

# **An Analysis of the Employee Motivation System at Astra, s. r. o.**

Šárka Hlávková

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Zásady pro vypracování:

**Zpracujte teoretické poznatky o motivaci, stimulaci a jejich využití v managementu.  
Popište postup tvorby systému motivace v podniku.  
Představte společnost Astra, s. r. o. a popište činnost, kterou se zabývá.  
Provedte analýzu systému motivace pracovníků ve společnosti Astra, s. r. o. se zaměřením na nefinanční stimuly.  
Navrhnete firmě doporučení ke zvýšení motivace pracovníků.**

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## **ABSTRAKT**

Tato bakalářská práce se zaměřuje na zhodnocení systému motivace pracovníků ve vybrané společnosti a jejím cílem je zvýšení spokojenosti a motivace zaměstnanců. Na základě teoretických poznatků, dotazníkového šetření a analýzy společnosti navrhnu firmě zlepšení současného systému, které by mělo zaměstnance více motivovat k efektivnějším pracovním výkonům.

Klíčová slova: motivace, stimulace, teorie motivace, odměňování, zaměstnanecké výhody

## **ABSTRACT**

My bachelor thesis focuses on evaluation of employee motivation system in a selected company. The main aim of this work is to increase the satisfaction and motivation of employees. Theoretical pieces of knowledge, my own research and firm's analysis will give me a base for recommendation for improvement of current system which should raise employee's motivation to work efficiently.

Keywords: motivation, stimulation, motivation theories, remuneration, employee benefits

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# CONTENTS

<b>INTRODUCTION .....</b>	<b>9</b>
<b>I. THEORY .....</b>	<b>11</b>
<b>1 MOTIVATION .....</b>	<b>12</b>
1.1 Stimulation.....	13
1.2 The Motivation Process .....	14
1.3 Motivation Program.....	15
1.4 Motivation Theories.....	16
1.4.1 Content Theories of Motivation .....	16
1.4.2 Process Theories of Motivation .....	22
1.4.3 Instrumentality Theories.....	25
<b>2 MANAGEMENT STRATEGIES FOR INCREASING MOTIVATION.....</b>	<b>27</b>
2.1 Motivation Strategies .....	27
2.2 Reward Management .....	28
2.3 Relating Pay to Job Performance .....	28
2.3.1 The Importance of Employee Benefits.....	29
<b>3 SUMMARY OF THE THEORETICAL PIECES OF KNOWLEDGE .....</b>	<b>30</b>
<b>II. ANALYSIS .....</b>	<b>31</b>
<b>4 ANALYSIS OF THE CURRENT STATE .....</b>	<b>32</b>
4.1 The Main Aim of the Analysis.....	32
4.2 Description of Astra Company .....	32
4.3 An Analysis of the Employee Motivation System at Astra, s. r. o.....	35
4.4 Data Collection Methods .....	41
4.4.1 Opinion Poll on the Current System of Employee Motivation .....	41
<b>5 A SUMMARY OF THE SHORTCOMINGS OF THE CURRENT STATE.....</b>	<b>51</b>
<b>6 RECOMMENDATION.....</b>	<b>52</b>
6.1 Cafeteria System .....	52
6.2 Catering Service.....	55
<b>CONCLUSION .....</b>	<b>59</b>
<b>BIBLIOGRAPHY .....</b>	<b>61</b>
<b>LIST OF FIGURES AND TABLES.....</b>	<b>62</b>
<b>APPENDICES .....</b>	<b>63</b>



## INTRODUCTION

The topic I have chosen for my thesis is about evaluation of motivation system for employees in a selected company. This thesis shall be divided into two parts, theoretical and practical ones.

In the theoretical part, I will be primarily focused on definition of the terms called motivation, stimulation, motivation process and utilization of motivation theories in management. There are also motivation strategies as an integral part of the thesis.

Motivation is generally considered as very important. It is one of the basic conditions for successful business management. It is very important to pay close attention to the matters of motivation. A properly motivated employee likes his work and he also identifies his personal goals with corporate objectives of the company. Motivation process is meant as a procedure of recognition of unmet needs of employees and provision the most efficient and fastest meeting of those needs.

Another point of the theoretical part will be about a motivation program too. Companies all around the world are looking for the right way of motivation because it is simply important for the entire enterprise. Every company should realize that the workforce is the most valuable asset. Due to the fact that people are quite complex source of this issue, it is important that the organizations consider a number of professional aspects. Workforce with sufficient quality is very important for any organization. On the contrary, incapable and poorly motivated employees may hurt the company and bring it to the state of bankruptcy. And this is the goal of the motivation program of the company; it means the proper ways of motivating the employees.

I will also focus on existing theories of motivation and their application in the sphere of management. I mean the theories ranging from those more known, such as Herzberg's theory and Vroom's theory, up to the less known ones which are however very useful too.

The issues of motivation strategies and ways of rewarding the employees will conclude the theoretical part. Financial rewards are primarily used to satisfy personal needs. While regarding the business company, this means that the rewards perform economic functions but also the social function which is based on meeting basic existential and social needs of employees.

The practical part of my bachelor degree thesis will be mainly about application of the theoretical knowledge in practice. The main subject matter of the thesis shall lie in analysis

of a motivation system used in the company called Astra, s. r. o. The company agreed to the survey. However, the company does not want the results to be published under the actual name. Therefore, I will use fictitious name Astra, s. r. o. throughout the thesis.

In the practical part, I would like to introduce the company itself, it means the company I chose for my research. The company specializes in laminating plastic profiles for manufacturers of windows.

The further point is about analysis of motivation program of the company and analysis of initiators used by the company to motivate employees. Then I will verify the level of employee motivation by using relevant questionnaires I have prepared for the employees of the company. The previous researches regarding this company have already made me know that the main problem the company faces is the low working assignment caused by lack of motivation and inefficient evaluation. This problem negatively affects productivity of work. Companies often do not manage to fulfil obligations toward customers and deadline dates must be prolonged. This causes frequent complaints of the customers, as the result of poor quality of work done.

The outcome of this thesis and my goals are about increasing the efficiency of work activities and employee satisfaction based on my recommendation as well as correct setting of motivation program of the company.

## **I. THEORY**

## 1 MOTIVATION

To understand what motivation is it is very important to point out what motivation is not. People view motivation as a personal attribute that some people have and others do not. In practice, this approach would describe a manager who characterizes employees as unmotivated. Motivation is the outcome of collaboration between the individual and the situation; so it tells us that people cannot be characterized in this way. Motivation can be defined as the effort to reach company goals. (Robbins and Decenzo 2001, 312-313)

Motivation is also associated with the "why" of human behavior. Why do some people work so much harder than others? Answering such questions might be very helpful in understanding human motivation. "Motivation is the main focal point because it is important to management for three reasons: First, employees on the job must be motivated to perform at an acceptable level; second, managers themselves must be motivated to do a good job; third, employees (managerial and nonmanagerial) must be motivated to join the organization." (Donnelly 1995, 304)

Under the term motivation we can imagine all those inner conditions such as desires, incentives or wishes. In other words, something that forces employees to be active. Motivated people are easily recognized, because they are hardworking; they are trying to direct their behavior towards important company goals and keep pace with others.

Low motivation is often considered the problem when a person's performance is determined to be unsatisfactory. (Armstrong 2008, 70) However, low levels of motivation do not automatically cause performance problems. The cause of poor performance may be other factors, such as shortage of resources or lack of skills. Not always performance difficulties are motivation problems, so it is very important not to immediately lead to this conclusion. (Donnelly 1995, 304)

For all organizations is very important to find out how to achieve a high level of performance through people. The main aim is to devise a motivation process which will help to obtain results within the expectations of managers. Incentives such as rewards, leadership and the work they do can be used to motivate people. The process of motivation is much more complicated and is very often underpinned by simplistic assumptions. One approach to motivation will never satisfy everyone's needs. Individuals have different needs and take different activities to achieve them. (Armstrong 2003, 215)

## Types of Motivation

The work motivation can be viewed in two ways. In the first case people motivate themselves by performing work, which satisfies their needs. In the second case people are motivated from the company's management side by using instruments such as remuneration, praise and promotion. Motivation can be divided into intrinsic and extrinsic. Intrinsic motivation is factor which influences human behavior. These factors include responsibility, autonomy, opportunity to benefit and develop skills and abilities, interesting work and opportunity of advancement.

