodology. Training methodology must include interactive sessions, role-plays, games, practical exercises, questionnaires and giving feedback. In other words, it should include psychometric tests. The purpose of psychometric tests is to give insights and ideas to the learners on the areas to be developed.

(Rao, 2010)

Below you can see an ideal one week soft skills workshop for <u>students</u>:

- Description of soft skills and its importance
- Understanding, communication
- Body language
- Active listening
- Socializing and interaction
- Hidden data of communication
- Team building skills and stages in information of teams
- Role plays and activities for team building
- Group discussion
- Interview skills
- Decision making
- Presentation skills with exercises

- Corporate etiquette
- Business ethics
- Mentoring, coaching and counselling
- Takeaways

For comparison, there are mentioned items of ideal soft skills workshop for <u>working employees</u> below:

- Communication skills
- Assertive skills
- Behaviour Management or Interpersonal Skills
- Emotional intelligence
- Personality development
- Managerial skills
- Time management
- Stress management
- Business Etiquettes
- Team building
- Leadership
- Mentoring
- Conflict management
- Negotiating skills
- Creative thinking
- Network skills
- Business communication
- Entrepreneurial skills
- Feedback and Takeaways

The content mentioned above is only tentative and it can vary according different situations and professions, like on the level of management and also the experience of executives.

Any training programs have to be customised and delivered with regard to needs and audience characteristics.

 (Rao, 2010)

3.18.3 Role of Soft skills trainers

It is clear that trainers must be specialised in assessing training needs, designing, developing, delivering, administering and also evaluating corporate training solutions. Trainers should observe the changes before, during and also after the training. They should imagine the situation and customise the training accordingly. They have to put maximum effort to the training in order to familiarize each participant with the content and purpose of the training. Their personal attitude and understanding of others is very important.

 (Rao, 2010)

3.19 Hard skills training

Hard skills have been defined as a technical or administrative procedures related to an organisation´s core business. These skills are useful in a specific area of activity and there are limits for them. Hard skills can be used at the workplace alone thus limiting the scope for hard skills.

These skills can get defunct over certain period of time because of changing technologies.

Hard skills cover areas as risk analysis, quality control, scheduling, and budgeting work etc. The hard skills are essentially a competency category composed of four specialised skill areas.

These areas are following:

- Analytical/financial skills
- Computer literacy skills
- Contract management/legal skills
- Product/services/technical skills

(Rao, 2010)

In other words, hard skills include basic skills such as reading, writing, arithmetic, and grammar then more abstract abilities such as problem solving or ability to learn and finally technical abilities ranging from computer know-how to construction skills.

(Tilly, 2003)

4 Practical part

4.1 About ŠkoFIN ltd.

ŠkoFIN ltd. Company has been established in 1992 as a 100% daughter company of Volkswagen Financial Services AG (VWFS AG - established in 1948).

The main purpose of the company is to provide financial services to the customers who strive to buy Škoda, Volkswagen, Audi or Seat vehicles. From the very beginning, the main philosophy of the company in cooperation with concern vehicles sellers is offering complex services which begin by the selected car advanced order and ending by the car financing. ŠkoFIN ltd. started to develop cooperation between Czech and foreign banks in order to offer best possible payment conditions for the customers.

1994 was an important milestone for the company because it started to use an online communication and online connection when assigning contracts.

In 1995, ŠkoFIN tries to find an alternative financial sources and the company publishes bonds in total value of CZK 2 billion and hence confirms its strong and respected situation on the market in the time of beginning bank sector crisis.

The company is still growing and also the stagnating economic growth in the Czech Republic, which reflected the growth of automotive and leasing market, does not mean the threat for the company, to be the leading company in area of the Czech leasing market.

The company is going to be still more and more popular and based on independent survey, almost 93% of population knows the purpose of this company.

The company was equipped by absolutely new specialised software in 2000 and 95% of all contracts was approved online.

Later, in 2000, Credit Scoring has been set up in order to automatically approve contracts based on in advance defined parameters. In the same year, ŠkoFIN ltd. becomes the best financial institution in a category of CZECH TOP 100 (100 most admired companies in the Czech Republic).

In 2002, when the company was celebrating the 10th anniversary in the market, ŠkoFIN ltd. is still leading company in car financing.

Purchasing of business vehicles increase very rapidly and this is an opportunity to introduce new non-leasing product from company´s portfolio – a consumer credit. This product allows dealers to reduce administrative difficulties and simultaneously offers advantageous financial conditions.

In 2003, ŠkoFIN ltd. began historically the most successful campaign in cooperation with Škoda Auto. This campaign was supported by the significant TV spot and resulted in 9,000 newly closed contracts (about ¼ of new business of the year).

ŠkoFIN ltd. developed still more and more successful campaigns in cooperation with Škoda Auto focused on new products.

Customers worldwide start to strive to alternative car financing instead of cash payments and are interested in "service packages" which covers their different requirements.

Nowadays, Volkswagen Financial Services AG have been represented in 38 countries with portfolio of 7,000,000 contracts in total and employing about 10,000 workers worldwide. VW FSAG generates a profit amounting worldwide more than 900 million EURO before taxation.

