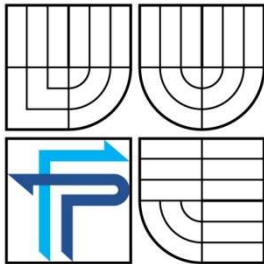


VYSOKÉ UČENÍ TECHNICKÉ V BRNĚ

BRNO UNIVERSITY OF TECHNOLOGY



FAKULTA PODNIKATELSKÁ
ÚSTAV EKONOMIKY

FACULTY OF BUSINESS AND MANAGEMENT
INSTITUTE OF ECONOMICS

CONCEPT OF HUMAN RESOURCE MANAGEMENT IN DSG INTERNATIONAL SSC, S.R.O.

NÁVRH EFEKTIVNÍ PERSONÁLNÍ POLITIKY VE SPOLEČNOSTI DSG INTERNATIONAL
SSC, S.R.O.

DIPLOMOVÁ PRÁCE
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Abstrakt

Tato diplomová práce hodnotí způsob řízení lidských zdrojů ve společnosti DSG International SSC, s. r. o. Na základě teoretických východisek se zabývá rozbořením jednotlivých personálních činností. Dotazníkové šetření odhaluje silné a slabé stránky týkající se spokojenosti zaměstnanců a charakteristických rysů jejich práce. Navržené kroky na zlepšení poskytují možnost jak v budoucnu dosáhnout větší efektivity v oblasti řízení lidského kapitálu.

Klíčová slova

Lidské zdroje, řízení lidských zdrojů, personální oddělení, zaměstnanec, zaměstnavatel, motivace, vnímání, psychologický kontrakt, náplň práce, spokojenost zaměstnanců, průzkum spokojenosti.

Abstract

This master's thesis evaluates the concept of human resource management in the company DSG International SSC, s. r. o. On the basis of theoretical background it critically analyses applied human resource policies and practices. Moreover, questionnaire survey reveals employees' perceptions of job design and overall job satisfaction. Findings are reflected in proposals how to improve weak areas and reach more effective people management in the future.

Key Words

Human resource, human resource management, personnel management, employee, employer, motivation, perception, psychological contract, job design, job satisfaction, satisfaction survey.

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Declaration

I declare that this master's thesis is my original work. Any uses of the works of other authors have been properly acknowledged under the terms of the copyright law. A full list of the references employed has been included.

Brno, 31th August 2009

.....

Martina Káčerová

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Content

INTRODUCTION	10
1 AIM OF THE THESIS	12
2 THEORETICAL BACKGROUD	14
2.1 Human Resource Management.....	14
2.1.1 Definition of Human Resource Management.....	14
2.1.2 Models of Human Resource Management	15
2.1.3 Creation of Competitive Advantage.....	18
2.1.4 Criticisms of Human Resource Management.....	18
2.1.5 Challenges to Human Resource Management.....	19
2.2 National and Organizational Culture.....	21
2.2.1 National Culture	21
2.2.2 Organizational Culture	23
2.3 Factors Affecting Employment	24
2.3.1 Employment Legislation.....	24
2.3.2 Psychological Contract	25
2.3.3 Motivation	25
2.3.4 Job Design	28
2.3.5 Job Satisfaction.....	31
2.4 Research in Human Resource Management.....	32
2.4.1 Business Research Theory.....	32
2.4.2 Measuring Employee Satisfaction	33
2.4.3 Internal Staff Indicators	36
2.4.4 Follow-up Actions	37
3 ANALYSIS OF CURRENT SITUATION	39
3.1 DSG International - Group Profile	39
3.1.1 Strategy.....	40
3.2 DSG International SSC, s. r. o.....	40
3.3 Pillars of Company Culture	41
3.3.1 Team Values	41
3.3.2 SSC Guide	42
3.3.3 Advanced Level of Communication.....	42
3.4 Concept of Human Resource Management	43
3.4.1 Responsibilities of Human Resource Manager	43
3.4.2 Recruitment and Selection.....	44
3.4.3 Appraisal – Performance Management	46
3.4.4 Development.....	47
3.4.5 Reward.....	49
3.5 Staff Turnover.....	51
3.6 Research Process	52
3.6.1 Choice of Research Area	53
3.6.2 Formulation of Research Question.....	54
3.6.3 Choice of Method	54
3.6.4 Formulation of Research Design and Data Collection Techniques.....	54
3.6.5 Implementation of Data Collection	55
3.6.6 Analysis of Data	56

3.7	Interpretation of Survey Results	56
3.7.1	Response Rate.....	56
3.7.2	Structure of Sample	57
3.7.3	Job Characteristics Model	58
3.7.4	Job Satisfaction.....	59
3.7.5	Motivational Drivers.....	62
3.7.6	Satisfaction vs. Motivation	63
3.7.7	Mirror Research	64
3.8	Reporting the Results to the Company	65
3.9	Research Limitations	65
3.10	Summarization of Results.....	66
4	PROPOSALS FOR IMPROVEMENT	68
4.1	Selection	68
4.1.1	E-recruitment Tools	68
4.1.2	Attracting University Students	70
4.2	Appraisal – Performance Management	71
4.2.1	Encouragement of Service Improvements Proposals	71
4.2.2	Recognition and Positive Feedback.....	71
4.2.3	Enhancement of Promotion Awareness.....	72
4.3	Reward.....	72
4.3.1	Flexible Benefits Scheme	72
4.4	Development.....	73
4.4.1	Identifying of Learning Needs	73
4.4.2	Greater Involvement of Associates.....	73
4.4.3	Management Development.....	74
	CONCLUSIONS	75
	REFERENCES	77
	LIST OF ABBREVIATIONS.....	81
	LIST OF PICTURES	82
	LIST OF TABLES	83
	LIST OF GRAPHS	84
	LIST OF APPENDICES.....	85
	APPENDICES	86

INTRODUCTION

Generally, the economic profit and its raising are regarded as principal companies' objectives in the long term horizon. Doing successful business is influenced by broad range of different factors, however most of all it depends on human factor. Only the employees – no matter whether ordinary ones or top managers – hold a responsibility for adopted decisions and performed outcomes affecting both the present and the future prosperity of a whole company.

People are inevitable for a success of any organization. That is the reason why they should be treated with a proper care. Managing employees as any other economic resource in quantitative and calculating way with only focus on high performance is not sufficient anymore.

Needless to say, that people's attitudes have changed significantly when comparing generations. Nowadays, people are spending more and more time at work and usually majorities of their social lives are patterned around work activities.

Moreover, there is an upward trend in employees' fluctuations among companies searching for the best work conditions. Demanding features are further intensified by globalization, fierce competition, increasingly diverse and aging working population, skill shortage and technology innovation.

In these consequences, human resource management is raising its importance as it helps to shape the nature of work and aims to directly influence employee overall satisfaction. The organization that develops its reputation as a “good employer” is able to attract and retain quality employees and do not to let them leave and join a competitor. From this perspective, people-oriented approach and competitive advantage gained through employee's commitment, advanced organizational culture and high-trust organization are essential for survival.

Recently, one additional challenge has appeared. Concretely, it is the economic downturn affecting organisations throughout the world. Companies are experiencing budget cuts and the biggest question in terms of human resource management is how to sensitively handle employees' expectations. Arguably, effective human resource management is more important now than ever before.

1 AIM OF THE THESIS

The main purpose this master's thesis is to propose new policies and practices to improve and further develop human resource management (HRM) in the company DSG International SSC, s. r. o. This Shared Service Centre (SSC) is specialised internal provider of financial and transactional services to the DSG International plc – one of Europe's leading specialist electrical retailing groups.

The basic stone of the thesis is a detailed study of currently applied concept of human resource strategy and policies that go along with the whole employment cycle ranging from *recruitment*, *appraisal* to *reward* and *development*. The Shared Service Centre operates in Brno for one and half year, thus it is relatively young, and supposedly human resource practices are still developing there. Analysis of internal documents (such as jobs descriptions, directives, etc.), interviews with HR manager and observation of working environment create the essential background for evaluation.

It is accompanied by analysis of overall trend in *staff turnover*, and more importantly by breakdown of leavers by the length of service comparing three different categories of employee: part time employees, full time employees on associates positions and full time employees on others positions. The analysis is conducted on the basis of internal HR reports. The aim is to reveal, which group of employees is the most difficult to attract and retain.

Afterwards, the analytical part is supported by *satisfaction survey* that gives an insight into the company's strengths and weaknesses. Concretely, the research focuses on *motivating potential* of jobs within different departments; evaluation of various *dimensions of job satisfaction* to define any problem areas and the scope of the problem; and motivating profile of employees that could help to specify the core *motivational drivers* to achieve high-commitment and high-performance working environment. Moreover, so called mirror research investigates leadership team awareness of employees' perceptions and needs. Findings are measured by basic statistics evaluation and gap analysis. To reach the most credible results, all 172 employees can take part in

this research. Just the volume of participants is what makes this survey unique from the previous ones.

So far, two satisfaction surveys have been realized in the company. The first, conducted when the SSC started to operate in Brno, was centrally managed by the headquarters in England and some of the questions did not fit the SSC at all. Moreover, at that time the company had only around 40 employees. The second research, comparing perception of part timers and full timers, was carried out more than half a year ago. The survey revealed interesting findings, nevertheless the biggest drawback was limited size of sample totalling only 40 employees while the company already employed more than 90 people.

The final outcomes of the thesis – proposed policies and practices – are based on both practical findings and review of literature reflecting human resource management.

2 THEORETICAL BACKGROUD

2.1 Human Resource Management

2.1.1 Definition of Human Resource Management

Generally human resource management (HRM) has developed during 90s from personnel management. While personnel management is defined as “the specialist management function which determines and implements policies and procedures which affect the stages of the employment cycle” (4, p. 655) the managerial prospective under HRM addresses strategic issues and “the need to establish an integrated series of personnel policies to support organization strategy to survive in competitive field” (4, p. 660).

According to Michael Armstrong¹, human resource management is defined as “a strategic and coherent approach to the management of an organization’s most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives” (1, p. 3).

From the both definitions is apparent, that HRM provides a support to organizational strategy and it addresses issues such as responsiveness and quality of product or customer service. For that reason, it is sometimes also called *strategic* human resource management (SHRM). The key challenge is to integrate HRM issues into companies’ strategic plans (1).

Human resource management operates through human resource *systems* that joint together:

- *HR philosophies* – shared values and principles.

¹ Michael Armstrong is an honours graduate in economics from the London School of Economics, and is a Fellow of the Chartered Institute of Personnel and Development and a Fellow of the Institute of Management Consultancy. He has had over 25 years experience in personnel management, including 12 as a personnel director.

- *HR strategies* – the direction of HRM.
- *HR policies* – define how the values, principles and the strategies should be applied in specific areas of HRM.
- *HR processes/practices* – formal/informal procedures and methods to put HR policies into effect.
- *HR programmes* – enable HR policies to be implemented according to plan.

2.1.2 Models of Human Resource Management

Hard and Soft Version of HRM

The fundamental distinction between hard and soft version has been originally described by John Storey in 1987. He argues, that these two versions of HRM depend on different set of believes, goals and practices (11).

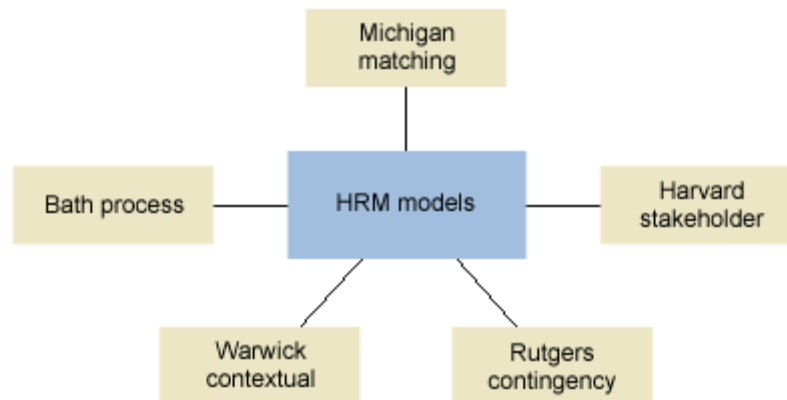
In *hard version* of HRM, worker is regarded as commodity. People are resources that have to be acquired, developed and manage in “rational” way as any other economic resource that will benefit the organization (1, p. 12). Hard HRM is quantitative, calculating and the main focus is placed on performance goals.

The concept of hard HRM goes back to the birth of *scientific management* at the beginning of the twentieth century. This method, developed by Frederic Winslow Taylor (1856-1915), is based on task fragmentation, defined one best way how to perform the work, scientific selection of workers, in-depth training how to perform the work and close supervision (4).

Soft version of HRM is people-oriented and treats employees as valued assets. This approach is based on *human-relationship school*, which developed during 1920s and 1930s in United States. Competitive advantage is gained through commitment, advanced organizational culture, adaptability and high-trust organization. In this approach is emphasised the need to develop the potential of employees (11).

Different models of HRM have been proposed to explain the relationship between two variables – HRM policies and organizational performance – in different ways and argue that if a company design HR policies in a particular way, then performance will improve. The five models are summarised in the diagram below (4).

Picture no. 1 Models of Human Resource Management



Source: http://wps.pearsoned.co.uk/ema_uk_he_huczynski_orgbehav_6/55/14301/3661081.cw/index.html

The Michigan Model

According to Armstrong, the HRM concept was firstly defined by the Michigan School in 1984. Their “matching principle” means that HR system should be managed in the way that is consistent with organizational strategy. Particularly, it includes (1):

- *Selection* – matching available human resources to jobs.
- *Appraisal* – performance management.
- *Rewards* – the reward system must reward short as well as long-term achievements.
- *Development* – developing high quality employees.

The model has a narrow perspective, as it only focuses on specific aspects of HRM. It has been variously modified and developed over time. Nevertheless, these four generic processes or functions are performed in all organizations.

The Harvard Model

This model, developed at Harvard University during 1980s, is probably the best known and widely cited approach. It considers a greater range of factors than the Michigan Model and argues that HR policy is shaped by the perspective of stakeholders and context factors (4). The map of Harvard framework is presented in Appendix no. 1.

The Harvard Model is formed by four policy areas, which help to achieve high performance and high quality of working life:

Table no. 1 Harvard Model Policy Areas

HRM policy areas	High-commitment, high-performance practices
<i>Employee influence</i>	Wide involvement in change and decision-making, extensive two way communication, problem-solving groups.
<i>Human resource flow</i>	Selection based on values in addition to skills, stable core employees complemented by flexible “peripheral” workforce with a range of part-time, flexible hours practices.
<i>Reward systems</i>	Appraisal based on two way feedback, individual and team-based reward, skill-based pay, promotion, equal opportunities.
<i>Work systems</i>	Continuous improvement, inspirational leadership, flat structures, cross-functional project teams, task flexibility.

Source: 4, p. 664

The Harvard Model has exerted considerable influence over the theory and practice of HRM. It points out that HRM has to be regarded as the concern of management in general, and not only as a secondary function (1).

The Rutgers Model emphasises the need to establish desirable employee behaviour. It is comparable with McGregor’s motivational Theory X (close supervision) and Theory Y (self-motivation, self-control). *The Warwick Model* from the United Kingdom extends the Harvard framework about the analysis of wider organizational context (socio-economic, technical, political-legal and competitive forces). *The Bath Model* emphasis that to get more from the people, it is necessary to ensure that “AMO” factors – ability, motivation and opportunity – are set up on the high level (14).

Apparently, management thinking has shifted from the traditional concept of hierarchy, bureaucracy, task fragmentation and deskilling to people oriented approach, more suitable for today's rapidly changing business environment. To some extent, all models of HRM are controversial. Nevertheless, HR managers are free to choose and to change the policies that their organization will adopt (4).

2.1.3 Creation of Competitive Advantage

People play an inevitable part in every point in the "value-chain" and are important strategic resource for Porter's competitive advantage. A company's technology, product or offered services can be copied easily. However, the ways in which employees are managed are difficult to imitate, thus personnel policy and people can be a source of competitive advantage based on differentiation (6).

Armstrong has suggested that is possible to differentiate through firm-specific *knowledge management* and advanced *Employee relations* based on harmonious relationships between management and employees (1).

2.1.4 Criticisms of Human Resource Management

Though, radical critiques are diminishing as rating of fairness is rising, motivation is higher and "workers like their experience of HRM" (1, p. 17), some criticisms still prevail. Namely it is for example treatment of conflict and strategy, and gap between promises and actions.

Conflict arises from unitarist perspective assuming that management and employee interests are totally consistent in HRM. Frequently, individual needs and aspirations use to be different from the collective, organizational goals which creates "organizational dilemma" (1, p. 14). The problem with the *company's strategy* is that it develops over time from various successful and failed actions, thus it cannot be treated as given as it is required by HRM models mentioned above (4, p. 678).

Next criticism focuses on the *gap between rhetoric expressed by management and the reality*. Frequently, the rhetoric of HRM is soft, but the reality is hard with a more attention given to the organization than to individuals. Good intentions are negatively influenced by various process problems such as other business priorities, short-termism, limited support from line managers, resistance to change lack of resources or trust (11).

2.1.5 Challenges to Human Resource Management

As defined by Ulrich, HRM has been facing several challenges since the last decade (24):

- *Globalization* – reductions in international trade barriers, easily transferable technology and especially rising global competition, force organizations to move people, ideas, products and information around the world to reach lower costs. It has influenced the nature of people management in a number of ways. Companies have transformed to decentralized flatter structures in which cross-functional operations and teamworking have become more important.
- *Profitability through growth* – the drive for revenue growth means that companies must encourage the free flow of information and shared learning among employees.
- *Intellectual capital* – firms need to have the capability to find, compensate and retain human capital in the shape of the talented individuals.

HRM in Economic Downturn

Recently, one of the additional challenges has appeared. Concretely, it is the economic downturn affecting many organisations. KPMG survey conducted in December 2008 with 892 UK employers revealed, that around two-thirds of respondents have either experienced an organisational budget cut in 2008 or are about to experience one (32).

The pessimistic outlook of expected trend of costs (presented on Picture no. 2) emphasises the seriousness of the credit crunch.

Picture no. 2 Winter 08–09: Expected Trend of Costs

Outlook over the next three months, 892 respondents (%)

	Increase	Decrease	Stay the same
Training spend	10	39	49
Recruitment spend	8	58	32
Redundancy spend	31	9	36
Basic pay increase	21	18	55
Bonuses	4	33	48
Overtime	4	47	38

Moreover, 69% of organisations have reduced business travel spend.

Source: 32, p. 17

The biggest challenges in terms of HRM are how to effectively handle employees' expectations in cost-effective ways and how to cope sensitively with an increased employee stress level which was confirmed by 46% of employers. To enhance staff engagement, companies are widely implementing following policies:

Picture no. 3 Policies How to Improve Staff Engagement



Source: 32, p. 18

More effective internal communication encouraged by line managers and more regular communication from senior management count for the most popular approaches.

2.2 National and Organizational Culture

2.2.1 National Culture

Tung's and Havlovic's study proved that macro-environmental variables have a major bearing on HRM practices and policies. Additionally, factors such as national culture, history² and values of a region must be taken into account. However, companies' philosophies may vary, they have to respect national culture to remain powerful (23).

National culture can be viewed as the norms, values and beliefs shared by individuals from a particular nation that distinguish it from others. Various researchers focused on study how national cultures might influence organizational cultures in particular country settings (16).

Hofstede's Dimensions

In 1980s Geert Hofstede carried out cross-cultural study of 116 000 employees of the multinational company IBM located in 40 countries. As he has mentioned on his web pages "Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster" (30).

Hofstede has suggested that national cultures can be differentiated along five dimensions (4):

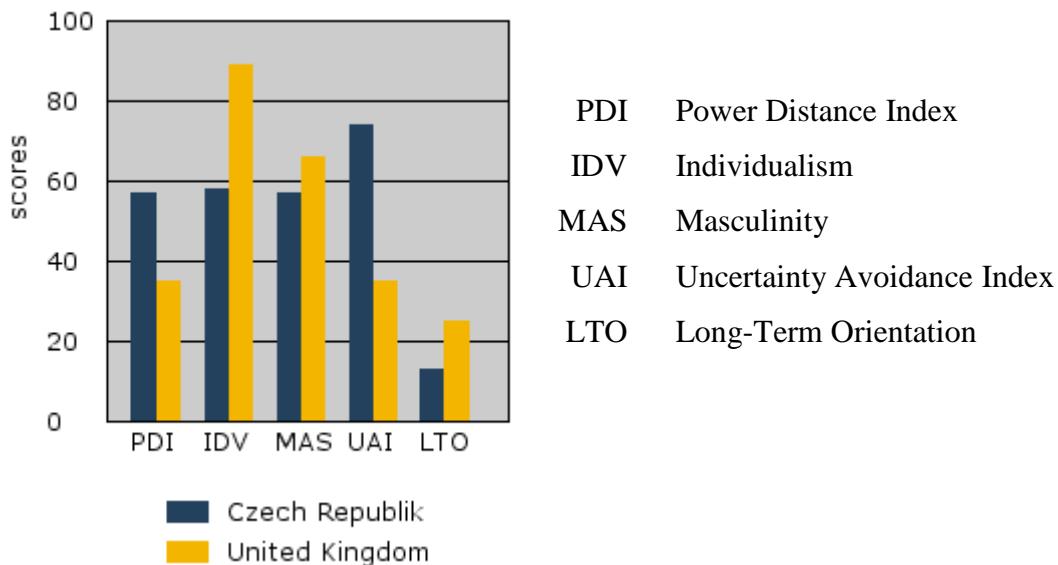
- *Power-distance* – the extent to which an unequal distribution of power is accepted by members of a society.

² The promising development of personnel management in the Czech Republic during the era of First Republic was significantly undermined by 40 years under Communist regime. The characteristic feature of the Soviet model of management was strict centralization, bureaucratic maintaining of records about employees' lives and political affiliations, promotion linked to political criteria and limited distribution of all production factors (17, 18, 23).

- *Uncertainty avoidance* – the extent to which members of a society feel threatened by ambiguous situations and have created institutions which try to avoid these.
- *Individualism-collectivism* – the tendency to take care of oneself and one’s family versus the tendency to work together for the collective good.
- *Masculinity-femininity* – the extent to which highly assertive masculine values predominate (acquisition of money) versus showing sensitivity and concern.
- *Long-term-short-term orientation* (confusion dynamism) – the ability to pursue long-term and general goals versus short-term gain and advantage.

The Czech cultural dimensions are presented on the picture below. United Kingdom has been chosen for comparison, as there is situated the headquarters of the analyzed company – DSG International, plc.

Picture no. 4 The 5D Model of Professor Geert Hofstede (CR vs. UK)



Source: http://www.geert-hofstede.com/hofstede_dimensions.php?culture1=22&culture2=94#compare

Firstly, the power-distance in the Czech Republic demonstrates that a higher degree of unequal distribution of power and wealth is accepted by members of society. Secondly, individual achievement and looser ties within people are more common than strong cohesive groups. Furthermore, rather masculine character is apparent in the Czech culture with emphasis on work, professional career, success and individual’s

responsibility for his or her failure. High score of uncertainty avoidance reflects a low tolerance for ambiguity, strict rule-orientation with adherence to laws, regulations and organizational rules. Finally, short-term gains and advantages are preferred rather than those long-term.