Extrinsic motivation is composed of reward and punishment, all activities that motivate individuals. Extrinsic motivators can have immediate effects, but will not necessarily last long. Internal motivators, which are related to the quality of working life, have a deeper and more long-term character, because they are part of an individual and not imposed from outside. (Armstrong 2007, 160-161)

### 1.1 Stimulation

Motivation of working behavior is directly reflected in an individuals' performance. Motivated people, as opposed to unmotivated employees, work harder and they are more efficient in achieving important company goals. Society uses many forms of influencing and directing people and this is called stimulation, in other words an external effect on human motivation. Stimulus is every incentive, impulse or encouragement that influences behavior in a certain way.

The stimulation can be viewed from two perspectives. The first one is the perspective of success, meaning positive evaluation or reward. The second view is the perspective of failure; thus stimulation of negative evaluation, punishment or sanction.

In the case of motivation of working behavior, the stimulation always acts indirectly. It works only through the internal conditions of a person. The personal characteristics of an individual; attitudes, experiences, values and immediate condition have great importance. Each incentive is part of a complex and is also very significant.

The applicable processes which can influence the behavior of people must be focused on the evaluation of the effectiveness of stimulating factors. In general employees are

positively stimulated their needs and values are satisfied. On the other hand, people are negatively stimulated when their needs and values are contradicted. It means that stimulation can have positive, negative or neutral influences in terms of an expected result. (Mayerová and Růžička 2000, 110-111)

## 1.2 The Motivation Process

Motivation primarily deals with incentives that influence people to behave in certain way. Motivating other people is about encouragement to perform in order to achieve results. In the instance of self-motivation you need to set the direction and then take an action which will help you to get there. Well-motivated people are those who take an action to achieve their clearly defined goals. Such people may be self-motivated; it means they are going in the right direction. Managers can provide high levels of motivation by providing rewards, opportunities for learning and growth, satisfying work and other incentives and at the same time to make good use of motivational processes given by organizations. (Armstrong 2003, 216)

The starting point in the process of motivation is an unsatisfied need. It is an insufficiency of something under the individual; it is the first reference in the sequence of action leading to proceeding. Unsatisfied need may be defined as something that causes tension. People naturally reduce the tension by satisfying their needs. The process of motivation is complete, when achieving the goal satisfies the need. E.g., people are motivated by desire for accomplishment of promotion. (Donnelly 1995, 304) To make the motivational process successful it is necessary to understand how it works and to know the different types of motivation that exist. A model of the motivation process is shown in Figure 1. This suggests that motivation is initiated by recognition of unsatisfied need: "These needs create wants, which are desires to achieve something." (Armstrong 2003, 216-217) The need will be satisfied if the goal is achieved and the behavior is likely to be repeated when a similar need re-emerges. The behavior is less likely to be repeated when the goal is not achieved. (Armstrong 2003, 216-217)

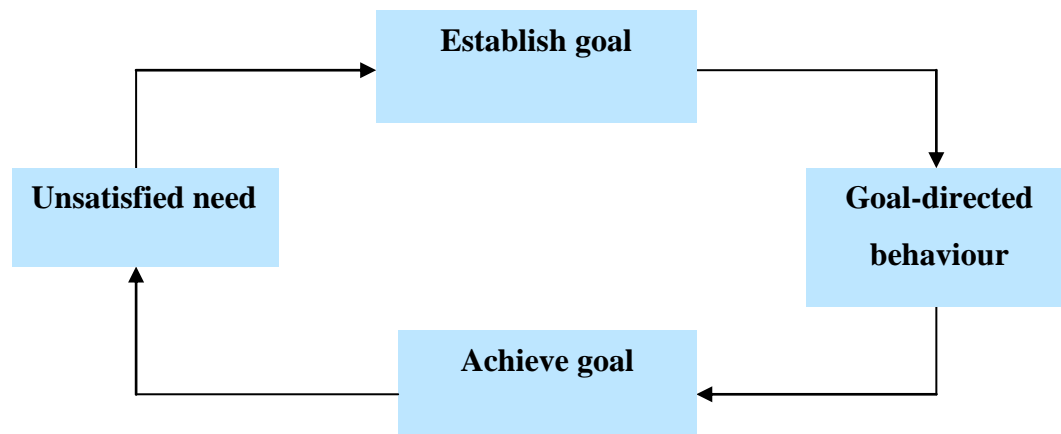


Figure 1 Process of Motivation

Source: Own Creation Based on Data from Armstrong (2003, 217).

### 1.3 Motivation Program

The motivation program of organization includes tools of employee's stimulation in accordance with human resource strategy. The aim of the motivation program is to influence the willingness of employees to work and their performance, stabilization and satisfaction. Motivation program is the realization of labor system with people; focused on the positive influence of worker's motivation. This approach determines the basic rules for the application of stimulation tools. Specifically it is a complex of rules, measures and processes which lead to the desirable motivation and optimal approach of employees' attitude to work.

The motivation program should respect all the general findings of motivation and stimulation and it should be also based on the analysis of the motivation structure of employees. Motivation, sociological or psychological surveys allow us to evaluate company's state in terms of human resources, strengths and weaknesses of the system and its effects. (Kociánová 2010, 39)

## 1.4 Motivation Theories

"Motivation theory examines the process of motivation." (Armstrong 2003, 215) Managers can use many theories of motivation to improve their understanding of human behavior. No one provides a universal explanation of why people behave as they do, so the purpose of theories of motivation is to introduce ideas for managers.

The most familiar group of theories are process theories, content theories and instrumentality theories. Process theories try to describe and explain the process of how behavior is controlled, supported and finally stopped. "Process theories first attempt to define the major variables necessary for explaining choice (e.g., Should I work hard?), effort (e.g., How hard do I need to work?), and persistence (e.g., How long do I have to keep this pace?)." (Donnelly 1995, 307)

Content theories mean what specifically motivates people. They are identifying what sustains behavior within the individual or work environment. Theories focused on the content include Maslow's hierarchy of needs and Herzberg's two-factor theory. Vroom's expectancy and reinforcement theory belongs to the theories focused on process. Instrumentality theory states that rewards or punishments ensure that people behave in desired way. (Donnelly 1995, 307)

### 1.4.1 Content Theories of Motivation

This theory is the belief that unsatisfied need causes a state of disequilibrium and tension. Some people may provide much more powerful actions towards a goal than others. It means that not all needs are equally important for all people; it also depends on the current situation and background. There is no simple relationship between needs and goals. The need can be satisfied by a huge number of possible goals, on the other hand one goal may satisfy a large number of needs. Content theory was originally developed by Abraham Maslow, who set up the hierarchy of needs. (Armstrong 2003, 219)



### Maslow's Hierarchy of Needs

This theory of motivation consists of two fundamental premises;

1. Satisfied need is not a motivator. Only needs not yet satisfied can influence behavior.
2. Maslow's theory is about hierarchy of importance. Once one need is satisfied, another appears and requires satisfaction.

Maslow set up five levels of needs; they are in hierarchy because of the different level of importance, as Figure 2 illustrates. According to Maslow, people have and attempt to satisfy five basic needs. A lower-order need must be satisfied before a higher-order need.

1. **Psychological needs**- consist of all the primary needs for human body, such as food, water and sex. They are the basis for motivation and no other needs dominate when they are unsatisfied.
2. **Safety needs**- the next level in the hierarchy is a need of safety. (Donnelly 1995, 309) It is one of the basic need and managers evaluate security as very important, so they pay the most attention to satisfy needs like this. (Borkowski and Tučková 2011, 12) It includes the protection from ill health, economic disaster or physical harm. From a managerial point of view it means employee's effort to secure job safety and fringe benefits.
3. **Social needs**- social needs include such things as acceptance, love and need for companionship. Managers put the social needs in the third place, because they consider it very important as well. (Borkowski and Tučková 2011, 13) Personal relationships with co-workers play a significant role in a company, not only the relations among family or friends. (Donnelly 1995, 309)
4. **Esteem needs**- next level in the hierarchy is the need for respect and appreciation. When the previous three levels have been satisfied the esteem needs become more important in motivating behavior.
5. **Self-actualization needs**- they are at the very peak of Maslow's hierarchy. For the individuals it means to be effective in a particular role and it does not really matter whether the individual is manager, parent or teacher. "Maslow assumes that

satisfaction of the self-actualization needs is possible only after satisfaction of all other needs." (Donnelly 1995, 309-310) It is interesting that the need for power is the least important. Managers do not pay so much attention to this because they believe that employees do not want to satisfy the need for power. (Borkowski and Tučková 2011, 13)

