Czech University of Life Sciences Prague

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Diploma Thesis

Analysis of Human Resource Management according to international cultural differences

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DIPLOMA THESIS ASSIGNMENT

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European Agrarian Diplomacy

Thesis title

Analysis of Human Resource Management according to international cultural differences

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Objectives of thesis

The main aim of this thesis is to compare international HRM differences in a chosen international company.
This will include a comparison of different cultures in particular countries, behaviours and firms cultures.

The outcome will try to determine the main factors of international differences between the chosen countries.

Methodology

1. This diploma thesis is focused on the personnel/Human Resource activities, especially performance and evaluation of the work performance in the chosen international company.

The theoretical part will include definitions of the terminologies used in HRM, current status of human resource management and trends, and current practices in personnel resource activities. This will be based on a review of current and standard literature.

Practical part will be focused on a chosen industry and a comparison of different cultures in chosen countries, including characteristic behaviours and firms cultures.

Results will be compared with the theoretical data.

The data sources will be obtained by using interviews conducted with HR staff, and a survey distributed by the HR office in different locations.

The proposed extent of the thesis
60 pages

Keywords
Human resource management, International differences, international companies, cultures, behaviors

Recommended information sources
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Declaration

I declare that I have worked on my diploma thesis, entitled "Analysis of Human Resource Management according to international cultural differences", by myself and I have used only the sources mentioned at the end of the thesis.

As the author of the thesis further declare that I am related to its creation had not infringed the copyrights of third parties.

In Prague 30th of March 2015   _____

Bc. Monika Prokešová

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Analysis of Human Resource Management according to international cultural differences

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Analýza řízení lidských zdrojů na základě mezinárodních kulturních rozdílů

Summary

Introduction of the thesis appraise the status of international company and its Human Resource management according to international cultural differences in researched company and its eight branches that are located around the world. Chapter thesis objective and methodology defines the main objectives of this work and the way how the thesis is elaborated. The theoretical part includes professional literary quotes and defines key terms of HR activities, international HR management, employee remuneration, promotion strategy, learning and development, leadership styles, culture and Hofstede´s dimensions of national cultures. The practical part analyzes the HR activities based on interviews focused on headquarter in Czech Republic and branches in United States, Australia, Germany, Russia, Italy, United Arab Emirates and Singapore and explores their diversity and cultural differences. After the results are evaluated and proven or rejected assertions that Human Resources policies in the international company is the same and must always be taken into account different environment, culture, different customs and number of employees. Further the results are assessed based on Hofstede´s dimensions. Conclusion of the practical part is devoted to recommendations for the management, which was established based on data analysis.

Keywords: Human resource management, HR activities, culture, international companies, International differences, Hofstede´s dimensions

Souhrn

Předmětem diplomové práce je analýza personálního řízení v mezinárodní společnosti na základě mezinárodních kulturních rozdílů. Tyto rozdíly jsou porovnávány v osmi pobočkách dané společnosti, které jsou rozmístěny po celém světě. Kapitola cíl a metodika vymezuje hlavní cíle této diplomové práce a způsob jak byla diplomová práce vypracována. Teoretická část zahrnuje odborné literární citace a vymezuje hlavní pojmy z oblasti lidských zdrojů a jejich činnosti, mezinárodní řízení lidských zdrojů, odměňování zaměstnanců, strategií povýšení zaměstnanců, vzdělávání a rozvoj, styly vedení, kultury a popisuje Hofstedovy dimenze národních kultur. V praktické části jsou zanalyzovány činnosti personálního oddělení na základě rozhovorů zaměřených na centrálu v České republice a na pobočky ve Spojených státech amerických, Austrálii, Německu, Rusku, Itálii, Spojených arabských emirátech a Singapuru. Poté jsou výsledky zhodnoceny a je prokázáno nebo zamítnuto tvrzení, že personální politika v mezinárodní organizaci, ale v jiném státě je stejná, přičemž však vždy musí být brán ohled na odlišné prostředí, kulturu, odlišné zvyky a počet zaměstnanců. Výsledky jsou posouzeny i na základě Hofstedových dimenzí národních kultur. Závěr praktické části je věnován doporučením pro management, které byly zjištěny na základě analýzy dat.

Klíčová slova: Řízení lidských zdrojů, činnosti lidských zdrojů, kultura, mezinárodní společnost, mezinárodní rozdíly, Hofstedovy dimenze

Content

1 Introduction

A company that wants to succeed in a globalized market is looking for different ways how to expand and ensure the functioning not only of the headquarters but also of its branches in order to differentiate and give them the advantage in the market. In the area of international trade a person usually think of all sorts of companies, organizations and countries. These entities are always managed by people. Organizations must learn to take into account the different cultures, habits, laws, customs and traditions established in the other states. Employees in other states differ in their behavior, other way of acting, thinking, psychology, leadership, conflict resolution, some of them welcome the rules and others do not. Therefore, it is important that these cultural differences take into account not only from the perspective of the employee but also the interests of the employer. Employers can lay down certain rules that can drive the whole society, but there are rules that cannot be set and those are based on the national culture. National cultures cannot be united within the business, but need to understand. The HR department of current company should understand most the cultures and adapt them their activities and leadership style. Top managers of large companies often travel for business to foreign countries, where they try to imitate their culture. They perceive different behavior, try to adapt into the foreign culture and accept it. Similarly should struggle the HR departments in managing a branch in a foreign country.

2 Thesis Objectives and Methodology

2.1. Aims

The main aim of the diploma thesis is to analyze international and cultural differences in Czech company that successfully expanded into global market and cooperates on daily basis across many cultures and nations. The aim of this work is to show how international and cultural differences in Human resource management take place in the activities of selected company in practice across 8 different branches. This research is focused especially on the policies typical for multinational company. Once data has been collected it will be then compared within the branches

and it will be proven or disproven that "There are significant difference between the selected countries in different environment, culture, number of employees and different customs with the common HR management". Found differences within the HR management in the eight branches of the company are explained in conclusion and recommendations. This diploma thesis may be use as a toll of effectiveness for some eventual changes in human resources department of the company.

2.2. Main Hypothesis

Main hypothesis: There are significant differences between the selected countries in: different environment, culture, number of employees and different customs with the common HR management.

2.3. Methodology

Methodology is necessary for setting the targets and to create the whole plan.

Method of content analysis
The method of content analysis of the documents is used for:
  o Literature review

Methodology of data collection
Getting information was performed in:
  o *Qualitative approach* - focuses on the narrative technique of the interviewee where was used semi-structured interview.

Type of research
Descriptive research - describes processes of HR management
  o Primary data collection: semi-structured interview survey
  o Secondary data collection: selected internal information, data from HR department employee

Semi-structured interview survey

Questions explore the HR activities with common HR management in 8 different countries. Explore differences between the selected countries in different environment, culture, number of employees and different customs with the common HR management. It is proven or refused by using semi-structured interview survey divided into 8 parts for every country done by HR manager of the headquarter from Prague chosen as the representative sample.

Method of contacting interviewee
- o Personal meeting at pre-arranged time

Choosing of representative interviewee
- o Chosen representative of HR department that manages HR activities in headquarter and in all branches. The HR manager works in the department for 8 years, knows the processes very well, cooperate very often with all the foreign branches and she is also in contact with PR managers. PR managers are from Prague and too from the foreign branches. Branches are in contact too very often, as through phone, email so as common cooperation when the managers from foreign countries come to Prague and visa versa.

Construction of the semi-structured interview
- o *Identification questions* - to initiate contact, find detail information about leader of the branch
- o *Substantive questions* – about HR activities in the branches formed consecutively according Hofstede´s dimensions

Types of questions
- o Close and open questions

Results and recommendations
- o Based on *comparative analysis*

The aim of the survey obtains necessary information about HR activities, international HR management, employee remuneration, promotion strategy, learning and development, leadership styles, culture and Hofstede´s dimensions of national cultures that are specific for multinational companies.

3   Literature review

3.1.   Human Resource Management

The Human resource management emerged in the early 20th century and was influenced by Frederick Taylor and his term "scientific management" where he wanted to improve economic efficiency in manufacturing process to increase productivity.

Since that time human resource management refers to one of the areas of the organization, which is related to the management and leadership of people. The aim of human resource management is to secure enough qualified, skilled and motivated employees and with their desire to accomplish the strategic objectives of the organization. To achieve those objectives serve human resource activities. In smaller organizations those activities do managers and in larger organizations cares about these activities Human resource managers or providers of recruitment and HR solutions. [7]

People in organizations are referred to as "human resources" because they are the basic building blocks of every organization and therefore they attributed particular importance. Human resources are considered the most valuable source and the biggest wealth and the organization. [6]

"Human resources are like natural resources; they're often buried deep. You have to go looking for them, they're not just lying around on the surface. You have to create the circumstances where they show themselves."

Ken Robinson (Good reads, 2012) [9]

People management is divided into human resource management and human capital management. Currently, it is replaced by a new term personnel management, which is based on human resource management and human capital management. Those terms are according to Armstrong described in following figure [1]:

People management

The policies and practices which govern how people are managed and developed in organizations.

Human resource management

"A strategic and coherent approach to the management of an organization´s most valued assets - the people working there who individually and collectively contribute to the achievement of its objectives."

Human capital management

"An approach to obtaining, analysing and reporting on data which informs the direction of value-adding people management strategic investment and operational decisions at corporate level and at the level of front line management."

Personnel management

"Personnel management is concerned with obtaining, organizing and motivating the human resources required by the enterprise."

(Armstrong, 1977)

Figure 1 *Relationship between aspects of people management (Armstrong, 2010)*

3.1.1. International human resource management

„International Human Resource Management is the process of developing and employing people in international or global organizations. It includes worldwide managing people, not just the management of citizens of the mother country in the long term or short-term workers abroad ". [1]

International human resource management lead companies whose business is based on the parent company and proceeds in foreign affiliates or subsidiaries. Most of the enterprises in different countries are managed only from the mother country, from the center. Control of these subsidiaries is more complex but also places great emphasis on presentation and control of the product or service in the country.

Subsidiaries use the know-how of the parent company, but otherwise distribute, manufactures and provide services themselves. To maintain its standards the multinational organizations should place emphasis on the consistency, conformity in the management of people but also must adapt to the local market and specific cultural requirements. [1]

Michael Armstrong in his book defines that the international organization is necessary to "think globally and act locally" and adhere to the following six abilities: [1], [8]

1. the ability to determine which activities are crucial
2. achieve consistency and conformity while allowing flexibility
3. achieve sameness with product on a global market and respect local customs
4. achieve overall effect but concentrate on detail
5. transfer existing knowledge and create new knowledge
6. declare a global point of view, but secure responsibility for local issues

3.2. Human resource activities

3.2.1. Creation and analysis of jobs

To a job creation is necessary to define work-related tasks and duties, powers, responsibilities and requirements of the work performed. Job creation and job tasks specified must ensure the goals of the organization, must utilize and develop skills, satisfy the employee, motivate and must be in accordance with the law. Defined tasks depend on conditions of every organization. [7]

3.2.2. Organizational structure

Linking the individual jobs is created organizational structure, formal organization of employees. Each organization has its own organizational structure designed to make it all work. The organizational structure represents a hierarchy of people, each of which has its own specific activity. Organizational structures are different from each

other may vary. A flat organization structure in the organization shows few or no levels of management between management and employees. Values of this organization are more equal between top and lower management. Opposite is tall organizational structure where are many levels of hierarchy. Usually there are many managers and each has only small span of control. Usually tall structure can be seen in corporate business. Is more complicated and has a slow process of decision. Also when appear some market changes the adaptation of tall structure may take longer than to a flat structure.

In modern organizations can be observed following types of organization structures:

Bureaucratic structure

A bureaucratic organization has a strict hierarchies, organized process, tight procedures and policies. In bureaucratic structures is a high degree of formality, everyone understands who is in charge and what are his responsibilities. Organized process and control structure is present all the time. There are three types of this structure [16]:

1. Pre-bureaucratic structures that is not controlled yet. Usually we can see this structure in start-up companies and usually this structure has only one key decision body, the founder. He has the control over all operations and the communication is done as founder- business partner.
2. Bureaucratic structures that is suitable for tall organizations. Bureaucratic structures need management and specific degree of standardization.
3. Post-bureaucratic Structures follows the strict hierarchies but it open to new thoughts and methodologies. Follows techniques as culture management or total quality management.

Functional structure

A functional organization is divided into smaller groups based on functional areas that they coordinate particular projects. Employees are grouped together in areas as IT, finance, or marketing where they share their skills and knowledge. Functional

structures are usually in bigger organizations focused on low costs and high productivity. There is disadvantage of this organization structure. It is the communication between the functional areas and when the employees from the areas can not communicate between each other the organization may lose the flexibility and innovation. [16]

Figure 2 *Functional structure (TutorialsPoint www.tutorialspoint.com, 2015)*

Divisional structure

In divisional organizational each division is specific by its product, service or geographical basis. And each division has its own functional areas as research and development, marketing and finance. These divisions works independently and can be considered as a micro companies of the organizations. [16]

Figure 3 *Divisional structure (TutorialsPoint www.tutorialspoint.com, 2015)*

Matrix structure

In matrix structure are connected managers of different products to all departments. Usually there are departments of production, sales, finance and research and development. There can be also department of marketing or IT. There are created teams that are divided based on the function and the product. Teams may have the same function for example as a project engineers but always just for a specific product. [12]

Figure 4 *Matrix structure (Kaplan Financial Knowledge Bank www.kfknowledgebank.kaplan.co.uk, 2015)*
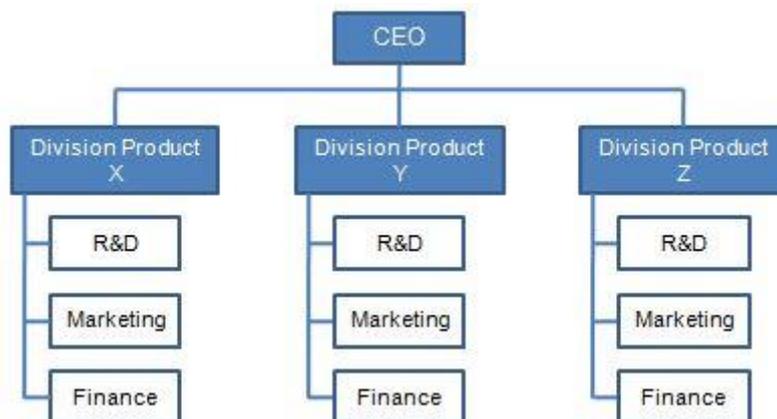
3.2.3. Employee planning

Employee planning is used to achieve the strategic goals of the organization. Allows employers to determine current and future needs of employees. Proposes solutions in the absence and excess of employees. At the same time develops and takes care of current employees. Employee planning is divided into short-term planning, which is usually until one year, and long-term planning for the next three to five years. It is necessary to take into account the actual state of employees, leaving employees, whether planned leaving, such as retirement or maternity leave, and unplanned as for example in case of conflict. And all this compare with the planned volume of production. If the organization has a shortage of jobs, the organization may try to solve the problem of internal resources. Internal sources include appropriate

integration jobs, overtime or the introduction of new techniques. If there is still not enough capacity the organizations can utilize external resources. And get their own employees or volunteers from recruitment agencies. A precondition for successful employee planning is a perfect forecast of supply and demand and analysis of the strengths and weaknesses so as the opportunities and threats. Known as SWOT analysis. [7]

3.2.4. Acquisition, selection and recruitment

Procedure for filling vacancies is based on employee planning and job analysis. Here we will find the number of vacancies and characterization. The following is recruitment, which is a key communication between employers and candidates. The most common method of obtaining employees according to Šikýř include [7]:

- o Advertising on the internet: web pages of the employer, employment agencies, labor office, dedicated servers work as well as currently utilized much advertising on social networks as Twitter, Facebook and LinkedIN
- o Advertising in newspapers, radio and television
- o Cooperation with employment agencies, labor offices, universities
- o At a job fair
- o Recommendation
- o Direct addressing the position to a suitable subject
- o Candidates offer themselves

Then, candidates must bring or send via email brief CV, motivation letter and possibly copies of diplomas, certificates and references that serve as identification and assessment of candidates. Other personal information are not required, especially not discriminatory information by reasons that determine the anti-discrimination law. Follows a pre-selection of suitable employees where is assessed what the candidate is qualified to perform the job, what is his or her education and practice, what activities performed at previous job and what knowledge and skills gained. At pre-selection is an ideal to choose about ten suitable candidates who will be invited for an interview.