Trompenaars's Dimensions

Trompenaars has proposed a seven-dimensional model of national culture differences which is particularly relevant to the conduct of international business (31; 34):

- *Universalism vs. Particularism* – rule based vs. relationships based approach.
- *Individualism vs. Collectivism* – loose ties between individuals vs. cohesive groups.
- *Affective vs. Neutral* – expressing emotions naturally or hiding emotions in public.
- *Specific vs. Diffuse* – high degree of socializing vs. limited sharing with public.
- *Achievement vs. Ascription* – status based on what someone “does” or what someone “is”.
- *Sequential vs. Synchronic* – planning and keeping to plans vs. easily changed plans.
- *Internal vs. External control* – directed by personal resolution or by predetermined destiny.

Based on Trompenaars dimensions, Czechs tend to behave in the following manner: they tend to be particularists rather than *universalists*, *individualists* rather than collectivists, more *affective and emotional* than neutral, with *diffuse* rather than specific behaviour and prefer rewards based on *achievement* rather than ascription.

Though, Trompenaars's research covered about 15 000 respondents, according to Hofstede it has provided only limited and statistically insufficient support to develop a multidimensional model (16). Afterwards, Trompenaars has criticised Hofstede as well, for too linear approach to the culture in his measurements (13).

2.2.2 Organizational Culture

The organizational culture gives the company its uniqueness and individuality, it consists of “the core values and beliefs shared by the employees of the organization” (2, p. 22).

Main features of organizational culture can be summed up as follows:

- It defines which standards are of primary importance.
- It prescribes how resources are to be used and to what ends.
- It establishes what employees can expect from each other.
- It makes some methods of controlling behaviour legitimate and others illegitimate.
- It dictates the behaviours in which employees should or should not engage.
- It sets the tone for how employees should treat each other and deal with the external environment: collaboratively, honestly, distantly, responsibly, or proactively.

Apart from organizational culture, every working unit within the company can have its own additional characteristics unique to the team, specifying how employees should be treated to shape desired working environment (2).

2.3 Factors Affecting Employment

Generally, employment in organizations is influenced by various factors. Formally it is affected by legislation; informally by different aspects of psychology such as psychological contract, motivation and job satisfaction.

To understand behaviour of employees and positively influence their performance, additional issues such as job characteristics, empowerment and job enrichment need to be taken into account.

2.3.1 Employment Legislation

Within the EU scope, employees' rights are embedded in European Social Charter submitted by Council of Europe in 1962 – the provisions of the Social Charter harmonize employment in terms of human rights and fundamental freedoms (33).

In the Czech Republic, the new Labour Code (Act No. 262/2006 Coll.) came into effect on 1 January 2007. It is the basic legal enactment generally applicable regardless of the

field of business and covering all employment relations between employer and employee.

2.3.2 Psychological Contract

One of the issues influencing personal management is psychological contract that has evolved progressively during the last ten years. Although, it originates outside of HRM, it can contribute to sustain employee motivation and commitment (10).

Psychological contract is usually defined as the unspoken agreement of beliefs between employee and employer representing “implicit set of obligations and expectations, concerning what the individual and the organization expect to give and receive from each other” (4, p. 662).

On the basis of psychological contract, employees promise to work hard, uphold company reputation, be flexible, develop new skills, etc. On the other side, organizations promise to offer interesting benefits package, opportunities for promotion, pleasant working environment, etc. Problems arise when the contract is broken. Subsequent low job satisfaction or feeling of anger are harmful to both individuals and company (11).

2.3.3 Motivation

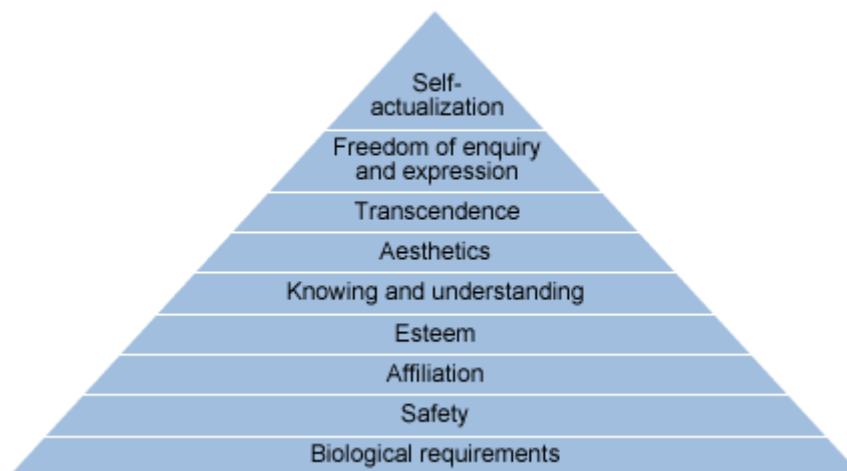
As defined by Huczynski and Buchanan, motivation is the set of reasons that determines preference for particular outcomes or behaviour, strength of effort and persistence. The most difficult task for managers is that people “behave according to how they perceive the world, not in response to reality” (4, p. 230).

Maslow’s Pyramid

Content theories of motivation focus on the goals which individuals want to achieve. The most widely known content theory is Maslow’s pyramid. Abraham Maslow (1908-1970) defined hierarchy of nine innate needs (see Picture no. 5) ranging from the

fundamental biological requirements to self-actualization characterized by the desire to develop personal potential (4).

Picture no. 5 Maslow's Pyramid of Needs



Source: http://wps.pearsoned.co.uk/ema_uk_he_huczynski_orgbehav_6/55/14298/3660335.cw/index.html

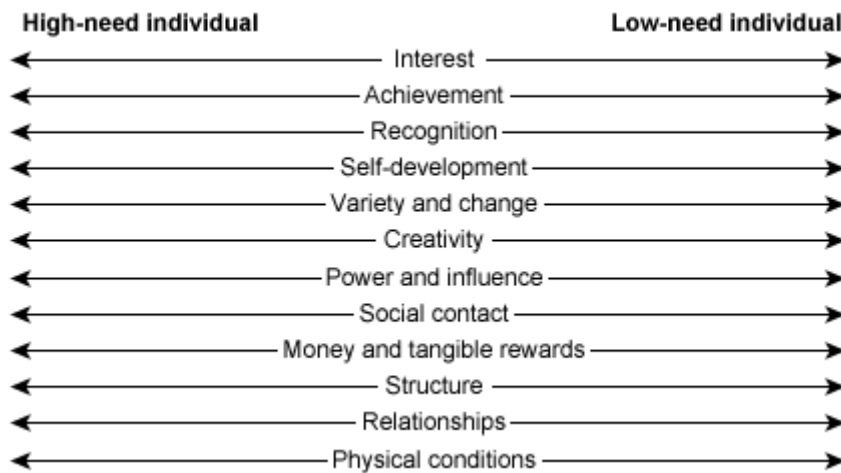
The basic principle is that a satisfied need is not a motivator, whereas all behaviour is motivated by unsatisfied needs. The higher level needs become important motivators only when the lower level needs have been at least partially satisfied. Therefore, the satisfying of needs has to be in compliance with proposed hierarchical structure (20).

Though, this theory “has never been verified by empirical research” (1, p. 58), Maslow’s idea still influences management practice in areas such as reward policy, management style, job design or employee empowerment.

Motivational Drivers

More recently, in 1999 Ritchie’s and Martin’s research identified the 12 motivational drivers available to managers (presented on the Picture no. 6). This profiling helps to indicate which motivators are more or less important for specific employees. Consequently it can serve as a diagnostic tool for managers seeking to improve individual or group motivation (4).

Picture no. 6 Ritchie's and Martin's Motivational Drivers



Source: http://wps.pearsoned.co.uk/ema_uk_he_huczynski_orgbehav_6/55/14298/3660335.cw/index.html

Herzberg's Two Factor Theory of Motivation

However, the Taylor's approach to work (presented in section 2.1.2) might appear to be efficient, it creates jobs that do not stimulate motivation. During the 1960s and 1970s, managers adopted totally different approach that concerns *job enrichment* – technique for broadening the experience of work. Frederick Herzberg's survey of 203 Pittsburgh engineers and accountants led to a two factor theory of motivation (4).

Table no. 2 Herzberg's Factors Affecting Job Attitudes

Motivator factors → intrinsic reward Lead to high level of satisfaction and motivation.	Hygiene factors → extrinsic rewards Remove dissatisfaction but do not contribute to motivation and performance.
<ul style="list-style-type: none"> • Achievement • Recognition • Work itself • Responsibility • Advancement • Growth 	<ul style="list-style-type: none"> • Salary • Relations with colleagues • Status • Security • Company policy • Supervision • Work conditions • Personal life

Source: 15, p. 258

To increase motivation and performance, most of the attention should focus on motivators (job content factors) altogether with “*vertical loading*” – enrichment of work by removing controls, increase accountability, providing feedback, etc (4, p. 258).

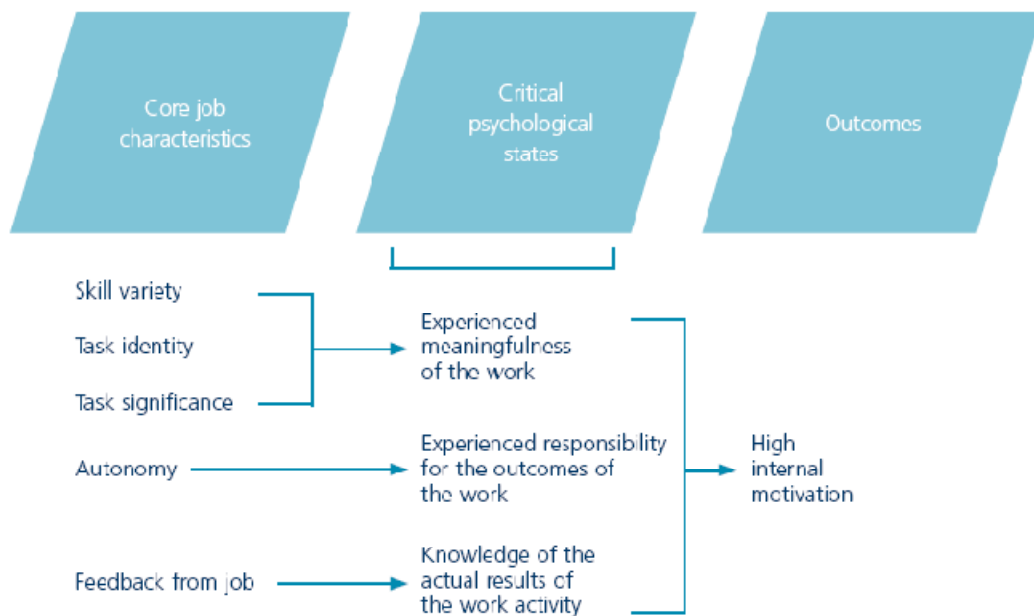
2.3.4 Job Design

Job design, with issues like challenge, autonomy or empowerment, has a major influence on employee satisfaction and commitment (27).

Job Characteristics Model

The Job Characteristics Model is the basic job enrichment strategy proposed in 1975 by Hackman and Oldham. As it is illustrated on Picture no. 7, it links core job characteristics (independent variables), critical psychological states and outcomes (dependent variables). To assess relations between variables opinion questionnaire called Job Diagnostic Survey was designed (12).

Picture no. 7 Job Characteristics Model



Source: 27, p. 12

Within this model a *motivating potential score* (MPS) can be measured to establish how motivating a job is for different groups of employees.

$$MPS = \frac{(skill\ variety + task\ identity + task\ significance)}{3} \times autonomy \times feedback$$

Autonomy and feedback have a higher motivating influence than the other three dimensions. MPS results in three psychological states important to high work motivation: experienced meaningfulness, responsibility and knowledge of results.

Motivating potential can be improved by (4, p. 261):

- Combining tasks.
- Forming natural work units.
- Establishing client relationships.
- Vertical loading.
- Opening feedback channels.

According to CIPD, a recent study identified more than 8,000 academic articles exploring and critiquing the Job Characteristics Model (27).

Empowerment

The popularity of job enrichment weakened during 1980s, as the economies were struggling with unemployment. However, this method has renewed its popularity since 1990s (4, p. 263).

Thomas and Velthouse defined empowerment as tool how to positively influence the experience and value which employees derive from their work. In other words, it increases intrinsic task motivation by four main dimensions: sense of *impact*, *competence*, *meaningfulness* and *self-determination* (choice). To empower means to give power to. In this case, power has several meanings such as authority, capacity and energy. Consequently, empowerment increases employees' feelings of self-efficacy as they feel that they can perform their work competently (22).

Table no. 3 Description of Empowerment Dimensions

Dimension	Characteristic
• Impact	The degree to which an individual can influence strategic, administrative, or operating outcomes of work.
• Competence, (self-efficacy)	An individual's belief in his or her capability to perform required activities.
• Meaningfulness	The value of a work goal or purpose, judged in relation to an individual's own ideals or standards.
• Self-determination	An individual's sense of having autonomy in initiating of work behaviours and processes (methods, pace of work, etc.).

Source: 22, p. 1443

Spreitzer's research, conducted among 393 mid-level and 128 lower-level employees from a Fortune 50 organizations, provided evidence that empowerment is positively influenced by additional factors: self-esteem; accessibility of information about mission and performance; and reward system recognizing individual contribution (22).

Smart Working – newly emerging organizational paradigm

As presented in CIPD research, smart working is newly emerging organizational paradigm, in other words a new way of looking at how organizations work. Managers need to take into account that management style based on command and control does not meet changing attitudes and expectations of employees (27).

The term smart working refers to the “variety of ways in which employers can build autonomy, self-control and development into jobs to pursue an interlinked agenda of employee productivity and business performance” (27, p. 5).

A new organisational paradigm is driven by (27):

- The combination of work environment changes (new tools, structures, layouts, etc.).
- Employment proposition changes (greater autonomy and discretion).

Definition of smart working works well with the concept of *high-performance work system* (HPWS) which was originally explored by Peter Vaill in early 1980s. He

formulated HPWS as a form of organization that is able to reach its potential level of performance excellently far beyond its competitors and external standards and in the way that is inspirational for others. The hearth of HPWS are empowered employees working in self-managing or autonomous teams (25).

2.3.5 Job Satisfaction

Job satisfaction is a very important attribute frequently measured by organizations, as it describes how content an individual is with his or her job. One of the most significant breakthroughs to the study of job satisfaction was the *Hawthorne studies* carried out during the late 1920s at the Western Electric Company. The experiments examined the effect of physical changes on worker productivity. Later on, studies focused on social aspects as well. The father of this study George Elton Mayo (1880-1949) became “the first professor of organizational behaviour” (4, p. 285).

From the social perspective, the study emphasizes the importance of informal networks at work. Just *informal groups*, which are formed spontaneously on the basis of common interests or friendships, contribute to fulfil the need of belonging, which enhances productivity. As informal groups exert strong social controls over the work attitudes, managers have to cooperate with them and encourage their growth (4).

Aspects of Satisfaction

As mentioned by Lawrence et al., specific aspects of satisfaction can be defined as follows (5, p. 32):

- Task/role of the supervisors.
- Work pressure.
- Stress areas.
- Board and the policy
- Management
- Personal development.
- Pay and other perks.
- Work circumstances (physical).
- Security within the company.
- Infrastructure and resource.
- Sense of quality.
- Atmosphere within the company.
- Loyalty.
- Communication within the company.

According to survey from 2003 as presented by Reade, 70% from 2 000 questioned graduates cited that job satisfaction, with aspects such as enjoyment and friendly colleagues, is more important than money (19).

2.4 Research in Human Resource Management

According to Bryman and Bell, business research is conducted primarily in order to find “ways of improving organizational performance through increased effectiveness and efficiency” (3, p. 6).

Unsurprisingly, the most commonly used research in HRM is focused on measuring employee satisfaction. Management should measure satisfaction because they care and see employees as valuable assets, and not because they have to do so as a part of an obligatory company procedure (5).

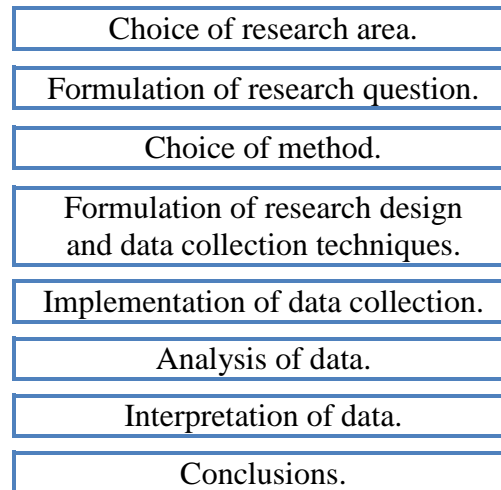
2.4.1 Business Research Theory

In the research theory, it is possible to distinguish two basic *strategies* – quantitative and qualitative. The first approach emphasizes quantification in the collection and data analysis, while the second, qualitative, focuses rather on understanding of reasons of particular human behaviour. A lot of researches lie between these two distinctions (3).

Further classification can be done according to the relationship between theory and research. *Deductive research* represents the commonest approach when the researcher, on the basis of what is theoretically known, deduces hypotheses that need to be translated into researchable terms. Opposite direction – from research to new theoretical ideas – is known as an *inductive approach*. Hofstede’s study of cultural differences is a good example of inductive approach. On the contrary, the Hawthorne studies (mentioned in section 2.3.5), illustrates how deductive research can sometimes produce unexpected findings and methodological contribution (3).

The process of business research is influenced by values and practical considerations of researched. Steps of the research are presented on the picture below.

Picture no. 8 Steps of Business Research



Source: 3, p. 30

Whole research process needs to be embedded in a *research design*, which serves as a framework for the analysis of data and execution of a research method. Method represents a specific technique for collecting data (such as questionnaire, interview, observation), while research design defines broader research dimensions. The *cross-sectional* or so called *social survey design* is the most commonly used in HRM. Typically, it aims to detect some patterns of behaviour of a sample at a single point in time through the questionnaires and/or structured interviews (3).

2.4.2 Measuring Employee Satisfaction

Outcomes of every research should give a company an insight into its strengths and weaknesses. Surveys which measure employee wellbeing have a clear purpose – to investigate “how employees feel and how satisfied they are” (5, p. 9).

Outcomes of research depend on the scale of the research, the methodology, objectives and standards set up in a company. Research results must provide enough information

to clearly define *specific problem areas* and *the scope of the problem* – if the problem is relevant to all employees or only for small but vocal group of them (5).

Management Involvement

The findings of a research project are often at least partly predictable and managers should be able to map out the problem areas in advance. Nevertheless, especially in the large companies, the scope and location of the problems are not so clear. As suggested by Lawrence et al., *mirror research* is one of the effective ways how to measure whether the management is well aware of the employees' perceptions (5).

Asking people's opinions always create expectations. Research project fails when nothing is done with the results. Managers, responsible for satisfaction level in their team or department, must demonstrate their leadership abilities and commitment to the real company progress (5).

Communication

It has to be communicated to the employees why, when, how the survey will be conducted and how the anonymity will be guaranteed. It is a task of line managers to convince the team that research is a good thing and results will be followed by actions (5).

Questionnaire

Questionnaire is the "engine of research" (5, p. 50). Its creation is very challenging and usually after a research project has ended management realizes that a certain questions could have been formulated in different way and some questions were even useless.

Questions can be divided into two large categories *open* – without scale, not possible to group the answers – and *close questions*. Close scaling questions with either semantic (verbal) or five point Likert scale (from strongly agree to strongly disagree) help to illustrate to what extent the respondent is satisfied with a statement (5).

Various parameters are possible to measure in questionnaire (5, p. 70):

- *Facts about employees* – department, type of contract, education, gender, etc. The segmentation is essential in order to discover, where the certain problem is located.
- *Satisfaction* – overall level of satisfaction and questions dealing with the key aspects influencing wellbeing.
- *Loyalty* – the extent to which employees defend their employers in front of others.

Questionnaire has to be tested before the launch. It is necessary to test if the questions are simple enough and understandable (5).

Sample Size

Every employee should be given the opportunity to express his or her opinion. It is not good to select only certain group from the staff. There is a risk that randomly selected sample might be “misrepresentative” as far as all employees are concerned (5, p. 93).

Data Collection

In employee satisfaction surveys, data are mainly collected via *questionnaire* in paper or electronic form. Though it requires more initial work to create an *online form* of questionnaire, it usually reaches higher response (around 75%), and provides less space for mistakes and skipping the questions. *Paper form* is more time consuming and average response is from 60 to 70%. The collection process can be speed up by the *collective completion session* during office hours with high response level around 85%. Nevertheless, in this case “lost” working hours have to be taken into account (5, p. 109).

Statistics Evaluation

It is essential to choose a practical and easy-to-use method, appropriate to the company. Basic statistics evaluation may include for example the *arithmetical average* which is the most popular tool to measure overall satisfaction as it can provide valuable information particularly when the research is well segmented. Furthermore, *standard deviation* provides better insight into the spread of the answers as it reflects variety in answers. The lower the deviation the more are the answers concentrate around the

average. When using questions with numeric scale, it is possible to calculate the *frequencies* and compare the amount of dissatisfied and very satisfied employees (5).

From the advanced analyses, for example *gap analysis* is useful as it seeks to measure the difference between satisfaction and importance ratings of partial aspects; the larger gap, the greater the priority for action (5, p. 132).

Presentation of Results

All employees, not just only board members, have a right to see the results of their department compared to the total average company score. The way in which results are handled and translated into concrete actions can influence employees' attitude toward future surveys (5).

2.4.3 Internal Staff Indicators

As satisfaction survey focuses mainly on perception, it is important to do not omit additional measurements such as absenteeism or staff turnover which can also help to find out where the bottleneck is (5).

As mentioned in CIPD survey, regular reporting of labour turnover is inevitable. When it is high, organisations are facing a loss of corporate knowledge. On the contrary, low turnover can potentially lead to stale and slowly business growth (26, p. 20).

$$\text{Staff turnover} = \frac{\text{Number of leavers in a set period}}{\text{Average number employed in the same period}} \times 100 \quad [\%]$$

Key reasons for employee turnover are presented in Appendix no. 2. High staff turnover is usually symptom of low morale negatively influencing profitability as it creates costs, which are difficult to measure – advertising, interviewing and training the new staff (9).

Managers should be aware of the limitations of this measurement. It disregards the characteristics of the workforce or the length of service of the leaver (26).

2.4.4 Follow-up Actions

The main issue, after the results of satisfaction survey are revealed, is to determine which actions in which department have to be taken and who will coordinate them (HR department, line manager, etc.). It is recommended to determine a time horizon during which the actions should be completed or set guidelines for reporting of improvements to do not lose enthusiasm after a few months and keep the progress ongoing (5).