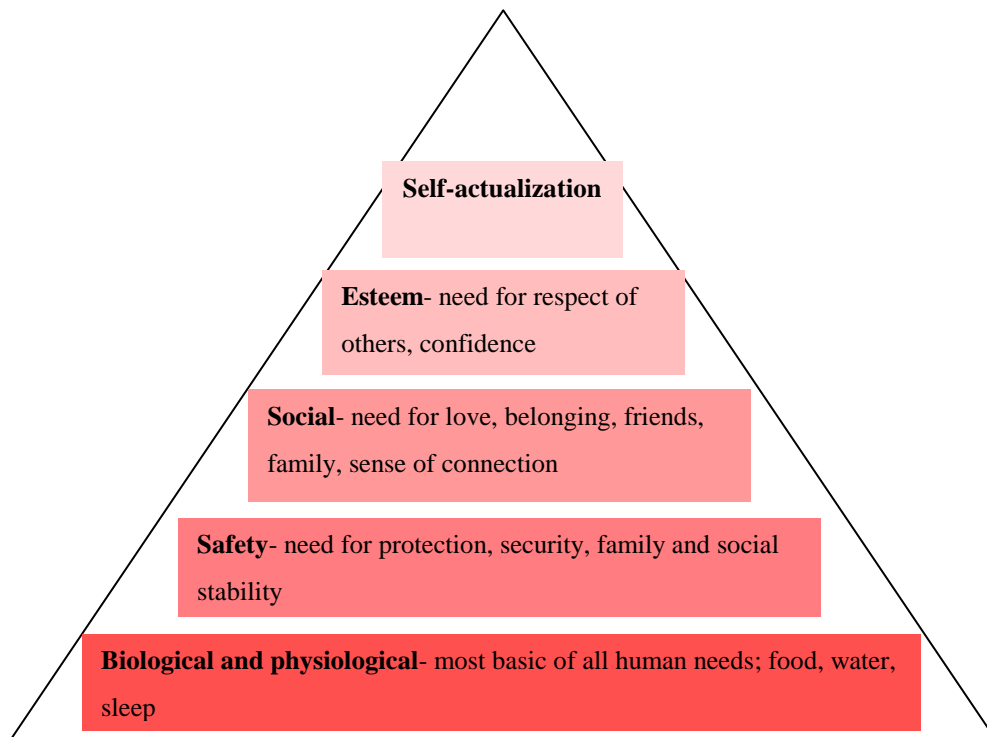


Figure 2 Maslow's Hierarchy of Needs

Source: Own Creation Based on Data from Donnelly (1995, 309)

### Maslow's Theory in Management

Maslow's hierarchy of needs does not provide a complete understanding of the means to motivate people but it does provide starting point in practicing management. This hierarchy is easy to understand and points out some factors that motivate people in organizations. Individuals are able to satisfy their psychological needs through salary or wages. Safety needs are satisfied thanks to companies, e.g. through some fringe benefits. In the end, the social needs are satisfied by association with co-workers. Some other examples of management's influence areas are illustrated in Figure 3. (Donnelly 1995, 310)

Need Category	Management Influence Areas
<b>Social-</b>	interaction opportunities, encouragement toward cooperation, working group stability
<b>Self-actualization-</b>	challenges in job, advancement opportunities, chances for creativity, achievement
<b>Esteem-</b>	public recognition of good performance, significant job activities, respectful job title, responsibility
<b>Safety-</b>	safe working conditions, job security, benefits
<b>Psychological-</b>	fair salary, comfortable working conditions, space, air- conditioning

Figure 3 Areas of Management Influence in the Five Needs Hierarchy Category  
Source: Own Creation Based on Data from Donnelly (1995, 310)

## Herzberg's Two-Factor Theory

Frederick Herzberg devised another explanation of motivation. He named two basic factors which are a source of employee's satisfaction and motivation. He based his theory on the satisfaction of 200 accountants and engineers. In this project he asked people to think of times when they felt bad and when they felt good about their jobs. They were also asked to characterize the conditions which led to these feelings. Herzberg reached two conclusions, based on this project.

### **1. Maintenance factors**

Their absence causes dissatisfaction but their presence does not lead to satisfaction. He named 10 maintenance factors:

- Company policy
- Technical supervision
- Interpersonal relations with supervisor
- Interpersonal relations with subordinates
- Salary
- Security
- Personal life
- Work conditions
- Status

### **2. Motivational factors**

Their absence does not cause dissatisfaction but their presence leads to satisfaction. Herzberg described six of these motivational factors: (Donnelly 1995, 311)

- Achievement
- Recognition
- Advancement
- The work itself

- The possibility of promotion
- Responsibility (Borkowski and Tučková 2011, 14)

Herzberg came to the conclusion that the responses of people who felt good about their employment are substantially different from the responses of people who dislike their jobs. When people felt good about their job, they usually attributed these properties to themselves. On the other hand, their dissatisfaction was caused by factors such as interpersonal relationships, working conditions, company policy and other extrinsic circumstances. Herzberg said that according to this data dissatisfaction is not the opposite of satisfaction, as was normally viewed. It does not necessarily mean that if we remove dissatisfying factors from a job it will make the job satisfying. Figure 4 illustrates Herzberg's findings that the opposite of "Satisfaction" is "No satisfaction" and the opposite of "No dissatisfaction" is "Dissatisfaction". (Robbins and Decenzo 2001, 316)

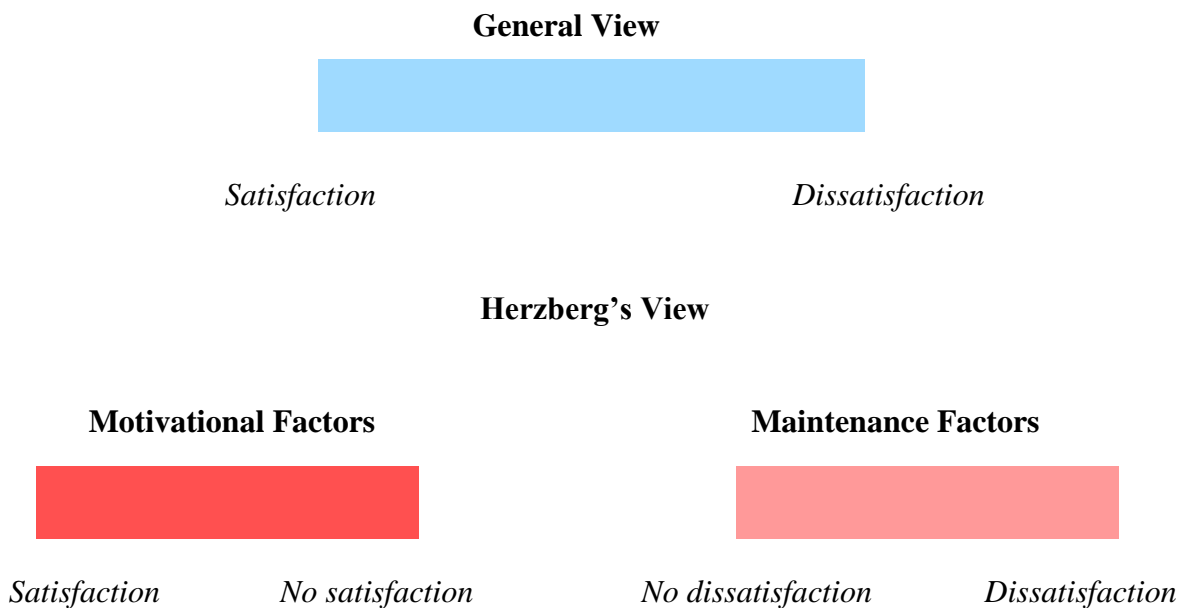


Figure 4 Contrasting Views of Satisfaction- Dissatisfaction

Source: Own Creation Based on Data from Robbins (2001, 317)

## **Herzberg's Theory in Management**

Herzberg's theory suitably complements Maslow's hierarchical theory and systems theories. He made his theory more applicable to the work environment by extending Maslow's ideas. Increase interest in job enrichment, increase worker satisfaction; all these points and many others were the results of his studies. It is very common among managers to respond to motivation problems with fringe benefits, better working conditions or more money. But it does not always mean that employees will work harder thanks to these actions. "If managers focus only on maintenance factors, motivation will not occur. The motivators must be built into the job to improve motivation." (Donnelly 1995, 313)

### **1.4.2 Process Theories of Motivation**

Process theory is also known as cognitive theory because it is associated with the perception of the working environment. Process theories are in contrast to content theories. They are more useful for managers than content theories because they provide more realistic direction on motivation techniques. I am talking about equity and expectancy theory, which focuses on how motivation occurs. (Armstrong 2003, 220)

#### **Equity Theory**

Equity theory is based on the assumption that people are motivated to achieve equitable treatment. Everyone does not need to receive the same rewards, but the rewards should be compatible with individual contribution. (Pride, Huges, and Kapoor 2012, 287) This theory is associated with perceptions. People have different perceptions about how they are being treated in comparison to others. To be dealt with equitably means to be treated fairly. Equity and equality are not synonymous. Equality means treating everyone the same. The concept of equity theory is based on the effect that people will be better motivated if they are treated equitably and if they are treated inequitably they will be demotivated. This theory was popularized by Professor J. Stacy Adams who suggested that there are two forms of equity. First, distributive equity which is concerned with fairness; it means that people are rewarded as they contribute and in comparison with others. Second, the

procedural equity which is associated with employee's perception about areas such as promotion and performance appraisal. Five factors of procedural equity have been stated by Tyler and Bies in 1990.