To others will be sent disapproving letter and acknowledgement for their participation.

Employee selection begins with choosing a suitable method of recruitment. Employee selection begins usually the interview, which is considered the most appropriate method of recruitment. The purpose of the interview is to verify and supplement the particulars of candidates, evaluate the competences and motivation of the candidate and deeply describe the characteristics of the position. The interview can be complemented by intelligence tests, personality tests and aptitude tests. Recently abounded and method of Assessment Centre. The method of assessment center allows the employer or HR manager to completely evaluate job performance and development potential of candidates. Usually consists of eight to ten candidates, who fulfill tasks, case studies, interviews, tests and simulations. Lack of assessment centers are higher cost and time, as the assessment center can take up the whole day. [7]

To the most suitable job applicant who meets all the requirements is handed a job offer.

3.2.5. Motivation

The key motivation is to ensure sustained a high level of performance of people. For this purpose serve various incentives, rewards, leadership, conditions and the work itself. Motivation theory examines why people develop some effort and the factors that influence this work. Motivation divides people into two groups. Those who just perform their work, and those who bring so-called added value. The process of motivation is complex, because people have different needs and different ways to meet these needs. Motivation is described as goal-oriented behavior. [1]

Employers motivate their employees because they want to direct them towards a particular result. Some employees motivate themselves, which is the best form of motivation. It is called intrinsic motivation, which includes factors such as responsibility, opportunity to develop skills, autonomy and the opportunity to

advance. Others need to be motivated by extrinsic motivation. Extrinsic motivation means for example a raise of salary, praise but also criticism or punishment. To motivate people are needed a motivational strategies. Among motivational strategies include paying attention, recognition, a reasonable degree of autonomy, freedom to exploit their abilities, skills development and career, corporate culture and leadership that encourages and supports employees. [1]

3.2.6. Employee remuneration

Remuneration of employees is responsible for fairly appreciation of the work done and effectively stimulates the employee to perform the contracted work. According to Šikýř the remuneration can be [7]:

- o **money form of remuneration:** wages, salary, reward from agreement
- o **non-cash form of remuneration**: formal and informal compliments, professional development, motivating work assignments, flexible working arrangements, better working environment, affiliate management style and leadership, useful employee benefits, etc.

The employer must ensure the fair and efficient staff, to better motivate their employees, provide employees with adequate compensation, evaluate the actual performance and achieve the goals of the organization. [7]

Salary means the remuneration of state employees, as well as salary remunerate employers in public services and administration, state fund or contributory organization. Salary is funded from public sources and is linked with mandatory rules. Wage remunerate all other employers, where the state provides only general principles such as minimum wages, minimum overtime pay, work during public holiday work at night, on weekends. [7]

Among the additional payroll forms include commissions, bonuses, personal evaluation and share of economic results of company. Commissions can be determined, for example as a percentage of profit, therefore depends on the quantity

sold. Commission stimulates to above-standard performance, where the employee may receive more money at a higher deployment. Commissions may be in addition to the basic, mostly low-wage, or used as the sole component of wages. The commission however has a disadvantage that employees can be stressed out because they are under pressure. Bonuses supplements time or task-work wages. Bonuses shall be paid either in one instance at the end of the year, for example for their loyalty. Or are paid regularly, for example for productivity and superior performance. Rules of payment, the value of the bonuses or the payment period determines the management of the company. The third form of supplementary wage is a personal evaluation that is determined by the percentage of the wage rate. The aim of the personal evaluation is to stimulate employees to perform well the agreed work. The last supplementary wage form is the share of economic results. The aim is to strengthen the sense of belonging of employees with their work and realized goals of the company. [7]

3.2.6.1. Long-term benefits

Long-term benefits turn out to be an effective employee motivation. Long-term benefits include pension insurance, savings and life insurance. In the following 2015 Czech employers plan that these benefits will increase by 6% in the case of pension savings and 4% in life insurance. Long-term benefits are mainly provided by companies with good economic situation and they want their employees to invest in the long term. Other long-term benefits include health promotion of employees to which companies want next year to invest more by 6%, and sporting activities of their employees want to increase 4% of companies. "Smart companies invest in their employees in the long term. They know that good people are the key asset of any company, "adds Štěrbová, Director of Employee Benefits ING Insurance. Other long-term benefits include employee education, especially language and computer courses. There are also contributions to vitamins, rehabilitation and support for sports activities. [17]

Differences are also in investing in workers according to their position in the company. The organization Confederation of Industry of the Czech Republic at an ordinary employee accounts for about 3.5 thousand CZK per year, per member of lower management it is 5.9 thousand CZK per year, for a member of the senior management it is around 10 thousand CZK per year and for a top manager it is 16 thousand CZK per year. [17]

Like other long-term benefit is the possibility to purchase company shares. This is the simplest way to keep the best employees. Ownership of the company's stock is also the most effective way to move employees into the position of owners who focus on long-term plans. Only a relatively small number of shares and employee can clearly see that his financial security depends on the results of the company. Unfortunately, this is one of the least used methods in the Czech Republic. [14]

3.2.6.2. Short-term benefits

Short-term benefits are not so favorable to motivate staff. It breaks away their attention to focus on long-term goals of the company and employees see only short-term prospects from which they benefit. Among the short-term rewards include a mobile phone, which provide most of companies. Follows meal vouchers that provide majority of Czech companies, drinks in companies, company´s automobile, gifts or one-off benefits, employee loans, sick days, allowance for traveling to work and similar. Short-term benefits prevail over long-term benefits in the Czech republic.

3.2.7. Promotion strategy

The objective of the promotion is to allow workers to fill the position of the most talented people who are already working in the company and thus provide workers with the opportunity to have a career move higher. However, must be respected the policy of equal opportunities. [1]

"Policy of equal opportunities should reflect the organization's commitment to provide equal opportunities for all regardless of gender, race, religion, age, marital status or reduced working ability. This policy should also examine the extent to which the organization wants to do a positive steps to atone the imbalance of gender or race in the structure of employees according to the level of training and skills acquired". [1]

Any organization with frequent promotion of staff should have created it´s their policy and have defined their procedures. All company employees should be familiar with the policy. HR managers should be firstly informed about free positions. Vacant positions should be announced within the company. Heads of departments should accept the promotion of their subordinates. An exception may be where the employee works for a company less than one year, or if the department has experienced a loss due to a recent promotion. [1]

3.2.8. Flexible working arrangements

According to the Industrial Relations Services between flexible working arrangements belongs [1]:

- o Part-time work: can mean half or three-quarter time.
- o Job sharing: one position share two or more workers.
- o Compensatory leave: means compensation for extra hours
- o Flexible working hours: beginning or the end of working hours is not set
- o Home office or distance work: means occasional of full time work at home.
- o Career break: unpaid leave. Worker may return to work.
- o Shift work: often it is a 24-hour job, which is divided into a three-shift or two-shift operation.
- o Swapping shifts: workers among themselves may exchange shifts
- o A separate schedule shifts: workers are negotiating about which shift they want to work.
- o A contract for the annual number of working hours: working time is divided for the entire year.

- Compacted working time: work is done in shorter time period.
- Differentially ending and starting working hours.
- The right to additional leave: there may be a paid or unpaid leave.
- Special arrangement: it is an individual working hours. Here you can combine flexible working arrangements.

3.2.9. Conflicts at the workplace

Conflict is a natural phenomenon in negotiations between people, coworkers, colleagues, family or in a business. The conflict can not be excluded or completely removed. Some may think that they have no conflicts in their organization, but these may be much worse. So-called hidden conflicts. It is also necessary to distinguish between conflict and a problem. Problem can be mostly solved. Conflict can not be for everyone equally satisfactorily resolved. Conflict begins at the very qualities of people, due to which a conflict arises. And there are the same qualities of the people from which the conflict arises. Employers are trying to collect people, those in which the potential for conflict is minimized and employees want to have conflict-free group. People should work as a team without conflicts and they should communicate with each other. [2]

As is mentioned above there are conflicts latent (closed) and manifested (opened). Closed conflicts are difficult to discern so they are often unsolved. In the case where the closed conflict changes into the open, it is necessary to respond to it because than it may grow into destructive forms which may adversely affect the entire company. The most common conflict situation in the work environment include: [2]

- Lack of resources: when dividing the money for wages
- unclear leadership and legitimacy of decision-making
- Too strong or weak corporate culture
- The unwillingness of management to respond to a problem situation
- A big social change in team
- Time pressure for an individual or a group
- Great changes in the level of responsibility

The most common response to conflict includes aggression, escape and passivity. Aggression occurs with dominant individuals who want to show their strength and do not want to build relationships. Escape occurs in individuals who want to discontinue a conflict recede from their opinions. Escape from the conflict but often leads to increased tension. By passivity individuals want to deny the conflict and do not contribute to its solution. Passivity just worsen the conflict. [2]

When a conflict situation occurs is a mutual desire needed to resolve the situation positively. People tend to withdraw from the conflict, if they have the opportunity to contribute on a positive solution. [2]

Other solutions include proper timing resolution of the situation, to be at the right time at the right place, people should solve the situation dispassionately, through balanced discussion of both parties without criticizing of others, trying to listen the partner actively and find a compromise. Executives should in the long run strive to create a pleasant working environment where employees interact with each other, where predominant pleasant atmosphere and team are based on positive interpersonal relationships. [2]

3.2.10. Learning, Training and Development of employees

"The purpose of education of employees is systematically shape, deepen and widen the skills, knowledge, skills and behaviors to perform the agreed work and achieving the desired performance." (Šikýř, 2012)

Employers train their employees in order to raise the required performance at present and in the future. Educated and skilled employees differentiate employers from the competition and gives them lasting of competitive advantage in the market. Professional training secures either the state or the employer. Employees can acquire certain knowledge and skills for a particular application in the labor market. When employee starts to work then follows training in a particular work process. It may be followed by further training, or deepening a qualification. Another option is to retrain, it is necessary in cases where the worker will perform different than the

current position. Very common is the development of employees, which is provided by the employer, often with state support. Development helps people acquire new knowledge beyond the requirements of their current job. [7]

Šikýř states that according to the Czech Labor Code § 227 professional staff development mainly includes [7]:

- o **Training and learning**: Is designed for employees that they just started to work without practice or for those who changed their position. Training means teaching and developing knowledge and has specific goals of improving one's capability, capacity, productivity and performance. Employee training is a short term process to provide our future employees or current employees the knowledge that is needed for their present jobs.

- o **Professional practice for graduates**: the employer is obliged to ensure for high school graduates, university graduates, graduates of higher professional schools and conservatories professional experience to gain practical experience. For professional experience of graduates according to the law belongs salary.

- o **Deepening of qualification:** It means too its maintenance and renewal. The employees are obliged for deepening their qualification, and the employer is entitled to ensure their attendance at training or study to deepen their skills. The cost of gaining the qualifications is obligated to pay the employer.

- o **Skills development, education:** means the study, education, training or other form to achieve a higher level of education. Education of employees is a life time investment for employer.

Development of employees is different from the others because is focused on the whole development process. The development does not focus on the present but is focused on a future. Educational activities, new skills, knowledge and behavior of

23

employees build their development. Employees can also develop through games and physical activities. Development may be build up from several methods of employee training. Training, workshops and e-learning seem according to a figure below as a least effective with only 10%. Development process set up on leadership and work with co-workers, coaches and mentors is effective from 20%. The best and the most effective method of development is development in role. It means learning at the workplace, working on a projects, on assignments, role enlargement of job change. According to well chosen methods of development the effect of the development may depict as is shown on figure below [1]:
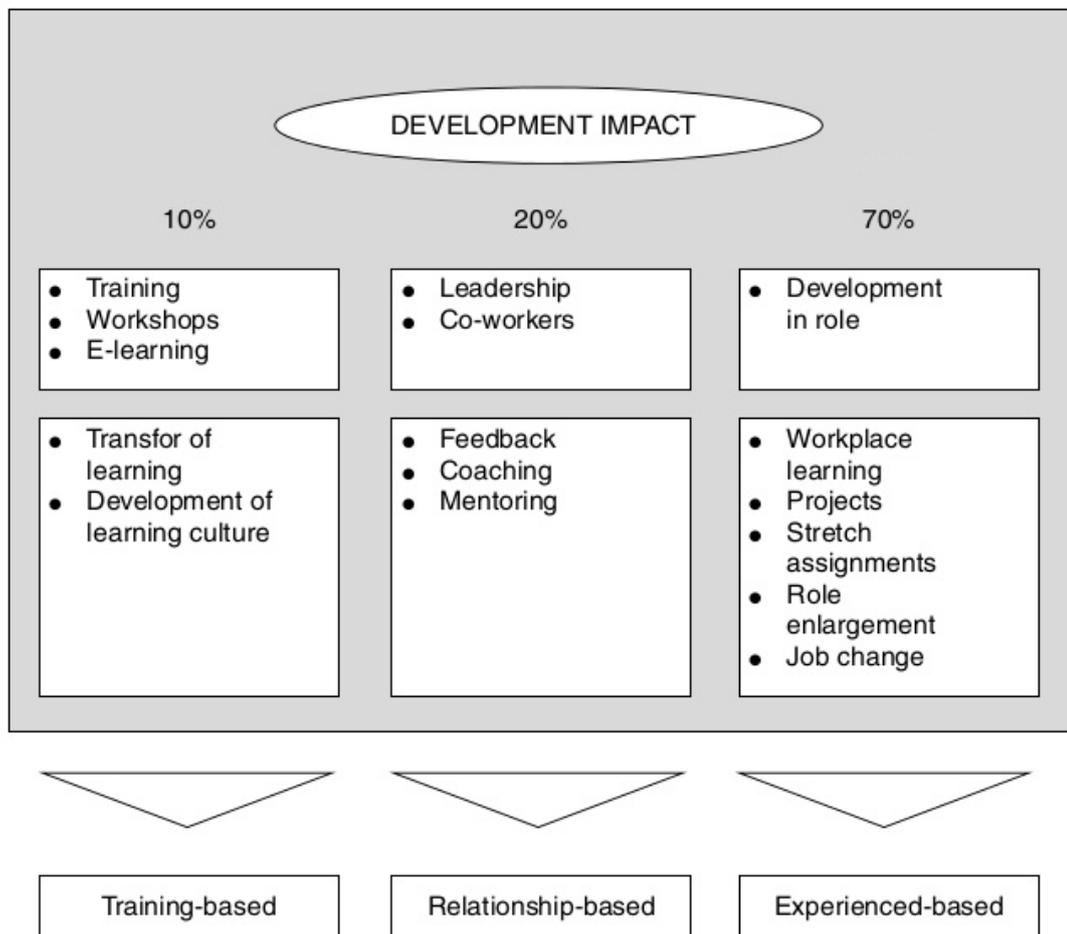