All of the actions require employees and management contribution. Some of the actions influencing satisfaction such as give the employee attention, mutual respect, good communication are usually the cheapest ones but the most difficult in the practice (5).

Retaining Employees

Developing an *employee retention strategy* is one of the steps how to avoid high levels of turnover. The main objective is to keep costs under control, support business goals and attract new talents. CIPD survey reveals the steps (Appendix no. 3) that organisations have taken to address staff retention (26).

Barrier Marketing

So called *barrier marketing* is an additional tool how to “secure good relationships” between employer and employee (5, p. 87). The task is to create a barrier that will help to differentiate company on HR level from others and prevent people from moving on.

Table no. 4 Barrier Marketing

Positive barriers	Negative barriers
<ul style="list-style-type: none">• Good relationship.• Pleasant cooperation amongst colleagues.• Attention to the employees.• Good leadership.• Good financial package.• Interesting fringe benefits.• Good training scheme.	<ul style="list-style-type: none">• Salaries are too high.• Excessive fringe benefits package.• Not enough training.• Market value too low (hard to find new job).

Source: 5, p. 89

The distinction to positive and negative barriers somehow corresponds with Herzberg's two factor theory of motivation. It can happen that dissatisfied employee does not want to work for the company anymore, but there is no other company that would pay him more. Afterwards, the decision to resign is very hard to make (5, p. 88).

To sum it up, findings from the literature only emphasise the importance of effective human resource management in today's competitive world.

In order to create positive psychological contract, people need to be treated properly as valuable assets. Recently, motivation should be based on intrinsic rewards and broadening the experience of work by the job enrichment or empowerment.

Researches in HRM mainly focusing on measuring employee satisfaction give a company an insight into its strengths and weaknesses. Proper communication, management involvement and follow up actions are the most important issues. However, the actions that may seem to be the cheapest ones are the most difficult in the practice.

3 ANALYSIS OF CURRENT SITUATION

3.1 DSG International - Group Profile

DSG International plc. – formerly known as Dixons Stores Group plc. – is the largest electrical goods retailer in the UK and the second largest in Europe. The Group's main focus is on the sale of high technology consumer electronics products, computers, domestic appliances, photographic equipment and related after sales services. The company is listed on the London Stock Exchange and is part of the FTSE 250 Index.

The Group history goes back to the year 1937 when Charles Kalms opened the first Dixons photographic studio at 32 High Street, Southend. At the end of World War II seven studios were set up in the London area. For more details about history see Appendix no. 4.

Gradual development, step by step, from the small studio to one of the Europe's leading specialist electrical retailing groups, reached the peak in 2006 by winning a Queen's Award for Enterprise for outstanding international growth³.

Nowadays, DSG International operates a multi-channel approach to electrical retailing and trades through more than 1 300 retail and online stores, spanning 28 countries and employing over 40 000 people. Yearly, more than 100 million customers shop in-store and online with DSGi. Retail and e-tail brands include PC World and Currys in the UK, Elkjøp in the Nordic countries, UniEuro in Italy, Kotsovolos in Greece, Electro World in Central Europe, Greece and Turkey, PC City in Spain, Italy and Sweden, and Pixmania.com across Europe. More information about the Group is presented in Appendices no. 5 and 6.

³ The Queen's Awards for Enterprise are the UK's most prestigious awards for business performance. Winners receive a range of benefits including worldwide recognition and extensive press coverage. The Awards are presented in three categories: International Trade, Innovation and Sustainable Development, and are open to all business units that meet the entry criteria.

3.1.1 Strategy

On 15 May 2008, company announced five points plan for the Renewal and Transformation of business:

- Focus on the customer through a combination of value, choice and service.
- Focus the portfolio on winning positions.
- Broaden the choices for customers and improve the in-store buying experience.
- Win in the internet market by growing pure play business and become the masters of multi-channel retailing.
- Reduce a cost base by simplifying processes.

3.2 DSG International SSC, s. r. o.

DSG International SSC, s. r. o. is the specialist internal provider of financial and transactional services to the DSGi Group. This Shared Service Centre was opened in Brno in September 2007. Brno was chosen from other candidates such as Great Britain, Spain or Prague, because it has corresponded with requirements in the best way⁴. Availability of qualified working force, fiscal and political stability of region also played key roles.

The SSC started a business by successful transition of Accounts Payable (AP) and Customer Support Agreements (CSA) from the United Kingdom. Gradually, provided services have been extended as well as a number of teams:

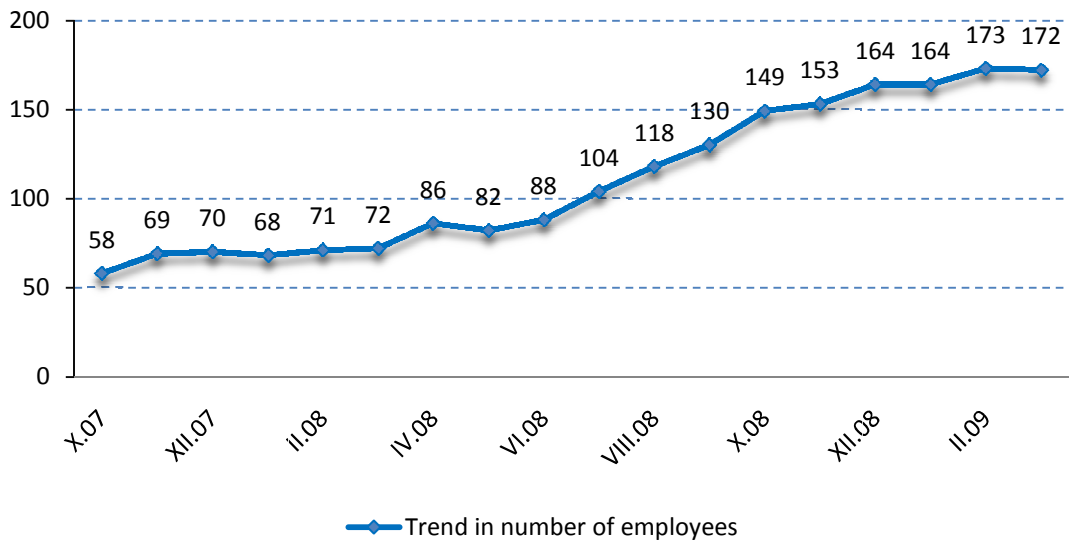
- *Accounts Receivable (AR)* – service for DSGi Business, started in June 2008.
- *Nordics* – Nordic Shared Service started in August 2008, focuses on invoice control for Elkjop Group operating in Norway, Sweden, Finland and Denmark.

The *Organizational structure* with details about teams is presented in Appendix no. 7.

⁴ In 2008 ATOS Consulting ranked Brno as “the best European location for shared services”. Brno offers a complete range of benefits that continues to attract firms seeking to base their operations right in the heart of Europe (35).

At the beginning the company had 44 employees, after eight months the number was doubled to 90, and in January 2009 the SSC already had 170 team members.

Graph no. 1 Trend in Number of Employees



However, this is not the final number, as announced by Business Development Manager: “We plan continuing growth with the potential to expand to 250 people covering all areas of finance for the group” (28).

3.3 Pillars of Company Culture

3.3.1 Team Values

Shared *Team Values* are the pillars of the company culture. The three main principles are defined as follows:

- *World class service to DSGi’s customers.*
- *High performance environment* – open two way communication, performance reviews.
- *Understanding of the value of each team member* – encouraging team spirit, set clear goals for each team.

To ensure that all team members understand these core values properly, each new employee participates in the initial interactive training which is always managed by the director of the SSC. The session lasts for three hours and consists of introduction, explanation and discussion about the core values. Finally, it aims to answer the question of “desired” leadership, motivation and team leader’s characteristics.

Various exercises also reveal individuals exceptional skills, talents and interests. This approach is beneficial for both employees and the company. New team members can easily and spontaneously form *informal groups* inevitable in achieving highly productive and cooperative working environment.

3.3.2 SSC Guide

The aim of the Guide is to provide employees, with the hints helping to better understand how the Shared Service Centre runs – specifics of working day, business practices, rules for business communication, etc. Moreover, it outlines several rights and obligations important to carrying out the work, such as benefits, people policies, holiday, sickness, security, etc.

The SSC Guide highlights the “*Being the Best*” approach that is common for the entire Group. Being the Best means to beat the competition through outstanding service provided with honesty and integrity. The Guide is regularly updated to reflect the current business of the Group and is accessible at DSGi’s intranet.

3.3.3 Advanced Level of Communication

Communication is the additional building stone of the company culture. The employees are encouraged by management to come up with new ideas or complaints.

Pillars of company communication include:

- *Two way communication* – this approach cuts down differences between superiors and subordinates as everyone is regarded as valuable member of the company.
- *Team leaders meeting updates* – employees are weekly provided with the latest update from leadership meeting. News usually refer to issues which appear during day to day running of business.
- *Director's breakfast* – purpose of this informal meeting is to emphasize importance of efficient communication by open discussion about whichever question or idea. Everyone attends this meeting once in a half year and can use this opportunity to express own opinions in a straight line to the director.

3.4 Concept of Human Resource Management

Basic evaluation of HRM concept focuses on the four main aspects of HRM as they were proposed in the Michigan Model in 1984. Concretely, it includes processes of selection, appraisal, reward and development which affect individual stages in every employment cycle.

The analysis is particularly based on the study of internal documents (such as jobs descriptions, directives, HR reports, etc.) and interviews with HR department and manager. Furthermore, it is supported by observation of working environment.

3.4.1 Responsibilities of Human Resource Manager

Currently, HR department consists of three people – HR Manager, HR Support and Office Support Associate. HR manager reports directly to the director of Shared Services Centre (see Appendix no. 7 with Organizational Structure).

As defined in the job description⁵, the responsibilities of *HR Manager* are as follows:

- Coordinate HR activities in SSC (managing HR Support and Office Support).
- Coordinate/arrange induction processes for new employees.
- Manage the recruitment and training programs.
- HR advisory for all parties concerned.
- HR reporting, job mapping.
- Responsible for the payroll process, pay reviews, promotions.
- HR procedures and policies implementation.
- Current benefits reviewing and new implementing.
- To update, maintain and issue the department PDR Assessment Tracker.

HR Support (one full time employee) is then responsible for coordination of part timers recruitment, induction processes, maintaining HR administration and coordination of training within SSC area. *Office Support Associate* (part time employee) principally deals with organizing travel arrangements, managing e-diaries and telephones for managers and director.

3.4.2 Recruitment and Selection

People resourcing is concerned with ensuring that the organization obtains and retains required human capital. In case of the SSC, first 55 employees were recruited by external specialized personnel agency, afterwards HR department has started to work.

Defining Requirements

The first step is to identify what sort of people the company needs with regard to their qualifications and experience and the extent to which they are likely to fit the organizational culture.

⁵ Each job description includes definition of job title, to whom does the person reports to, purpose of job role, dimensions, context, principal accountabilities, job holder's skills specification.

Table no. 5 Required Skills

Associates	Specialists – highly experienced
<ul style="list-style-type: none"> • Good command of English. • High degree of integrity. • Team player. • Able to deliver to deadlines. • Ability to organize priorities under a backlog situation. 	<ul style="list-style-type: none"> • Fluent English is essential. • High level user of MS Office. • Professional communication skills. • Team player. • Able to work under own initiative. • High degree of integrity and drive • Self motivated. • Able to deliver to deadlines. • Good interpersonal skills.

The table above is based on advertisements and job descriptions and as it is clear, at the beginning of the recruitment process, the company emphasis both personal characteristics, required attitude to work and technical skills.

Attracting Candidates

Attracting candidates is always arranged inside and outside the company. Firstly, any vacant position is announced on company’s internal labour market. It offers employees with proper skills a right of priority in applying for a post, and possibility to be re-employed within the organization if requirements are met. Consequently, external labour market is utilized through advertisements⁶ at universities, internet (job sites, agency sites) and regional employment agencies.

Selecting Candidates

In order to eliminate space for a bias in selection, applicants are interviewed in so called *interviewing panels* with both HR manager and line manager. The interview lasts approximately 3/4 - 1 hour. Firstly, biographical questions need to be answered, afterwards, applicants are asked to demonstrate their behaviour in specifics areas such as: having a passion for customers, working as one team, delivering a winning performance, embracing change (being flexible and adaptable), technical qualifications.

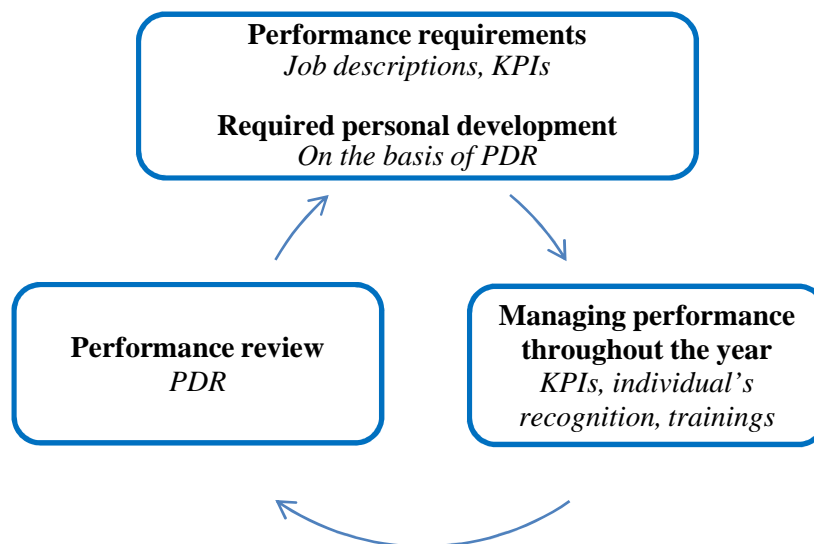
⁶ Each advertisement presents short introduction of the Company, vacancy title, principal responsibilities, required skills of successful candidate, offered working conditions, contact person and action to be taken.

Interview is usually supplemented by various tests (f. e. accuracy test for Processing Associate). Second and third rounds of selection are based on a closer interaction of the candidate within an applied team.

3.4.3 Appraisal – Performance Management

Performance management in the DSGi can be divided into steps of *planning* (setting up requirements), *acting* (managing performance) and *reviewing*. The cycle itself is presented on the Picture no 9.

Picture no. 9 Performance Management Cycle in DSGi



Performance Review

The *Performance and Development Review (PDR)* is a building stone of a performance management. PDR is assessed with every employee and his or her team leader after the end of the probation period and then at least twice a year. It aims to identify individual's potential altogether with development needs and suggest tasks, methods, measurement criteria necessary to reach required personal development. The process does this by:

- *Goal setting* – to help employees understand what is required of them.
- *Performance review* – to identify how well individuals are performing.

- *Career discussion* – to discover potential career goals and needed tools to achieve them.

Managing Performance

Key Performance Indicators (KPI) are non-financial measures used to define and evaluate how successfully is the SSC performing. KPIs are set up separately for each department (Accounts Payable, Customer Support Agreements, Accounts Receivable) and are evaluated on weeks' bases. They define for example: time to process invoices and agreements, limit for old queries, limit for number of overdue invoices, 100% level of successful payment runs, percentage limit for unallocated cash, etc. Team leaders are responsible for clear and shared understanding what is to be achieved. Moreover, three-level rating of KPIs helps to indicate the quality of performance that afterwards serves as a backup for assessment of monetary bonuses.

Individual's Recognition

Employee of the Month can be regarded as one of the tools of performance management as it helps to build relations with employees by recognition of talented individuals within the company (while KPIs focus on teams' evaluations). The award in form of written acknowledgement and 500 CZK leisure time vouchers is given once a month to the employee nominated by colleagues for his or her contribution in terms of *customer service*, *high performance* or *valuing team member*. These values are closely connected with company culture and shared Team Values presented in section 3.3.1.

3.4.4 Development

The SSC looks to own employees and provide them development both personally and professionally through a variety of training opportunities. Development process can be divided into two steps – organizational learning and talent management.

Organizational Learning

Induction – initial training is responsibility of HR department. The purpose is to get familiar with main figures about the DSGi and gain basic knowledge of work conditions

in the SSC. The induction is followed by Team Values workshop managed by the head of the company (for more details see section 3.3.1). To develop high standard of induction programme, feedbacks from new starters are obtained through a training evaluation questionnaire.

Training – after induction, specialised trainings focus on developing knowledge of used techniques and practices relating directly to the new role (so called instrumental learning). Usually, specialists or team leaders are responsible for setting up training plans for new employees.

“Hidden Learning” – so called hidden learning is acquired and developed in the normal course of work by interaction of new starters with experienced employees of individual team – formal group. Moreover, social behaviour is developed within informal groups that are formed spontaneously on the basis of friendships or common interests and serve a social control over the work attitudes.

Talent Management

Development programmes mentioned below shape a framework of *talent management*. The SSC is concerned with providing opportunities for employees to progress and develop their careers and enhance the flow of talents within the company.

Development Programme for Specialists has started in March 2008 and currently it involves 16 people. Trainers are from the SSC top management and focused areas are for example effective communication, effective meetings, time management, problem solving, motivation, presentation skills, performance management, managing and coaching people. One session takes place in six weeks. The participation is based on the Performance and Development Review (introduced in section 3.4.3).

The internal development program *Step into Team Leader* aims to create own managers and focuses on individuals who demonstrate readiness and interest to become a team leader. Training programme lasts six months and consists of workshops with managers. Successful performance then helps when applying for promotion.

It is apparent, that development programmes and opportunities mainly focus on “knowledge employees”, whose skills or experience are exclusively linked with the final service. However, apart from that, the company offers internal *language courses* that are accessible to all employees regardless the type of a contract or career aspirations. The English courses run in three levels, all provided by native speakers. The only condition to attend a course is finished three months probation.

3.4.5 Reward

Total reward in the SSC is the combination of financial and non-financial rewards, including both extrinsic and intrinsic motivators. It enhances employment relationship and helps to deliver positive psychological contract. Reward package is presented on the Table no. 6.

Table no. 6 Model of Total Reward in the SSC

Pay	Benefits
<ul style="list-style-type: none"> • Hourly pay rate – part time employees • Spot rate pay – full time employees • Annual bonuses scheme – linked to KPIs 	<ul style="list-style-type: none"> • 5 weeks holidays • Pension scheme • Lunch vouchers • Discount vouchers • Flexibility for part-timers
Learning and development	Working environment
<ul style="list-style-type: none"> • Induction • Job related training • Language courses • Development programmes on the basis of PDRs 	<ul style="list-style-type: none"> • Shared Team Values • Two way communication • Individual’s recognition

Pay

The Employees have little influence on sales volume and basically customer service is all-important, thus employees receive straight salary which is not related to any sales results or commission. *Spot rates* – rates for the jobs – are used while defining salaries of full time employees. Rates reflect responsibilities and skills stated in the particular job description and market rate applied within similar position. Moreover, regular pay increases are made in response to movements in the cost of living or inflation.

An *hourly pay rate* is used in case of part timers. It is advantageous for students as their earnings are then steady and easily predictable.

Apart from the salary, the company offers *annual financial benefits*, which reflect so called “payment-by-results scheme”. Actually, it consists of performance-related pay, calculated on departments’ levels on the bases of their performance as indicated by KPI ratings. It encourages team’s cooperation and effort. On the other hand, individual contribution is not recognized and reward depends on effectively set up work measurement – KPIs – which may be in some cases quite questionable.

Benefits

Lunch vouchers – for both full time and part time employees.

Holiday entitlement – 25 days.

Discount vouchers to Electro World – 10-15% discount after three months service.

Pension scheme – introduced in September 2008. The main condition to join this scheme is to be employed under a full time contract for at least one year. The purpose is to maintain a satisfactory standard of living after finishing active working life.

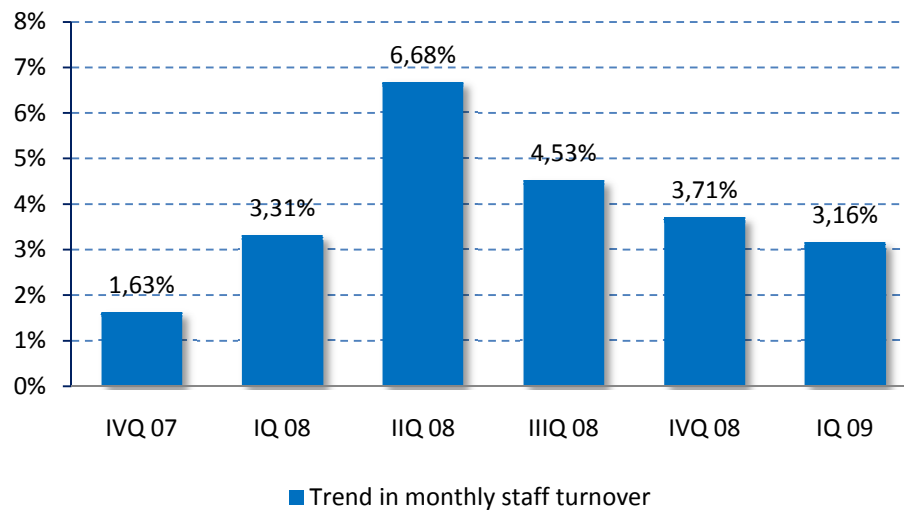
Refer a friend – recommendation of a friend with required skill and experience for a vacancy being advertised within the DSG International SSC can bring to a referee the remuneration of 4 000 or 8 000 CZK (for managers’ posts). The friend has to be finally appointed to the position and complete three months probation period. The scheme does not include part time contracts.

Working environment or learning and development opportunities are the part of total reward as well. The company culture helping to create working environment is explored in the section 3.3. For more details about development, see the section 3.4.4.

3.5 Staff Turnover

The analysis of the numbers of people leaving the organization is important for HR forecasting and it should be one of the starting points in satisfaction survey. The Graph no. 2 demonstrates a trend in total staff turnover in the company from October 2007 to March 2009. As the SSC in Brno is relatively young, figures are calculated on quarterly basis. The highest turnover was reached in the second quarter of the year 2008, when altogether 17 people left the company. In the following quarters, number of leavers fluctuated around 17, however, as the total number of employees increased it led to more favourable figures.

Graph no. 2 Trend in Monthly Staff Turnover



From the further analysis is apparent that total turnover is mainly influenced by number of part timers leaving the company. During a one and half year, 41 students left the company.

As staff turnover itself does not tell the whole story, Table no. 7 provides more information about leavers' lengths of service regarding three different categories of employees – part timers, full timers on associate positions and full timers on other positions.

Table no. 7 Turnover Analysis of Leavers by the Length of Service

Type of contract	Leavers by length of service (months)						Total number leaving	Reason for leaving	Position with the highest turnover
	Less than 1	1-3	3-6	6-9	9-12	More than 12			
<i>Part timers</i>	1	10	13	11	3	3	41	36,5% going abroad	Processing Associate
<i>Full timers, associates</i>	2	5	2	6	0	5	20	55% new job	Agreement Maintenance Associate
<i>Full timers, others</i>	2	3	0	4	3	4	16	68% new job	Account Management Co-ordinator
<i>Totals</i>	5	18	15	21	6	12	77	----	----

In total, almost 30 % of leavers left the company in three months probation period. Exit interviews conducted with every leaver revealed that the most common reason for leaving was going abroad in case of part timers and new job opportunities as far as full timers are concerned. Additionally, 6,5 % of people left the company on the basis of employer decision.