"These are:

1. Adequate considerations of an employee's viewpoint;
2. Suppression of personal bias towards the employee;
3. Applying criteria consistently across employees;
4. Providing early feedback to employees concerning the outcome of decisions;
5. Providing employees with an adequate explanation of the decision made."

(Armstrong 2003, 223)

### **Equity Theory in Management**

Employees compare rewards that are being received by other employees, such as benefits, changing pay or work schedules and managers are made aware of that. It is very important for managers to understand each individual's perceptions, because feelings of equity and inequity are based on them. Employees as the recipients of rewards, compare them with what others have received and it may result in problems with perception of inequity. Managers need to consider how to communicate with individuals about value and reason for providing those remunerations to employees. (Donnelly 1995, 316)

### **Vroom's Expectancy Theory**

This theory was originally included in the valency-instrumentality-expectancy theory which was defined by Victor Vroom. Valency stands for value, instrumentality is the belief and expectancy is the probability that a certain action will lead to a result. (Armstrong 2003, 221) According to Victor H. Vroom, if people believe in worth of company goal they will be motivated to do things to reach that goal. The people will put in effort if they believe that their work will be adequately rewarded. (Hollyforde and Whiddett 2002, 81)

Expectancies are described in terms of their strength. Maximal strength is marked by individual certainty that the act will be followed by the result, whereas zero strength is indicated by individual certainty that the act will not be followed by the result. Individuals are often presented with new situations, but the strength of expectations may also be based on reinforcement. If there is an employable relationship between performance and outcome the motivation is only likely. It explains why for example incentives, bonus schemes and other financial motivation works only if there is a clear link between effort and reward. It also explains why intrinsic motivation can be more powerful than extrinsic motivation; intrinsic motivation may be more controlled by individuals. (Armstrong 2003, 221)) Figure 5 shows an explanation and work-oriented example of expectancy theory. The example describes how the theory can be applied. "The motivation is expressed as:

$$\mathbf{M = E \times I \times P}$$

Figure 5 Model of Motivation to Work

Source: Own Creation Based on Data from Donnelly (1995, 317)

That is, motivation to work (M) results from expectancy (E) times instrumentality (I) times preference (P)." (Donnelly 1995, 317)

### **Vroom's Theory in Management**

One of the great advantages of Vroom's theory is that it reveals the importance of individual motivations and needs. (Wehrich, Koontz, and Cannice 2008, 333) Managers can influence expectancies by hiring people with specific abilities, training them to improve their skills and helping individuals to achieve a concrete a level of performance with the support and leadership. The manager should be supportive, conductive and realistic in order to influence instrumentalities. The manager can also influence preferences by listening to individual needs and leading employees to help them achieve the desired results. It is very important for managers to understand the role of perception. Expectancies, valences and instrumentalities depend on an individual's perception. The expectancy theory makes obvious the importance of differences among employees with



similar skills. (Donnelly 1995, 318) The strength of Vroom's theory is also its weakness. This theory is difficult to apply in practice. "Despite its difficulty in application, the logical accuracy of Vroom's theory indicates that motivation is much more complex than the approaches of Maslow and Herzberg seem to imply." (Wehrich, Koontz, and Cannice 2008, 333)

### **Goal Theory**

The goal theory was developed by American psychologists Gary P. Latham and Edwin A. Locke in 1979. According to this theory; when managers set specific goals, when goals are accepted and when there is a feedback on performance the motivation and performance are higher. Participation in goal setting is very important as well as agreement to the setting of goals. Difficult goals must be reinforced by advice and guidance. The most vital thing in maintaining motivation is feedback, particularly if we want to achieve an even higher goal. Individual can track how well individual employees have been doing in relation to the company goal namely through performance feedback. Goal theory is in accordance with the 1960s concept of management by objectives. This approach, however, did not often meet with success because it was taken without gaining the support of those involved and without ensuring that managers were aware of the significance of agreement, feedback and reinforcement. But the goal theory still plays the key part in the performance management process. (Armstrong 2003, 222-223)

### **1.4.3 Instrumentality Theories**

Based on our knowledge, we already know that content and process theories interpret the behavior of an individual to be a result of decisions made by that individual. On the other hand, reinforcement theory states that behavior arises from consequences. The theory takes into account the use of negative or positive reinforcement to motivate employees. (Donnelly 1995, 320) The theory first occurred in the second half of the nineteenth century where there was a need to rationalize work and an emphasis on economic outcomes. Instrumentality theory takes the view that people only work for money. It assumes that individual will be motivated if rewards and punishments refer directly to an individual's

performance and therefore the rewards depend on effective performance. This theory is also based on reinforcement, the idea that people will act in required way if they are rewarded for that. It is also called the Law of Effect as B. F. Skinner mentioned in his concept of conditioning. (Armstrong 2003, 218-219) The operant conditioning is an instrument used for changing the behavior of employees. In management the term relates to controlling behavior at work by manipulating the consequences. (Donnelly 1995, 320) The theory is based on a system of external controls and cannot recognize other human needs. It also fails to recognize the fact that control can be affected by the relationship between workers. This approach is still widely used, but in some circumstances can be successful. (Armstrong 2007, 223)

### **Instrumentality Theory in Management**

As a manager you can use four types of reinforcement. First of all you can use positive or negative reinforcement to revitalize desired behavior. Positive reinforcement stands for rewards such monetary bonus, praise or recognition. In the case of negative reinforcement managers provide a reward when a worker avoids an action which would have had a negative consequence.

Managers also might focus on reducing unpunctuality by use of two other types of reinforcements, punishment and extinction. The idea of extinction is to withhold positive reinforcement and the second method, punishment, involves the public reprimand of and employee by their manager. "Positive and negative reinforcement address the issue of having employees learn desired behaviors. On the other hand, unlearning undesired behaviors involves the use of extinction or punishment" (Donnelly 1995, 321)

Managers can use two types of different schedules in applying positive reinforcement. First is the continuous reinforcement schedule which gives a reward each time when employee behaves in desired way and it usually results in the fastest learning. The second type of schedule is called intermittent reinforcement which gives reward only periodically. The intermittent reinforcement schedule causes slower learning but stronger retention. (Donnelly 1995, 322)

## **2 MANAGEMENT STRATEGIES FOR INCREASING MOTIVATION**

To motivate workers and improve their performance managers use a number of programs; e.g. job enrichment and relating pay to job performance. Employee satisfaction at work may require promotion opportunities, an equitable system of payment, collaboration with the management team and social interaction at work. (Armstrong 2007, 232) The degree of satisfaction depends particularly on an individual's expectations and needs. However, research demonstrates that there is no strong connection between performance and satisfaction. A satisfied employee is not necessarily high producer and vice versa. (Armstrong 2003, 225)

### **2.1 Motivation Strategies**

First of all managers should pay attention to the basic factors such as an employee's need for recognition. Every company should have regardful and participative management which provides positive feedback and opportunities for their employees. Motivation strategies consist of other essential parts such as an equitable reward system which provides both non-financial and financial rewards and bonuses. Apart from the need for recognition, employees require goal-oriented work. This means that particular work should be provided by people with the resources to achieve their goals. Employees would also appreciate it if the scope for their competencies and skills is recognized; for example by providing job enrichment in the shape of decision-making responsibility, or increasing the variety of work. Job enrichment is a term which is connected with the quality of working life and work organization. Another factor that affects motivation strategies is the employee's need to grow by developing their abilities through career planning processes provided by management such as opportunities for learning and formal training. Another factor that influences the impact of any attempt to motivate employees is the cultural environment of the company. Every organization should have a culture which supports the processes of rewarding and valuing people. Finally, there is a need for quality leadership which encourages, sets the direction and provides support for their employees with the intention of improving performance and achieving goals. To attain quality leadership companies

should provide leaders and managers with some training to develop their qualities. (Armstrong 2003, 229)

## **2.2 Reward Management**

Pay is one of the most important features of reward management and the main reason why people work. People receive a reward for their contribution to the company. Remuneration is important not only because it compensates people for their efforts but it also has an impact on the retention and recruitment of talented employees. The term ‘reward management’, or as other literature says ‘compensation management’, is one of the elements of human resource management that focuses pay on the achievement of goals. It incorporates relating pay to job performance, unified appraisal schemes and responsibility for setting pay levels. (Price 2006, 529)