Figure 5 *Impact of development (Armstrong, 2010)*

3.2.10.1. Methods of employee training

The employer must be able to choose the right method of training their employees to increase the required performance. The basic methods include training at the workplace, outside the workplace and e-learning. [7]

<u>Method of training at the workplace</u> occurs primarily at the workplace during the current work. This method includes [7]:

- o **Instruction at work:** when a new worker watches, listens and learns advice, gaining new skills from an experienced worker. This method is very effective because it directly deals with the work, experienced worker explains the new direct experience and solutions to potential problems.
- o **Assisting:** happens when a skilled employee is assisted by a new worker during his activities to learn new work habits. The new employee but can learn too a week or bad work habits from the skilled one.
- o **Entrusting with task**: the employer assigns the task to employees. The employee demonstrates his skills and independence.
- o **Job rotation:** during a job rotation a worker changes often his positions. Rotation helps the employee to improve his qualifications, improves his flexibility and help him to understand the entire process.
- o **Coaching:** An employee is educated under the guidance of a coach who directs his abilities and encourages him to be initiative.
- o **Mentoring:** Mentor helps the employee with the education. Mentor advises employees in acquiring the skills.

<u>Method of training outside the workplace</u> [7]

- o **Lecture:** Employee learns through interpretation. Lecture enables rapid transmission of information. However, it can demotivate employees because skills are not directly applied at the work process.

- o **Seminar:** takes place through interpretation and discussion. The seminar is attended by more people who can pass on each other's skills. It may include language seminars or leadership seminars.
- o **Demonstrating:** represents the model or the real working conditions under which the employee learns.
- o **Case Study**: works on the basis of a model or a real case. Employees work in teams to invent possible solutions which support their analytical thinking.
- o **Teambuilding:** employees learn to analyze, make decision, work in a teams, realize and plan based on sporting activities usually outside, at the nature. Small group of employees responsible for an entire work process. Teambuilding is later easily applied in work and help the employees to improve their work commitment.

Other methods of training

Different methods of employee training my include e-learning, assessment centre or development centre.

E-learning or electronic learning was discovered in the mid-sixties in the United States, but it started to be applied in the nineties. E-learning is based on networks, the internet, intranet, or may be recorded on CD. The most common form of e-learning is a individual e-learning, where an employee who is educated is not connected to the instructor. Employee just uses relevant technology. The goal of e-learning is early training, which is constantly and usually takes place in small sections. Sections are thematically divided and folded according to the problems and demands. [1]

Assessment center is diagnostic training program used to assess how the applicant or employee that is considered to be promoted complies with the corporate culture of the organization and how the people behave in typical situations. Assessment Center examines the current capabilities of people. Assessment center includes a variety of tasks, interviews, tests, communication and teamwork. Several evaluators through observation predict future behavior of the candidate or manager that could be

promoted. Candidates can through assessment center better understand the future performance. [1]

Development centers are based on the assessment centers. In contrast to the assessment center development centers are focused on the future. At the abilities needed in the future. Development centers are development programs based on the principle of making workers aware of their skills, which their work requires and employees should set ourselves development plans. The program includes case studies, simulations and playing different roles. As a feedback the employees get a consultation and coaching. [1]

3.2.10.2.   Events and social activities for employees

Besides training should be included other social activities to help improve employee engagement. Social activities improve the atmosphere in the work environment. These activities may also include team building, but which is more focused on communication and entertainment. The aim is to create a friendly environment. Employer should also focus on employee milestones as are birthdays, life events or wedding, the employee will know that the company cares about their lives. Companies also often organize events aimed at team spirit as corporate parties, Christmas parties, celebrations, events for starting the cooperation and the establishment of informal relationships with colleagues and clients. The aim of these events is to motivate employees, have fun and build sense of belonging with their colleagues.

3.3. Culture

The word culture derives from a latin "colere" which means to grow or nature. In other words it means and fostering growth. Like every culture came and was created in each group, in any state or nation. Each culture is specific by its social habits, religion, language, cuisine, music or art. [13]

Professor Geert Hofstede, Ph.D. in his third edition of Cultures and Organizations defines culture as *"the collective phenomenon, because it is at least partly shared*

with people who live or lived within the same social environment, which is where it was learned. Culture consist unwritten rules of a social game. It is a collective programming of the mind That distinguishes the members of one group or category of people from others". (Hofstede et al., 2010)

3.3.1. Corporate culture

Corporate culture whether written or unwritten describes the way a organization, owners, managers and employees think, act and feel. Corporate culture plays a big role in determining a company´s success. Corporate culture may include a story, symbol, ritual or even a new corporate logo symbolizing the company´s personality. Every organization has its own corporate culture.

„Culture of the organization or company culture is a set of values, norms, beliefs, attitudes and assumptions that probably has never been explicitly formulated, but determines the behavior and actions of people and ways of performing work. Values are related to what is believed and important in the behavior of people and organizations. Standards are then unwritten rules of behavior". (Armstrong, 2010)

Culture in an organization creates a sense of "that is us" as a basis of understanding and communication. It's about creating a set of shared values that are important to the organization and what the organization wants to be. Mostly the culture of the organization defines leaders or owners of the organization, so-called visionaries who pay attention to special events and ideas. Subsequently people identify with these visions and behave as is expected. Among the components of culture include values, norms and artifacts. According to Armstrong, the values are considered to be the best and the good for the organization. The values are stronger when they are in the organization for longer time and thus have a greater impact on people's behavior. Typical application areas include the values of innovation, quality, performance, ability, competitiveness and customer care. Standards are unwritten rules of behavior. Standards show people what is expected from them, how they behave and what they will say. Standards are fastened by people who govern them. It can be seen from the reaction of others. Artifacts are the visible aspects of the organization that

people see, hear or feel. The tone and language used in business. Artifacts are associated with a leadership style that managers use in practice. [1]

3.3.1.1. Leadership style

Leadership style is the manner and approach of how is used the authority, how leaders relates to employees and what communication is used. Some styles are simple and some are very complex. It depends on the leader how he performs. Some leaders lead organization only on the basis of their ideas, skills and experience. Others, on the contrary are pleased to gives advise consult the situation and decide together.

Among the well-known leadership styles belong [18]:

o **Dictatorial style:** as the name suggests dictatorial leadership style is about dictatorship and about one leader. The dictator has all decision making power, decides everything. The strategy of the company, about finances, about the aims of the company and his way of acting shows everyone that he is the leader. With his employees he acts just so to achieve his goals. He divides tasks who, what, when and how all will be done. The leader does not ask about the opinions of others, he ignores them. Dominate discipline and punishment. Employees tend to be very disciplined but some may be too exhausted and leave to early retirement.

o **Authoritative/Autocratic style**: is similar to dictatorial style but differs in decision making process. Authoritative style seldom allows others make decisions. Many organizations decided for authoritative style because dictatorial style is more unsteady for business. The authoritative leader feels that he is the most qualified more than his employees. Therefore gives recognition only rarely, is business and tasks oriented and is highly competitive. Disadvantage is this leadership style is failure to recognize skills, experiences and proficiency of others.

- **Consultative style:** is friendly oriented to other managers and employees. Leader takes into account the views, experiences, ideas and skills of others. Leader consults those tasks, strategy, business plans, team building with others but the final decision-making authority still has only the leader. The leader gives people a recognition and they appreciate it.

- **Participative or democratic**: in comparison with previous leadership styles is this style unique. The leader includes one or more employees in the decision making process. Most of the authority is given to them. But still the leader makes the final decision. Prevails teamwork and thoughts, ideas and experiences of the team members are taken into account and leader acts as coach. A focus on creativity and innovation is a big advantage of this style.

3.3.1.2. Leadership of men and women

Men and women in high level leadership seem to perform a similar behavior. But only those women who exhibit the same or better type of behavior and leadership style as men can get into the high level leadership. But still there are some differences. Women leaders are more nurturing, responsive and empathic. Male leaders are more business and action oriented. Using theory of transformational leadership that is more inspirational and positive have women higher leadership potential. And men leadership may not be that effective in today´s world according to their leadership and taking charge of control. Men will need to change the way how they lead and adapt to the new way of leading. [15]

3.3.2. Understanding of differences in culture

Hofstede G. defines cultures as a world full of people, groups and nations who think, feel and act differently. At the same time we are all exposed to the very same problems whose solution requires cooperation especially in the field of ecology, economy, politics, military, hygiene or weather changes. Cooperation must also cope with threats of war, nuclear weapons, poverty, crime, pollution of the planet and the global economic recession. To reach a solution to these problems is needed to understand the differences in how different groups think and act. Negotiations are learned from birth. Everything comes first from human nature, which is innate. It is a person's ability to feel love, anger, joy, fear and the ability to associate and interact with others. However the individual express these abilities is influenced by the culture. Further the personality expresses features, which are partly inherited and partly learned and influenced by personal experience. Three levels in human mental programming are shown in the following figure [3]:
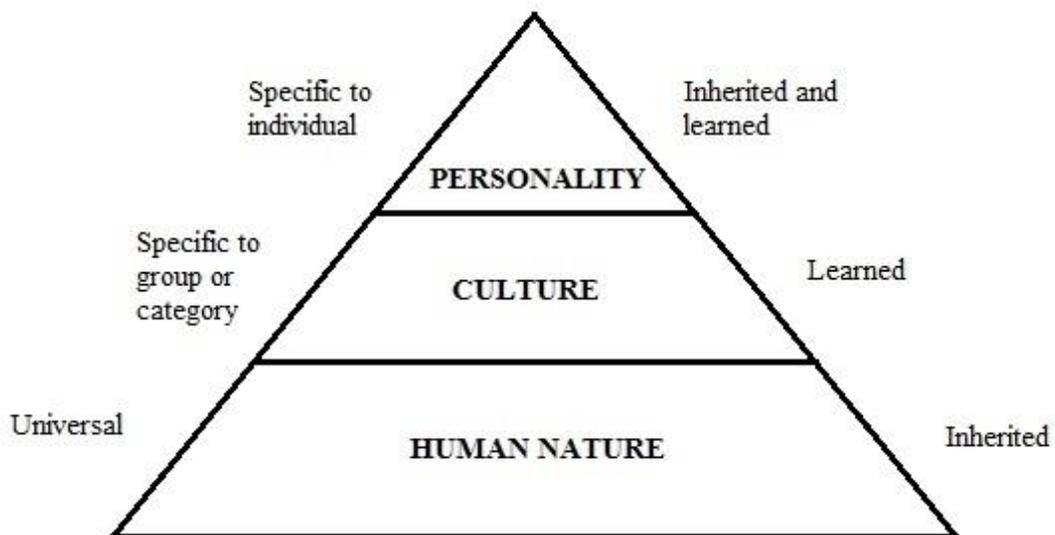

Figure 6 *Three Levels of Uniqueness in Mental Programming (Hofstede, 2010)*

3.3.2.1. Hofstede´s Dimensions of National Culture

Dimensions of national cultures began to emerge in the first half of the twentieth century when social anthropology realized that companies face the same basic

problems. Followed by a study that examined the problems are common to all cultures. Subsequently, sociologist Axel Inkeles and psychologist Daniel Levinson suggested areas that constituted the basic problems for companies around the world. It was a relationship of authority, as well as self-esteem of individuals as a relationship between the individual and society, but also an understanding of femininity and masculinity, and the final sector were focused of ways of dealing with conflicts. Later Geert Hofstede studied the results of research from IBM. The results were from 50 countries and the statements of employees of IMB - samples were comparable except the nationality. Statistical analysis revealed a common problems but the solutions differed according to nationality. According to Hofstede the differences were in areas of [3]:

- o Social inequality, including the relationship with authority
- o The relationship between the individual and the group
- o Concept of masculinity and femininity
- o Ways of dealing with uncertainty and ambiguity

These four areas represent the so-called cultural dimensions. These dimensions can be measured. These dimensions have been named as power distance, collectivism vs. individualism, femininity vs. masculinity and uncertainty avoidance. Dimension represents a group of phenomena that occur together. Geert had the opportunity to observe these phenomena in 50 countries, and thanks his survey these phenomena stand out.

In 1980 was added a fifth dimension and it was when Geert met with Michael Harris Bond from the Chinese University in Hong Kong, who was doing research on a comparison of values of men and women studying psychology in ten national groups. When Bond analyzed data found four meaningful dimension. In a case of the six countries that were included in both surveys, each of the dimension significantly correlated with one dimension of IBM. Methods of human thought are intended by culture. So Geert and Bond found out that the questionnaires are made of western thinking. Respondents from Asia answered questions from Western culture. Bond

has thus created a new questionnaire purposely built with a non-western bias. The fourth dimension of revised questionnaire merged the values that are stopping against each other the specialization focused on the future, present and past. Geert described it as the fifth dimension so called long-term and short-term orientation.