3.6 Research Process

The following section deals with satisfaction survey that was conducted in the company as a part of this master's thesis at the end of April 2009. It describes all steps of *research process* from the very beginning – choice of research area and formulation of research question – to the final outcomes and recommendations how to improve specific problem areas. Steps of business research are summed up in section 2.4.1.

So far, employee satisfaction has been measured twice in the company. For the first time it was at the end of 2007 when the Shared Service Centre with 44 employees hardly settled its activities in Brno. The research was centrally managed by headquarters in England and the biggest limitation was that some of the questions (for example those dealing with the past experience with the company) did not fit the SSC at all.

Second research was conducted in May 2008 as a part of a university research project. The main purpose was to compare job satisfaction of part time and full time employees. In total, 40 employees participated in the survey. In those days the company already employed 90 people. Thus, the size of the sample counted for the biggest research limitation.

The main purpose of the current research is to focus on the comparison of satisfaction within individual departments. Moreover, better proposed questionnaire and no restriction placed on the size of sample attempt to eliminate limitations of previous two researches.

3.6.1 Choice of Research Area

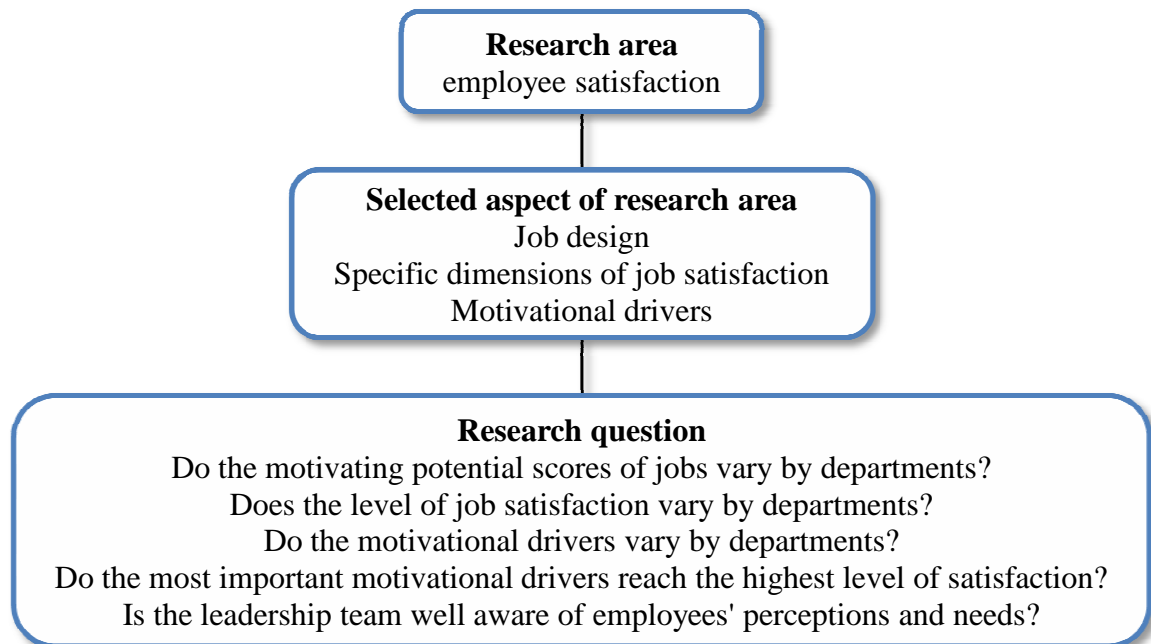
Simply, employee satisfaction was the core research area. The logic behind it was very simple – well-satisfied employees make successful business. More specifically, research focused on these areas:

- *Job design* – to find out if the job itself is motivating. It was based on the Job Characteristics Model proposed by Hackman and Oldham (see section 2.3.4.).
- *Satisfaction* – to identify any weak areas within various dimension of job satisfaction. Some of the questions were adopted from previous survey conducted in May 2007.
- *Motivational drivers* – to reveal the best way how to achieve high-commitment and high-performance working environment. Based on Ritchie's and Martin's 12 motivational drivers (see Picture no. 6 and section 2.3.3.).

3.6.2 Formulation of Research Question

Every quantitative research requires the specification of set of concerns in relation to which the data are collected. Objectives of the survey were defined as follows:

Picture no. 10 Research Objectives



3.6.3 Choice of Method

Basic strategy applied was *quantitative research*, emphasizing quantification in the collection and analysis of data. Moreover, it was supported by *deductive approach*, as the known theory, serving as a starting point, was translated into researchable terms.

3.6.4 Formulation of Research Design and Data Collection Techniques

Whole research process was embedded in *cross-sectional* or so called *social survey design* as through the questionnaire it aimed to detect some patterns of behaviour of a particular sample of people at a single point in time.

Questionnaire

To collect quantitative data from employees, *self-selection questionnaire* was designed and discussed in the company with HR manager.

Generally, the questionnaire included only closed questions divided into three parts:

- First part – *job design* – was focused on skill variety, task identity, task significance and autonomy connected with work itself.
- In the second part, 24 questions dealt with various *dimensions of job satisfaction* (overall satisfaction, working conditions, team spirit, communication, leadership, training, advancement, individual's recognition, reward, future perspective). Seven-level scale for answers was proposed for every question relating to both job design and satisfaction.
- *Motivational drivers* in the third part needed to be arranged by individuals in hierarchical order from the most to the least important one.
- Questionnaire was concluded by several questions dealing with the *segmentation* such as gender, type of contract or department. Complete questionnaire is presented in Appendix no. 8.

Apart from that, *mirror research* for leadership team was designed. Managers were asked to guess the top and bottom scoring dimensions of satisfaction and motivational drivers. The aim of the mirror research was to identify if the leadership team is well aware of employees' perceptions and their needs (separately for full time and part time employees).

3.6.5 Implementation of Data Collection

From the very beginning, involvement of line managers played an important role. Prior to data collection, team leaders informed their teams that the survey is going to take place in the company.

Afterwards, self-selection questionnaires in *paper form* were distributed to all employees, thus everyone had a chance to express his or her opinion. Time to fill the questionnaires in was set up to one week and to ensure anonymity, respondents were asked to put completed questionnaires in a box prepared in the office. Whole process of data collection was supervised by HR manager.

3.6.6 Analysis of Data

Transformation of gained information into “data” and the basic statistic evaluation were conducted in Excel spreadsheets. Advanced analysis of job satisfaction dimensions was partly made in the SPSS (Statistical Package for the Social Sciences). Firstly, contingency tables with frequencies (mainly per department) were used, secondly Chi-square tests were applied to establish the importance of relationships between variables across departments.

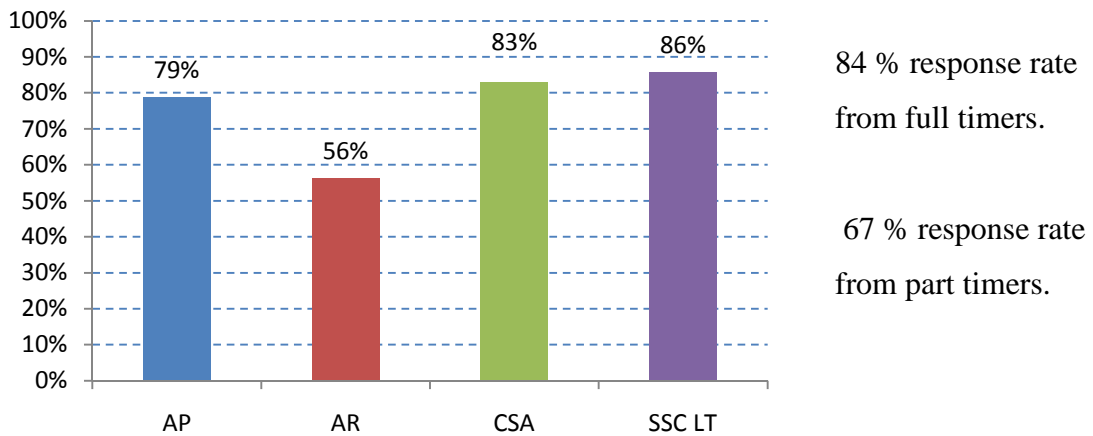
The analysis was carried out on the bases of departments. As presented in Appendix no. 7 the company is basically formed by three departments – Accounts Payable (AP), Accounts Receivable (AR) and Customer Support Agreements (CSA). Moreover, for the purpose of the research, additional group was created – SSC Leadership Team (SSC LT) consisting of top management and team leaders.

3.7 Interpretation of Survey Results

3.7.1 Response Rate

The number of employees is still rising in the company. During the research process, the company had 172 employees and altogether 131 answers were received with the total response rate at 76%. As presented on the Graph no. 3, response rates per departments were quite comparable (around 80%) except from Accounts Receivable (AR) where it was significantly lower – only 56%.

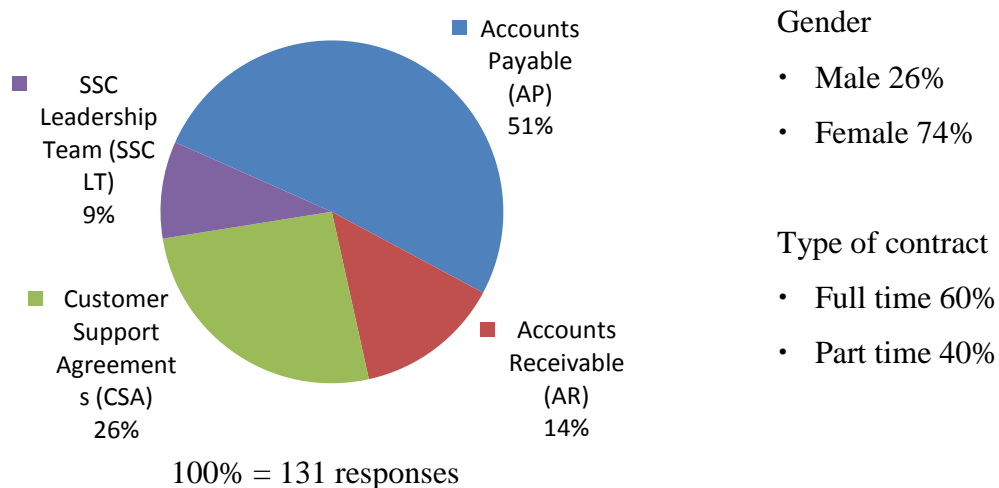
Graph no. 3 Response Rates by Departments



3.7.2 Structure of Sample

From all 131 responses, more than 50% were from Accounts Payable department. The proportion of the gender in the sample was 74% female and 26% male; interestingly the women’s share in leadership team is also high (66%). As far as type of contract is concerned, 60% of responses were from full time employees.

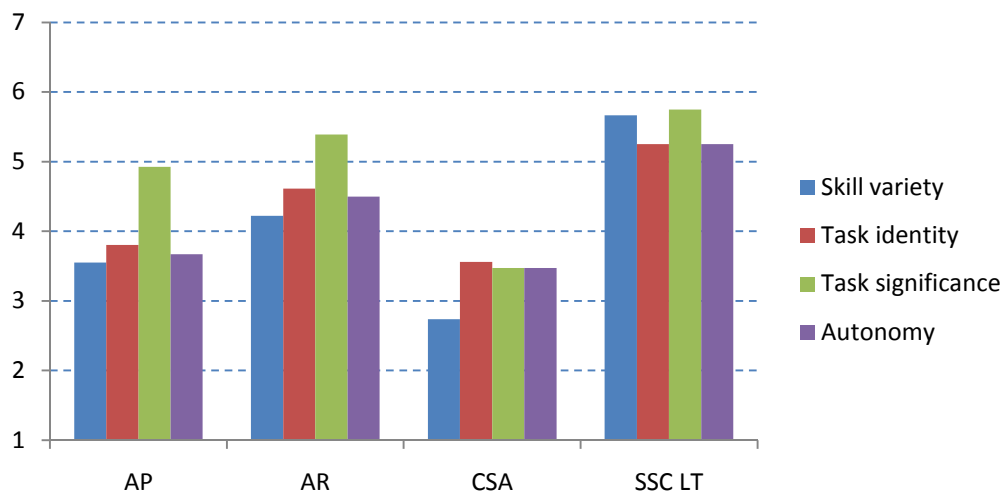
Graph no. 4 Structure of Sample by Departments



3.7.3 Job Characteristics Model

Job Characteristics Model considering skill variety, task identity, task significance and autonomy was measured in the first part of the questionnaire (Appendix no. 8). The last dimension of this model – the feedback from the job itself – was after consultation in the company excluded from the questionnaire. The results are presented on the graph below. The highest possible score was 7, the higher score the more satisfied employees are.

Graph no. 5 Job Dimensions by Departments



	AP	AR	CSA	SSC LT
Motivating Potential Score	32,8%	43,8%	25,3%	60,5%

The lowest scores were obtained from CSA department where the more routine work is reflected in low skill variety. In both AP and AR, the task significance was quite high, people feel that the work they are doing is somehow important as results of their work are likely to affect the work of other people.

As the feedback from the job itself was excluded from the questionnaire, to gain Motivating Potential Score (MPS), the original formula proposed by Hackman and Oldham (see chapter Job Design 2.3.4) was modified to:

$$MPS = \frac{\text{variety} + \text{identity} + \text{significance}}{3} \times \text{autonomy}$$

Then, the MPS scores could range from 1 to 49; 49 was used as a base (100%).

Apparently, motivating potential of job is problematic in CSA department dealing with customers' support agreements and repair invoices.

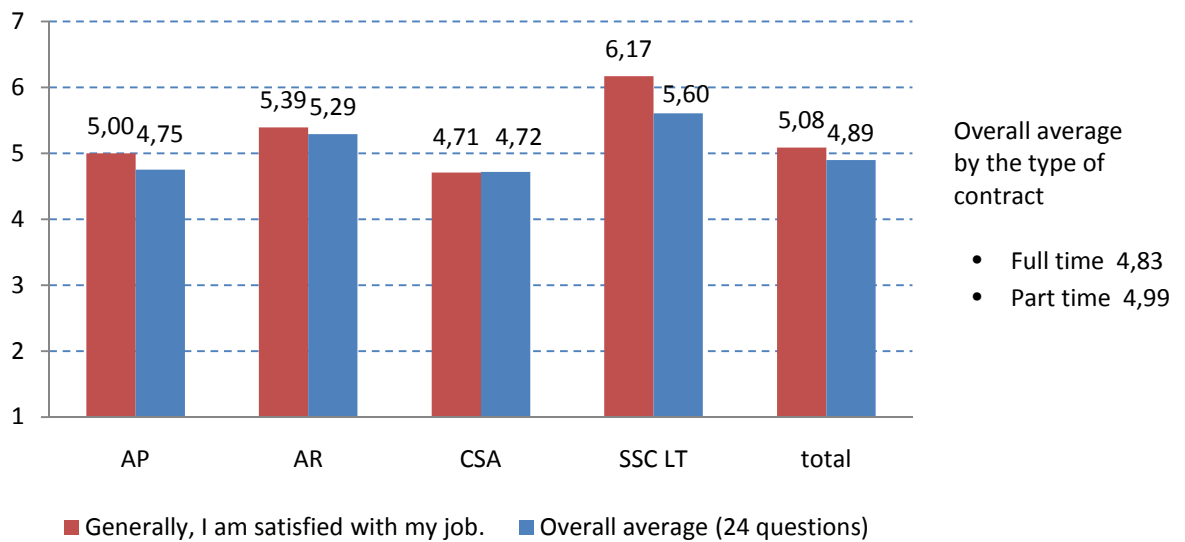
3.7.4 Job Satisfaction

Following part sums up results of the second part of the questionnaire dealing with a job satisfaction (altogether 24 questions). More specifically, it focuses on overall satisfaction, top and bottom scoring questions and comparison of job satisfaction dimensions by departments.

Overall Satisfaction

As it was already mentioned, seven-level scale for answers was used to measure degree of satisfaction. Scale ranged from strongly disagree (number 1 on the vertical axis) to strongly agree (number 7 on the vertical axis), thus the higher score the more satisfied employees are.

Graph no. 6 Overall Satisfaction by Departments



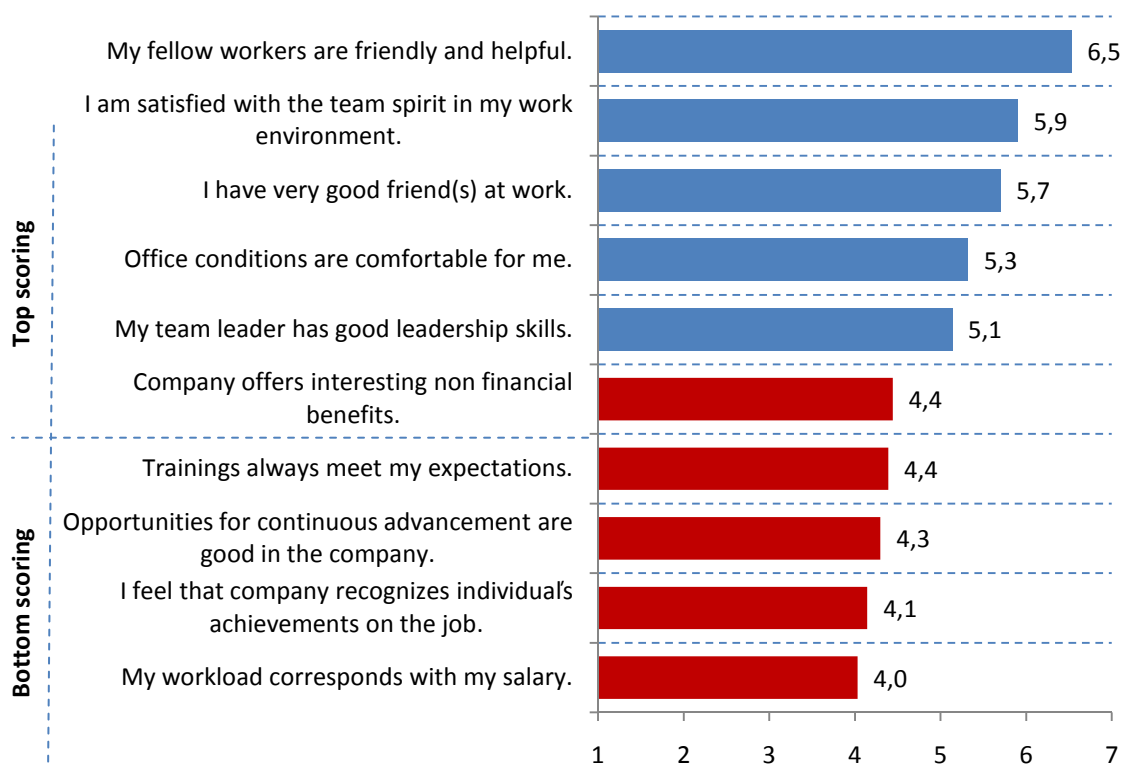
The total average from the whole sample of the 131 employees was 4,89 if all 24 questions are concerned. Apparently, AP and CSA are slightly below this average and part timers are little bit more satisfied than full time employees.

Basic statistics analysis for all 24 questions dealing with a job satisfaction is presented in Appendix no. 9.

Top/Bottom Scoring Questions

Top and bottom scoring questions were determined by average ranking within the sample. As listed below, areas with the greatest strength are team spirit, interpersonal relations, physical working conditions and leadership skills of team leaders.

Graph no. 7 Top and Bottom Scoring Questions (Total)



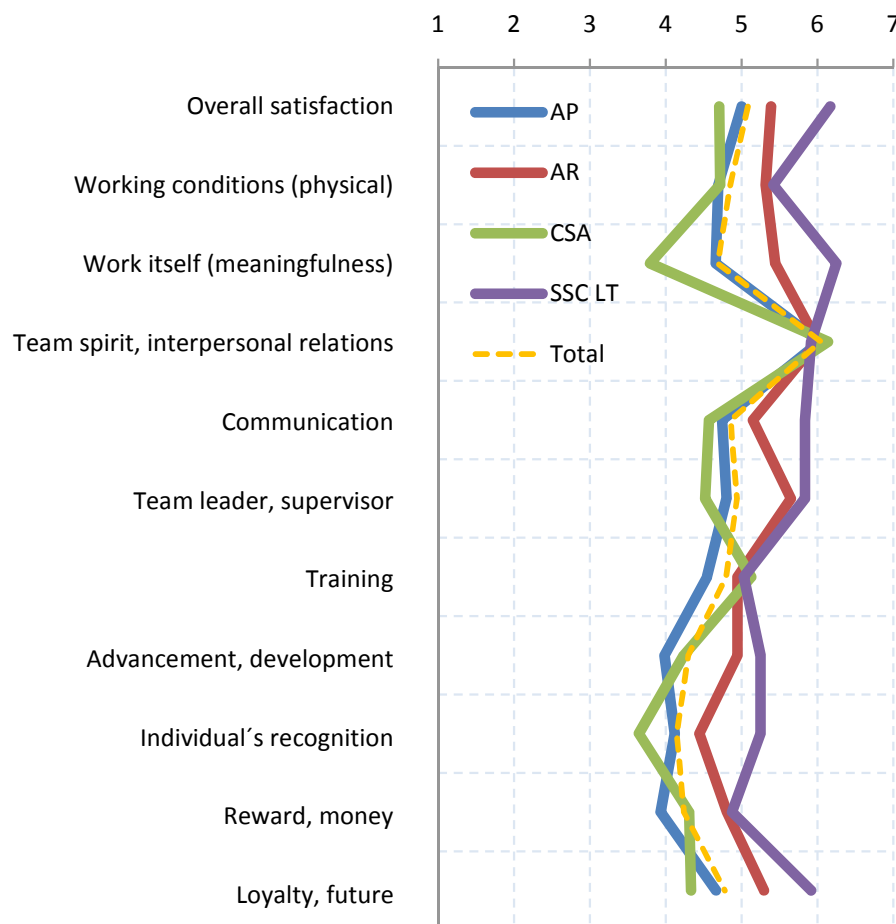
Top scoring questions interestingly vary within departments (see Appendices no. 10 and 11). Results from AP correspond with the total average. Employees in AR are more satisfied with their team leaders as they feel that they appreciate their work and contribution. Sufficient initial training and well working work equipment scored very well only in CSA, however, as far as CSA is concerned questions dealing with team leader did not score within top scoring questions. Generally, members of the leadership team are satisfied with their job; they perceive their work meaningful and keep a high level of loyalty to the company.

The worst rating questions are quite comparable among departments. Salary, recognition of individuals' achievements on the job, opportunities for promotion or advancement, quality of trainings and non financial benefits count for the weak areas. CSA differs little bit once again with a low score in question of meaningfulness of the job and apparently there seems to be some barrier in communication as employees do not feel that their opinions are taken into account. Apart from that, leadership team sees as a weak point quantity of trainings and access to the high quality materials.