Figure 3: ŠkoFIN division

Automotive division	Financial Services division
	Volkswagen Financial Services
	Europe / Asia-Pacific / South America
	Financial Services
	USA / Canada / Spain / Argentina
	Porsche Holding Salzburg – Financial Services

Source: ŠkoFIN internal materials

ŠkoFIN ltd. has still the strong position on the market despite the beginning of economic crisis in 2008, and becomes still more successful in comparison with banks which were influenced by economic crisis.

In 2010, new project regarding change management was introduced. The main aim of the project was to increase business results, be more effective in processes and start growth arrangements which will help to reach concern strategy WIR 2018.

The vision of Volkswagen Financial Services AG is to be the best provider of financial services extended to automotive industry in the world in 2018.

ŠkoFIN ltd., as a leader in car financing on the Czech leasing and financial market concluded 14,311 new contracts in 1st half-year 2012. The change management works in the right way and ŠkoFIN ltd. fulfilled its half-year plan for 100% and hence it significantly strengthened its market share. In comparison with last year, ŠkoFIN ltd. noticed an increase in new business about more than 20%.

The key partners of ŠkoFIN ltd. Company are mainly Škoda Auto and Porsche Czech Republic. ŠkoFIN ltd. would not make such a great business results without these business partners.

The main ŠkoFIN ltd. distribution channel is a dealer net.

The company is aware of the fact that the market is still changing and employees of the company have to search for new distribution channels which will help to increase sales.

4.2 Tools used in ŠkoFIN ltd. Company

4.2.1 Key Performance Indicators (KPI´s), Key Result Indicators (KRI´s)

Effective organisational change is heavily reliant on creating appropriate people practices as the centrepiece of a new workplace culture. Introduction of KPI´s must be achieved in this context in that way that supports and extends the idea of a cooperative partnership in the workplace – a partnership among employees, management, suppliers, customers, and the communities in which the organisation is operating.

There are four foundation stones:

- Partnership with the staff, unions, key suppliers, and key customers
- Transfer of power to the front line
- Integration of measurement, reporting, and improvement of performance
- Linkage of performance measures to strategy

Key Performance Indicators represent a set of measures focusing on those organisation performance aspects that are the most critical for the current and future success of the organisation.

First of all, each organisation should know what KPI´s exactly means and what its purpose is. Only a few organisations really monitor their true KPI´s. The reason of this is that very few organisations, business leaders, accountants or consultants have explored what KPI´s actually are.

There are three types of performance measures:

- Key Result Indicators (KRI´s) – it tells us how we have done in perspective
- Performance Indicators (PI´s) – tells us what to do
- KPI´s – tells us what to do in order to increase performance dramatically

Many performance measures used by organisations are thus an inappropriate mix of these three types mentioned above.

There is a close relationship between these three measures.

KRI´s are measures that have often been mistaken for KPI´s, including following:

- Customer satisfaction
- Net profit before tax
- Profitability of customers
- Employee´s satisfaction
- Return on capital employed

All of these measures are the results of many actions. They show us if we are doing things in the right way but they do not tell us what to do exactly in order to improve these results.

KRI´s are usually more time demanding than KPI´s. It is reviewed on monthly/quarterly cycles.

In between KRI´s and the true KPI´s are numerous performance indicators. These complement the KPI´s and are shown with them on the scorecard for the organisation and the scorecard for each division, department, and team.

(Parmenter, 2007)

4.2.2 Staff dialogue and Management by Objectives (MbO)

Staff dialogue and MbO is the interview between superior and worker within a certain department in a company. This dialogue has been held once a year, usually in the beginning of the calendar year. Its proper processing and drawing of adequate commitments (mainly performance) influence the workers annual bonus to the certain level.

The main aim of employees is following:

- To conduct an interview with their superior and express their feelings, what they need for more efficient performance, in which areas they want to be trained etc. But also an opinion of their superior related to workers professional and personal performance.

- To conduct own performance or to set up the objectives for the following year and evaluate the level of objectives set up the previous year.

There are 5 basic values within the ŠkoFIN ltd. Company:

Customer orientation

"*We do not want just to talk about our customers - we want to talk to them directly.*"
(ŠkoFIN ltd. annual report)

Customer orientation means proactive approach via feedback by our customers and following improvement initiation. A company strives to active and direct contact with its clients. A company follows a statement – "*Putting customers first.*"
(SkoFIN ltd. internal materials)

Responsibility

Everybody member of the organisation is responsible for the quality of his/her performance! Responsibility means willingness to carry consequences. Each employee accepts responsibility if there is a clearly stated objective. All members of the organisation become aware the responsibility of leading position.

Trust

Trust is a key stone of everyday cooperation. Trust comes from a dialogue, openness and transparency. It includes providing of feedback with clear message. If employees join controversial discussions regarding job topics, it does not mean disruption of personal relations.

Courage

Courage is crucial for the ability to improve and develop ourselves. Courage means willingness for proactive approach towards changes. Everyone is taking some risks, learns from mistakes and fixes them = learning culture.

Enthusiasm

Customers realise our positive approach when offering services. Enthusiasm means positive approach with the aim to find the best possible solution, to be absolutely interested in topics regarding ourselves and people who surround us. Very important is success and performance orientation.