In his third edition Cultures and organizations - Software of the Mind, Hofstede added a sixth dimension. It's called Indulgence versus Restraint and is defined as follows:

„Indulgence stands for a tendency to allow relatively free gratification of basic and natural human desires related to enjoying life and having fun. Its opposite pole, restraint, reflects a conviction that such gratification needs to be curbed and regulated by strict social norms". [5]

3.3.2.2. Power Distance

The dimension of power distance refers to the fact that some individuals have a greater impact, they have more money and more respect than others. In every society is inequality. Some countries have more influence those who have social status. Elsewhere, on the contrary, have an impact entrepreneurs who have wealth and power. Such a general inequality may indicate somewhere a problem and somewhere else not. In many countries tried to reach a perfect equality where equality applies to everyone regardless of power, position and wealth. However, there are just little countries where it really is. Based on Hofstede's IBM research, where he compared the Power Distance Index in 74 countries, where 0 have countries with low power distance and 100 countries with large power distance. A very high score got Malaysia (104), Slovakia, (104), Guatemala (95), Panama (95) and Philippines (94). On the contrary a very low score got Austria (11), Israel (13), Denmark (18), New Zealand (22) and Germany (26). [3]

Power distance, that we have learned from parents as the role child-parent can then carry over to the subordinate-superior role. According the role is also influenced the decision making and salary. In countries where is large power distance, bosses have

great authority and organizational structure is tall. Conversely, in countries where there is a low power distance, as well as superiors and subordinates are existentially equal. The organizational structure is flat. [3]

3.3.2.3. Individualism and Collectivism

Collectivism can mean work and trade throughout the organization, individualism can mean work and trade through people who know each other and trust each other. Mostly prevails a interest of group over the interest of individual. Collectivism can start when the individual is born into a large family and ponders in the meaning of "we". A individual is faithful to his group. Conversely, in the individualistic society, the individual grows up with just one parent and the relatives living elsewhere. A individual thinks in terms of "I". Hofstede defines this dimension as follows [3]:

„Individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onward are integrated into strong, cohesive in-groups, which throughout people´s lifetimes continue to protect them in exchange for unquestioning loyalty." (Hofstede, 2007)

According to Hofstede´s research the countries with score of 0 are very collective and countries with score about 100 are very individualistic. The countries with high score are United States (91), Australia (90), Great Britain (89), Canada (80) and Hungary (80). In the contrary the countries with a low score is Guatemala (6), Ecuador (8), Panama (11), Venezuela (12) and Colombia (13). [3]

In the workplace, in individualistic society is expected from the individual that his interests should coincide with the employer. Individual should act economically but otherwise the individual has his own needs. In a collectivist culture, staff has chosen to fit to a team. The employer in this case interacts with interest of a group. [3]

3.3.2.4. Masculinity and Femininity

Masculinity and femininity can be described as enforcement and to be restrained. The culture divides men and women according to what are entitled. There is great cultural diversity between male and female roles. Generally, the men are expected to be assertive, competitive and resilient. Women are contrary expected to take care of home and children. Achievements of men strengthen their assertiveness. Women care about human relationships. This image is reflected in households where children grow up and children assume these roles. [3]

According to Hofstede´s research the most feminine countries scored closed to 0 and the most masculine countries scored about 100. The most feminine countries are Sweden (5), Norway (8), Netherlands (14), Denmark (16) and Slovenia (19). On the contrary the most masculine countries are Slovakia (110), Japan (95), Hungary (88), Austria (79) and Venezuela (73). [3]

At the workplace the masculine behavior means that the decision making is done by one that want to show his power and does not discuss different opportunities with others. On the contrary the feminine behavior is set on discussions and joint decisions. These behaviors also influence the solution of conflicts. In masculine countries are a problems solved as "let the best man win". Conflicts occur more often. In countries where is feminine behavior like Sweden, Norway or Netherlands prevails the solution of conflicts by compromise and negotiation. [3]

3.3.2.5. Uncertainty Avoidance

This dimension is concerned about how individual nations struggle with uncertainty. With a feeling of uncertainty. And this feeling can be shared. Each culture had created ways to alleviate the fear of uncertainty. These methods focus on technology, law or religion. The technique helps avoid uncertainties caused by nature. Law reduces uncertainty in the behavior of others. A religion is a way of communication with supernatural forces, from which it is assumed that determine the future. According to Hofstede´s research a countries that scored about 0 have the weakest uncertainty avoidance and countries that scored about 100 have strong uncertainty

avoidance. Strong uncertainty avoidance has Greece (112), Portugal (104), Guatemala (101), Uruguay (100) and Belgium Flemish (97). Weak dimension have Singapore (8), Jamaica (13), Denmark (23), Sweden (29) and Hong Kong (29). [3]

In countries that avoid the uncertainty prevail rules, regulations governing the rights and obligation for employees. It can be replaced by power and distance. It is a structured environment. Conversely, in countries with weak uncertainty avoidance people are afraid of the rules. Moreover the countries with weak uncertainty avoidance the system works better because it became a natural habit. [3]

3.3.2.6. Long-term and Short-term orientation

„Long-term orientation (LTO) stands for the fostering of virtues oriented toward future rewards – in particular, perseverance and thrift. Its opposite pole, short-term orientation, stands for the fostering of virtues related to the past and present – in particular, respect for tradition, preservation of „face", and fulfilling social obligations." (Hofstede, 2010)

Countries that are very highly long-term oriented and scored about 100 according to Hofstede´s research are China (118), Hong Kong (96), Taiwan (87), Japan (80) and Vietnam (80). Countries that are short-term oriented are Pakistan (0), Czech Republic (13), Nigeria (16), Spain (19) and Philippines (19). [3]

In long-term oriented countries is family and work not separated. Family businesses are normal. Prevails harmony and stable community. Counties focused on short-term orientation may have strong respect for tradition that prevails over innovation.

3.3.2.7. Critical view on Hofstede´s Cultural Dimensions

Regarding Hofstede´s dimensions there are many criticisms. Many critics say that the survey is not an instrument for accurately appropriate to determining and measuring cultural disparity. Others point out that nations are groups of ethnic units and that the

population is not homogenous. Very important idea is that nations are not the proper samples for analysis because culture does not have borders. [11]

Another negative view is about Hofstede´s respondents. All respondents were form the same industry, computer industry. It means all got through interview to the company IBM, so they are educated, middle class and usually living in bigger cities close to the company.

Also the dimension of large power distance overlap with masculinity and so does small power distance with femininity. Features two dimensions are very similar.

Hofstede's biggest critic Dr. Brendan McSweeney said that the entire nation cannot be measured only a few questionnaires. Also McSweeney argues that "there was only one IBM culture, and as he occupationally matched the respondents, the questionnaire response differences showed national culture with unusual clarity." Further criticism is based on errors in methodology and cultural biases. [10]

4 PRACTICAL PART

The practical deals with characteristics of the analyzed organization, describes history, mission, values and corporate culture of the company. Explains its HR department activities and how it differs in their 8 subsidiaries around the world and in different states and cultures. The final part of this chapter deals with results of the research in comparison to Hofstede´s study.

4.1.1. Company characteristics

The name of the company is not mentioned at the request of the management of the organization due to data protection. The company is labeled as ABC.

Selected company is a international company that specializes in creating electronic control and management solutions for use in the power generation industries. Their portfolio of products, software and accessories is designed to support emergency power, standby power generation and engine driven applications.

Company ABC was established in 1991 in Prague, Czech Republic. They grew up very quickly and they became the leading company in the electronic industry in the Czech Republic and lately the set up first subsidiary. Company collaborates with many associations, partners, universities and research institutes to ensure new technology and keep the development go forward.

ABC has a range of subsidiaries businesses specializing in a range of services. These subsidiaries are located in key strategic regions around the world with headquarter in Czech Republic. Subsidiaries are located in Germany, Italy, Russia, USA, Australia, United Arab Emirates and Singapore and ensure their customers benefit from local capability.

4.1.2. Business objective

Selected company is flexible and very experienced in their knowledge, personality and has truly honest and positive relationship with their clients and business. They support their employees, invest in their development and encourage creativity. Their employees work hard in teams, they want to develop new technology they focus on innovation and to find new opportunities to give the best solution for their clients.

Their mission is to satisfy customers. The company does not just do business, they create a partnership. They listen them and they provide them particular options that are connected with high quality of services and products. Also they care very much about the people development and continuous learning of their employees to develop their creativity, professionalism and personality.

4.1.3. Values

Values and mission help the company to focus on the future and keep the right things in order. Among the most important values of company ABC belongs:

- o Integrity
- o Openness
- o Being the best
- o Visionary
- o Intuitive

The values describe how the company thinks and act with others. Among the most important values belongs the integrity. They act according to moral and law principles and they act fairly in all business relationships. Another important value belong open communications. Openness. To share information between colleagues and other subsidiaries is very needed especially in international company that acts globally. Being the best means for their management a long-term orientation. Managers set high goals and they focus their energy to achieve them. Visionary helps them to bring the right services in the right moment. Especially the company brings

the future, new trends, new products and innovation to their customers. And intuitive helps them to bring a simple approach and work processes.

4.1.4. Company´s culture and social responsibilities

The corporate culture of the company is very strong. The build the culture through relationship between the employees and company´s values. They organize different events as Christmas party, they go to skiing together, they support mothers on maternity leave, celebration of birthdays, employees have great relationships at the workplace and even the meet outside the work. Between the symbols of the company belong a formal clothing in the top management and least formal clothing in the middle and low management.

As one of the integral part of company´s culture is social responsibility. Company ABC is very active in social responsibilities. They share financial resources with groups that they need them. Thanks to their profits they allow them to provide sponsorships in long-term relations with the support of organization and particular programmes they also wish to inspire another donors. They provide long-term relationship and support of:

- ➢ Prague Wheelchair Sports Club
- ➢ Hospice Civic Associations The Homecoming
- ➢ The St. Charles Borromeo Nursing Home
- ➢ Nation to Children Foundation – Project My New Life
- ➢ ADRA Foundation – Project BanglaKids

4.1.5. HR and organisation structure

Since 1991, the company had always traditionally four divisions. From the beginning, thanks to the development and expansion abroad organizational structure changed. Within these main divisions do not belong departments such as development, marketing, sales, technical support. In 2013, the company continued to

implement a line approach and for positions of sales and marketing began to be introduced the matrix structure.
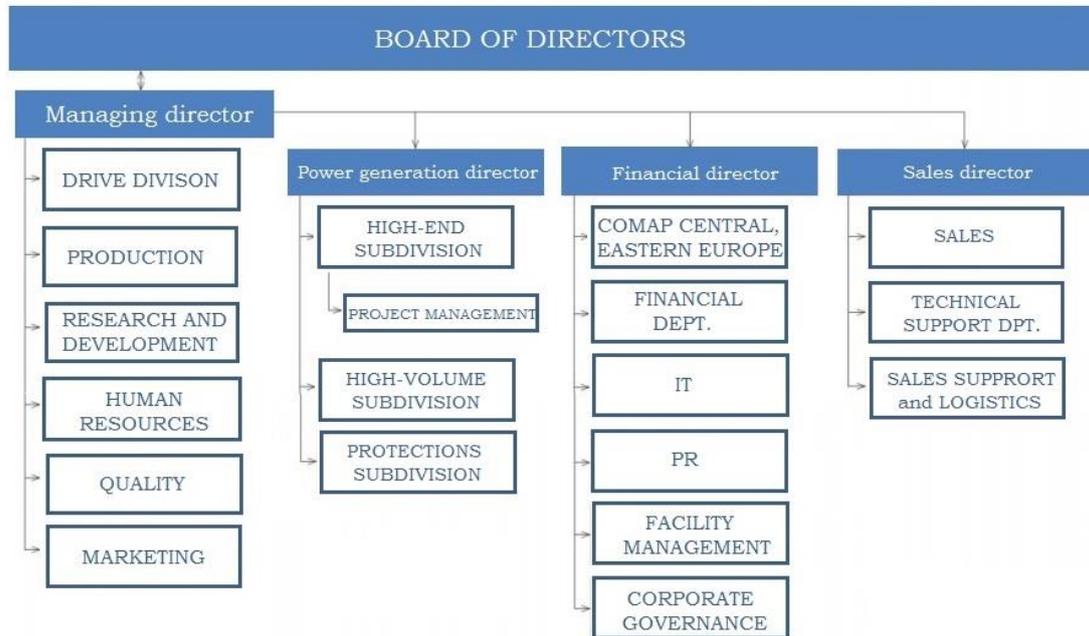

Figure 7 *Organization chart in 2013 for external purposes (internal source)*

In 2015 the company totally changed the organization structure and created functional structure where employees are grouped together in the Research and development department with head of Research and development director. Marketing department with head of marketing director. Sales and technical support department with the head of sales director. Channel development department with the head of channel development director. Financial department with head of financial director and Human Resources department with head of Human Resources director.

Figure 8 *Organization chart in 2015 for external purposes (internal source)*

4.1.6. Development of the number of employees

The company has around 246 employees in headquarter in Prague, Czech Republic. and about 82 employees worldwide. Number of employees since 1991 is still growing. Big rise occurred in 2005 when the company established a new subsidiary in USA. The only exception is the year after the global crisis in 2009 when the then 109 employees released only two. Following the 2010 numbers began to rise again.

According to information from interviews the number of employees in 2015 is in Czech Republic is 246, in United States 31, in Australia 29, in Germany 6, in Russia 5, in United Arab Emirates 5, in Italy 3 and in Singapore also 3 employees. The percentage is shown in figure below:
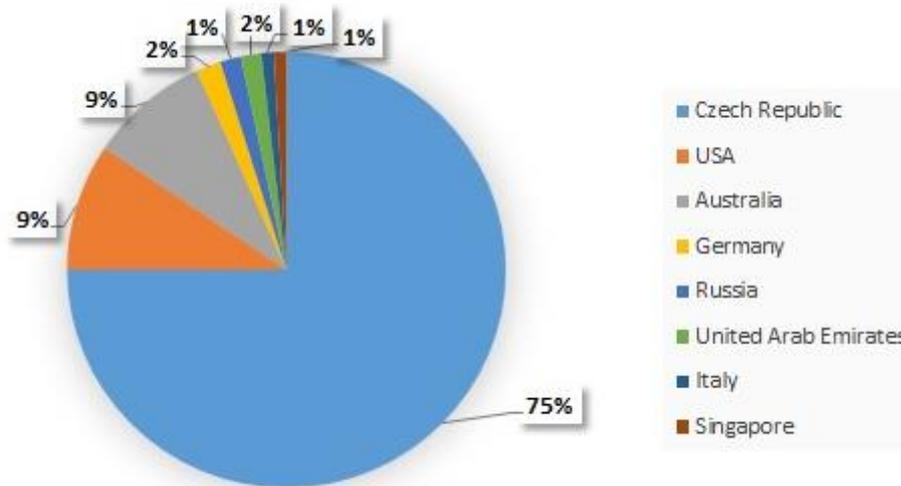
Figure 9 *Number of employees in 2015 (internal source, own processing)*

4.2. Interviews

The criterion for selection of suitable interviewee was the position in the company management. Interviews were done by representative from the HR department in headquarter in Prague, Czech Republic. As the HR management of all branches are managed from the headquarter. The interview is divided into 8 parts and every part describes particular branch. Interviews are focused on branch in Czech Republic, United States, Australia, Germany, Russia, Italy, United Arab Emirates and Singapore.