Satisfaction Dimensions

All 24 questions focusing on job satisfaction were grouped into several dimensions. Comparison of these dimensions by departments is illustrated on the Graph no. 8.

Graph no. 8 Dimensions of Job Satisfaction by Departments



To sum it up, statistically the most significant differences are in the meaningfulness of the work and loyalty and future. While certain level of consensus across all departments prevails on physical working conditions, team spirit, training, and reward.

3.7.5 Motivational Drivers

The third part of the questionnaire (Appendix no. 8) – Motivational drivers – aimed to indicate which motivators are more or less important for specific employees and departments. The task was to arrange 12 drivers in hierarchical order from the most to the least important, regardless the fact whether the employees are currently experiencing them in the DSGi.

In total, interest – a need to feel that work is intrinsically interesting and useful – is the most important tool how to effectively motivate DSGi employees. It is possible to detect some differences in the motivational profiles of individual departments, however these differences are not statistically significant.

Regarding the most important motivators, AP and CSA have a same profile with the interest on the top and money on the second place, while in AR and SSC Leadership Team, self-development is the key driver, with money on the fourth place.

Table no. 8 Motivational Drivers (Total)

Interest	3,9
Self-development	4,3
Money & rewards	4,4
Achievement	5,8
Social contact	6,1
Relationships	6,4
Recognition	6,9
Variety & change	7,2
Physical conditions	7,8
Creativity	8,2
Power & influence	8,2
Structure & rules	8,6

Top Drivers in AP and CSA

Interest
 Money & reward
 Self-development
 Social contact

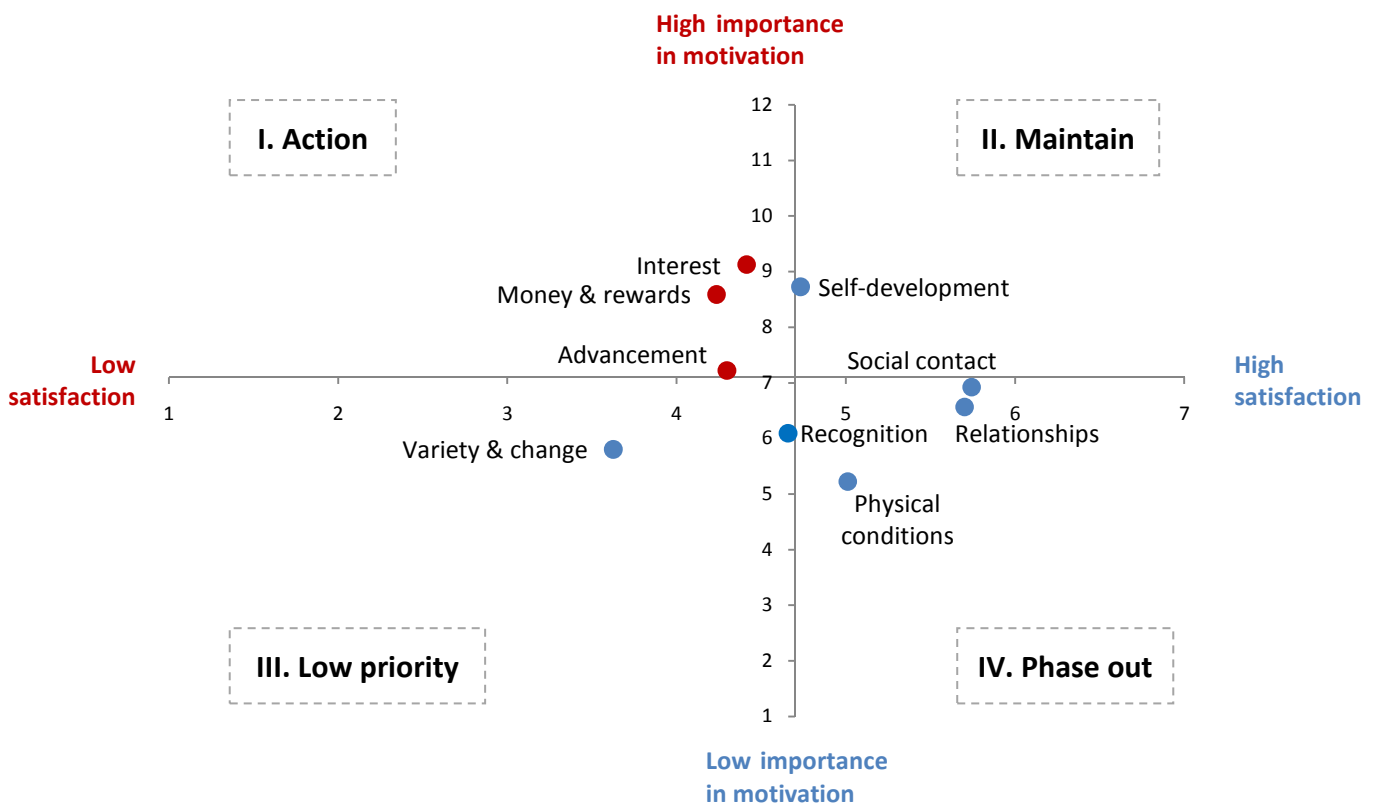
Top Drivers in AR and SSC LT

Self-development
 Interest
 Achievement
 Money & Reward

3.7.6 Satisfaction vs. Motivation

The Graph no. 9 combines the level of satisfaction with motivational potential of certain job dimensions. It helps to decide where the immediate action is needed. The evaluation was based on matching questions from job characteristics model and job satisfaction (the first two parts of questionnaire) with motivational drivers. For more details see Appendix no. 12.

Graph no. 9 Map Satisfaction vs. Motivation (Total)



On the horizontal axis were used average scores from matching satisfaction questions while on vertical axis were depicted the ratings of individual motivational drivers. The axes cross each other in total average scores. Finally, the partial job dimensions or aspects slotted into one the four quadrants depending on the score. Each quadrant requires a different approach.

The crucial quadrant is in the upper left corner “Action” with low satisfaction and high importance in motivation. In total, *interest, money & reward* and *advancement* felt within this quadrant. As these aspects scored low in satisfaction and are of importance to motivate the employees properly, an immediate action should be taken right here. Favourable results were reached in AR and SSC LT, where none of the measured aspects felt within the “action needed” quadrant. Maps by departments are presented in Appendix no. 13.

3.7.7 Mirror Research

As it was already mentioned, mirror research focused on leadership team awareness of employees’ perceptions and needs. Managers were asked to indicate the top and bottom scoring dimensions of satisfaction and motivational drivers (for more details about questionnaire see Appendix no. 8). The table below summarizes the leadership team answers separately for part time (PT) and full time (FT) employees. Those dimensions highlighted in blue match the employees’ answers and were identified by management correctly.

Table no. 9 Results of Mirror Research

	Mirror research (FT)	Mirror research (PT)
Satisfaction high	Team spirit, relationships	Team spirit, relationships
	Working conditions	Money & rewards
	Money & rewards	Working conditions
Satisfaction low	Training	Meaningfulness of work
	Loyalty	Loyalty
	Meaningfulness of work	Individual’s recognition
Motivation high	Self-development	Social contact
	Relationships	Money & rewards
	Money & rewards	Relationships
Motivation low	Creativity	Creativity
	Power & influence	Working conditions
	Structure & rules	Power & influence

The total hit rate was 54 % (50 % with FT employees, 58 % with PT employees). From the results it is clear, that the management has a distorted perception about low satisfaction dimensions within the full time employees. While the employees quoted money & rewards, individual's recognition and advancement, the management think that it is loyalty, training and meaningfulness of work. Just for illustration, the spread of the answers of leadership team in questions of low satisfaction and low motivation are illustrated in Appendix no. 14.

How to motivate part time employees is the second point of difference. According to the part timers the key motivators are interest, money & rewards and self-development on the contrary management stated money & rewards, social contract and relationships.

3.8 Reporting the Results to the Company

The results of the survey were presented to the management on the leadership meeting. The focus was placed on evaluation of individual departments and comparison of main differences. The presentation was supported by more detailed Survey Report prepared in PDF file. Afterwards, it was up to management to decide what will be published to the employees.

In cascading the results to the teams, involvement of line managers – team leaders – played a key role. Results were presented on teams' sessions and only the main issues from individual department were communicated to the employees. Afterward, everyone had a chance to propose and discuss needed follow up actions.

3.9 Research Limitations

As the questionnaires were distributed to all employees, no probability sampling was applied and *sampling error* was eliminated to minimum. However, several *non-sampling error* occurred.

Firstly, it was a low response rate in Accounts Receivable counting as one of the biggest limitations of the research. Secondly, a poor questions wording might be called as *data collection error*, as more than 10 responses returned with wrongly filled in motivational drivers.

Only the closed questions in the questionnaire ensured that answers could have been easily pre-coded and analysed, thus *data processing error* was minimised. On the other hand, some open question would have allowed respondents to express opinions in their own terms which could have led to more accurate responses to some questions.

According to the management, some of the questions may not have been understood properly by employees. Next time, this could be eliminated by collective completion sessions during office hours, where the instructions and meanings of the questions can be more explained. This approach would decrease number of wrongly filled in questionnaires, moreover, it may positively influence response rate.

Lastly, it took a long time until the results were presented to the employees. In the future, to keep similar projects more credible and reliable, communication of findings to the team members should be given higher priority.

3.10 Summarization of Results

The analytical part aimed to explore concept of HRM in the SSC. Description of policies and practices was embedded in accordance with the Michigan Model of HRM including a process of selection, appraisal, reward and development which affect individual stages in every employment cycle.

Apparently, soft version – people-oriented approach – treating employees as valued assets is applied within the company. Some of the policies such as two way communication, flexible hours for part timers, flat decentralized structure, etc. reflect

policy areas of Harvard Model that regards HRM as one of the most important concerns of management.

Moreover, company culture basically shaped by shared Team Values, coincide with long term intention of Harvard framework to provide individual wellbeing, organisational effectiveness and societal wellbeing.

Satisfaction survey helped to reveal several weak areas in job satisfaction. Briefly, unfavourable results were reached in Accounts Payable department in questions of *reward, advancement, interest and self-development*, and in Customer Support Agreements department the key areas to focus on are *low skill variety, interest and reward*.

On the other hand, *team spirit, relationships, team leader and communication* scored very well within the employees. In the company is also apparent influence of informal groups that form spontaneously on the basis of common interests. It contributes to fulfil the need of belonging and recognition, which enhances productivity and serve as strong social control over the work attitudes.

4 PROPOSALS FOR IMPROVEMENT

Proposed follow up actions are based on analysis of human resource management concept and results of satisfaction survey. Recommendations are embedded in basic HRM practices that affect the stages of the employment cycle: selection, appraisal, reward and development.

4.1 Selection

4.1.1 E-recruitment Tools

In order to obtain high-quality employees at minimum costs, online recruitment using web-based applications should be more utilised in recruitment and selection process. Just *own website* of the DSG International SSC, s. r. o. is one of the tools that is currently missing and definitely should be designed in a near future. Moreover, the Shared Service Centre, though enlarging its activities, is not even mentioned on Group pages at www.dsgiplc.com.

As number of employees is gradually rising, and additional 30 team members will be recruited by the end of the year 2009, own web page would grant an opportunity to provide much more information to applicants about the company, human resource policies, vacancies and increase the attractiveness of the company as a great place to work. Table below sums up the pros and cons of e-recruitment.

Table no. 10 Advantages and Disadvantages of e-recruitment

Main advantages	Main disadvantages
<ul style="list-style-type: none">• Reduction in recruitment costs.• Broader selection pool with greater flexibility.• Speed up recruitment process.• Easier, more effective administration.• Consistent gathering of information.• Strengthening of the employer name and organization culture.	<ul style="list-style-type: none">• Discourage candidates if the website is badly designed.• Exclude those who do not want to search for a new job online.• Make the process impersonal.

One of the biggest advantages is an effective screening, comparing and selecting of candidates. To prevent applications overload, job profiles need to be clearly specified. Besides, consistent gathering of information might be supported by *online application form* or *self-selection questionnaire* to assess fit with role and to let unsuitable candidates sensitively know that this may not be the right job for them.

Depending on the eventual budget released for this project, web page could provide either only basic information with list of vacancies and contact person or it may include more in-depth details of person specifications, benefits and some custom designed tools. However, it has to be user friendly without any technical difficulties.

The most effective opportunity how to realize this idea is to offer it as a topic of *bachelor's* or *master's thesis*. Concretely, the objective of the thesis could be to design SSC web pages focusing mainly on attraction and selection of candidates with integrated custom based tools such as online application form, self-selection questionnaire and subsequent evaluation form to get and monitor feedback from applicants about how their experience of applying for a role.

The proposed theme should be addressed to university students combining economics with information science. Such study programmes are accredited on Mendel University, Brno University of Technology and Masaryk University. Already realized IT projects could serve as selection criterion. From the SSC perspective it would require regular supervision of Business Development Manager and involvement of HR department in preparation of supporting documents for internet presentation.

Finally, as a reward after a successful launch of web pages, an employment contract could be signed with the student. It might be either part time contract, with responsibilities only for maintaining and keeping pages up to date, or full time contract with broader accountabilities such as *implementation of Service Improvements Proposals* or providing high quality initial and advanced *IT trainings*, as just these two areas need any further support within the company. The possible job description for the new position – IT Development support – is proposed in Appendix no. 15.

4.1.2 Attracting University Students

Apart from (or instead of) the SSC web page, it is highly recommended to register the company profile on server www.ikariera.cz. This *job portal*, managed by IAESTE (The International Association for the Exchange of Students for Technical Experience), is targeted to university students and enables to advertise any vacant position, professional experience or a theme for bachelor's or master's thesis. However, costs need to be taken into account. Basic presentation on one page in printed and online catalogue plus one year access to iKariéra cost 19 000 CZK.

Moreover, presentation of the SSC mission and career opportunities on *job fairs* would bring the company to the closer students' notice and get into contact with potential applicants. Job fairs take place once or twice a year in premises of Brno's universities. Comparison of providers is presented in Appendix no. 16.

Apparently, the cheapest one is the *JobFair PEF* organized at Faculty of Business and Economics at Mendel University. The final price is 12 000 CZK, including a discount on an advertising in faculty magazine. Participation on the *Job Challenge* at Masaryk University starts at 13 000 CZK. In advance, companies have an access to the database of CVs of registered students. Job fair *iKariéra* at Brno University of Technology has a basic price 19 900 CZK, however, to save the costs, it is possible to present the company only indirectly – in the printed Job Fair Guide – per 5 900 CZK.

Direct presentation could be ensured by one representative from HR department and assisted for example by two part time employees. It would create additional costs, participants might be rewarded by leisure time vouchers in value from 500 to 1 000 CZK.

4.2 Appraisal – Performance Management

4.2.1 Encouragement of Service Improvements Proposals

To improve organizational performance it is necessary to manage and develop employees in a proper way. However, the performance is not only about employees but the *system* as well. The survey revealed that the system operating reliability is lower especially in Accounts Payable department. As a poor system in itself may be demotivating and blocking progress, any *innovation* should be done right here.

Team leaders should more encourage employees to use their own initiatives and come up with any idea for *service improvements*. Proposals can be invited on regular teams meetings or via any *suggestion box* and then handled by Development Manager or IT Support. To increase motivational effect, any workable suggestion needs to be implemented with a help of the person from whom the idea came. Above all, any rejections have to be handled very tactfully.

4.2.2 Recognition and Positive Feedback

Second important point in appraisal is recognition of achievers. The acknowledgement helps to enhance self-esteem in Malow's pyramid and may be viewed as reward in itself. *Employee of the Month* is the important way of public recognition of a good work and its written form emphasizes the appreciation. Nevertheless, in order to make people more valued it should be awarded *on departments' levels* (separately for AP, AR, CSA). The process should stay the same (as presented in section 3.4.3.), in total it would create additional costs of about 2 000 CZK per month.

Apart from the written acknowledgement, it is up team leaders to provide *positive feedback* on the team's level when the job is well done. This form of support should be increased either in teams with higher staff turnover and in teams handling customers' or suppliers' disputes, as this kind of job supposes to be more stressful (Agreement

Maintenance, Merchandise, Non-Merchandise teams). It may seem useless, however, positive feedback driven by line management is an essential counterweight to criticism.

4.2.3 Enhancement of Promotion Awareness

Regarding the advancement, team leaders should keep on *highlighting the importance of PDRs* (Performance Development Review) for both full time and part time employees. One-to-one discussions about career goals have to be supported by follow up actions with *more detailed timescale*. Moreover, as the feeling, that any promotion or progress is possible, is a very strong motivator, more detailed information about vacancies, especially about newly opened positions, should be provided on teams' meetings.

4.3 Reward

4.3.1 Flexible Benefits Scheme

Results of satisfaction survey clearly show that employees are not satisfied with offered non financial benefits. Recently, in the company is evident intention to negotiate preferential prices or discounts vouchers in concrete facilities. This method is quite time consuming, requiring goods communication and negotiation skill. Moreover, as the SSC is gradually expanding, differences in employees' age, marital status and lifestyle are rising as well, causing that their needs may vary considerably.

Generally, flexible benefit schemes provide employees with a *greater degree of choice* on how to spend benefits on as it enables to fully involve their families when making decisions. Finally, it can save company's money on benefits that are neither wanted nor needed.

Employees after probation period should be allocated certain yearly allowance to spend on benefits. Entitlement can be applied on the basis of repayment of invoices or by vouchers supplied by external provider.

More information about benefits providers are summed up in Appendix no. 17. Needless to say, that as the company already has more than 100 full time employees, applying this policy would create quite significant costs.

4.4 Development

4.4.1 Identifying of Learning Needs

The starting point of the whole development process is a regular updating of PDRs (Performance and Development Reviews) to identify individuals learning needs. Apart from that, *groups' learning and training areas* should be more discussed on teams' sessions. The key areas to focus on are for example advanced Lotus Notes, Excel or Access trainings. As it seems that there are not spares capacities within IT and business development, training sessions can be one of the responsibilities of IT Development Support – the new position already proposed in section 4.1.1 and in Appendix no. 15.

4.4.2 Greater Involvement of Associates

To positively influence motivating potential scores of jobs, especially the skill variety should be improved in AP and CSA. It can be done on both teams' and departments' levels.

The first possibility, *on individual teams' levels*, implies greater involvement of employees on associated positions into performance reporting connected with weekly monitoring of KPIs (Key Performance Indicators). As various databases and MS Excel are used to run the reports, it would lead both to broadening of associates IT skills and enhancing their feelings of responsibility and empowerment. Necessary trainings should be provided by teams' specialists.

Secondly, job rotation – so called *experiential learning across departments* – can properly stimulate employees by acquiring additional knowledge and skills. Essentially,

it may focus on mutual learning of basic tasks on associated positions (such as Processing Associate in AP, Agreement Maintenance Associate in CSA, etc.) to extend employees abilities and prepare them to increase responsibilities. Although it may take trainers away from their workloads, it can positively influence trainees' perceptions of overall meaningfulness of the job (an important dimension of empowerment), assist them in finding the most suitable placement within the company or decrease the staff turnover on focused positions. Finally, the company itself will profit through the better flexibility of employees who can help other teams in peak season or backlog situations.

4.4.3 Management Development

Although managers learn best “on the job” it should not lead to the conclusion that management development can be a random process. The organization should enhance consistent managerial learning. One of the possibilities is to evolve *Development Programme for Managers*, led by external trainers with the focus on similar areas as in case of Development Programme for Specialists – effective communication, effective meetings, motivation and coaching people. Though, the courses with external consultants use to be quite expensive, investments in management development have a direct economic benefit to the organization.

A detailed market research focusing on training specialists, business schools, large training consultancies, or individual freelance trainers, should be conducted to find out the most suitable external provider. Nevertheless, it would be a sufficient theme for further bachelor's or master's thesis that may be offered to university students.

In addition to formal training courses, the company can try to promote *MBA* (Master of Business Administration) *studies* among managers. Despite of high expenses, MBA programmes allow managers to acquire another business-related graduate degree while working full time and prepare them to undertake advanced professional occupations in businesses. Basic information about MBA courses available in Brno are sum up in Appendix no. 18. Study programmes usually take from two to three years and applicants must have a reasonable amount of prior real-world work experience.

CONCLUSIONS

The aim of the thesis was to propose how to further develop applied human resource management in the company DSG International SSC, s. r. o. This Shared Service Centre is specialised internal provider of financial and transactional services to the DSG International plc – one of Europe's leading specialist electrical retailing groups.

Firstly, in the theoretical part were summarized findings from literature focusing mainly on features of human resource management, motivation, job design, job satisfaction or business research.

Afterwards, the company itself was more closely introduced, with the emphasis placed on the description of rapid development of the SSC in Brno and characterization of company culture based on shared Team Values, Being the Best approach and two way communication. Basic facts about the whole DSGi Group were highlighted as well.

The subsequent analysis of the concept of human resource management pointed out responsibilities of human resource manager and then uncovered used policies affecting the whole employment cycle ranging from selection to appraisal, reward and development.

The analysis of the staff turnover was the starting point of satisfaction survey. The core part of the survey in itself aimed to measure job design, multi-dimensional job satisfaction and motivational drivers on departments' levels. Apart from that, mirror research investigated leadership team awareness of employees' perceptions and needs.

As the all employees may have participated in the survey, the results provided valuable insights into company's strengths and weaknesses. In total, the top scorings were reached in the questions of team spirit, relationships, team leader and communication. On the other hand, the reward, advancement and interest fall within the crucial areas to focus on.

As to measure also means action, survey findings are reflected in proposed follow up actions suggesting how to attract quality employees and reach highly motivated workforce. Issues such as own e-recruitment tools, building up relations with university students, flexible benefit scheme or intrinsic motivation in form of formal recognition on departments' levels, positive feedback or broadening the skills of associates should be taken into account in the future.

Though the formulation of new policies may seem to be easy, the rationale of all of them and potential benefits are debatable. Moreover, they cannot be applied at once and it is up to management to set the priorities. Hopefully, the outcomes of the thesis will serve as a clear source of ideas in further discussion about new development of human resource management within the Shared Service Centre.