(SkoFIN ltd. internal materials)

Management by Objectives (MbO)

Management Dialogue:

The application of the Management Dialogue is compulsory for all members of the Management Circle.

The core components of the management dialogue are:

1. Management by Objectives Evaluation

2. Management Performance Evaluation

3. Development Planning (contained in Management Dialogue Summary form)

4. Additionally for managers that are Global Employees

5. Global Assignment Competence Evaluation

6. Agreement on new objectives or targets for the coming year

The results of the dialogue lay the foundation for setting the personal performance bonus for all managers.

Good preparation is a key factor for successful management dialogue. Schedule a meeting (1 hour in length) far enough in advance that both parties have sufficient time to prepare the following four (five) key topics:

- **Management by Objectives:** Prior to the dialogue, review the objectives from last year's MbO form. Evaluate the extent to which the objectives agreed upon have been accomplished.

- **Management Performance Evaluation:** Assess performance over the past year and gather indicators, specific situations and examples.

- **Development Planning:** Reflects on which development recommendation you would like to discuss during the assessment of potential. Indicators for a recommendation can be derived from the "Management by Objectives" and "Management Performance Evaluation" forms.

- **If applicable: Global Assignment Competence:** Assess global assignment competence over the past year.

- **Agreement on new objectives or targets for the coming year:** Consider which function-related and personal objectives you would like to agree upon with the employee for the coming year.

Following documents are needed in order to successfully complete the MbO:

1. MbO form from the previous year

2. Management Performance Evaluation forms

3. Management Dialogue Summary form

4. If applicable: Global Assignment Competence form

5. MbO form for the coming year

(SkoFIN ltd. internal materials)

4.2.3 VWFS pulse (Mood barometer)

Only motivated and satisfied workers are able to reach company´s given targets – WIR 2018.

VWFS Pulse serves to capture the satisfaction of employees in an organization, helps to find the key areas which to focus on and also it allows us to see changes in an organization in comparison with previous year.

VWFS Pulse serves and measures following:

- Open expression to the given view – questionnaire
- Identification of areas to improve – business meeting
- Realization of individual steps – action plans
- Increasing of employees motivation
- Increasing of employees performance
- Increasing of company performance

Pulse (mood) index:

Pulse index is an internal tool which serves for measurement of employee's satisfaction with a company culture and also with the approach of their superior.

Pulse index allows employees following:

- To be open in ideas expression
- To evaluate a company culture of an organisation
- To express an attitude towards superior
- To change a way of cooperation between departments teams in that way to satisfy their needs better

Pulse barometer is absolutely anonymous so employee´s own opinions and ideas do not influence their future professional situation, position and performance.

VWFS Pulse time management:

Realisation of the research is just a first step of whole process. Results have been evaluated in headquarter in Germany and after that it has been sent back to ŠkoFIN ltd. Company. These results are after that given to individual department leaders.

The final results have been introduced and after that there have been organized workshops prepared by the guarantor of the research – the personal department. These workshops will include identification of key areas where the ŠkoFIN ltd. Company should improve its performance and there should be set up individual steps how to reach these improvements.
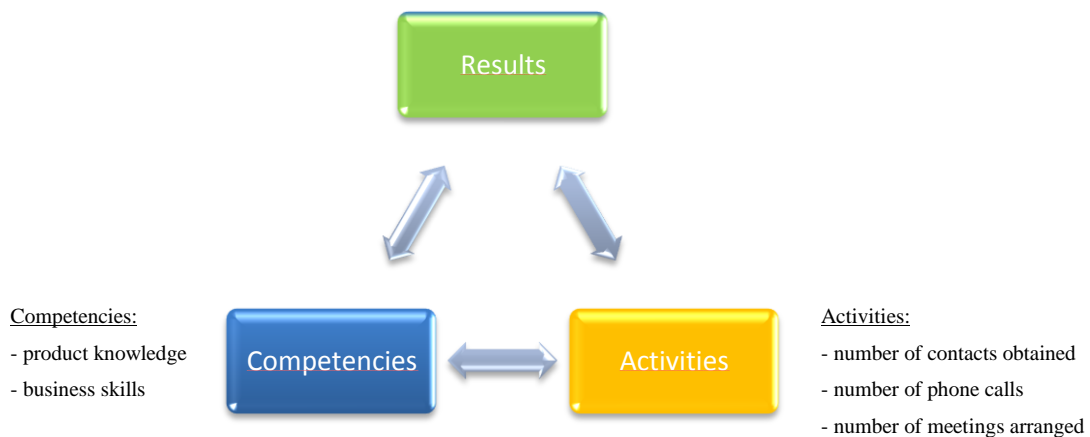
(SkoFIN ltd. internal materials)

4.5 Case study: Area Sales Managers (ASM) training process

4.5.1 R – A – C model in practice of sales team managers

(Results – Activity – Competence model)

One of the most appropriate functional rules / tools for managing of a sales team is so called R – A – C model, or in other words it is the continuous processing of results, activities and competencies of sales forces (ASM).