Interviews with HR manager of the company were done by mutual agreement at the specified date and time and at an agreed location. The length of one interview about one country lasted always around one hour. Interviews were preceded by a short introduction and explained the nature of the investigation.

Title of the thesis was told at the beginning of the agreement. Thesis topic was elaborated on the basis of qualitative research investigation. The interviews seemed as the most appropriate chosen method chosen, specifically semi-structured interviews that allow to listen to the views, their own knowledge and experience of

interviewee. Interviews are always implemented individually. The length of the interview was adapted to speech verbosity or openness of the respondent. Questions were divided into 5 dimensions so HR activities can be compared to the Hofstede´s study. These questions were supplemented by other sub-questions, or have little adapted to the situation, which always resulted from the context and atmosphere interview. Followed by the selection of essential parts. In the part where I analyze the questions of the thesis the statements are evaluated, selected the most interesting answers, the most frequent or rare.

4.2.1.1. Interview with HR manager from Czech Republic

The headquarter in Czech Republic was originally established in 1991. Questioned about what leadership style is preferred the HR manager answered „*In our branch is preferred when the leader involve other in problem solving but still has the final decision. Common is consultative style. The top managers of the company share their problems and the success too. The top managers are very open in this, the listen and everyone´s idea is considered and the supervisors take into account the other examples and ideas. The top managers shift responsibilities to specialists and thanks to that the responsibility and leading is more equal. Even the rules are not really strict but lately the company started to set a rules because found that work globally without it*". Questioned about the promotion strategy she answered that is more common the formal strategy when employees are promoted based on years of experience and level of education rather than fast process of individual promotion based on experience and talent. HR manger also answered that the organization structure in Czech branch is the functional structure when employees are grouped together in the areas of Research and development department, Marketing department, Sales and technical support department, Channel development department, financial department and Human Resources department. In those departments employees work always in groups. The group, team always take care about the whole process and than they set and agree on the final project. Questioned about the organization the social activities and events from employees she said "*As our company is regularly ranked among the best employer of the year we take care*

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about our employees very much. Social activities are very supported, we do teambuilding events, Christmas parties, celebration of live events, birthdays of employees, weddings, sometimes even wedding of our two employees, so as events for clients, events for distributors, trip to the mountain when the whole company goes to ski and we welcome also other branches". Another question was focused on attractiveness of long-term and short-term benefits. HR managers answered: *"Our employees have the possibility to purchase company shares and so invest into the company and gain certain profit. 30% of our employees are interested in investing to our company. Our company invest too the education of employees through 25 language seminars, leadership seminars that is called Manager Academy, we provide coaching for the top management, mentoring for first 3 months for new employees, we provide lectures outside the workplace, case studies called Action Learning, we organize teambuilding and e-learning. As the short-term benefits our employees can get the meal vouchers and sick days so they do not need to go to the doctor immediately"*. The question about how they remunerate their employees she answered that rewards are based on personal employee evaluation and on fulfillment of their half-year targets. About the amount of the financial rewards decides a direct supervisor. And everybody is entitled to a proportion of the profits the amount of remuneration is determined by the direct supervisor. Supervisors and top management consists mostly men, because the whole company is focused on technical products. Next question was about how they solve conflicts at the workplace. She answered that "*we solve everything through negotiation and balanced discussion. We try to solve everything through agreement"*. Also the company is very friendly and has respect to family responsibilities. They offer individual working hours. Last question was about the average length of full time employment. In the Czech Republic is it from 1-5 years.

4.2.1.2. Interview focused on United States

In United States has the company 31 employees and the branch was established in 2000. Questioned about what leadership style is preferred in US branch she answered that there the leader make all decisions, because there is very directive leader of the branch and wants to have the main decision power. The leader and top management,

that are usually men, involve themselves in day-to-day operations only when is necessary. They have specialist for that. Employees work for him individually and are grouped together in certain specialized areas. "*Employees are not controlled by strict rules because the rules we not set yet in United States. If occur some misunderstanding or conflict the employees try to solve it through negotiation and balanced discussion*". The leader has to be taken into account because he is very dominant and may try to solve conflicts through force. Questioned about the promotion strategy she answered that employees are promoted based on years of service and their education. The US branch provides to US employees leadership seminars that are managed in Prague. US branch also provide mentoring for new employees and the organize teambuilding. "*US branch provide also different social activities celebration of national holidays, Christmas parties and they also organize events with clients to establish informal relationships because they sell products to the final customers*". US managers also take care about their employees through benefits and rewards. For the US employees are more attractive the long-term benefits where the company provides them pension insurance and life insurance. Employees also get mobile phone, company´s car or even individual working hours that welcome mostly mothers. The rewards are based on equality and everyone has the same amount of rewards. Questioned about if staff can invest in company´s shares she answered "*No, in contrast to our Czech employees the US employees do not have the chance to invest in company´s shares.*" Last question was about the average time of full employment that she answered "*In US branch the employees work 6-10 years on average.*"

4.2.1.3. Interview focused on Australia

In Australia has the company 29 employees and since 2000 the branch operated separately, then in 2004 was bought by the headquarter. Questioned about the leadership style she answered that in Australia prevails the consultative style, when employees are involved in problem solving and the boss still has the final decision. Employees solve the problems in common specialized areas in their functional structure but still they act individually. "*In Australia they are used to work*

separately, they rely on themselves in business and work process. Employees also go often outside the workplace to install our products to the clients". The branch in Australia is still trying to put people together *"The boss and the employees have non formal Fridays when they spend a time together after work and they grill and have pleasant upcoming weekend time".* The company in Australia is very open to their employees, they offer them a home office and individual working hours *"We provide them the individual working hours because some of our employees live far away from the company and sometimes it takes a lot of time to travel there".* Consequently there are not strict rules because the leaders are women that are not that powerful like men. Thanks to that the solving of conflicts is also set on negotiation that is more common to women. *"Women from the top management were chosen on a regular interview and on their manager skills, simple they were better".* The women in top management involve themselves in day-to-day operations only when is necessary because they have too a specialist for that and particular departments. Questioned about the promotion strategy of employees it is common that it is formal *"As the company was works since 2000 so the employees have to wait to be promoted and get better and better. Than they are promoted and the best in the field get rewards. It is not the same like in our Czech branch because they are connected to Czech company only one year on the standards are not still that common."* As in other branches, the company supports their employees through benefits to motivate them. *"In Australia they provide to the employees the pension insurance. Also car, when someone live far. And at the workplace they have of course drinks. We support them also seminars and other activities to help them. Those who work in our company for longer time, they can come to Prague to leadership seminar and also a mentor is provided to them. It is very important to invest to our employees. Maybe that is why they work for us on average 10 years or more."* Questioned about the investment, the only opportunity that the Australian employees do not have is to invest in the company. *"Maybe in few years they will have to possibility too to invest in our shares".*

4.2.1.4. Interview focused on Germany

In Germany was the branch established in 2012 and the leader is Italian manager. *„The supervisor in German is Italian man and yes.. sometimes the German employees have a problem with that because they are very proud to their country. And in the German branch has only leader and 5 German employees so sometimes the atmosphere is tough with regard to cultural differences because the other employees are mostly men. But from the professional view they solve problems together. And he has the final decision. He has also very active secretary that does a lot for him and help him a lot. And the employees are specialist. Yes, they are only 6 people but everyone has his own specialization that they work on individually. And often they contact the colleagues from Prague".* The employees in Germany are promoted through formal strategy, based on years of work. *„They have to fulfill leadership seminars in Prague and work with mentor too. Of course, they have to be also the bests in the field when they are promoted. Even the bests have higher rewards. So they try hard. They try hard, but they have always support. Support from the side of education, pension insurance, mobile phone, company´s car, sick days, home office, individual working hours and as they have small branch, the are closer to each other. They celebrate live events. Even the rules are not strict as they have small branch so even problems of conflicts are solved through negotiation".* As the branch was established in 2012 so the average full time employment cannot be longer than 1-5 years. And as foreign employees of the company they do not have the opportunity to invest in company´s shares.

4.2.1.5. Interview focused on Russia

In Russia was the branch established in 2006 and has 5 employees. What is similar to German branch also here has the leader different nationality than Russian. The leader is from Slovakia and is a man. *"In Russia it is a different, the Slovakian leader has the main power and does all decisions. He involves himself in daily operations all the time. The colleagues, all from Russia and mostly men, work for him and to listen him. Sometimes it tough because the leader solve problems through force and let only the*

best dominant man win. It is different way of negotiation. If the boss likes them they can became fast the authority, but still under the leader. They gain respect. They do not have to fight from the profession perspective, everyone has the same rewards. Even this they are collective at profession work. But of course they work but still are focused on their specialization as they are only 5". They are collective also in cooperation with Czech colleagues. *"Our Russian colleagues join our team when we go skiing or rafting".* Rules are not very strict the rules have not arrived from Prague yet, said HR manager. The Russian branch as is mostly set up from men does not respect the family responsibilities. *"If there would be more women, it may be different".* Still the employees have provided savings from the company, drinks and mentor in Russia. Questioned about the opportunity in investing shares to the company, it is again negative. And the employees work on average 1-5 years in the company.

4.2.1.6. Interview focused on United Arab Emirates

Branch in United Arab Emirates is located in Dubai and was established in 2013. The leader is Czech man and works there the whole time and involves himself in daily operations every time because he is the only supervisor and does the final decision. The leader lets seldom make the other make decision. The others are specialized on their own work and everybody does something different. Branch in United Arab Emirates has only 3 employees. The Czech leader, another employee from Czech Republic and 1 woman from the Philippines. Employees work there on average 1-5 years. They cannot work there longer as the branch was established two years ago. *„In Dubai works for us on the top management only men, because women are not accepted in business there. They do not have respect in business, they cannot because the culture is different".* They do not have even strict rules *"It was needed to set a lot of rules for the establishment of the company but for the functioning the rules are not strict, there are no more rules than strictly needed".* Questioned about the promotion strategy is also influenced from the low number of employees. They are promoted through individual negotiation. *"There are only 3 employees so who shows the authority and success can be promoted, it is not based on years there. Even the rewards are based on achievement, rewards are only for the best who show*

an added value". "The branch in Dubai also supports their employees through mentoring, mobile phone, company´s care, social activities as skiing with Czech colleagues, the branch is flexible to family responsibilities, they provide to their employees home office and individual working hours". Possible conflicts between the three are solved through negotiation. Questioned about the opportunity of investment into company´s shares so employees in Dubai do not have the chance.

4.2.1.7. Interview focused on Italy

Branch in Italy is managed by Italian man since 2010 when was the branch in Italy established. The Italian leader is the only one in the top management. He established the company before the Czech company bought his company. The Italian leader involves himself in day-to-day operations all the time, problems discusses with others. *"Our branch in Italy has only 3 employees with the Italian owner, now our employee and the two are also from Italy. He accepted other two employees and they get on and negotiate well together. Everyone has his own specialization, they work individually. Everyone is alone for his specialization. And they are alone for the work that needs to be done we can see more clearly the result that have to be fulfilled semi-annually and based on that we decide about the promotion and rewards".* Italian employees do not have much social activities together, as they are only three. *"We try to support them through leadership seminars that are held in Prague, mentoring, short-term benefits as mobile phone, sick days, home office, individual working hours and they are not even bothered by rules. Strict rules are not needed in the Italian branch…. ".* And as the employees that work in Italy and not in Czech they do not have the possibility to invest in company´s shares. Because the company was established for the cooperation in 2010 the employees cannot work there on average longer than 1-5 years.

4.2.1.8. Interview focused on Singapore

Singapore branch is managed by Slovakian top manager since 2011 and has another 2 employees that work under him. One employee is from Czech Republic and the second from Singapore. The Slovakian manager involves other employees - men in the problem solving but still has the final decision. He does not have a secretary and does everything. And the other two are specialized on their own work. *"All three goes well together in negotiation. As there is a low number of employees, they are promoted and rewarded based on results and fulfilled goals. They are also supported by benefits of health insurance and mobile phone and we support them too through the possibility of home office, individual working hours, mentoring and we are not strict about the rules too."* "They just do not have much social activities, as they are only three.* Questioned about the possibility of investment to company shares, they do not have the possibility. The average full time employment cannot be longer than 5 years as the branch was established in four years ago.

4.2.2. Evaluation of results – comparison of branches

The branches share the same personnel policy that is managed from the headquarter in Prague, Czech Republic. But it may differ in practice and that is why the interview were evaluated. In general, it is impossible to follow exactly the same personnel policies in all branches that have different cultures, laws, policies all around the world. Law in each country differ in paid vacation, maternity leave law etc. There are some differences between branches in Czech Republic, USA, Australia, Germany, Russia, United Arab Emirates, Italy and Singapore as well. HR management of all these eight branches were compared.

Organizational structure was the same in all eight branches, as was set from Prague. It is functional structure. Structure is steady the only thing that varied was the number of employees. Second thing that was common in all branches was mentoring of employees. Otherwise, everything more or less varied.

Different results were found in case of:

Different nationality of leader: than is current country. The German branch is managed by Italian man, Russian branch is managed by Slovakian man, branch in Dubai is managed by Czech man and branch in Singapore is managed by Slovakian man.

Leadership style: was common mostly the consultative style when leader involves others in problem solving but still has the final decision. Dictatorial style was found in US and Russian branch, where the leaders are very directive and want to have all under control. And in Dubai was found authoritative style when leader lets the other two make decision only seldom.

Promotion strategy: formal promotion strategy was found in the bigger branches in Czech Republic, USA, Australia and Germany. In the other small branches is the promotion strategy based on individual negotiation.

Management of groups/individuals: In small branches in Italy, Dubai, Singapore and in Germany employees work individually as there is low number of employees. Also in Australia and USA employees work individually as there are more connected to the final customer. Only in Russia and Czech Republic they work in a group/s. Czech Republic as the headquarter with 246 employees divided into groups of different departments according the organizational structure.

Social activities: are the most represented in the Czech Republic by teambuilding events, Christmas parties, celebrations of live events, birthdays, events with clients, events for distributors, skiing and rafting. In USA are common mostly events with clients to build informal relationship as they are in contact with them very often. Other branches mostly celebrate national holidays of particular country and they are welcomed to Czech Republic skiing and rafting every year.

Benefits: Best benefits got the Czech employees as the only ones have the possibility to purchase company shares and gain part of the profit. To Czech employees is also provided good education, meal vouchers and sick days. In Australia and USA the employees got a company´s car as there are big distances between cities. In other branches occur too pension insurance, health insurance or savings.

Rewards: Rewards based on equality when everyone has the same rewards are shown in US and Russia. US got the rules about rewards already from Prague and Russia is a collective nation. Rewards in Czech Republic are based on personal evaluation and on fulfilment of semi-annual aims. In other branches prevails that the rewards are based on achievement as there is low number of employees.

Men/Women in top management: In almost all branches are men in the top management. Because it is technically based firm. And in Dubai are not women that respected as men. Women in top management are only in Australia. Because they had good management experience and were better than men at the interview.