## **2.3 Relating Pay to Job Performance**

Pay for performance is a sensitive issue which is hard to achieve and it is easier said than done. The main problem is defining performance in a proper way, so that the company pays not for efforts but for results. From a theoretical point of view, the performance-related pay system can be beneficial for both employees and employers. On the one hand employers can benefit from higher productivity by emphasizing the relevance of effective and capable performance. On the other hand “good employees can benefit from extra pay in return for extra quality of performance.” (Price 2006, 543-544) There are some systems of performance-related pay schemes which are in common use. The first system is called the appraisal-related pay scheme which incorporates individual incentives and merit pay. Individual incentives can be interpreted as unstable bonus payments such as any vouchers or holidays. Merit pay is generally considered as an effective motivator which is given to higher performing employees in the form of additional pay. Another system of performance-related pay is the collective performance system, which also includes bonuses. Bonuses are paid to all employees in a company, team or department. They are

proposed to fortify performance and corporate identity together with all performance rewards. (Price 2006, 545)

### **2.3.1 The Importance of Employee Benefits**

The role of employee benefits is relevant because it can have a similar function to pay. However, each employee looks for a different type of benefits. The range of benefits may also help managers adapt their compensation to the people they need. Companies should regularly re-examine their packages with the intention of finding out whether it complies with their current needs. At the same time, managers need to communicate with employees effectively so that the benefits will be motivating for them. If employees do not understand why they are valuable or how to use them, the value of benefits will be wasted.

Benefits also play a key role in the maintenance of employees' social and economic securities. Some of them are required by law, such as social security. Other ones, which are not required by law, can become ordinary, so that the employees require or expect them. (Raymond et al. 2010, 384)

### 3 SUMMARY OF THE THEORETICAL PIECES OF KNOWLEDGE

The theoretical part of my bachelor thesis summarizes basic terms primarily related to work motivation, stimulation, motivation theories and their application in management. There is also motivation program as the integral part of the thesis. Every company should realize that the poorly motivated employees may hurt company and this is the goal of the motivation program; it means to find the proper way of motivation employees. In case of motivation theories, I chose the basic ones to explain how it works in practise. According to Maslow, people have an attempt to satisfy five basic needs and only needs not yet satisfied can influence behaviour. Once a need is satisfied, another appears and requires satisfaction. On the other hand, Frederic Herzberg devised another explanation of motivation. He reached two conclusions that are source of employee's motivation. Those are maintenance factor and motivational factors. The theoretical part showed many other ways and theories how to motivate employees. At the end I also mentioned information about management strategies for increasing motivation and importance of employee benefits, because they also play a key role in maintenance of employee's social and economic securities.

The theoretical knowledge made me able to understand the importance of motivation system and the second part of my bachelor thesis will be mainly about application all those pieces of information in practise.

## **II. ANALYSIS**

## **4 ANALYSIS OF THE CURRENT STATE**

In the second part of my bachelor thesis I would like to deal with the analysis of Astra Company and their ways of motivating employees.

### **4.1 The Main Aim of the Analysis**

The main aim of the practical part is about increasing the efficiency of work activities and employee satisfaction based on my proposal for some better methods of remuneration as well as the correct setting of motivation program of the company.

### **4.2 Description of Astra Company**

The Astra Company has been operating in the Czech market for a relatively short period of time. The company was established as a limited liability company and is based in the Vysočina Region. Their line of business includes the buying of goods in order to sell them on; the surfacing and welding of metals; the production of plastic and rubber commodities and construction.

The Astra Company was set up as a company specialising in the manufacture of high-quality plastic films for producers of windows. Laminating is a technology which applies the upper coat of a different material on to the substrate material either by laminating under heat, dry laminating or laminating with wax. Basic materials such as paper, textiles, plastic material, aluminium or synthetic materials are stratified by laminating. Special adhesives are used to ensure the consistency of both materials used in the process.

By gradual extension of manufacturing opportunities due to a growing demand for surfacing, the company has gradually developed. At first the company started its business in hired premises. Currently the company owns a newly built hall with a total production and storage area of cc.1, 700m sq. and employs a workforce of 24 employees.



## Organizational Structure of the Company

Organizational structure of Astra Company is determined in the following way.

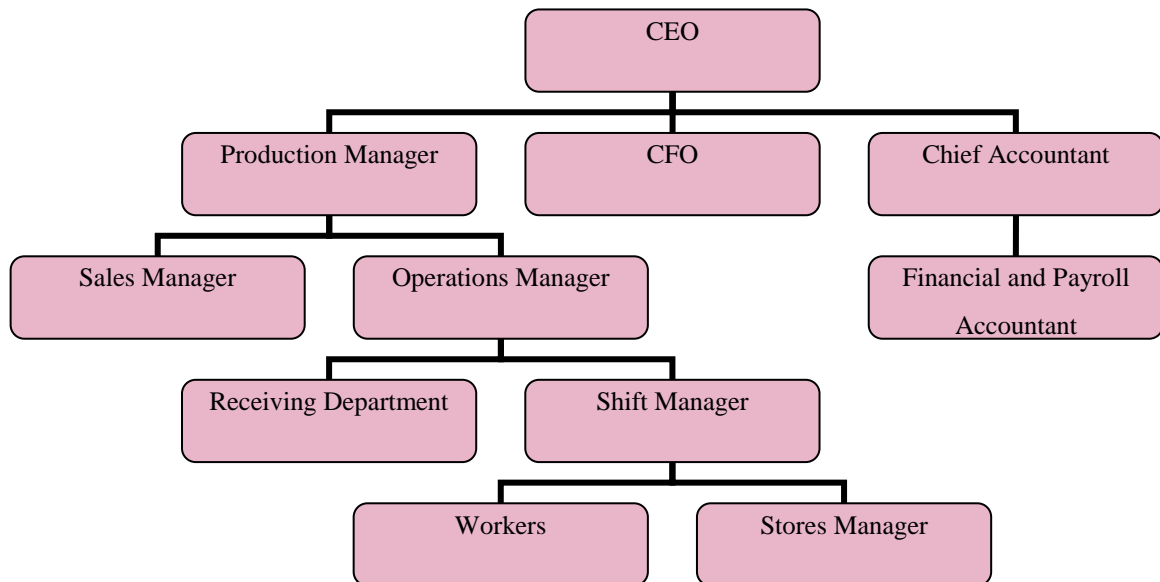


Figure 6 Organization Structure of the Company

Source: Data Taken from Reports of Organization 2014.

**Chief Executive Officer** is in charge of a company. He runs the business and is responsible for the staff level and the remuneration of employees.

**The Chief Accountant** keeps the records of money received and is responsible for the correctness and completeness of these figures. The chief accountant also controls the work of the financial and payroll accountant.

**Chief Financial Officer** is a manager responsible for everything that influences the management of an entire company. The CFO's duties include financial control and planning and he is also in charge of the organization of money.

**Production Manager:** is responsible for the smooth running of the day-to-day operations of a business. Main responsibilities include: communication and dealing with customers, pricing and dealing with operational problems. An operations manager is responsible for

the recruitment of staff, training, feedback and the supervision of employees. He is also in charge of preparing budgets, reports or other important documents and implements measures to provide motivation for employees.

**Sales Manager:** His task is to search for companies engaged in the production of windows or shutters. He offers the possibility of cooperation to potential customers and negotiates agreements.

**Operations Manager:** oversees the production activities of the organization. He also directs meetings, receives orders, ensures the required materials are available and ensures quality control is implemented.

**Receiving Department:** The main responsibilities of these employees are the receiving of orders and order processing. They also ensure that any required spare parts are made available and provide servicing of machines.

**The Shift Manager:** is liable for the work of his staff. He checks the correctness of orders, the setting of machines and the consumption of materials. The Shift Manager's duties also include quality control.

**The Worker:** carries out the required work according to the instructions of his Shift Manager.

### **4.3 An Analysis of the Employee Motivation System at Astra, s. r. o.**

The main aim of practical part of my bachelor thesis is about analysis of motivation program of the company and analysis of initiators used by the company to motivate employees.

#### **Remuneration and Motivation of Employees**

The main point of my bachelor thesis is the analysis of the employee motivation system at the Astra Company. However, the company does not use any standards to determine the remuneration of employees. Remuneration is governed by the Labour Code. The company observes the minimum wage requested by law, compulsory contributions and protective equipment. Rightful and quality remuneration is one of the main elements which significantly influences the satisfaction of employees.