Figure 4: RAC model diagram

Competencies:
- product knowledge
- business skills

Activities:
- number of contacts obtained
- number of phone calls
- number of meetings arranged

Source: Own processing (ŠkoFIN ltd. internal materials)

As we can see in the figure, it is clear that individual elements influence each other. If we want to have results, sales force must have required activities but also required competencies. In other words, they must know how to make a business! If any of points of the triangle does not work, it has immediate impact on functionality of whole model. What will be total results of sales person, who is very active in business but makes essential mistakes in sales interview?

R – A – C model is closely related to the basic managerial tools:

R – solving **results** usually **at the meetings** (1:1)

A – solving **activities** usually **at the meetings** (1:1)

C – developing **competencies** mainly **during shading**

RAC model utilisation (in planning):

There should be asked and answered question, e.g.:

Does the sales person have relevant competencies in order to achieve given requirements (does he know the product, is he able to manage sales interview etc.)? Is it sufficient? Does he have enough activities? What is his success rate? What could be improved? What to do in order to balance the equilibrium in RAC model?, etc.

4.5.2 Sales force development – training process

It is appropriate to proceed according specific scheme in a frame of training process. First, theoretical backgrounds is very important, and then to practically show, practice and finally lead a new sales force (ASM) and monitor him how he is performing in practice.

In leading (shading) in practice, it is possible to realise that something is going a wrong way, so we can explain it, show it, practice it, etc. This cycle is still repeating in the frame of sales force training and development.
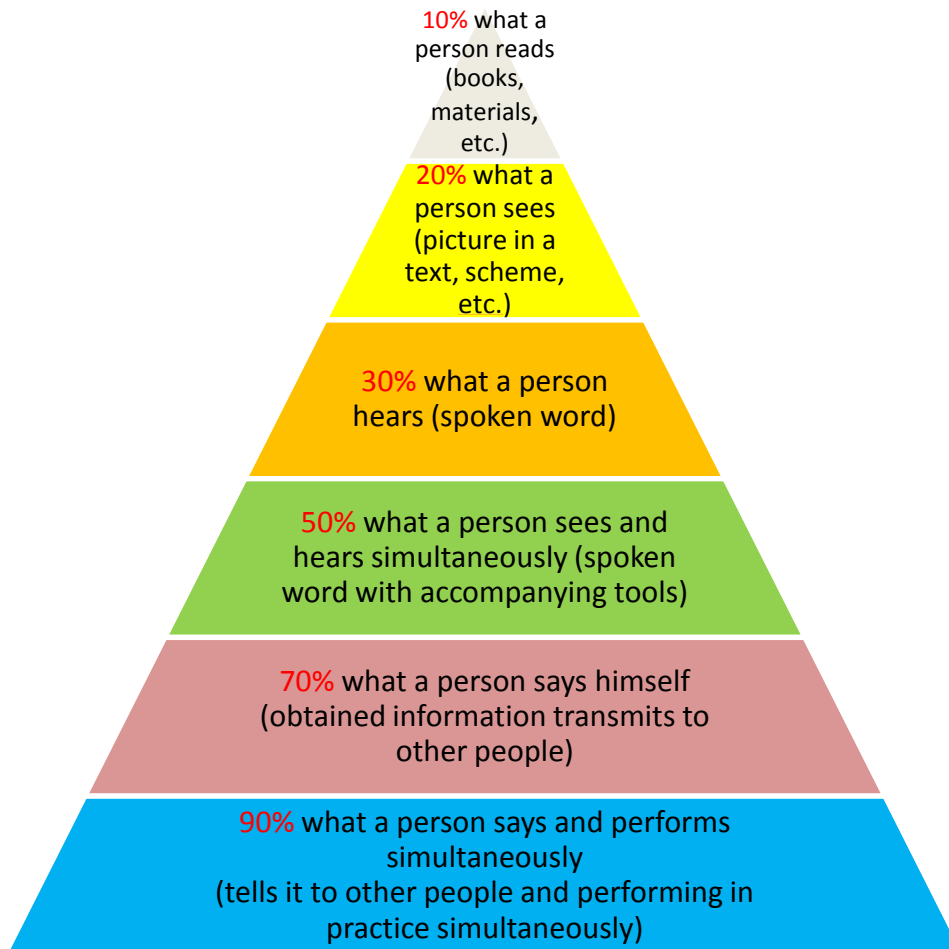
Figure 5: Training process cycle

Source: own processing (ŠkoFIN ltd. internal materials)

<u>Information transition efficiency:</u>

Figure 6: Information transition efficiency

10% what a person reads (books, materials, etc.)

20% what a person sees (picture in a text, scheme, etc.)

30% what a person hears (spoken word)

50% what a person sees and hears simultaneously (spoken word with accompanying tools)

70% what a person says himself (obtained information transmits to other people)

90% what a person says and performs simultaneously
(tells it to other people and performing in practice simultaneously)

Source: Own processing (ŠkoFIN ltd. internal materials)

4.5.3 GROW method

GROW method has been used in order to make solutions. It is a respected and very effective method in managing of coaching meetings.

Primary step of this method is to **establish a supporting environment and relationship.** There is needed to clarify coaching methods, mutual expectations and establish conditions.