Conflicts: Conflicts are mostly solved through negotiation. Only in Russia are conflicts solved through force when dominant individual wins.

Respect to family responsibilities: Home office and individual working hours offer branch in Czech Republic, Australia, Germany, Italy, Dubai and Singapore. US branch offers only individual working hours. Russia does not offer those reliefs.

Rules: are strict only in Prague. They were not strict before but lately when the company has every year 50 more employees the company needed to set the rules. Gradually those rules is the company trying to introduce into branches.

Involvement of top managers in daily operations: Top managers involve themselves in daily operations mostly only when is necessary. Only in Singapore, Dubai and Russia they involve themselves in the operations all the time. It derives from the fact that they not have a secretary who would help them with the work.

Investment in shares: The possibility of purchasing shares have only Czech employees from which is interested 30%.

Learning and development: The best support of learning and development have also Czech employees. They can utilize 25 language seminar, leadership seminars, coaching, mentoring, lectures outside the workplace, case studies for managers, teambuilding and e-learning. Other branches have mostly the possibility to attend the leadership seminars in Prague, mentoring or teambuilding.

Average full-time employment: frequently moves between 1-5 years. In US branch it is 6-10 years and in branch in Australia it is more than 10 years.

4.2.3. Analysis of the cultural differences based on Hofstede´s study

The semi-structured interview was divided into Hofstede´s 5 dimensions. Results of Hofstede´s study are described and introduced in the theoretical part. The dimensions can be analyzed based on those questions:

Small and large Power distance
What is your preferred leadership style?
What is the promotion strategy?
How does the organizational structure look like?

Collectivism vs. Individualism
Prevails management of groups or management of individuals?
Do you organize events or social activities for employees?

Femininity vs. Masculinity
What are rewards based on?
Do you have more women or men in the senior management?

How do you solve conflicts?

Is the flexible with respect to family responsibilities?

Uncertainty Avoidance

Rules are strict or are not necessary?

Do senior managers involve themselves with the day-to-day operations?

Short-term orientation and Long-term orientation

Is staff interested in investing shares in the company?

Do HR managers/ supervisors do some activities for learning and development of your employees?

How long is full time employment on average?

What benefits are more attractive for your employees, long-term or short-term benefits?

4.2.3.1. Branch in Czech Republic

Small and large Power distance: In Czech branch prevails consultative style where is involved leader and employees too. The promotion strategy denote to larger power distance as is based on years of service, not experience that is more linked to small power distance. Organizational structure in Czech Branch is functional that is too more linked to large power distance, is more centralized and is specific for big differences in wages. In comparison to Hofstede´s result of 57 this HR activities matched the Czech employees well.

Collectivism vs. Individualism: In Czech branch prevails the management of groups. Everyone work in teams. The branch provide also the teambuilding, events with clients, celebration of life events, events for distributors, rafting, skiing and the other branches from the whole world are welcomed too. It denotes that HR management in Czech branch is very collective. HR management directs the staff to work in groups where the individual contributes. Hofstede´s result of 58 in this case did not match the activities in researched company. This might suggest that the Czechs would prefer to work more alone with a focus on his or her own interests.

Femininity vs. Masculinity: Answers in interview refer that Czech Branch shows both feminine and masculine behaviors. It is shown in the distribution of rewards where everyone is entitled to a share of the profits. As the opposite side of rewards only those who fulfill the semi-annual aims can get rewards. Masculinity may be shown also in the top management where prevail men but only because it is technically focused company. Other answers are more feminine oriented. Conflicts are solved through negotiation and even the branch has respect in regard to family responsibilities. Hofstede´s result of 57 shows that Czechs are more masculine oriented. On this basis we can say that Czechs would prefer more the material success and ambitiousness.

Uncertainty Avoidance: About uncertainty avoidance were answered only two questions. Fist was about the strictness of rules. In Czech branch are strict rules. The company found that cannot operate without them. And sequentially these processes are introducing into other branches. This shows high uncertainty avoidance. Uncertainty avoidance is shown also in behavior and involvement of top managers. They involve themselves only when is necessary, because they have specialists for that. Everything is under control and the Hofstede´s results correspond to HR activities in the Czech branch. Czechs like to avoid unfamiliarity by using rules and being precise.

Short-term orientation and Long-term orientation: HR activities is Czech branch is obviously long-term oriented. It is shown is the preference of long-term benefits for their employees, investment into education and very important the possibility of investing shares into the company. Very interesting is that up to 30% employees is interested in that. The investment into education of employees is also very high as the company provides 25 language seminars, leadership seminars, coaching, mentoring, lectures outside, case studies, teambuilding. As the opposite on the dimension. The view of the employees may differ as the average full time employment is 1-5 years. Talking about the Hofstede´s result is very low, only 13.

This may respond that Czechs prefer independent thinking, immediate results, freedom, justice and power.
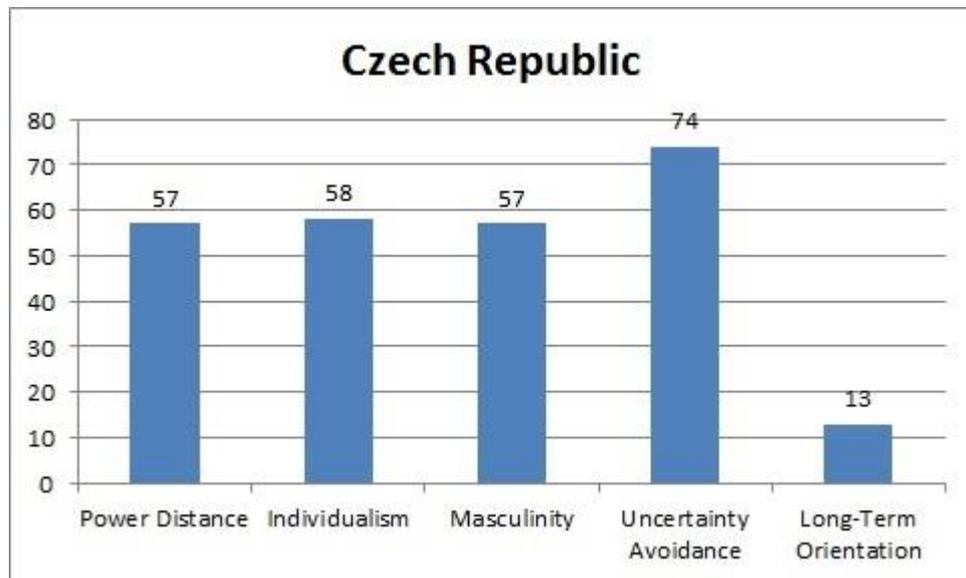

Figure 10 *Results of Hofstede´s 5 dimensions in Czech Republic (Hofstede, 2007, own processing)*

4.2.3.2. Branch in United States

Small and large Power distance: Branch in United States has dictatorial style that manages the directive leader. He wants to have the main decision making Even the promotion strategy is based on years of experience that is more common to large power distance. US branch has also functional structure where is shown the difference between top management and employees grouped together in specific areas. These HR activities are the absolute opposite of Hofstede´s results of low number 40. It can be stated that US employees prefer lower differences in wages, horizontal structure, management based on experience rather than the large power distance that is managed by HR.

Collectivism vs. Individualism: Americans are known as to be a very individualistic. The management of individuals despite of management of groups correspond their culture. In the US branch they have common activities during the national holidays and only events that are connected to clients for the establishment of informal

relationships. US employees sell the products to the final clients. According to Hofstede´s results the very high number of 91 matched the HR activities. US employees prefer their own interests, lower level of communication in the company and they like to work on themselves.

Femininity vs. Masculinity: Americans in US branch got rewards based on equality. Everyone got the same amount. And even the conflicts are based on discussion and proper negotiation. That do not correspond with Hofstede´s result of 62 where are United States shown as more masculine. Masculinity can be seen in the US branch in the top management where prevail men and only one respect to family responsibilities. US branch offer only individual working hours. The management in US branch could be more focused on material success and ambitiousness.

Uncertainty Avoidance: Top managers in US branch involve themselves in day-to-day operations only when is necessary and the main work do employees that are more and deeply involved in business with final clients. In the US branch are not really strict rules because didn't yet come from the headquarter in Czech Republic. This answer matchs the Hofstede´s result of 46 that says that Americans like different unknown things. Unknown is there accepted as they are used to many different thing and cultures. Every culture bring something new and different to the United States and that is why their score is low. They prefer more innovation and distinction.

Short-term orientation and Long-term orientation: US branch is more long-term oriented. The company invests in their employees through leadership seminars that are held in Prague, mentoring and teambuilding. They long-term benefits as pension insurance and life insurance. And short term benefits a mobile phone and company´s car as they have large distances in US. Full time of employment in US is on average 6-10 years that is quite a lot. These HR activities do not correspond to Hofstede´s results where the United States scored with a result of only 29. It can be stated that American employees would prefer more independent thinking, immediate results, freedom, justice and power.
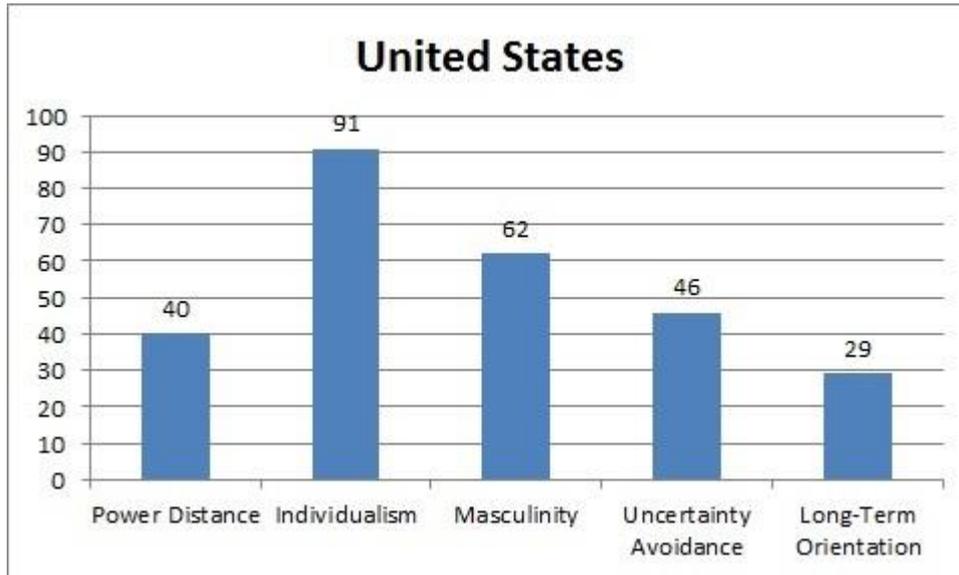
Figure 11 *Results of Hofstede´s 5 dimensions in USA (Hofstede, 2007, own processing*

4.2.3.3. Branch in Australia

Small and large Power distance: In branch in Australia they have consultative style where employees are involved in the decision making process that direct to small power distance. But the promotion strategy is formal, that means the promotion is based on years of service and education that direct to large power distance. And the organizational structure is functional that also direct to large power distance. But according to Hofstede´s result of 36 it does not match the HR activities in Australia. It can be stated that employees in Australia would prefer more horizontal structure, management based on experience and lower differences in wages.

Collectivism vs. Individualism: The branch in Australia prefers management of individuals that correspond to Hofstede´s high result of 90. Social activities are supported only during national holidays and non-formal Fridays when they grill together even with the boss. It means that from the business perspective the HR activities are well done. The non-formal Fridays just support the pleasant atmosphere.

Femininity vs. Masculinity: Branch in Australia has interesting management in contrast to this dimension. The rewards are only for those who are best in the field. As they connected only year ago to the Czech company the standards will change. The standards did not apply yet in the branch in Australia. The top management is composed from women. As the HR manager said, they were just better in the interview. On the management of women follow the solving of conflicts. They solve conflicts through negotiation and balanced discussion that is more feminine. Branch in Australia is respectful to family responsibilities. They provide to employees home office and individual working hours because in Australia have large distances. Hofstede´s result shows number 61 that is masculine behavior. The company should take into account that employees in Australia may prefer material success and that their employees have large ambitions then may seem.

Uncertainty Avoidance: Rules are not strict in the branch in Australia. It is also because the standards did not come to Australia yet. And the top managers involve themselves in day-to-day operations only when is necessary. Hofstede´s result shows average number of 51. The company should take in account that there is preferred balance between the rules and innovations.

Short-term orientation and Long-term orientation: The company in Australian branch do not invest much in their employees as in other branches. Company provide to their employees pension insurance, drinks at the workplace and a company´s car. Employees can be educated only by mentoring or leadership seminars in Prague, but these are only for the top managers. Employees do not have a possibility to invest in company shares. The company worked since 2000 alone and in the 2014 connected to the headquarter in Prague. The company needs to be now careful in this area. The employees may prefer more independent thinking, immediate results and freedom rather than steadiness.
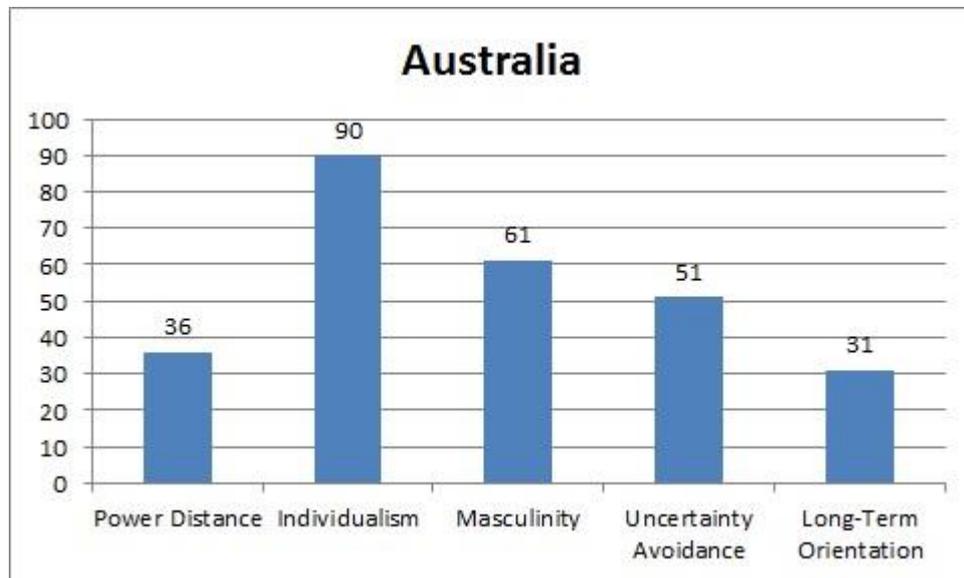
Figure 12 *Results of Hofstede´s 5 dimensions in Australia (Hofstede, 2007, own processing)*

4.2.3.4. Branch in Germany

Small and large Power distance: In this German branch already occurred the cultural problem that the leader is Italian. The German employees sometimes have a problem as they are very proud to their country. Despite this prevails there the consultative style when the Italian manger involves other German employees in the problem solving that direct to the small power distance. The promotion strategy is based on formal rules that direct to the opposite, large power distance. And their organizational structures is functional that direct too the the larger power distance. Hofstede´s result shows low number of 35 that means that German people have small power distance. The company should take into consideration that German employees may prefer horizontal structure, with the German leader and not Italian leader.