#### **Payroll Forms**

In the Astra Company is used time rate system which means that employee is paid by the hour. Fixed amount of money is increased by rewards and bonuses. The average gross wage in the company in 2013 was lower in the comparison with average gross wage in the Czech Republic which was 25 128 CZK. The figure below determines exact value of average gross wage.

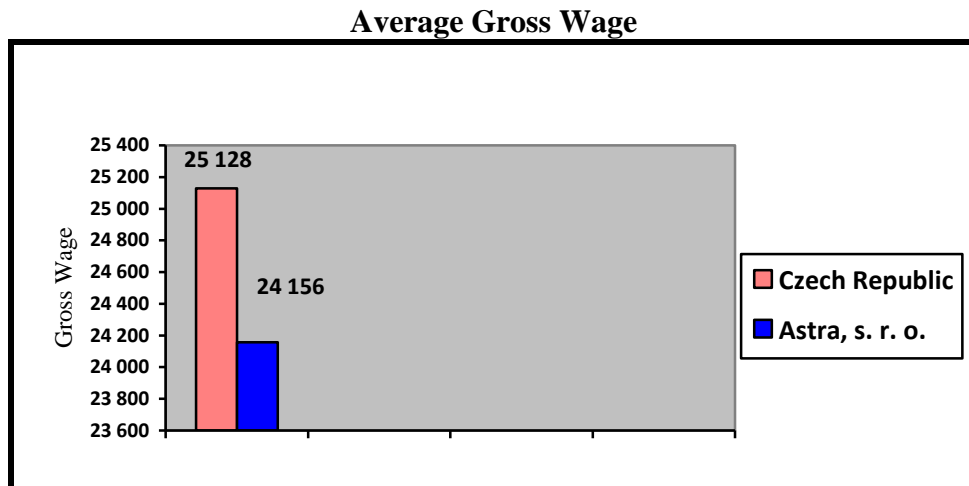


Figure 7 Value of Average Gross Wage

Source: Data from Author's Survey 2014.

### **Rewards and Bonuses**

The owner of the Astra Company offers to his employees a variety of extra pay. Most of them are compulsory under the law; some of them are for the purposes of motivation or due to that employee taking on increased responsibility.

- **Work performed on a public holiday**

Employees are entitled to get wages for their work on public holidays as well as compensatory leave to the extent of work done in this holiday. However, employees would rather use the additional wages in the amount of 100 % of average earnings, which is not in conflict with the Labour Code.

- **Saturday and Sunday work**

There is usually no service in the company on Saturdays and Sundays. However, employees may be called in to work in case of emergency event. Extra wages are provided at 50 % of average earnings for work on Saturdays or at 100 % of average earnings for work on Sundays.

- **Night-shift work**

If an owner is forced to change two-shift mode to a three-shift one, employees receive an additional fee of 10 % of their average earnings for working at night. This is how the company fully respects the Labour Code.

- **Working environment**

The company provides employees with an additional fee of CZK 4.81 for working in a difficult environment; this additional fee increases hourly wages.

- **Work overtime**

Employees remain overtime only very rarely. Work beyond the working hours may be paid either by an additional fee to the amount of 25 % of the average wage, or by compensatory time off.

Apart from rewards the employees are receiving premiums and bonuses as well. The main purpose of these is to stimulate employees to work more efficiently and to ensure the quality of their work. These bonuses are delivered uncommonly and only for exceptionally good working output or in case of extraordinary income to the company. The amount depends on the occupation category, number of years worked, working output and work attendance record. All the employees receive bonuses together with monthly salary. The table below represents only the basic amount of bonuses. Its value changes according to the working output of each employee. The production manager together with the operations manager decides on any possible increase to the basic amount of bonuses. An increase or potential decrease in value may be affected for example by the labour productivity of employees, their work attendance record, their handling of materials and company property or sales returns.

Table 1 Composition of Bonuses

<b>Working position</b>	<b>Number of years worked</b>	<b>Basic amount of bonuses [CZK]</b>
Sales Manager/ Operations Manager	1-2	2 000
	3-4	3 000
	5 or more	4 000
Shift Manager/ Receiving Department	1-2	2 000
	3-4	3 000
	5 or more	4 000
Stores Manager	1-2	1 000
	3-4	2 000
	5 or more	3 000
Worker	1-2	1 000
	3-4	2 000
	5 or more	3 000

Source: Data Taken from Reports of Organization 2014.

### **Employee benefits**

To grant employees financial or material benefits is not a duty of the owner of the company. He does so facultatively and primarily in order to improve motivation. Some of the benefits are directed at all employees and others are only for employees in a certain work position or at a certain level in the company.

### **Christmas contribution**

The Christmas contribution is provided to all the employees. Its amount depends on the actual financial situation of the company and on the same factors which play the key role in making a decision relating to bonuses.

**Material benefits**

For the sales manager and operations manager a mobile phone is available for business use. Other senior managers can also use a company car and personal computer.

**Luncheon vouchers**

The company does not cover the cost of boarding to its employees during working hours. However they provide them with luncheon vouchers to the value of 40 CZK every working day.

**Holiday**

The company does not determine when holiday must be taken; employees can take their four weeks of holiday at any time of the year.

**Motivation**

The Astra Company does not use an effective motivational program to motivate their employees. The company assumes that employees are motivated through wages, extra pay or employee benefits. Once a year the company organizes corporate events which are usually connected with cultural or sports activities. Motivation is closely associated with labour productivity. The company is currently facing the problem of low workforce engagement and constantly decreasing labour productivity which is determined in figure below.

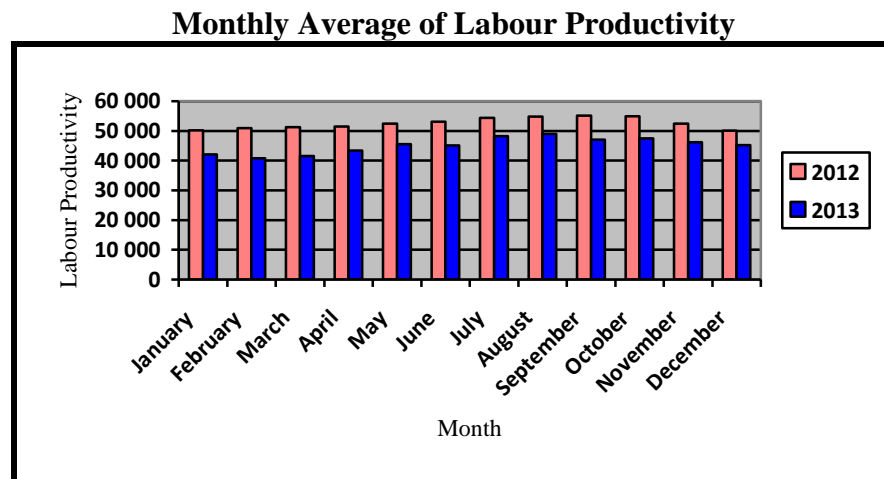


Figure 8 Monthly Average of Labour Productivity

Source: Data Taken from Reports of Organization 2012-2013.

From the theoretical part of my bachelor thesis we already know that motivation is very individual and therefore I have decided to prepare an opinion poll. It is a simple way how to find out what employees want and what incentives motivate them.



## **4.4 Data Collection Methods**

This part of the thesis is aimed to evaluation of effectiveness of the current system. I have chosen several methods of data collection for my thesis such as observational study, comparison, questionnaire and personal interview with the management of the company. This is how I managed to get knowledge of pros and cons of the current system.

### **4.4.1 Opinion Poll on the Current System of Employee Motivation**

To determine the opinions of employees on the current system of motivation I have decided to choose the form of questionnaire which allowed me to get important information. The questionnaire is placed in the appendix P1.

### **The Results of the Questionnaire**

The questionnaire was filled in by 23 employees out of 25 of them. Here I would like once again to thank everyone involved for willingness and cooperation.

#### **1. Working at the company:**

Company called Astra, s. r. o. has been on the Czech market for nearly 8 years. Only 22% of employees responded that they had been working at the company for more than 5 years. Most employees work at the company for the period of 2 to 5 years.