G – GOALS

- What will be the result of the meeting?
- Which effect we want to achieve by solving the problem?

R – REALITY

- Description of the reality without evaluation of circumstances.
- Observe the problem from different perspectives.

O – OPTIONS

- Coach asks such questions in order to be able to find more possibilities of solution.

W – WRAP-UP (Summary)

- What is needed to do?
- Who is going to be informed?
- When is the deadline?
- What support is needed?
- Are these activities in accordance with goals?

4.5.4 ASM training cycle

Figure 7: ASM Training cycle in ŠkoFIN ltd.

Mystery shopping (1st step)

Mystery shopping can be described as a tool used by companies in order to measure the quality of services and the overall experience of the everyday customer. Mystery shopping is not a new term – it has been used for ages.

Mystery shopping has been used very widely and this is one of the most powerful tools available to companies nowadays. Companies use mystery shopping in order to improve their service quality and offer speedy service at the same time.

This tool has been used across a broad range of locations and provides objective data about service execution across all locations. Managers and company owner use this tool in order to identify specific areas that need to improve and to reward employees in a consistent, relevant manner. The need for this research will only increase as customer demand for high-quality and efficient service growth. Businesses can not afford to lose customers in today´s current economic situation. There is a big need for mystery shopping because the competition in business is still growing.

Mystery shoppers are common people who visit a variety of business locations and report back on the service, ambiance, cleanliness, timings, and overall level of customer service. They are given specific request they have to observe and they have to note the information obtained. This is usually done via internet but sometimes it can be done manually and faxed, e-mailed or mailed to the company they are working in. They are able to provide facts without including their opinions. They are astute and honest people.

(Folwarczná, 2010)

How to be knowledgeable in current training methods? (2nd step)

Training methods can be classified according many different criterions and methodology which can be sometimes complicated also for scientific pedagogues. Nevertheless there is a simple and practical diversification of methods according individual steps of educational process (training) which is absolutely sufficient in order to understand basic orientation in issues.

These methods are following:

1) Exposition methods:

The aim of these methods is to familiarise all participants with issues and give them a summary of necessary information. Direct transition of information is not in modern methodology limited only by oral or written form but the trainer can transmit

the information in a form of experience, demonstration (show them the sample from the movie, practical situations etc.) or using method of self-reflection.

2) Activation methods:

The purpose of activation methods is to raise up an interest in specific issues, actively involve all participants in the training process in order to ensure that they are willing to produce bigger effort, to be more efficient and to gain as much information and knowledge from the training as possible. Typical activation method is for example workshop, which is based on participant´s experience and leads them to use what they know in practice, then coaching, different types of ice breakings, brainstorming, competition, quizzes etc.

3) Fixation, training and practising methods:

This group involves those methods which lead to familiarising and automation of new knowledge, skills and abilities in order to implement them into practice and training. There can be included different forms of video-trainings, case studies, practising, model situations, roles playing, didactical games, etc.

4) Evaluation methods

Main aim of these methods is to ensure feedback from the training. There can be included some types of satisfaction surveys (questionnaires), tests of knowledge, next steps of development plan, individual and group coaching, mystery shopping, mystery calling, etc.

Traders shading (3rd step)

Term shading has been sometimes expressed by words "coaching" or "listening" in practice. But none of these terms express this process absolutely clearly. Only listening during sale interview is not sufficient. Non-verbal activity can be sometimes crucial! The word "coaching" is not clear as well. Term "shading" is in this case the most

appropriate definition. One of the key tasks of a group manager is a development of necessary competencies of sales force needed in order to fulfil a sales plan.

There is mainly development of sales skills, e.g. coordinating of whole business interview, attraction an interest of customers about other services or products offer, making a deal, etc. Main tool for development of these skills is "shading" – observing of the sales force during sales process (shading) and subsequent feedback (what he has done well and what to improve).

Recommended process when shading sales force is following:

1) **Instruction**
- Assessing a time, term, process etc. of shading.
- Agree with rules – "I will monitor you but not interfere you,…"
- It is appropriate to observe 2-3 interviews in a row during one shading "process" (always in order: interview -> feedback, interview -> feedback, etc.).
- Inform a client that also a manager will attend the meeting.

2) **Shading process**
- Monitoring of whole interview.
- Making notes.
- Basic rule – "be quiet" (manager should not interrupt the interview!).

3) **Development feedback**
- Analyse whole interview process ("What did you do well?, How did you present products offer?, How successful was an attempt to make a deal?, What would you do in different way next time?, …").
- It is important to tell shaded person specific examples, what was good and what is needed to improve. Be careful about general, shallow feedback
- In case of improvement it is appropriate to focus on max. 2-3 sub elements. A shaded person needs energy in order to improve, so it is inappropriate to tell him that everything he did was wrong – it can result to loss of energy, motivation etc.

- Aim of development feedback is to motivate shaded person!

Main aim of development feedback during shading process is to provide in a motivation way to the sales force an overall review of their strengths and weaknesses while performing sales interview and finding specific recommendations what to improve.