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LIST OF ABBREVIATIONS

AP	Accounts Payable
AR	Accounts Receivable
BUT	Brno University of Technology
CIPD	Chartered Institute of Personnel and Development
CSA	Customer Support Agreements
DSGi	Dixon Stores Group International
FT	Full Time
HPWS	High-Performance Work System
HR	Human Resource
HRM	Human Resource Management
MPS	Motivating Potential Score
KPI	Key Performance Indicators
PDR	Performance and Development Review
PT	Part Time
SHRM	Strategic Human Resource Management
SSC	Shared Service Centre
SSC LT	Shared Service Centre Leadership Team

LIST OF PICTURES

Picture no. 1	Models of Human Resource Management	16
Picture no. 2	Winter 08–09: Expected Trend of Costs	20
Picture no. 3	Policies How to Improve Staff Engagement	20
Picture no. 4	The 5D Model of Professor Geert Hofstede (CR vs. UK)	22
Picture no. 5	Maslow’s Pyramid of Needs	26
Picture no. 6	Ritchie’s and Martin’s Motivational Drivers	27
Picture no. 7	Job Characteristics Model	28
Picture no. 8	Steps of Business Research	33
Picture no. 9	Performance Management Cycle in DSGi	46
Picture no. 10	Research Objectives	54

LIST OF TABLES

Table no. 1	Harvard Model Policy Areas	17
Table no. 2	Herzberg's Factors Affecting Job Attitudes	27
Table no. 3	Description of Empowerment Dimensions.....	30
Table no. 4	Barrier Marketing	37
Table no. 5	Required Skills.....	45
Table no. 6	Model of Total Reward in the SSC.....	49
Table no. 7	Turnover Analysis of Leavers by the Length of Service.....	52
Table no. 8	Motivational Drivers (Total).....	62
Table no. 9	Results of Mirror Research	64
Table no. 10	Advantages and Disadvantages of e-recruitment	68

LIST OF GRAPHS

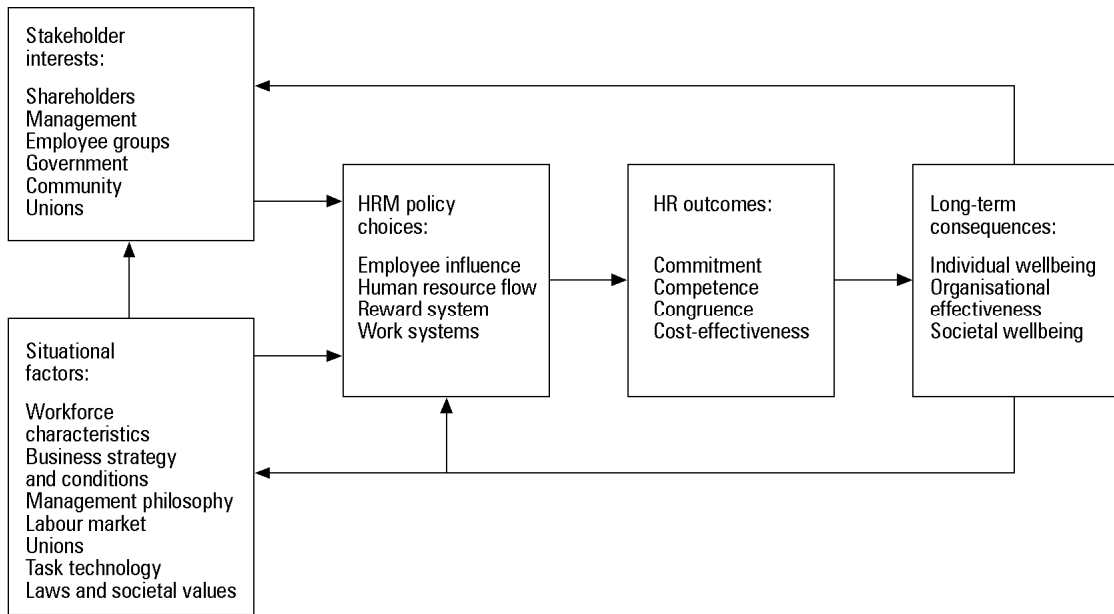
Graph no. 1	Trend in Number of Employees.....	41
Graph no. 2	Trend in Monthly Staff Turnover	51
Graph no. 3	Response Rates by Departments.....	57
Graph no. 4	Structure of Sample by Departments	57
Graph no. 5	Job Dimensions by Departments	58
Graph no. 6	Overall Satisfaction by Departments	59
Graph no. 7	Top and Bottom Scoring Questions (Total).....	60
Graph no. 8	Dimensions of Job Satisfaction by Departments	61
Graph no. 9	Map Satisfaction vs. Motivation (Total).....	63

LIST OF APPENDICES

- Appendix no. 1 The Harvard Framework for HRM
- Appendix no. 2 Key Reasons for Employee Turnover
- Appendix no. 3 Retention Strategy
- Appendix no. 4 History of DSG International
- Appendix no. 5 Group Profile
- Appendix no. 6 DSG International, plc. Financial Results
- Appendix no. 7 DSG International SSC, s. r. o. Organizational Structure
- Appendix no. 8 Satisfaction Survey – Questionnaire
- Appendix no. 9 Basic Statistic Analysis
- Appendix no. 10 Top Scoring Questions by Departments
- Appendix no. 11 Bottom Scoring Questions by Departments
- Appendix no. 12 Matching Questions with Motivational Drivers
- Appendix no. 13 Maps Satisfaction vs. Motivation
- Appendix no. 14 Mirror Research
- Appendix no. 15 Job Description – IT Development Support
- Appendix no. 16 Job Fairs Comparison
- Appendix no. 17 Comparison of Benefits Providers
- Appendix no. 18 MBA Courses in Brno

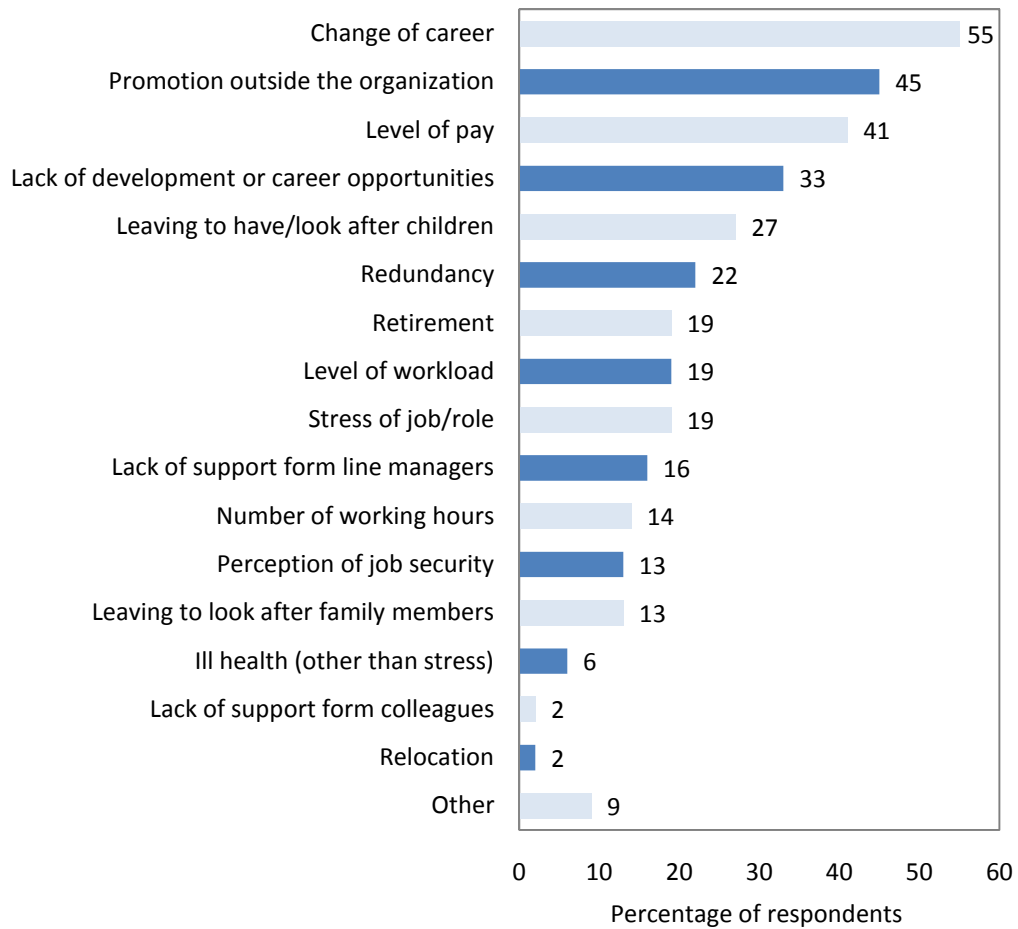
APPENDICES

Appendix no. 1 The Harvard Framework for HRM



Source: 7, p. 255

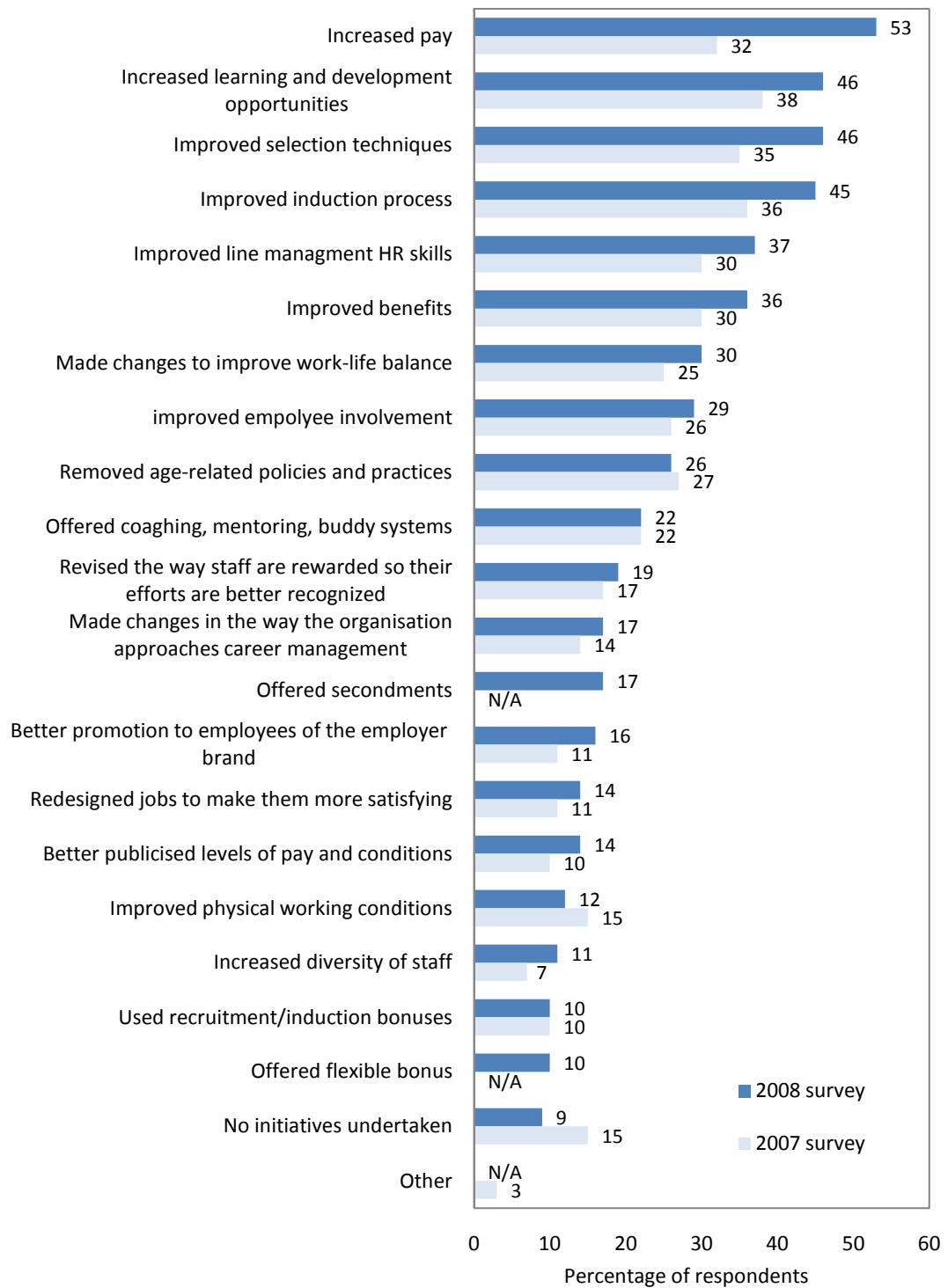
Appendix no. 2 Key Reasons for Employee Turnover



Source: 26, p. 25

The survey was carried out in February and March 2008 in United Kingdom. The questionnaire was sent to HR professionals in the private, public and voluntary sectors. In total 779 responses were received.

Appendix no. 3 Retention Strategy



Source: 26, p. 27

The survey was carried out in February and March 2008 in United Kingdom. The questionnaire was sent to HR professionals in the private, public and voluntary sectors. In total 779 responses were received.

Appendix no. 4 History of DSG International

1937	Charles Kalms opened the first Dixons photographic studio at 32 High Street, Southend, England.
1950	The number one photographic dealer in Britain.
1962	Dixons was listed on the London Stock Exchange.
1964	Acquisition of two main competitors of Ascott and Bennetts.
1967	Acquisition of 7,900 m ² color processing laboratory in Stevenage.
1972	Acquisition of another competitor, Wallace Heaton.
1974	The Stevenage Distribution Centre was opened (163,000 sq ft of floor space).
1982	Introduction of Saisho own-brand products (audio, TV, video).
1984	Acquisition of Currys (613 stores).
1988	Dixons and Currys integrated into a single entity – Dixons Stores Group.
1993	Acquisition of PC World Superstores.
1994	Launch of The Link format and Dixons tax-free store, first opened at Heathrow Terminal 3.
1996	Acquisition of DN Computer Services, later merged with PC World. Dixons opened first store in Republic of Ireland.
1997	Launch of Dixons online shop. Cellnet took a 40% stake in The Link.
1999	Acquisition of leading Nordic electrical retailer, Elkjøp and leading specialist PC retailer in Spain and Portugal, Ei System. Dixons took a 15% stake in Greek retailer Kotsovolos.
2001	Elkjøp acquired SuperRadio in Denmark and Dixons took a 24% stake in UniEuro of Italy.
2002	First Electro World store opened in Hungary and in the Czech Republic. PC City launched in Italy, Dixons increased its share in UniEuro to 96%.
2003	PC City launched in Sweden.
2004	Dixons acquired controlling stake of Kotsovolos in Greece.
2005	Dixons Group changed name to DSG International plc. Electro World store opened in Poland.
2006	DSG acquired the Markantalo chain in Finland.
2006	Sale of 60% stake in The Link to O2 for £30m
2006	Acquired a majority stake (77%) in Fotovista, which operates the Pixmania e-commerce brand.
2006	Launched The TechGuys customer support service.
Sep 2007	Finance Shared Service Centre – DSG International SSC, s. r. o. – opened in Brno, Czech Republic.
2008	Stop of selling analogue TVs.
2009	DSGi is negatively impacted by the economic recession that has caused changes in consumer spending patterns in the UK and across Europe.

Source: www.dsgiplc.com

Appendix no. 5 Group Profile

Sales by sector
£million

Computing	£2,161.9m
Electricals	£5,731.7m
e-commerce	£652.3m



Sales by region
£million

UK & Ireland	£4,969.3m
Southern Europe	£1,682.8m
Nordic	£1,606.0m
Central Europe	£287.8m



	Our brands	Description
Electricals	 	The UK's biggest electricals chain, combining superstores and Currys.digital on the high street. Dixons Tax Free stores are based at UK airports and the Eurotunnel terminal.
		The leading Nordic electrical retailer.
		Specialist electrical retailer in Italy.
	 	Greece's leading electrical retailer, operating as Kotsivolos and Electro World in Greece and Electro World in Turkey.
		Electrical stores in Hungary, the Czech Republic and Poland.
	Ireland	Ireland's leading electrical retailer.
Computing		UK's biggest chain of computing superstores.
		Specialist computing superstores in Spain, Italy and Sweden.
		Specialist provider of business IT solutions comprising PC World Business, Equanet, MacWarehouse and Microwarehouse.
e-commerce	 	PIXmania is a pan-European online electrical retailer. Dixons.co.uk is one of the leading UK electrical e-tailers.

Appendix no. 6 DSG International, plc. Financial Results

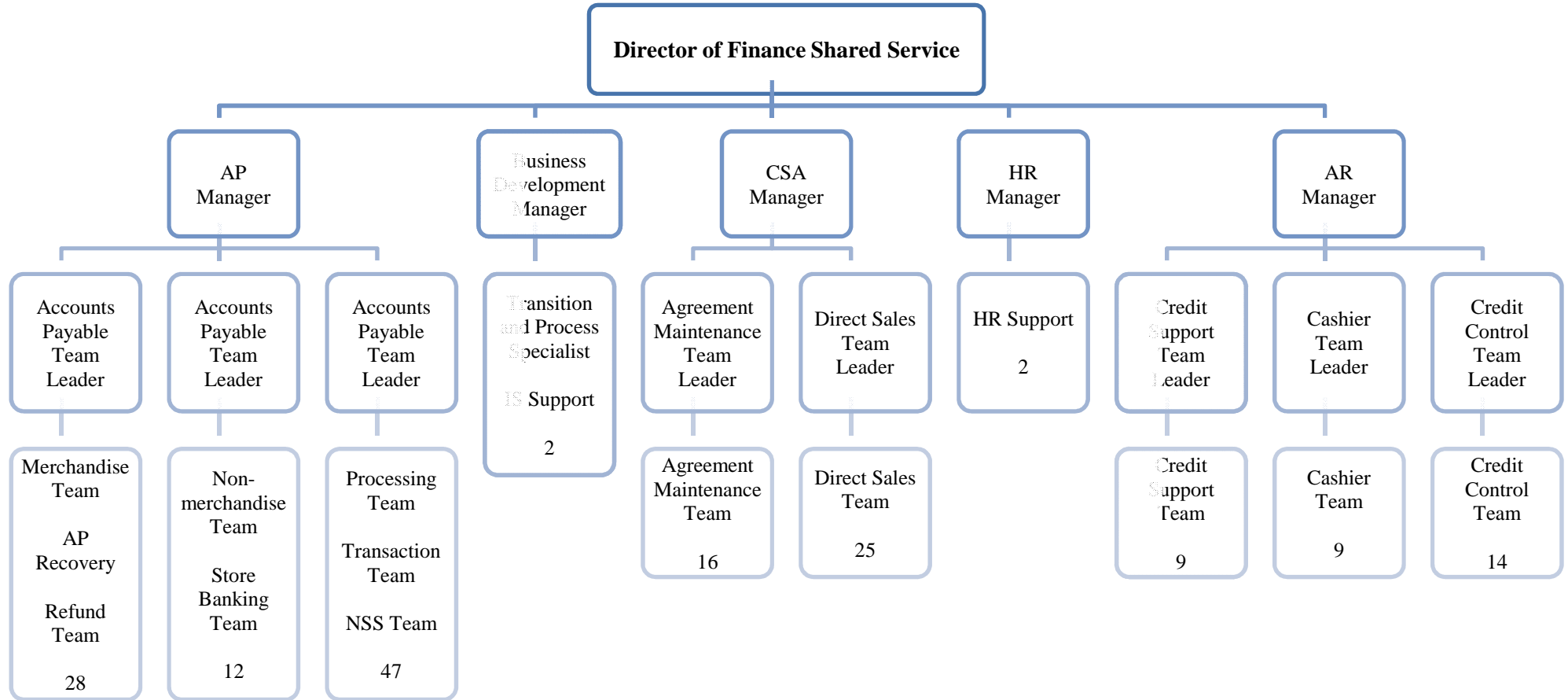
Fiscal year	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Fiscal year end date	03/05/2008	28/04/2007	29/04/2006	30/04/2005	01/05/2004	03/05/2003	27/04/2002	28/04/2001	29/04/2000	01/05/1999	02/05/1998
Turnover £ 000,000	8,545.9	7,929.7	7,072.0	6,982	6,491	5,750.5	4,888.2	4,688.2	3,889.9	3,156.3	2,791.9
Profit before tax £ 000,000	(192.8)	295.1	302.9	336.8	366.2	278.6	282.3	647.1	472.1	231.3	213.3
Profit for the period £ 000,000	(259.7)	2.4	211.7	243.1	289.4	207.8	211.2	602.6	413.7	186.2	166.4
Basic EPS* (p)	(14.5)	10.9	11.7	12.6	14.4	10.7	11.0	31.5	22.5	41.1	36.9

*Earnings per share

Highlights from Annual Report 2008

- Despite all the advantages of being a market leader, only some of DSGi's businesses performed to a good standard last year.
- Elkjop continues to lead across the Nordic markets.
- DSGi is building on a very strong position in Greece.
- The pure online businesses PIXmania and Dixons.co.uk in combination grew 27% during the last financial year.
- But in the UK, PC World's profits were down significantly, and although Currys performed relatively well in a difficult market, company is not satisfied with the results.
- In Italy, the tough consumer environment compounded poor execution.
- Operations in the Czech Republic continue to perform well, delivering a second year of profits from its 16 stores.

Appendix no. 7 DSG International SSC, s. r. o. Organizational Structure



Accounts Payable

AP is responsible for entering and paying of short-term debts (invoices) to DSGi suppliers (mainly from UK).

Merchandise Team manages all aspects of merchandise transactions (matching, dispute handling and reconciliation of supplier accounts).

- Total annual turnover of £3.0 billion.
- 600 supplier accounts, 500,000 invoices processed per year.

Non Merchandise Team is responsible for all non merchandise transactions and query resolution.

- Total annual turnover £0.5 billion.
- 4500 suppliers, 150,000 invoices processed per year.

Process and Transaction Team deals with the receipt processing of all transactions, together with supplier payment processing.

- Approx.15 payment runs per week.

Refund team, since December 2008 located in Brno SSC, is responsible for validation of repayment requests for disputed orders placed via Pixmania's web pages (e-retailer of consumer electronic goods in France, Italy, Spain and Portugal). Main interaction is with Refund team in France.

- 5000 - 6000 processed repayment requests per week.

AP Recovery role is to identify areas in the business, where probability lies in recovering money lost or at threat of loss. Examples of recovery include duplicated invoice payments, system errors, unclaimed promotional activities, etc.

NSS (Nordic Shared Service Centre) is the Shared Service Centre for Elkjop Group servicing retail and wholesale companies in Norway, Sweden, Finland and Denmark. Currently, the team is responsible for matching invoices and quality control of invoices for goods purchased for warehouses at DSGi's Nordic business.

- The Invoice Control approves approximately 336,000 purchase invoices annually.

- NSS future – Accounts Receivable goes live in September 2009, Accounts Payable goes live in November 2009.

Customer Support Agreements

Direct Sales Team processes Direct Sales Agreements and Direct Debit forms (based on purchased guarantee services for the provision), updates customer's payment details and reconciles paper agreements with cheque payments.

- 500,000 Direct Sales customer application forms processed per year.
- 100,000 Direct Debits per year to be identified and updated in the system.

Agreement Maintenance Team maintains and manages Customer Support Agreements, processes invoices from third party repairers and validates claims.

- Approx. 200,000 invoices per annum.
- 80,000 claims annually to the value of £20 million.

Accounts Receivable

Responsible for the money collection and clearing of account balances.

Credit Support Team resolves customer invoice queries (inbound and outbound calling), manages the credit risk (setting credit limits and regular limit reviews).

- 300 inbound invoice query calls per day.
- Up 400 credit limits reviewed per day.

Cash Allocation Team manages the allocation of payments from corporate accounts and payment reconciliation.