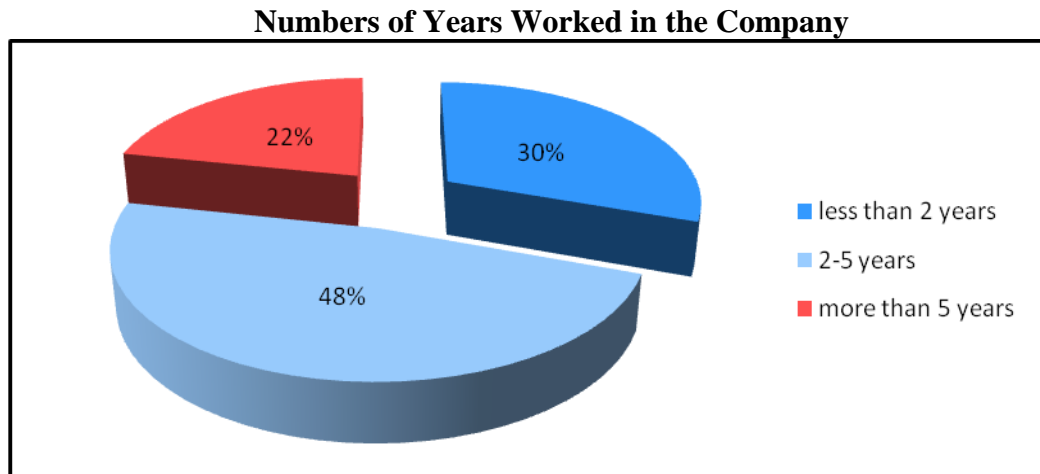


Figure 9 Number of Years Worked in the Company

Source: Data from Author’s Survey 2014.

**2. I have got information about goals of our company:**

According to these responses, we can say that the vast majority of employees have sufficient knowledge on the company objectives.

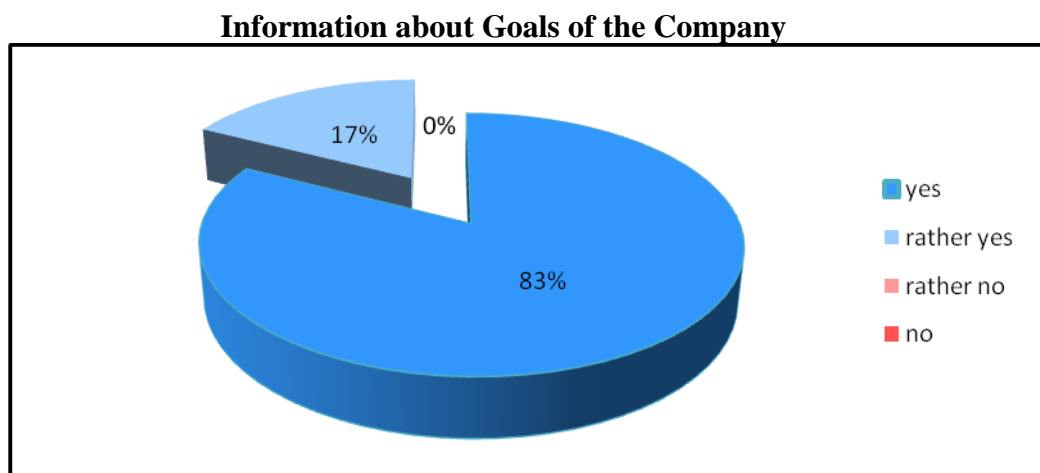


Figure 10 Information about Goals of the Company

Source: Data from Author’s Survey 2014.

**3. My supervisor supports me to keep bringing new ideas:**

More than a half, or more precisely 52% of employees, feel that their boss does not give them enough space to come up with new ideas. It can be assumed that positive responses tend to come from the level of managers. They are expected to bring innovative procedures more than common workers.

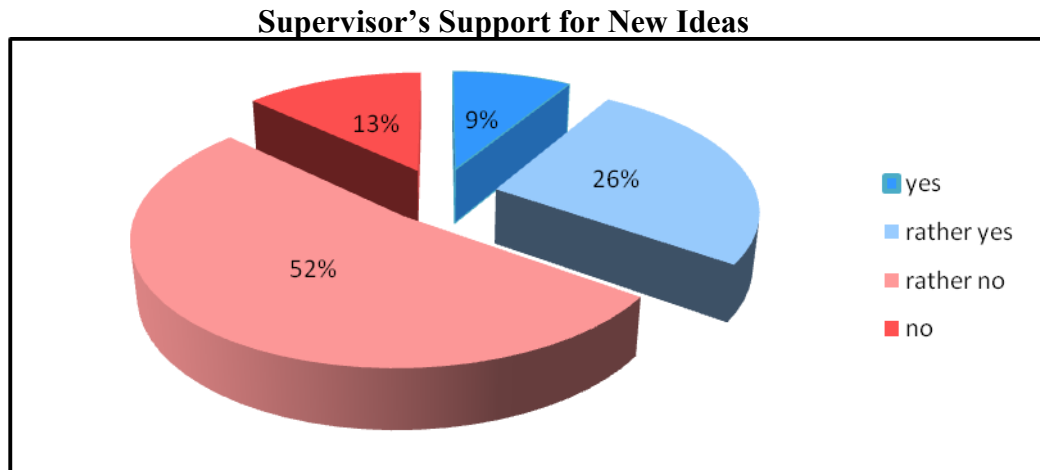


Figure 11 Supervisor's Support for New Ideas

Source: Data from Author's Survey 2014.

**4. My supervisor motivates me to better job performance:**

62.5% of the employees think that supervisor motivation for better job performance is insufficient. At the present time, the company is struggling with low job commitment and still decreasing labour productivity. This may be the main result of poor staff motivation. Satisfaction of the remaining employees may be associated to rewards and benefits offered to them by Astra, s.r.o. These include Christmas bonus, food stamps and other material benefits for higher-ranking managers of the company.

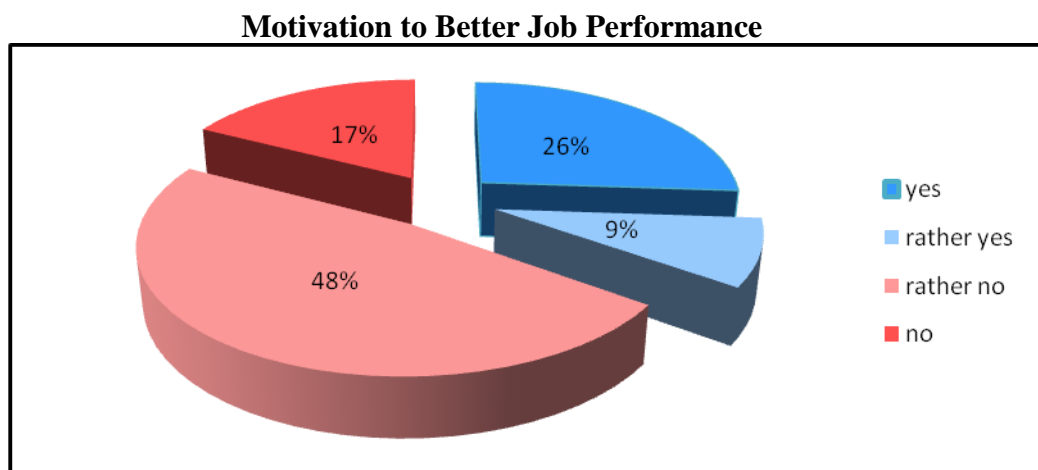


Figure 12 Motivation to Better Job Performance

Source: Data from Author's Survey 2014

**5. I feel my work makes sense to me:**

Of the total number of 23 employees who participated in filling in the questionnaire, only 11 of them felt that their work made any sense to them. This may be caused by poor employee motivation and lack of opportunities for self-realization.

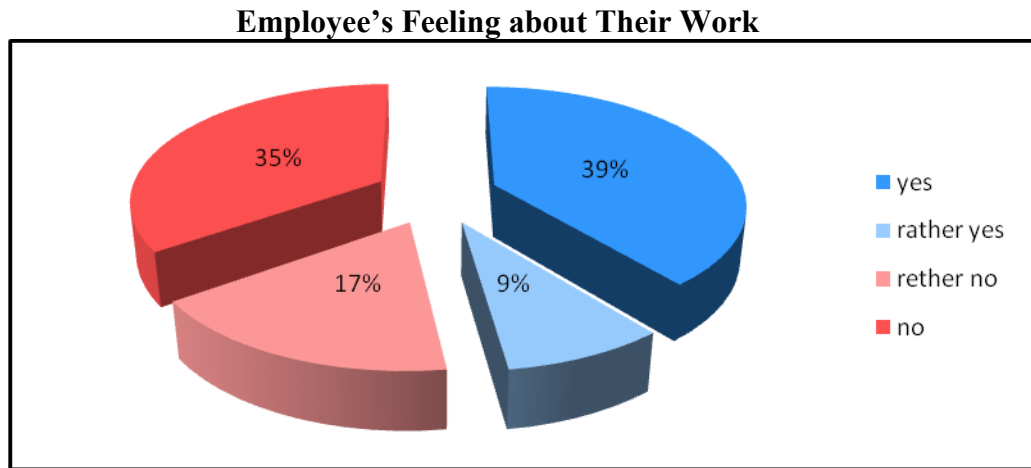


Figure 13 Employee's Feeling about Their Work

Source: Data from Author's Survey 2014

**6. I am satisfied with catering services at the company:**

Only one employee thinks provision of catering services is adequate. The remaining 96% of employees are not satisfied with the system of corporate catering. Nearly most of them said the dinners would be delivered.