When delivering development feedback in shading process, it is appropriate to abide following steps:

1) Start with face to face contact and addressing (it is appropriate to maintain addressing during whole development feedback).
2) Tell the sales force (ASM) what was good, functional, what is going to be maintained.
3) Focus on elements which are needed to improve (max. 2-3 elements within one feedback). Then it is important to deliver specific recommendation how to develop these elements.
4) Summarise whole development feedback in a motivational way.

Developmental feedback can be completed in following ways:

It can be one sided – only manager is evaluating, or by "coaching method" shaded person is allowed to find his strengths/weaknesses by himself (asking relevant questions).

Second way is more efficient for evaluated person. It teaches him to individually analyse his performance which increases the probability of finding areas of sales situations improvement without participation of manager. It is not exactly determined which way is more appropriate. It depends on specific situation.

Hints for shading:

- Shading should be regular and with all sales forces. Also the best trader can enforce his sales skills.
- It is not recommended to interrupt shading in its process (even though there is a risk of business failure). Completing of sales interview is important in order to evaluate reasons of failure and determine specific recommendation what to improve. There is one "golden" rule – It is better to lose one trade then to lose ten trades in situations, where the sales force is not observed (shaded).
- Be specific and provide clear steps what to change when delivering development feedback.

The most often manager´s failures when shading:

- Random shading by manager.
- Shading only with non-productive sales force.
- Interrupting sales interview (completing the trade instead of sales force).
- Focusing only on weaknesses when delivering development feedback.
- Does not know sales techniques and is not able to provide clear specific open recommendation how to proceed.

Kirkpatrick´s model (4th step)

Kirkpatrick´s model is one of the leading measurement tools used for training evaluations and ŠkoFIN ltd. Company is not an exception. This model is used for evaluation of training and developmental programs efficiency. This model was developed in 1959 by Donald L. Kirkpatrick and it provides a way to evaluate training programs.

There are four stages of training and developmental efficiency evaluation:

1) **Level 1 – Reaction (Reaction level)**

   This level contains measurement of reaction to training events which is usually done through survey. The evaluation takes place at the end of the training program and it evaluates its immediate reaction. Participants evaluate individual elements of the program on a scale basis (usually 1-5, or 1-10) and sometimes they evaluate it by answering several open questions. Trainers sometimes use focus groups for evaluation in order to obtain specific opinions and impulses for improvement. Reaction level examines whether training and developmental program was not absolutely irrelevant or incorrectly executed. Very significant shortage of this form of evaluation is a fact that it does not offer enough information in order to evaluate whether a specific program brought a real benefit for the organisation.

2) **Level 2 – Learning (Learning level)**

   This level measures mastery of appropriate skills or knowledge which participants obtained during training. Trainers perform this evaluation usually through tests or quizzes which are included in the training and developmental programs. In order to evaluate a success of the program, there is an importance of ability to demonstrate that participants were learnt those things which are necessary for their performance at work. Assumption for right evaluation is an agreement with line managers about the key knowledge and skills which are necessary in order to achieve organisational goals. Main aim of the training program is to ensure the transmission of these knowledge and skills from the trainers to the participants (e.g. when training salesmen, participants must be able to describe individual steps of selling cycle, etc.).

3) **Level 3 - Transfer to the workplace level**

On-the-job behaviour is measured in order to see if training was transferred into on-the-job skills. Was there an expected change in behaviour (knowledge, abilities and attitudes) as a result of training completed via program? This has been measured usually by a survey of the learner and supervisor, or actual observation on the job. There are included individual structural interviews with participants of the program, their colleagues and managers or in a form of focus groups. Next method use is the on-the-job observation. An ideal scenario is to establish which evaluation methods will be used already in process of analysis of training and developmental needs.

4) **Level 4 – Business results level**

Achievement of organisation´s goals as a result of the training event is measured. Using skills obtained in level 2 and its application into practice (level 3) were reached business objectives (level 4). This level of evaluation provides the most useful information for trainers but also for organisation itself. Quantification of values of these business results and its comparison with training and developmental program costs allow evaluating real benefit of investments given to the training and development of organisation. At the same time, it is also necessary to evaluate and separate an impact of other factors which can influence business results. But sometimes it is very hard to separate other factors.

Kirkpatrick´s model has been very widely used among trainers and people focused on training and development in organisations despite the fact that no all organisations are using all levels of evaluation for each training and developmental program. Almost all organisations are dealing with evaluation on Level 1 and Level 2 in most of their training and developmental programs. Many of them are dealing with evaluation on Level 3 and Level 4 for some of their important programs. Shift to the Level 3 and Level 4 means important transition in evaluating of benefits in case of investments in the training program and it represents a "victory" over the evaluation of Level 1, which tell us only the fact whether participants enjoyed the program or not but it does not evaluate the efficiency of the program. But it is obvious that evaluation on Level 3

and Level 4 does not bring benefits for all programs because it is very time and administratively demanding. It is appropriate for key programs which are expensive and have a key impact on top management and whole organisation.

5 Conclusion and Recommendation

Case study summary:

Main aim of the case study (held from 04/2012 to 11/2012) was delivering of training and developmental services for Area Sales Managers (ASM). Objectives of ASM were to increase business performance in retail market and in sale of services to corporate customers (Fleet).