Collectivism vs. Individualism: As there is one leader and 5 employees they work individually as everyone has his or her own specialization. So even the management is more individual. Their common social activity is only Christmas party once a year.

The Hofstede´s result of 67 very corresponds to German branch. Of course we have to take into account that the branch has only 6 employees.

Femininity vs. Masculinity: Top manager consists only men in Germany. As the HR manger said, they were just better. Rewards in Germany are based on achievement, only for the best in the field that perfectly correspond to Hofstede´s result of 66. Conflicts are solved through negotiation and they also support home office and individual working hours. The company should focus more on motivation of employees and their material success.

Uncertainty Avoidance: As the German branch was established in 2012 the rules do not apply yet on the German branch. That does not correspond to Hofstede´s high result of 65. The company should take into consideration that the employees may prefer precision and rules thanks them they will feel safer. They perceive what is unknown is dangerous.

Short-term orientation and Long-term orientation: The company invest in education of German employees through leadership seminars in Prague, mentoring and also through pension insurance and life insurance that is long-term oriented. Short-term oriented benefits include mobile phone, company´s care and sick days. Only thing is demotivating, the employees do not have chance to invest in company´s shares.
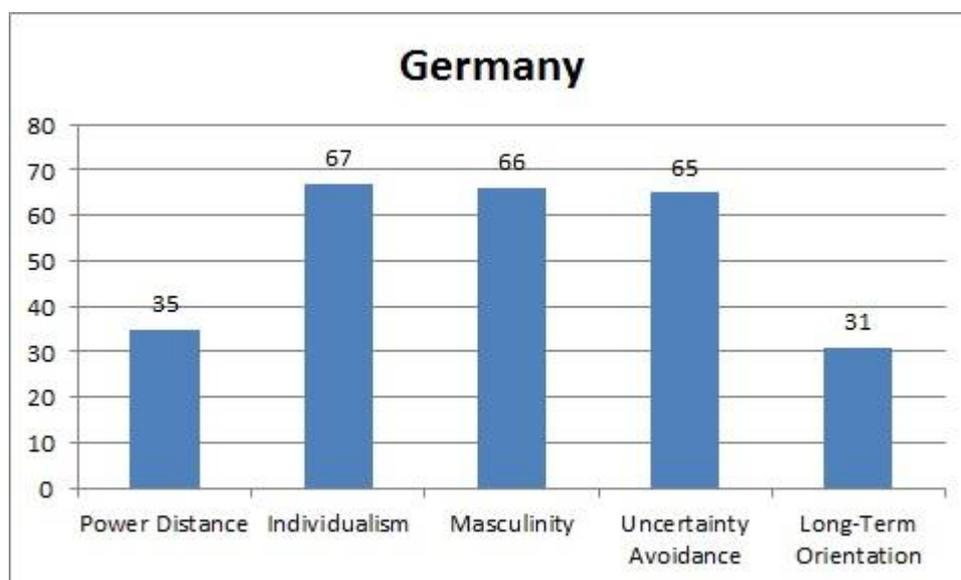

Figure 13 *Results of Hofstede´s 5 dimensions in Germany (Hofstede, 2007, own processing)*

4.2.3.5. Branch in Russia

Small and large Power distance: In the Russian branch prevails the dictatorial style when the leader makes all decision. The Russian employees feel bit uncomfortable because the leader is from Slovakia. The promotion strategy is based on individual negotiation when the employees became fast the authority, but still they are under the leader. In the Russian branch is functional structure when act the leader and the rest of employees have their own specialization. All these answers correspond to Hofstede´s result of 93 that shows very high power distance in Russia. In Russia is preferred centralization, more subordinates, and significant differences in wages.

Collectivism vs. Individualism: The Russian branch is manages as a one group and practically they do not have much social activities in Russia but he employees every year join the activities of Czech branch when they go ski or rafting. According to the Hofstede´s result of 39 we can stand that the Russian branch is collectivistic and prefer management of group where the individuals contribute.

Femininity vs. Masculinity: In the Russian branch prevails management of men. More correctly the dominance of men. Conflicts are solved through force and dominant individual wins. And the branch is not respectful to family responsibilities. These answers correspond that prevails masculinity. Only one answer about rewards and their distribution that is based on equality correspond to femininity. Hofstede´ s result of 36 shows that Russian employees are more feminine. The company should take into consideration if the dominance is preferred by all employees or by only one that influences the other.

Uncertainty Avoidance: Rules are not strict in Russian branch that correspond to low uncertainty avoidance, the rules were set lately in the headquarter in Prague a yet did not get into the Russian branch. But the rules will occur soon. The top managers involve themselves in daily operations every day. The Hofstede´s result show very high number 95 of uncertainty avoidance. For the company it means that the rules and precision may be welcomed in the branch because the Russian people think what is unknown is dangerous.

Short-term orientation and Long-term orientation: This dimension cannot be compared to Hofstede´s research. He compared this dimension only between 39 countries exluding Russia. Based on interview we can say that the branch in Russia in not really long-term oriented. More short-term oriented. They provide to their employees saving, drinks at the workplace, mentoring and the average full time employment is 1-5 years. And the employees do not have the possibility to invest in company´s shares.
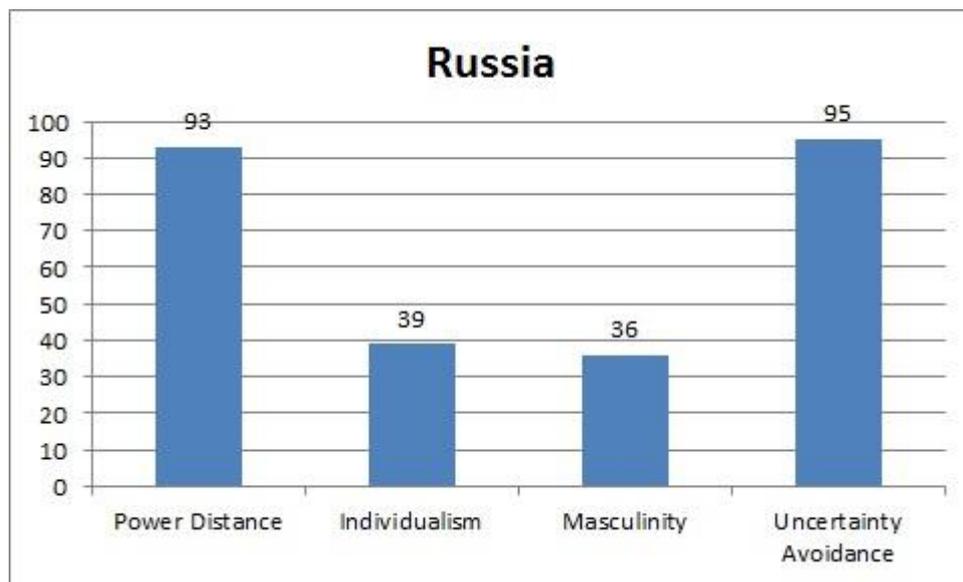

Figure 14 *Results of Hofstede´s 5 dimensions in Russia (Hofstede, 2007, own processing)*

4.2.3.6. Branch in United Arab Emirates

Small and large Power distance: This dimension cannot be well compared to Hofstede´s results as in the branch in Dubai work only 3 people. One Czech leader and another two employees. One in also from Czech Republic and woman from Philippines. In Dubai is authoritative style when the leader lets also the other two make decision. Promotion strategy is based on individual negotiation as there is only 3 employees. Results of Hofstede´s study may be taken into account if the branch extends. Than the company should take into account that in United Arab Emirates is preferred large power distance, centralization, more supervisors, tall organizational structure and clearly defined hierarchy.

Collectivism vs. Individualism: Also this dimension cannot be well compared to Hofstede´s results as in the branch in Dubai work only 3 people. Two Czechs and woman from Philippines. They work in Dubai individually and everyone has their own specialization. Even social activities do not occur. Results of Hofstede´s study may be taken into account if the branch extends. Than the company should take into account that in United Arab Emirates is preferred individualism where people have their own interests.

Femininity vs. Masculinity: Branch in Dubai is more masculine oriented as the women are not that respectful as men in business. Rewards in the Dubai branch are based on achievement and conflicts are solved through negotiation. Employees can offer home office and individual working hours. Results of Hofstede´s study may be taken into account if the branch extends. Than the company should take into account that in United Arab Emirates is preferred masculinity, material success and ambitiousness.

Uncertainty Avoidance: In Dubai are no more rules than strictly necessary. And the top manager involves himself in daily operations all the time. Results of Hofstede´s study may be taken into account if the branch extends. Than the company should take into account that in United Arab Emirates are rules preferred. They think the way of what is unknown is dangerous.

Short-term orientation and Long-term orientation: The three employees can utilize mentoring, mobile phone or company´s car. They cannot invest in company´s shares. This dimension cannot be compared to Hofstede´s research. He compared this dimension only between 39 countries exluding United Arab Emirates and Arab countries at all.
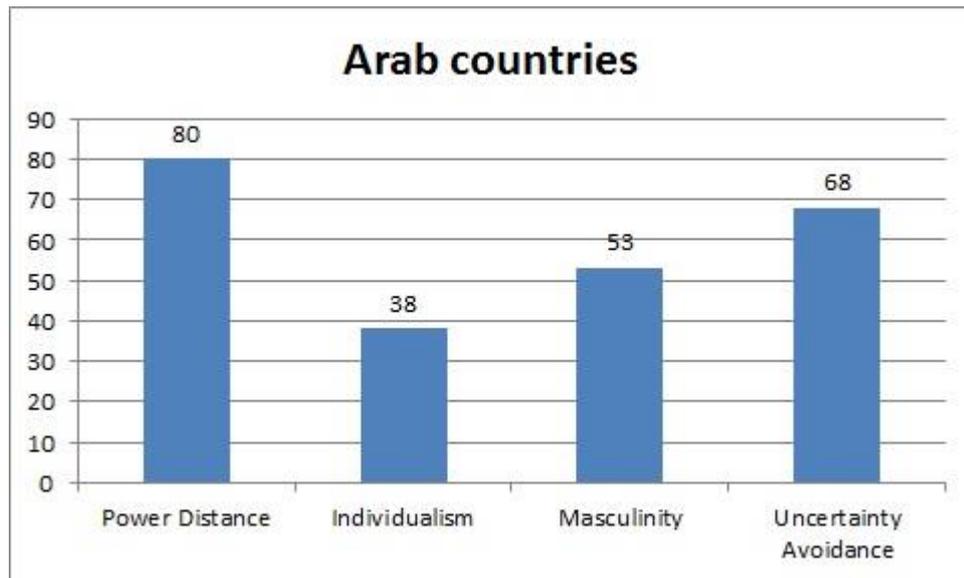
Figure 15 *Results of Hofstede´s 5 dimensions in Arab countries (Hofstede, 2007, own processing)*

4.2.3.7. Branch in Italy

Small and large Power distance: In branch in Italy is a consultative style when the leader involves the other two employees in decision making. The promotion strategy is based on individual negotiation that correspond to small power distance. The organizational structure is functional. The other two employees have their own work. According to Hofstede´s study the power distance is right between small and large power distance. In case if the branch would extent in future the company should keep the balance of involvement the leader and the employees.

Collectivism vs. Individualism: As the Italian branch is very small, consisting only 3 employees this dimension cannot be significantly measured. The employees work individually and even they do not have much social activities together. Hofstede´s high result of 76 corresponds to answers from HR manager. In case the branch would extent in future the company should take into account that Italians are individualistic. They like to have their own interests rather than work in teams.

Femininity vs. Masculinity: The Italian branch is consisted from men. Also the rewards are based on achievement that corresponds to masculinity. Conflicts are solved through balanced discussion. The company provide to Italian employees

66

home office and individual working hours. That on the other side corresponds to femininity. Hofstede´s result shows that Italy is very masculine country. That the company should take into account in case of extension. Italians prefer material success and ambitiousness rather than tolerance, fair remuneration and modesty.

Uncertainty Avoidance: As there is only three employees, all of them involve themselves in daily operations all the time and the rules are not strict. Hofstede´s result of 75 shows that Italy has high uncertainty avoidance. In case if the branch would extent in future the company should set the rules as the Italians perceive what is unknown is dangerous.

Short-term orientation and Long-term orientation: Italian branch is more short-term oriented. They provide to their employees just mobile phone and sick days. They can be educated in Prague on leadership seminar or through mentoring. Employees do not have the possibility of investing shares into the company that may seem as demotivation. According to Hofstede´s result the Italian people are short-term oriented that correspond with our findings. In case the company would enlarge the HR management should take into consideration that Italians prefer independent thinking, immediate results, freedom and power.
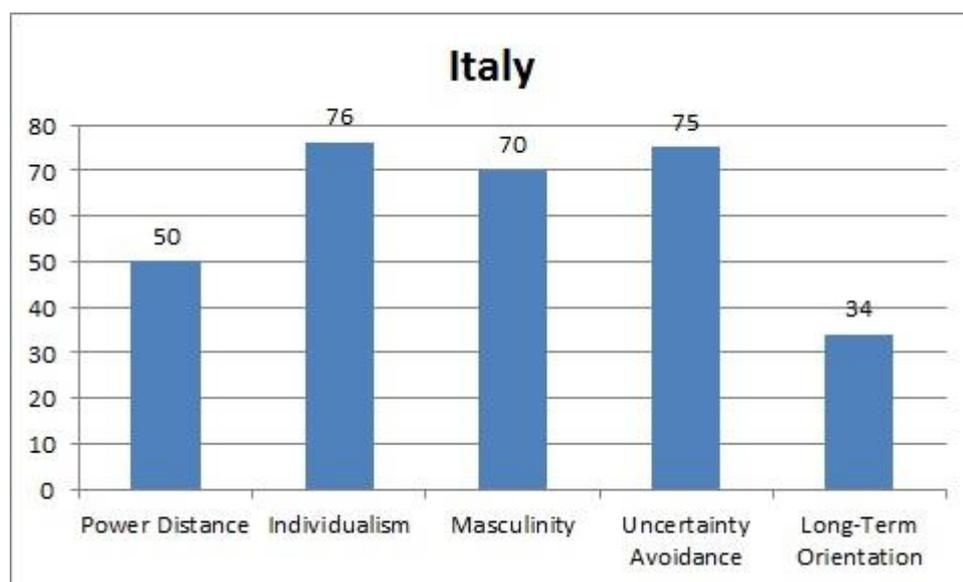

Figure 16 Results of Hofstede´s 5 dimensions in Italy (Hofstede, 2007, own processing)

4.2.3.8. Branch in Singapore

Small and large Power distance: In Branch in Singapore are only 3 employees. Slovakian leader and 1 Czech and 1 man originally from Singapore. In the branch is consultative style when the leader involves also the other two in problem solving but still has the final decision. Promotion strategy is based on individual negotiation and organizational structure is functional as everyone has their own work. That correspond more to small power distance. According to the one Singapore employee and possible enlargement of the branch, we can compare the Hofstede´s result that is very high of 74. In case the branch would enlarge the company should take into account that in Singapore is preferred centralization, more supervisors, tall organizational structure despite of horizontal structure.