- Allocates up to 900,000 payments with a total value of £ 300 million per year.
- Deals with 25,000 corporate accounts.

Credit Control Team investigates and resolves aged balances on specific accounts and proposes write-offs of uncollectible debt.

- 33,000 transactional accounts with an approximate ledger value of £10 million.

SATISFACTION SURVEY

The aim of this satisfaction survey is to ensure that DSGi Finance Shared Service provides a pleasant working environment to all employees. It is an opportunity for you to express your opinions about the company and help to highlight any problem areas.

Questionnaire is divided into three parts focusing on empowerment, job satisfaction and motivational drivers. Specific instructions are given at the start of each section. Your individual answers will remain confidential and will only be used as part of an overall summary report. After completion, put the questionnaire in the box prepared in the kitchen area.

I. EMPOWERMENT

Instructions: Indicate to what extent do you agree with following statements. For each of them choose one number from 1 to 7 describing your current experience in the best way.

Skill variety

How much variety is there in your job?

1 ----- 2 ----- 3 ----- 4 ----- 5 ----- 6 ----- 7

Very little; the job requires me to do the same routine things over and over again.

Moderate variety.

Very much; the job requires me to do many different things, using a number of different skills and talents.

Task identity

To what extent does your job involve doing a ‘whole’ and identifiable piece of work?

1 ----- 2 ----- 3 ----- 4 ----- 5 ----- 6 ----- 7

My job is only a tiny part of the overall piece of work; the results of my activities cannot be seen in the final product or service.

My job is moderate-sized part of overall piece of work; my own contribution can be seen in the final outcome.

My job involves doing the whole piece of work, from start to finish; the results of my activities are easily seen in the final product of service.

Task significance

In general, how significant or important is your job? Are the results of your work likely to affect the work of other people?

1 ----- 2 ----- 3 ----- 4 ----- 5 ----- 6 ----- 7

Not very significant; the outcomes of my work do not have important affect on work of other people.

Moderately significant.

Highly significant; the outcomes of my work affect other people in very important ways.

Autonomy

How much autonomy is there in your job?

1 ----- 2 ----- 3 ----- 4 ----- 5 ----- 6 ----- 7

Very little; the job gives me almost no personal 'say' about how and when the work is done.

Moderate autonomy; many things are standardised and not under my control, but I can make some decisions about the work.

Very much; the job gives me almost complete responsibility for deciding how and when the work is done.

Feedback

To what extent does doing the job itself provide you with information about your work performance? Aside from any 'feedback' supervisors may provide.

1 ----- 2 ----- 3 ----- 4 ----- 5 ----- 6 ----- 7

Very little; the job itself is set up so that I could work forever without finding out how well I am doing.

Moderate feedback; sometimes doing the job provides 'feedback' to me, sometimes it does not.

Very much; the job is set up so that I get almost constant 'feedback' as I work about how well I am doing.

II. JOB SATISFACTION

Instructions: Statements below are something that a person might say about his or her job. Indicate to what extent do you agree with them. For each statement choose one possibility that describes your personal feelings in the best way.

		Strongly disagree	Disagree	Slightly disagree	Neutral	Slightly agree	Agree	Strongly agree
1.	Generally, I am satisfied with my job.							
2.	Office conditions are comfortable for me.							
3.	My working equipment works properly.							
4.	I have access to the high quality materials (handbooks, etc).							
5.	The work I do is meaningful to me.							
6.	I am satisfied with the team spirit in my work environment.							
7.	My fellow workers are friendly and helpful.							
8.	I have very good friend(s) at work.							
9.	Two-way communication is working throughout the company.							
10.	I feel free to say my opinion.							
11.	My opinions seem to be taken into account.							
12.	My team leader has good leadership skills.							
13.	I feel that my leader appreciates my work and contribution.							
14.	My leader helps me to identify my strengths and development areas.							
15.	I received sufficient initial training needed to do my job.							
16.	Quantity of various training is adequate.							
17.	Trainings always meet my expectations.							
18.	Opportunities for continuous advancement are good in the company.							
19.	I feel that company recognizes individual's achievements on the job.							
20.	My workload corresponds with my salary.							
21.	Company offers interesting non financial benefits.							
22.	I feel attached to the company.							
23.	I would recommend DSGi to friends as a great place to work.							
24.	I intend to stay with the company in 12 months horizon.							

III. MOTIVATIONAL DRIVERS

Arrange the motivational drivers in hierarchical order from the most to the least important, regardless the fact whether you are currently experiencing them in DSGi. Use numbers from 1 to 12 (number 1 for the most important, 12 for the least important driver). Use each number only once.

<i>Driver</i>	<i>Explanation</i>	<i>Rating</i>
Interest	Need to feel that work is intrinsically interesting and useful.	
Achievement	Need to set self-challenging goals, need for constant stimulation.	
Recognition	Need for constant recognition and individual appreciation.	
Self-development	Need to grow and develop, contribution of work to personal growth.	
Variety and change	Need for constant variety and change.	
Creativity	Need to produce or use original and unusual ideas.	
Power and influence	Need to have an effect on people or things.	
Social contact	Need to work with other people in team.	
Money and rewards	Need of salary and monetary rewards.	
Structure and rules	Need to have well-defined principles or instructions that states the way things should be done.	
Relationships	Need to form stable and long-term relationships with a small number of people from work.	
Physical conditions	Need for good office environment and material surroundings.	

<i>Gender</i>	<input type="checkbox"/>	Male
	<input type="checkbox"/>	Female

<i>Type of contract</i>	<input type="checkbox"/>	Full time
	<input type="checkbox"/>	Part time

<i>Department</i>	<input type="checkbox"/>	Accounts Payable
	<input type="checkbox"/>	Accounts Receivable
	<input type="checkbox"/>	Customer Support Agreements
	<input type="checkbox"/>	SSC Leadership Team (managers, team leaders, office support)

THANK YOU FOR YOUR TIME AND PARTICIPATION.

MIRROR RESEARCH

The aim of the mirror research is to identify if the leadership team is well aware of employees' perception and their needs.

Satisfaction

Indicate three dimensions of satisfaction that will reach the highest average scores among the employees.

<i>Dimension of satisfaction</i>	<i>FT*</i>	<i>PT*</i>
Working conditions (physical)		
Meaningfulness of work		
Team spirit and interpersonal relations		
Communication		
Team leader		
Training		
Advancement		
Individual's recognition		
Money and reward		
Loyalty		

Indicate three dimensions of satisfaction that will reach the lowest average scores among the employees.

<i>Dimension of satisfaction</i>	<i>FT</i>	<i>PT</i>
Working conditions (physical)		
Meaningfulness of work		
Team spirit and interpersonal relations		
Communication		
Team leader		
Training		
Advancement		
Individual's recognition		
Money and reward		
Loyalty		

*FT – full time employees
PT – part time employees

Motivational drivers

Indicate three motivational drivers that are the most important for the employees.

<i>Motivational driver</i>	<i>FT</i>	<i>PT</i>
Interest		
Achievement		
Recognition		
Self-development		
Variety and change		
Creativity		
Power and influence		
Social contact		
Money and rewards		
Structure and rules		
Relationships		
Physical conditions		

Indicate three motivational drivers that are the least important for the employees.

<i>Motivational driver</i>	<i>FT</i>	<i>PT</i>
Interest		
Achievement		
Recognition		
Self-development		
Variety and change		
Creativity		
Power and influence		
Social contact		
Money and rewards		
Structure and rules		
Relationships		
Physical conditions		

Appendix no. 9 Basic Statistic Analysis

	Job Satisfaction Questions	Frequencies in % 1 = strongly disagree 7 = strongly agree							Mean (Average)	Std.	Mean by Department				Mean by Type of Contract	
		1	2	3	4	5	6	7	Total	Dev.	AP	AR	CSA	SSC LT	FT	PT
1.	Generally, I am satisfied with my job.	1	8	6	10	25	40	9	5,1	1,41	5,0	5,4	4,7	6,2	5,0	5,3
2.	Office conditions are comfortable for me.	3	5	7	8	9	52	15	5,3	1,53	5,4	5,8	4,6	6,0	5,1	5,7
3.	My working equipment works properly.	2	8	12	15	29	30	5	4,7	1,40	4,3	5,2	5,1	5,3	4,6	4,8
4.	I have access to the high quality materials (handbooks, etc).	2	9	11	30	17	27	5	4,5	1,43	4,4	4,9	4,4	4,9	4,5	4,6
5.	The work I do is meaningful to me.	3	5	11	28	18	24	11	4,7	1,51	4,7	5,4	3,8	6,3	4,9	4,3
6.	I am satisfied with the team spirit in my work environment.	0	2	4	8	9	44	34	5,9	1,16	5,9	6,1	5,9	5,8	5,7	6,2
7.	My fellow workers are friendly and helpful.	0	0	0	1	3	39	57	6,5	0,60	6,5	6,5	6,6	6,7	6,5	6,5
8.	I have very good friend(s) at work.	0	2	3	14	16	33	32	5,7	1,26	5,8	5,4	5,9	5,3	5,6	5,8
9.	Two-way communication is working throughout the company.	2	5	10	27	18	27	11	4,8	1,46	4,6	4,9	4,9	5,5	4,7	4,9
10.	I feel free to say my opinion.	2	5	11	13	22	34	14	5,1	1,46	5,0	5,2	4,7	6,0	5,0	5,1
11.	My opinions seem to be taken into account.	2	5	10	27	25	27	5	4,7	1,30	4,6	5,3	4,1	6,0	4,6	4,8
12.	My team leader has good leadership skills.	5	5	7	16	8	35	23	5,1	1,74	5,1	5,9	4,5	6,2	4,9	5,5
13.	I feel that my leader appreciates my work and contribution.	3	4	4	19	18	42	11	5,1	1,42	5,0	5,8	4,8	5,7	5,0	5,3
14.	My leader helps me to identify my strengths and development areas.	5	8	11	23	19	22	11	4,5	1,64	4,3	5,2	4,3	5,7	4,6	4,4
15.	I received sufficient initial training needed to do my job.	2	4	11	10	22	39	12	5,1	1,42	4,9	5,2	5,5	5,1	5,1	5,2
16.	Quantity of various training is adequate.	2	5	11	17	26	33	7	4,9	1,38	4,7	5,0	5,0	5,0	4,8	4,9
17.	Trainings always meet my expectations.	1	7	18	27	24	21	2	4,4	1,29	4,0	4,7	4,9	5,0	4,5	4,2
18.	Opportunities for continuous advancement are good in the company.	3	7	18	27	23	19	3	4,3	1,38	4,0	4,9	4,2	5,3	4,3	4,2
19.	I feel that company recognizes individuals' achievements on the job.	5	13	8	31	29	13	2	4,1	1,41	4,1	4,4	3,6	5,3	4,1	4,2
20.	My workload corresponds with my salary.	5	18	15	21	18	21	3	4,0	1,60	3,7	4,8	4,1	4,8	3,9	4,2
21.	Company offers interesting non financial benefits.	1	13	11	22	27	22	4	4,4	1,42	4,2	4,8	4,5	5,0	4,2	4,8
22.	I feel attached to the company.	2	5	8	34	24	22	4	4,5	1,29	4,5	4,9	4,0	5,9	4,6	4,5
23.	I would recommend DSGi to friends as a great place to work.	3	4	5	21	26	31	11	5,0	1,41	4,9	5,5	4,6	5,8	4,7	5,5
24.	I intend to stay with the company in 12 months horizon.	3	12	3	23	16	29	14	4,8	1,65	4,6	5,5	4,4	6,0	4,8	4,8
	Overall average (24 questions)	2	6	9	19	19	29	12	4,89	1,40	4,75	5,29	4,72	5,60	4,83	4,99

Appendix no. 10 Top Scoring Questions by Departments

AP



AR



CSA

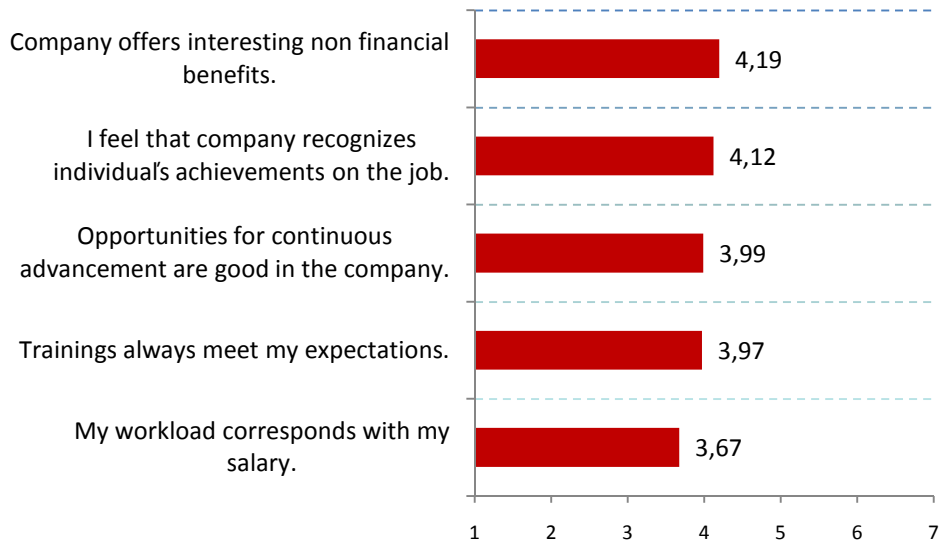


SSC LT

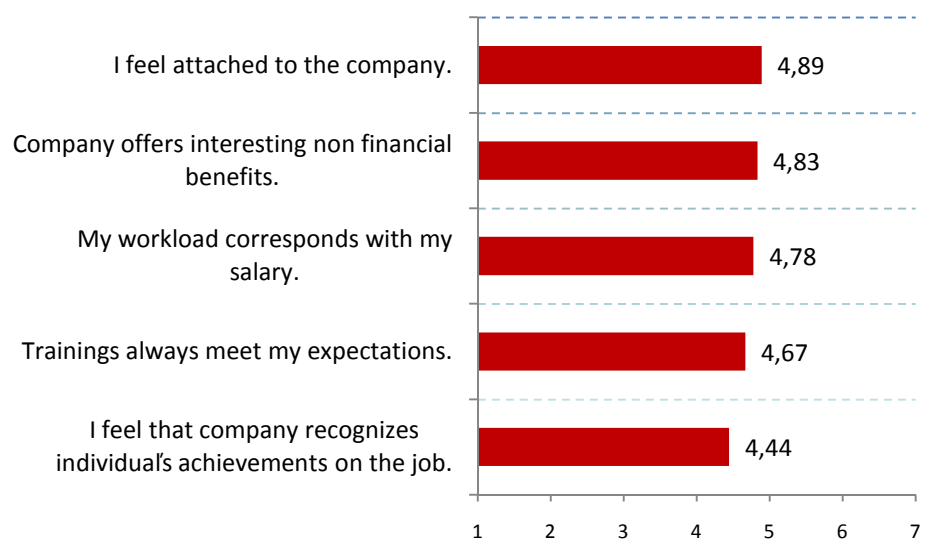


Appendix no. 11 Bottom Scoring Questions by Departments

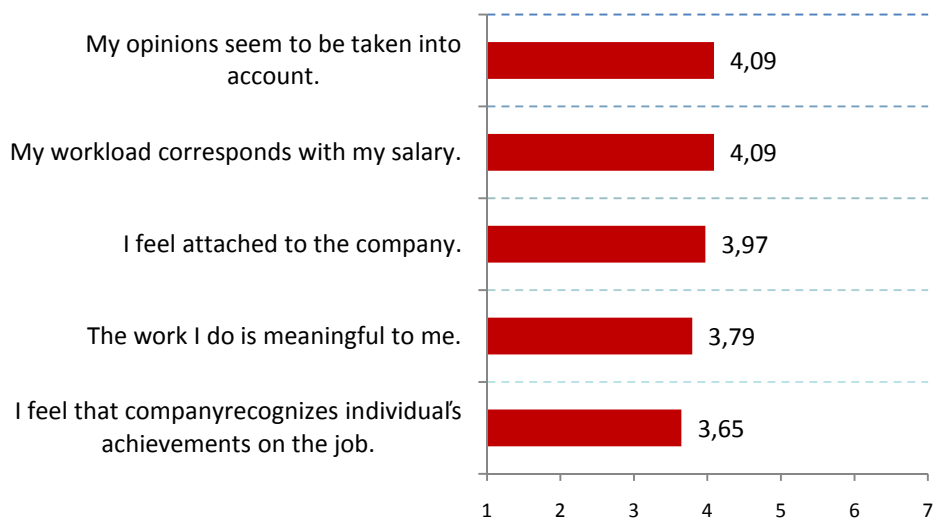
AP



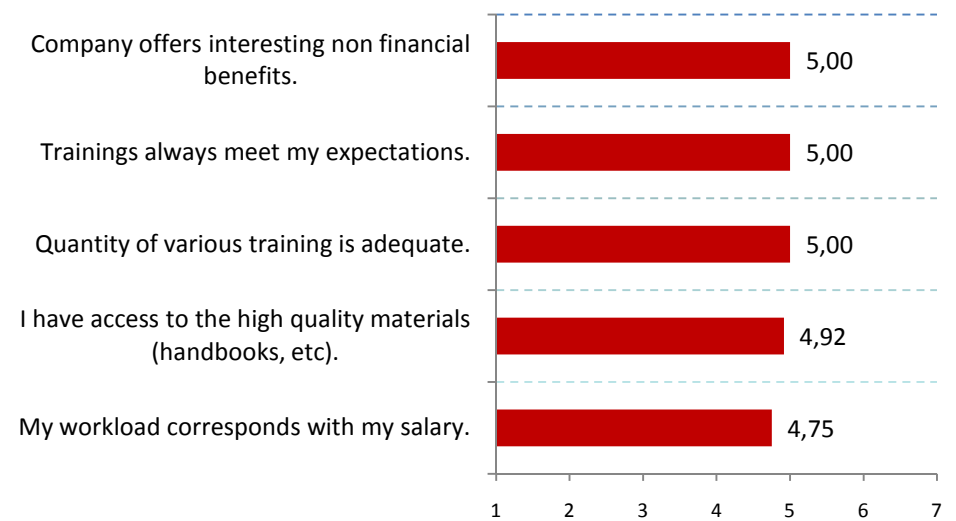
AR



CSA



SSC LT

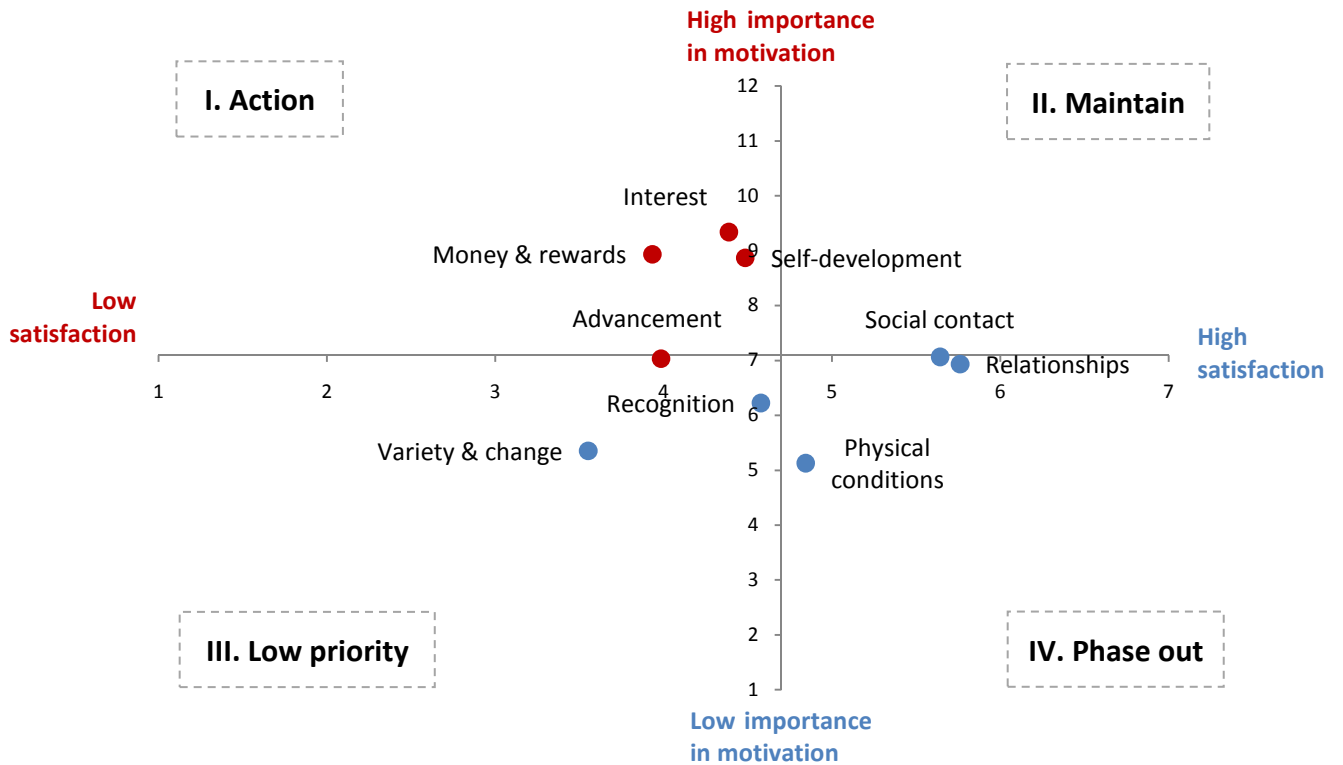


Appendix no. 12 Matching Questions with Motivational Drivers

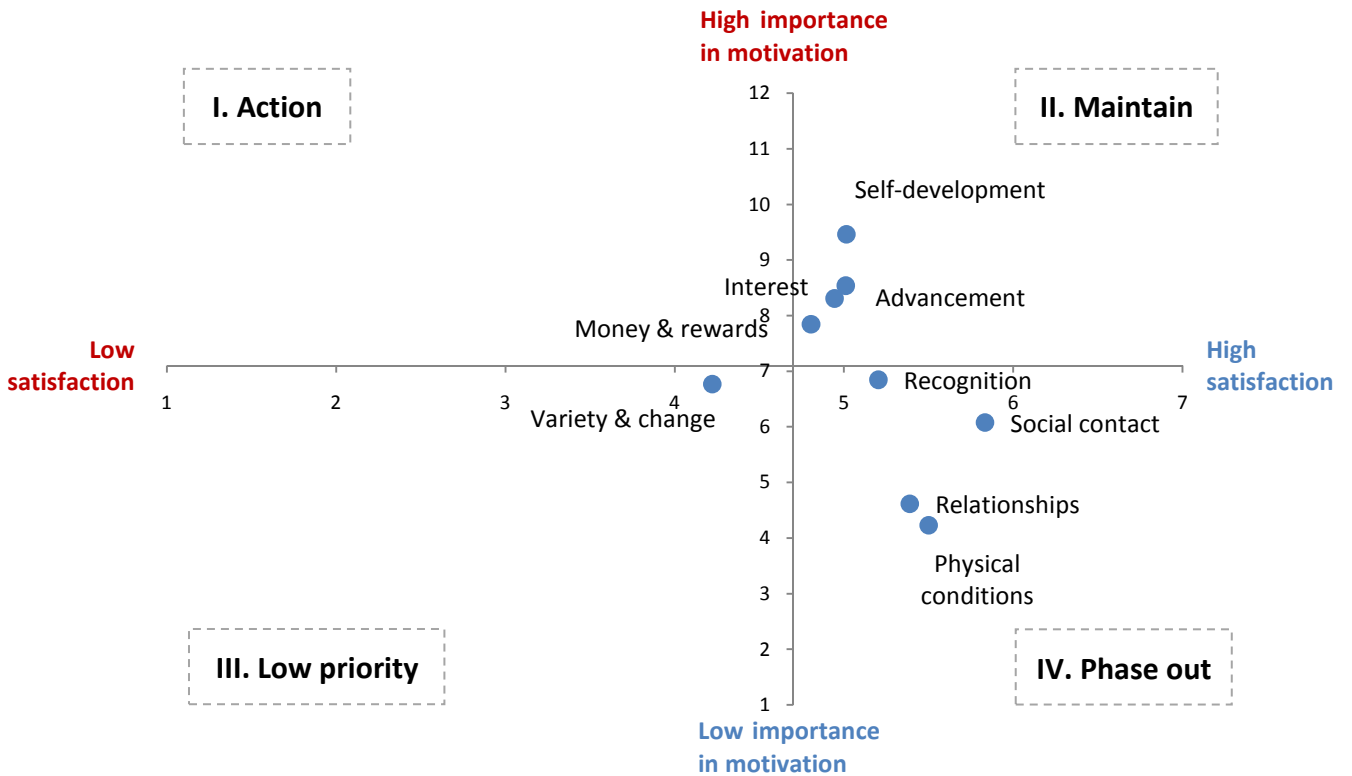
Motivational driver	Matching questions
<i>Interest</i>	Generally, I am satisfied with my job.
	The work I do is meaningful to me.
	How much variety is there in your job?
	To what extent does your job involve doing a 'whole' and identifiable piece of work?
	In general, how significant or important is your job? Are the results of your work likely to affect the work of other people?
<i>Self-development</i>	My leader helps me to identify my strengths and development areas.
	I received sufficient initial training needed to do my job.
	Quantity of various training is adequate.
	Trainings always meet my expectations.
<i>Money & rewards</i>	My workload corresponds with my salary.
	Company offers interesting non financial benefits.
<i>Advancement</i>	Opportunities for continuous advancement are good in the company.
<i>Social contact</i>	I am satisfied with the team spirit in my work environment.
	My fellow workers are friendly and helpful.
	Two-way communication is working throughout the company.
<i>Relationships</i>	I have very good friend(s) at work.
<i>Recognition</i>	My opinions seem to be taken into account.
	I feel that my leader appreciates my work and contribution.
	I feel that company recognizes individuals' achievements on the job.
<i>Variety & change</i>	How much variety is there in your job?
<i>Physical conditions</i>	Office conditions are comfortable for me.
	My working equipment works properly.