Case study included following:

- Initial establishment of individual developmental needs
- Workshops and creation of business standards
- Trainings focused on business skills enforcement
- Implementation in a form of off-the-job coaching
- Final test and practical verifying of improvement

At the very beginning, there was a question if there should be organised "standard" training focused on business skills or whether it is better to introduce a complex project focused on increasing of business performance. Based on information of M.C. Triton, the company which delivers training activities for ŠkoFIN ltd. Company, there was recommended to use complex project, which will help to reach real improvement in skills and sales force approach.

Sales force (ASM) but also managers proved the real improvement in business skills, approaches but also in business results – increase in business results by 12% in retail market and by 8% in Fleet (in 3Q 2012 compared with 3Q 2011).

Project undoubtedly helped to significant improvement of measurable business results, but also to improvement of overall sales orientation of marketing department. It simultaneously helped to identify other development areas which are going to take place immediately.

Summary of final verdicts after feedback and suggestion of next steps:

Identified needs:

1) Presenting skills

Work with PowerPoint, presenting skills, comprehensibility, and factuality

2) Communication skills

Typology of personality, dealing with objections, interview managing, listening practice and asking questions

3) Time management

Planning and time management, organising of priorities, projects vs. "routine"

4) Legislation / Taxes

Tax issues, amortisation, accountancy and legislation

5) Business negotiations (interview)

Structure of interview, process of interview, relations with sales force (how to maintain them, enforce relations, cooperation)

6) Team leadership

Training of managerial skills, team motivation

7) ŠkoFIN ltd. products (services)

Knowledge of products they are selling + operating of organisation

Suggestion of next steps in development of ASM and FLEET (2013):

Dealers' net leader support

Suggestion of main coaching areas:

- Manager attendance during off-the-job ASM coaching – "*coach the coach*" approach
- Manager attendance at 1:1 meetings with ASM, performance orientation and following ASM development
- Team leadership

  ➔ Ensures missing attendance of off-the-job ASM managerial practice
  ➔ Develop his strong position and increase his self-confidence and off-the-job skills
  ➔ Increase the level of quality when problem solving with participation of ASM – ability to predict, instead of immediate reaction
  ➔ Allows enforcing linkup between Retail / Fleet

ASM development based on certification

- Training of new and existing ASM + Fleet (further training + new issues)
- Trainings will be aimed to specific situations related to ASM + Fleet

  Training topics (= identified needs):

- Presenting skills
- Communication skills
- Time management
- Legislation / Taxes
- Business negotiations (interview)
- Team leadership
- ŠkoFIN ltd. products (services)

Suggestion of main training areas:

- ASM is present at sales force training regarding business interview, phone call – "*coach to coach*" approach
- ASM is present at new products training

  - ➔ Ensures dealership growth and increases sales
  - ➔ Enforces ASM role in dealership
  - ➔ Increases the feeling of ASM to actively develop dealership sales
  - ➔ Increases ASM self-confidence in sales force training
  - ➔ Significantly enforces ŠkoFIN position in dealership net

Development of selected dealership ("Flying coaches" principle)

Implementation proposal:

- Determination of dealerships with declining / stagnating vehicles sales, but simultaneously tries to resist loyal to ŠkoFIN ltd. Company
- Participation of dealers in financing – e.g. dealer covers 30% of total program expenditures, 70% is covered by ŠkoFIN ltd.
- Clear targets establishing in order to increase sales and financing for each dealership involved in a program
- ŠkoFIN ltd. ASM are attending dealer's training meetings

  - ➔ Ensures dealership growth and increase sales in case of stagnating dealerships
  - ➔ Strongly enforces the position of ŠkoFIN in dealership net
  - ➔ Allows to undertaking a dealership in order to maintain long-term cooperation and prevent the changeover to competitors
  - ➔ Additional effect – ASM development in sales force training, enforcing their position and self-confidence

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7 Supplements

7.1 Management Dialogue – detailed criteria for performance evaluation

Figure 7.1.1: Management Dialogue (1/8)

far exceeds requirements	exceeds requirements	fully meets requirements	partially meets requirements	in need of improvement	need for development
P1	P2+	P2	P2-	P3	

Expertise 1/2

Quality of work						
Performs varying tasks efficiently, is well organised and meets deadlines.						
Is resilient by handling a consistently high workload.						
Monitors the achievement of agreed objectives and reacts to deviations from plans at an early stage.						
Concentrates on error avoidance instead of just error remedy.						

Technical and method expertise						
Possesses the general knowledge required for his or her working area/ function and keeps up-to-date as needed.						
Possesses the expert knowledge required for his or her working area/ function and keeps up-to-date as needed.						
Is a recognised authority for his or her field and is highly knowledgeable about the work environment.						
Possesses function-related methodological knowledge and uses it accordingly.						

Source: ŠkoFIN ltd. internal materials

Figure 7.1.2: Management Dialogue (2/8)

far exceeds requirements	exceeds requirements	fully meets requirements	partially meets requirements	in need of improvement	need for development
P1	P2+	P2	P2-	P3	

Expertise 2/2

Process orientation						
Is familiar with upstream and downstream processes and strives to achieve the overall objective.						
Realises measures and tasks to implement the Volkswagen Way in his or her own work environment.						