Collectivism vs. Individualism: This dimension cannot be significantly measure as the low number of employees. In the branch in Singapore the employees work individually as everyone has his own specialization and position. They do not even organize any social activities. In case of enlargement of the branch the Hofstede´s result of 20 says that Singapore people are more collective than individualistic. Employees from Singapore would prefer teamwork where the individual contributes.

Femininity vs. Masculinity: The femininity is shown in answers about solving the conflicts that is done through negotiation. The company is also respectful to family responsibilities. The branch provides home office and individual working hours. But the rewards are based on achievement of best results and in the branch work only men that directs to masculinity. According to low number of employees we can state that in case of enlargement the Hofstede´ s result of 48 says that Singapore is little bit more feminine than masculine but it is almost equal so the company should keep the balance between material success, ambitiousness and tolerance, compromise and care about the relationships.

Uncertainty Avoidance: In the branch are no more rules than are strictly necessary and even the leader involves himself in day-to-day operations all the time. The leader does not have secretary and needs to do everything by himself. That corresponds to

low uncertainty avoidance that correspond to Hofstede´s very low result of 8. In case of one employee from Singapore or in case of enlargement the employees from Singapore prefer innovation, differences, rules are refused and they perceive the unknown things are accepted in live.

Short-term orientation and Long-term orientation: The branch invest to their employees through long-term benefit of health insurance and mentoring, short-term benefit of mobile phone. As the company was established in 2011 the average full time employment cannot be longer than 5 years. Their employees do not have the possibility to invest in company´s shares. It corresponds to short-term orientation. According to Hofstede´s result the 48 the company should have balance between the perseverance, responsibility and independent thinking and the right.
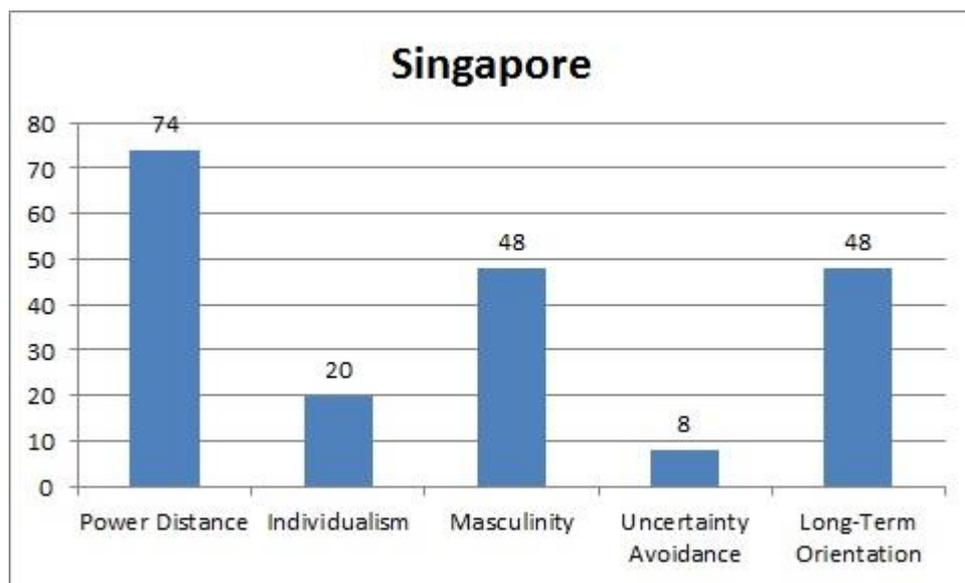

Figure 17 *Results of Hofstede´s 5 dimensions in Singapore (Hofstede, 2007, own processing)*

5 Conclusion

Currently all international companies have to take into the globalization and connection with almost all part of the world. International companies have to establish strong personnel policy to bring the stability of the company.

Performed research determines how the international company is set to HR management with regard to international and cultural differences in 8 branches strategically located all around the world. The purpose of this research was to clarify how the HR management can vary depending on different environment, culture, number of employees and different customs with the common HR management. HR activities of those branches are then compared to the results of Hofstede´s research and is analyzed which dimension of national cultures exceeds and if are the national cultures influenced by the HR activities.

In the case of the Czech Republic, moreover, is a problem that the culture of the Czech Republic does not exempt from the global average on four of the five scales dimension of culture. Theory of Geert Hofstede therefore unables to clearly explain the culture of the country, such as the Czech Republic without the possibility of comparison with other countries. When compared with other countries, however, this position offers plenty of opportunities for studying the perception of intercultural differences.

The branches of researched company follow the same personnel policy that is managed from the headquarter in Prague, Czech Republic. But it may differ in practice and that is why the interview were evaluated. In general, it is impossible to follow exactly the same personnel policies in all branches that have different cultures, laws, policies all around the world. Law in each country differ in paid vacation, maternity leave law etc. There are differences between branches in Czech Republic, USA, Australia, Germany, Russia, United Arab Emirates, Italy and Singapore as well.

Results based on comparative study were presented in interviews and illustrate consensus in the organizational structures that is the same in all branches. Diversity is shown in case of different nationality of leader in four cases, common consultative leadership style, promotion strategy that varies according to the size of the branch, prevails management of individuals, social activities are the most common in the headquarter and other branches are welcomed to seminars and every year teambuilding social activities. Best, mostly long-term benefits get the Czech employees that have even as the only ones the possibility to invest in company shares. Rewards in branches are in mostly based on achievement. Top management is mostly consisted from men, as the company is technically oriented. Conflicts are mostly solved through negotiation. The company is respectful to family responsibilities, mostly provides home office and individual working hours. Rules are not very strict in branches, but the headquarter started to spread new rules that started to be implemented already in few branches. Top managers involve themselves in daily operations mostly only when is necessary, often they have a secretary who helps them and for another work they usually have specialists. The best support of learning and development have also Czech employees. Other branches have mostly the possibility to attend the seminars in Prague.

Significant differences in comparison to Hofstede´s study were found in many cases and are well described in recommendations. Distinctly can be seen differences in Czech Republic in individual dimension as the HR activities are oppositely very collective aimed. Also the Czech brand is very long-term oriented and Hofstede´s results shows that Czechs are very short-term oriented. The same problem occurs in Australia where are employees very short-term oriented and the HR activities that already came too to the Australian branch are long-term oriented. In US branch prevails dictatorial style that absolutely do not correspond to small power distance of Americans. Similar problem occurs in German branch where Hofstede´s results show small power distance but the German branch is managed by Italian leader and German employees are not comfortable with that. Another very distinct results can be seen in Russia where in the branch prevails dominance of men although its very feminine country. Although the Czech Republic and the other seven foreign

countries are compared to the Hofstede´s system, it does not indicate the validation of the whole theory. The contribution of research lies mainly in concrete examples of intercultural differences in HR activities that the narrator experienced.

When comparing the eight branches of the same company it was found that even though the habits, environment, culture, behavior, customs, number of employees or religion issues are different, HR management within the company follow the same strategy and the hypothesis is proved.

Understanding cultural differences is the first step towards handling the complex process of global HR management and includes adaptation in behavior, habits and values typical for different cultural groups. Any multicultural environment where cultural differences are clearly understood enough to be used lead to better social development. After analyzing the HR management and evaluating the survey, it can be said that researched company creates good conditions for their employees and for its future achievements. In case of enlargement of small branches should take into consideration the recommendation mentioned above.

6   Recommendations

According to the Hofstede´s results and the set HR activities may be stated that:

Recommendation for the branch in Czech Republic
Czechs would prefer to work more alone with focus on his or her own interests and prefer more the material success and ambitiousness. Czechs also like to avoid unfamiliarity by using rules and being precise so new rules should be welcomed. According to long-term orientation Czechs are very short-term oriented and prefer more independent thinking, immediate results, freedom, justice and power.

Recommendation for the branch in United States
US employees prefer lower differences in wages, horizontal structure, management based on experience rather than the large power distance that is managed by HR. They prefer their own interests, lower level of communication in the company and

they like to work on themselves. The management in US branch could be more focused on material success and ambitiousness. Americans like different unknown things. Unknown is there accepted as they are used to many different thing and cultures. Every culture brings something new and different to the United States and that is why they got use to it. They prefer more innovation, distinction, more independent thinking, power, immediate results and freedom.

Recommendation for the branch in Australia

Employees in Australia would prefer more horizontal structure, management based on experience and lower differences in wages. The company should take into account that employees in Australia may prefer material success and that their employees have large ambitions then may seem. There is preferred balance between the rules and innovations. The company worked since 2000 alone and in the 2014 connected to the headquarter in Prague. The company needs to be now careful in this area. The employees may prefer more independent thinking, immediate results and freedom rather than steadiness.

Recommendation for the branch in Germany

The company should take into consideration that German employees may prefer horizontal structure, with the German leader and not Italian leader. The company should focus more on motivation of employees and their material success. The company should take into consideration that the employees may prefer precision and rules thanks them they will feel safer. They perceive what is unknown is dangerous. Only thing is demotivating, the employees do not have chance to invest in company´s shares.

Recommendation for the branch in Russia

In Russia is preferred centralization, more subordinates, and tall organizational structure. Russian branch is collectivistic and prefer management of group where the individuals contribute. The company should take into consideration if the dominance is preferred by all employees or by only one that influences the other. For the company it means that the rules and precision may be welcomed in the branch

because the Russian people think what is unknown is dangerous. Give the employees the possibility to invest in company´s shares.

Recommendation for the branch in United Arab Emirates

In United Arab Emirates is preferred large power distance, centralization, more supervisors, tall organizational structure and clearly defined hierarchy. Results of Hofstede´s study may be taken into account if the branch extends. The company should take into account that in United Arab Emirates is preferred individualism where people have their own interests. Also is preferred masculinity, material success, ambitiousness and rules. They think the way of what is unknown is dangerous.

Recommendation for the branch in Italy

In case if the branch would extent in future the company should keep the balance of involvement the leader and the employees. And also that Italians are individualistic. They like to have their own interests rather than work in teams. Italians prefer material success and ambitiousness rather than tolerance, fair remuneration, modesty, independent thinking, immediate results, freedom and power. In case of enlargement in the future the company should set the rules as the Italians perceive what is unknown is dangerous.

Recommendation for the branch in Singapore

In case the branch would enlarge the company should take into account that in Singapore is preferred centralization, more supervisors, tall organizational structure despite of horizontal structure. Also is preferred innovation and differences. Rules are refused and they perceive the unknown things are accepted in life. Employees from Singapore would prefer teamwork where the individual contributes. The company should keep the balance between material success, ambitiousness and tolerance, compromise and care about the relationships. The company should have balance between the perseverance, responsibility and independent thinking and the right.

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9 Content of figures

10 Supplements

Supplement n. 1 − Semi-structured interview with HR manager

Supplement 1. – Semi-structured interview with HR manager of examined company

What is gender of HR manager / supervisor in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore?

- o man
- o woman

Where is the HR manager / supervisor that works in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore originally from?

- o Czech republic
- o Germany
- o Italy
- o Russia
- o United States
- o Australia
- o United Arab Emirates
- o Singapore
- o Other ……………

Where does the HR manager / supervisor work now?
- o Czech republic
- o Germany
- o Italy
- o Russia
- o United States
- o Australia
- o United Arab Emirates
- o Singapore

How many employees have the company in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore?

…………………………………………………………………………………………

When was the subsidiary in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore established?

…………………………………………………………………………………………

Please, choose ONE answer at every question that best describe HR management activities in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore . Then specify your answer.

What is your preferred leadership style?
- o Authoritative style
- o Consultative style
- o Dictatorial style
- o Participative style
- o Other

…………………………………………………………………………………………
…………………………………………………………………………………………

What is the promotion strategy in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore?
- o Formal strategy – based on years of service, education
- o Individual negotiation - employee becomes fast the authority or the best in the field

…………………………………………………………………………………………
…………………………………………………………………………………………

How does the organizational structure look like in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore?

- o Functional structure
- o Divisional structure
- o Bureaucratic structure
- o Matrix
- o other

…………………………………………………………………………………………………

…………………………………………………………………………………………………

In Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore prevails management of groups or management of individuals?

- o Employees work in group/s
- o Employees work individually

…………………………………………………………………………………………………

…………………………………………………………………………………………………

Do you organize events or social activities for employees in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore?

- o Yes   o Teambuilding events
  - o Christmas parties
  - o Celebrations of life events, birthdays of employees, weddings
  - o Events with clients
  - o Other
- o No

…………………………………………………………………………………………………

…………………………………………………………………………………………………

Rewards in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore are based on:

- o Equality, everyone has the same rewards
- o Achievement, only for the best in a field
- o Other

…………………………………………………………………………………………

………………………………………………………………………………………….

Do you have more women or men in the senior management in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore? And why?

- o More men
- o More women
- o About equal

…………………………………………………………………………………………

…………………………………………………………………………………………

How do you solve conflicts in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore?

- o Through negotiation
- o Through force
- o Other

…………………………………………………………………………………………

…………………………………………………………………………………………

Is your company flexible with respect to family responsibilities in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore?

- o Yes
- o No

…………………………………………………………………………………………

…………………………………………………………………………………………

Rules in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore are:

- o Formal, strict rules
- o No more rules than strictly necessary

…………………………………………………………………………………………

…………………………………………………………………………………………

Do senior managers in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore involve themselves with the day-to-day operations of the company:

- o All the time
- o Only when necessary
- o Never

…………………………………………………………………………………………

…………………………………………………………………………………………

What benefits are more attractive for your employees in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore? And describe them.

- o Long-term benefits
- o Short-term benefits

……

……

Is staff interested in investing shares in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore?

- o Yes
- o No

……

……

Do HR managers/ supervisors do some activities for learning and development of your employees in Czech Republic/ Germany/ Italy/ Russia/ United States/ Australia/ United Arab Emirates/ Singapore?

- o Yes   o Language seminars
  - o Leadership seminars
  - o Coaching
  - o Mentoring
  - o Lectures outside the workplace
  - o Case studies
  - o Teambuilding
  - o E-learning
  - o Assessment centre
  - o Development centre
  - o Other
- o No

……

……

Full time employees work for the company on average:

- o Less than 1 year

- o 1-5 years

- o 6-10 years

- o More than 10 years