Appendix no. 13 Maps Satisfaction vs. Motivation

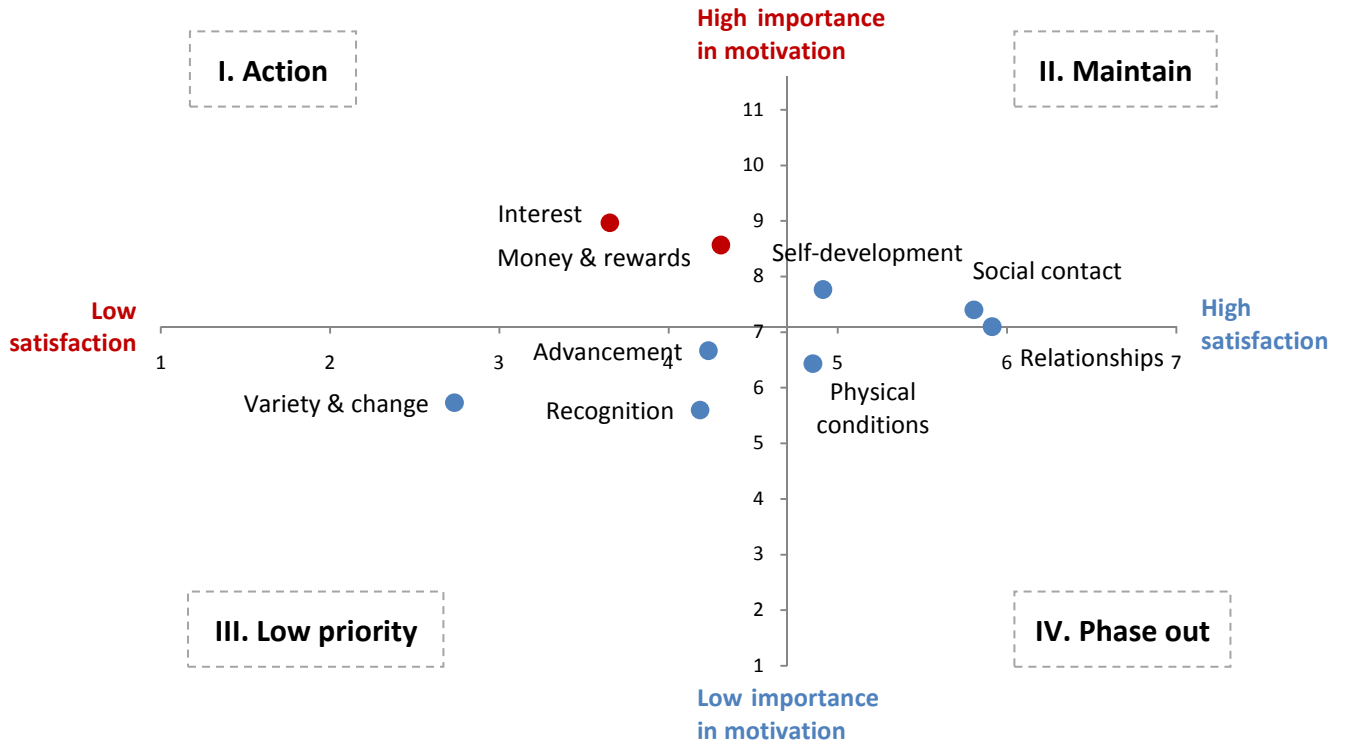
Accounts Payable



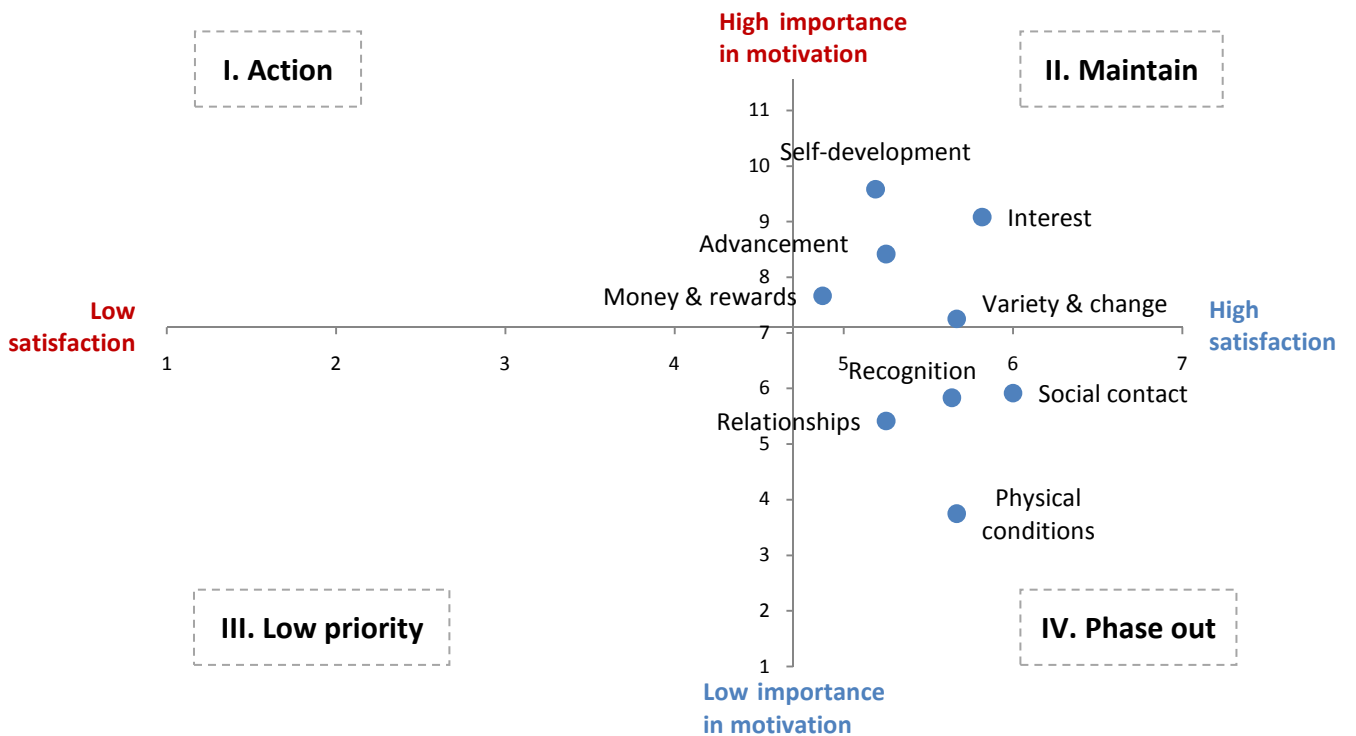
Accounts Receivable



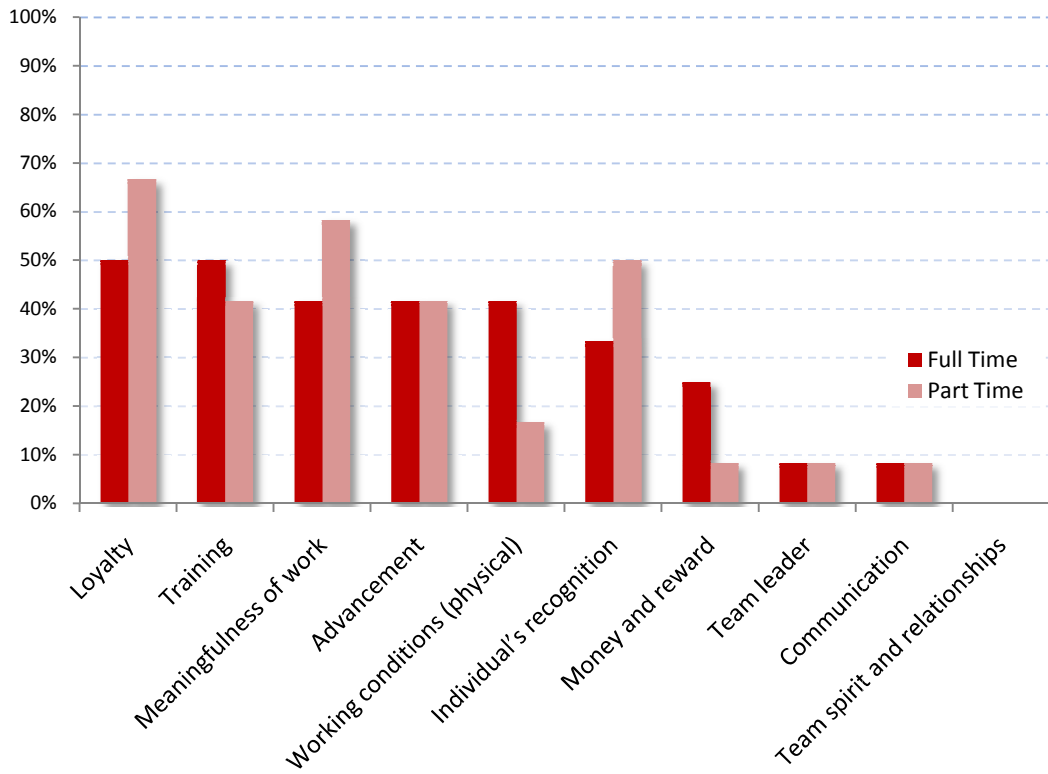
Customer Support Agreements



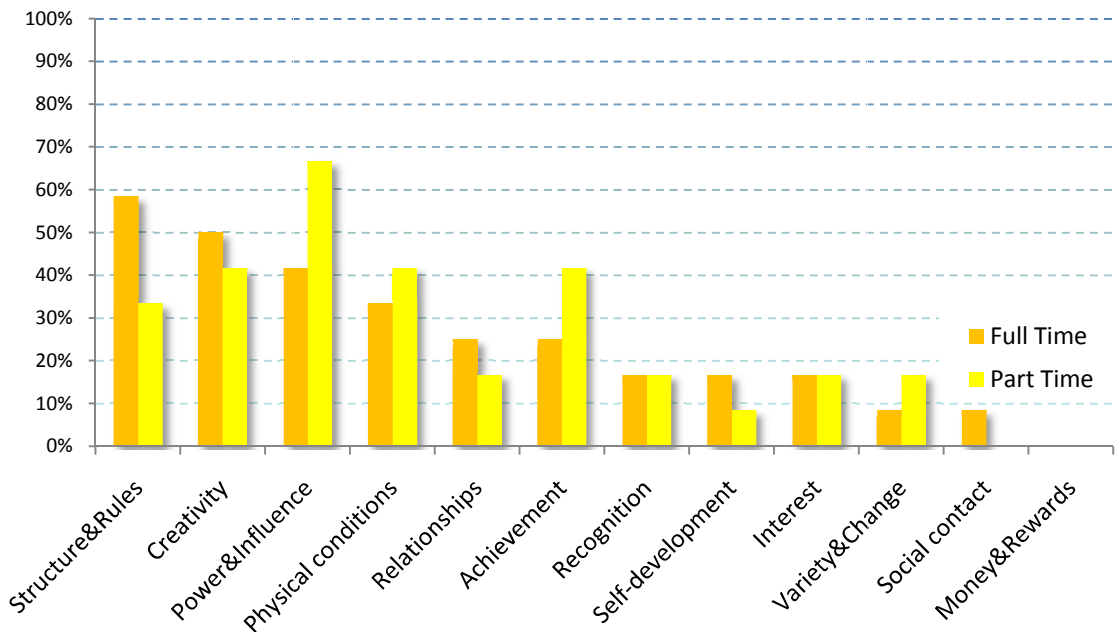
SSC Leadership Team



Low Satisfaction



Low Motivation



Appendix no. 15 Job Description – IT Development Support

<i>Job Parameters</i>	<i>Job Title:</i> IT Development Support <i>Department:</i> SSC, IT Department <i>Reports to:</i> Business Development Manager; weekly updates <i>Type of contract:</i> full-time, 40 hours/week
<i>Purpose</i>	Responsible for developing of IT standards and services at the SSC.
<i>Responsibilities</i>	Continuous development of the SSC web pages. Resolution of encountered technical difficulties. Web page administration, keeping content up to date, getting feedback from applicants. Support the teams in detecting Service Improvements Proposals. Investigate and define necessary activities to reach Service Improvement Proposals. Support the enhancement of local IT. Administration of Intranet. Provide initial IT trainings (Lotus Notes, MS Excel). Provide advanced IT trainings if required (f. e. MS Excel, Access, Power Point).
<i>Skills, Abilities</i>	Fluent English. Relevant background from computer science, web design, HTML. A commitment to providing excellent customer service. Understanding of the operational issues affecting financial services. An experienced user of MS Office package. Professional communication skills (both verbal and written). Advanced presentation skills. Ability to influence people. High degree of drive and self motivated. Able to deliver to deadlines.

Appendix no. 16 Job Fairs Comparison

	iKariéra	Job Challenge	JobFair PEF
Organizer	IAESTE (The International Association for the Exchange of Students for Technical Experience)	Masaryk University Career Centre	PR Department and Student union of Faculty of Business and Economics, Mendel University of Agriculture and Forestry in Brno
Place	Faculty of Business and Management, Brno University of Technology	Faculty of Economics and Administration, Masaryk University	Faculty of Business and Economics, Mendel University of Agriculture and Forestry in Brno
Date	Yearly; usually in April	Yearly; next vol. 5.11.2009, registration till 2.10.2009	Twice a year; in April and November, next vol. 11.11.2009
Price	Basic price 19 900 CZK <ul style="list-style-type: none"> display stand company presentation structured (pre-defined) page in the printed Job Fair Guide 	Basic price 13 000 CZK <ul style="list-style-type: none"> display stand Wi-Fi connection refreshment, lunch 3 minutes video-clip in lecture hall 2 000 CZK	Final price 12 000 CZK <ul style="list-style-type: none"> Display stand Wi-Fi connection Lunch for two persons Presentation of the company in the brochure JobFair PEF, bulletin boards, etc.
Catalogue	Press run: 15 000 pcs. of printed brochures, 15 000 pcs. on CDs, online version on job portal iKariér.cz Catalogue distributed through the local IAESTE centres on eight Czech universities. Deadline in December, distribution starts in February of the following year. Price for standard structured (pre-defined) page plus one year access to job portal iKariéra 19 000 CZK. Price for creative page plus one year access to job portal iKariéra 29 000 CZK.	Press run: 2 000 pcs, distributed on job fair. Basic price for two pages in printed catalogue is 17 000 CZK. It includes presentation of companies on Job Challenge web pages. Additional charge of 5 000 CZK per page if the required design does not correspond with pre-defined layout.	Printed brochure distributed on the job fair. Then accessible on web pages.
Advantage	Available indirect participation on job fair – structured (pre-defined) page in the printed <i>Job Fair Guide</i> for 5 900 CZK	Job fair is freely accessible; however, students can register in advance and send CVs to the chosen companies, before the job fair starts (488 registered students in the last year). Companies have access to the database of CVs of registered students.	40% discount on an advertising in faculty magazine @PEF

Appendix no. 17 Comparison of Benefits Providers

<i>Characteristics/ benefit provider</i>	Employer	Sodexo <i>www.sodexo.cz</i>	Benefit Management <i>www.benefit-plus.cz</i>	Accor Services CZ <i>www.accorservices.cz</i>	Le Chèque Déjeuner <i>www.seky.cz</i>
Product	XXX	Flexi Pass	Benefit Plus	Ticket Multi	Unišek+
Facilities	Depends on employer	Holiday, culture, sport, education, health care	Culture, sport, holiday education, health care	Sport&culture, Kids Academica Holiday, Medica,	Culture, sport, holiday education, health care
Form of repayment	Discount vouchers (negotiated by employer) Repayment of invoices ⁷	Vouchers (ordering and distribution among employees is arranged by employer)	Electronic order is raised by employee ⁸ and deducted from his/her budget Repayment of invoices ⁹	Vouchers (order and distribution among employees is arranged by employer)	Vouchers (order and distribution among employees is arranged by employer)
Nominal value (in CZK)	Depends on negotiated discount	100, 200, 500 and 1000	Depends on employee (max. value limited by employer)	30, 50, 100, 200 and 500	Variable, depends on customer (emplo max. 1000)
Validity of bonus	Depends on employer	from January to December of the following year (2 years)	Depends on employer	from May 1 to December 31 of the following year (20 months)	Not specified
For kids	Depends on employer	Holiday with children Summer camps for children	Holiday with children, nothing else specified.	Holiday with children, pre-school child education (language, artistic courses,...)	Holiday with children, nothing else specified.
Number of partners in the Czech Republic	Depends on employer, usually very limited	more than 30 000	More than 1 200, number is rising, possible to use suppliers that are not listed as partners	more than 25 000	more than 25 000
Contract and order online	Depends on employer	Yes, first order available through web application	Not available	Yes, first order available through web application	Yes, first order via mail or telephone
Administrative demands	Very high	Moderate	Low administration virtual electronic account on-line reports for HR and accountants	moderate	moderate
Personalised offer	Depends on employer	Not specified	Highly personalised order depends on employee	personalised packaging and delivery	personalised packaging and delivery
Information in English	Depends on employer	yes	no	yes	no

⁷ Employee has to arrange that the invoice is raised by supplier of the service to the employer. Fulfilment has to be in accordance with Article 6 Paragraph 9, Letter d) of Act No. 586/1992 Sb. (Coll.), on income taxes, Article 3, Paragraph 1 of Act No. 592/1992 Sb. (Coll.), on general health insurance premium, Article 5, Paragraph 1 of Act No. 589/1992 Sb. (Coll.), on social security insurance premium and contribution to the state employment policy. Than the invoice can be repaid from social fund and deducted from employee allowance.

⁸ Application is accessible via internet; employee receives login details from Benefit Management. Afterwards, employee is entitled to manage his/her virtual account and order benefits from whichever supplier offered in database (principle similar to the e-shop). Values of individual orders depend on employee as far as they do not overrun employee's limit of the budget set up by employer. Order needs to be printed out and applied with the concrete supplier of the service. Value is automatically deducted from the virtual account.

⁹ Employee has to arrange that the invoice is raised by supplier of the service on the Benefit management.

Appendix no. 18 MBA Courses in Brno

	Brno Business School (under the auspices of BUT)	Brno International Business School (private business school)
Partner university	Nottingham Trent University, United Kingdom	Nottingham Trent University, United Kingdom
Programme	MBA Senior Executive	Executive Master of Business Administration
Length	2,5 years	2,5 – 3 years, depending on the student
Total costs	315,800 CZK	333,200 CZK
Admission requirements	<ul style="list-style-type: none"> • A degree from a University or a relevant professional qualification. • A minimum of 2 years practical experience. • A working knowledge of English. 	<ul style="list-style-type: none"> • At least a Bachelor's Degree and a three-year work experience. • At least a passive command of English.
Course duration	Weekend-module basis, 1-2x per month.	Weekend-module basis, 1-2x per month.
Study mode	Three consecutive levels <ul style="list-style-type: none"> • Certificate in Management. • Diploma in Management Studies • Master of Business Administration 	Three consecutive levels <ul style="list-style-type: none"> • Certificate in Management • Diploma in Management Studies • Master of Business Administration
Subjects	Understanding Strategy and Strategic Management, Outdoor, Managing Information and Knowledge Strategically, Learning and Changing, Strategic Marketing Management, Managing and Accounting For Financial Resources, Organising Work and Managing Human Resources, Managing and Conducting Business Research, Global Strategic Management, Advanced Financial Resources Management, Strategic Project Management, Small Business Development and Entrepreneurship, Strategy Change and Risk Management, Intellectual property, Electronic Commerce, International Consultancy Project, Final Dissertation.	Business Environment, Managerial Economics, Managing Financial Resources, Managing Information Strategically, Managing People, Meeting Customer Needs, Personal Effectiveness, Business Policy, Knowledge Management, Organisational Structure and Change, Strategic Management, Business Development, Strategic Operations Management, Electronic Commerce, Financial Markets, Advanced Financial Resources, Final Dissertation.

Sources: www.cambas.cz, www.uk-mba.cz, www.bibs.cz