Problem-solving skills						
Identifies problems and dysfunctions at an early stage, elaborates his or her own approaches for improvement and independently makes qualified decisions within his or her area of responsibility.						
Reduces the extent of decision-making to a minimum for complex problems.						
Performs causal analysis and identifies relevant connections and interrelationships.						

Development and sharing of knowledge						
Uses new findings and experience to further develop his or her working field and/or job family.						
Transfers his or her knowledge and experience to employees and colleagues in a proactive and timely manner in an appropriate scope.						
Actively searches knowledge sources and uses them for specific tasks (e.g. colleagues, specialists, literature, Internet, etc.).						

Source: ŠkoFIN ltd. internal materials

Figure 7.1.3: Management Dialogue (3/8)

far exceeds requirements	exceeds requirements	fully meets requirements	partially meets requirements	in need of improvement	need for development
P1	P2+	P2	P2-	P3	

Cooperation and Leadership 1/2

Cooperation						
Is a cooperative team player and exhibits this in work groups and team meetings, for example.						
Demonstrates reliability and loyalty and is open-minded and approachable for other colleagues.						
Practices and accepts constructive criticism.						

Communication skills						
Reports to competent superiors clearly and regularly regarding work and task progresses.						
Compiles work results and presents them to the intended audience appropriately.						
Adapts his or her language and message to the given situation when speaking with other people.						
Presents complex situations clearly and concisely.						

Source: ŠkoFIN ltd. internal materials

Figure 7.1.4: Management Dialogue (4/8)

far exceeds requirements	exceeds requirements	fully meets requirements	partially meets requirements	in need of improvement	need for development
P1	P2+	P2	P2-	P3	

Cooperation and Leadership 2/2

Convincing and Asserting						
Argues in a competent, factual and convincing manner.						
Exhibits flexible and proper conduct in a wide variety of situations.						
In case it is needed, he or she is also able to assert himself or herself in the face of resistance.						

Leadership (only applies to employees, who are in a leading position)						
Delegates duties and authority and provides for the necessary general conditions.						
Plans and establishes challenging but realistic objectives.						
Monitors target achievement and introduces measures in case of deviation.						
Conducts employee and management dialogues regularly.						
Supports employee development on a need-driven and objective-oriented basis.						

Source: ŠkoFIN ltd. internal materials

Figure 7.1.5: Management Dialogue (5/8)

far exceeds requirements	exceeds requirements	fully meets requirements	partially meets requirements	in need of improvement	need for development
P1	P2+	P2	P2-	P3	

Entrepreneurial thinking and action 1/2

Customer orientation (FS Value)						
Makes customer needs a top consideration with regard to his or her acting.						
Continuously attracts new customers and nurtures existing relationships.						
Answers customers' questions in a highly competent manner.						

Economically efficient acting						
Is guided by economic aspects in his or her decisions and acting.						
Regularly checks quality, quantity, costs and adherence to deadlines for the work results in his or her area of responsibility.						
Focuses on adding values and avoiding waste.						

Source: ŠkoFIN ltd. internal materials

Figure 7.1.6: Management Dialogue (6/8)

far exceeds requirements	exceeds requirements	fully meets requirements	partially meets requirements	in need of improvement	need for development	Total
P1	P2+	P2	P2-	P3		

Entrepreneurial thinking and action 2/2

Engagement and self-initiative						
Displays great enthusiam and dedication in striving to meet the objectives and inspires others to do the same.						
Shows initiative through his or her willingness to take on additional duties (e.g. team leader) or perform overtime.						
Shows readiness to learn (for example, when new systems are implemented) and learns from his or her own or others' experience.						

Responsibility (FS Value)						
Takes on responsibility, particularly in difficult situations.						
Is accountable for the consequences of his or her acting.						

Overall performance evaluation:

Source: ŠkoFIN ltd. internal materials

Figure 7.1.7: Management Dialogue (7/8)

far exceeds requirements	exceeds requirements	fully meets requirements	partially meets requirements	in need of improvement	need for development
P1	P2+	P2	P2-	P3	

Living the FS Values 1/2

Trust						
Is encouraging trust by acting in an open, honest and transparent manner						
Gives direct and appreciative feedback with clear messages						
Is engaged in controversial discussions on business issues, but always fair towards people						

Courage						
Is willing to approach changes pro-actively						
Takes reasonable risks						
Fights for his/her topics in a constructive manner, even against opposition						
Learns from mistakes and corrects them = learning culture						

Source: ŠkoFIN ltd. internal materials

Figure 7.1.8: Management Dialogue (8/8)

far exceeds requirements	exceeds requirements	fully meets requirements	partially meets requirements	in need of improvement	need for development	Total
P1	P2+	P2	P2-	P3		

Living the FS Values 2/2

Enthusiasm						
Is showing a positive attitude (´my glass is half-full`)						
Identifies with our brands, with FS AG and staff						
Has a real passion for our issues and the people around us						
Is success- and performance-oriented and all this with a smile						

Conclusion (strengths / weaknesses):

Overall performance evaluation (incl. FS Values):

Source: ŠkoFIN ltd. internal materials