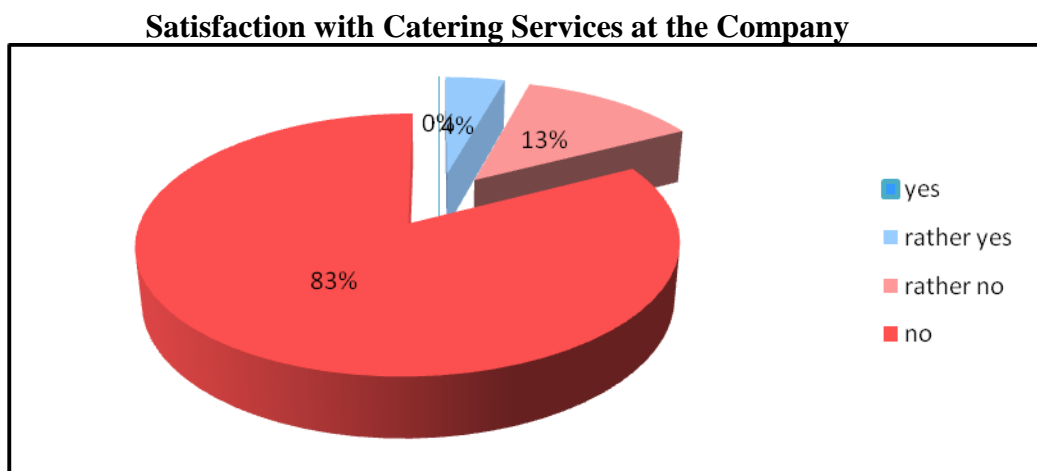


Figure 14 Satisfaction with Catering Services at the Company

Source: Data from Author's Survey 2014.

### 7. Currently, I am not happy at the company:

Nearly 58% of employees working for the company are not happy with setting of remuneration. Other ways of dissatisfaction are caused by shift work, attitude of supervisors toward the subordinates or the the working environment. However, the atmosphere in the working collective of Astra s.r.o. seems to be excellent.

### 8. My supervisors acknowledge my contribution and success at work:

Most of the employees of Astra s.r.o. is unhappy with the ways of recognition given by supervisors. They consider it as insufficient. The remaining 35% of the employees feel that they are receiving sufficient recognition.

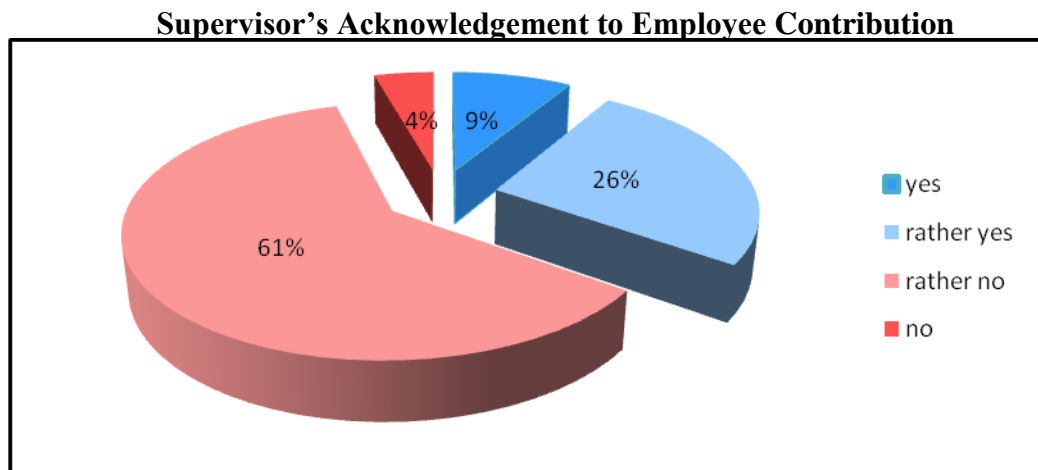


Figure 15 Supervisor's Acknowledgement to Employee Contribution

Source: Data from Author's Survey 2014.

**9. Compared with other companies I could work at, I consider the amount of my salary as adequate:**

Regarding this issue, the employees are divided into two fairly equal groups. 43.5% of employees think that their salary is equivalent to the wages in other companies having the same subject of work. In contrast, nearly 56.5% of them disagree with this statement. This issue may show overall injustice of remuneration at the company.

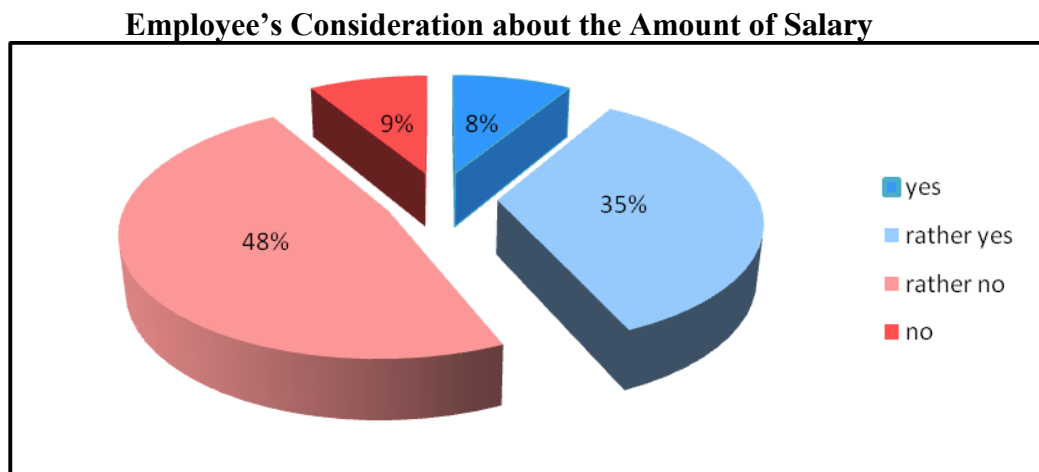


Figure 16 Employee's Consideration about the Amount of Salary

Source: Data from Author's Survey 2014.

**10. Our company gives me opportunities for education and development:**

More than a half of the company's employees would welcome more opportunities for education and development. Employees would like to get some courses of effective communication with customers or computer courses. Other employees agreed there could be some training in new technologies, processes and machines in the industry.

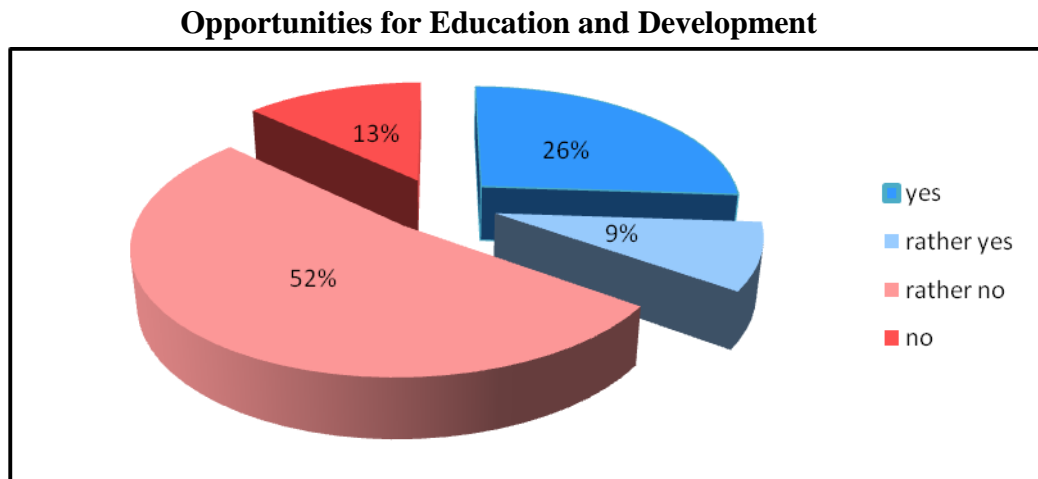


Figure 17 Opportunities for Education and Development

Source: Data from Author's Survey 2014.

**11. I consider educational events as useful for performance of my work:**

Nearly 82.6% of the respondents find these educational opportunities useful for performance of their job.

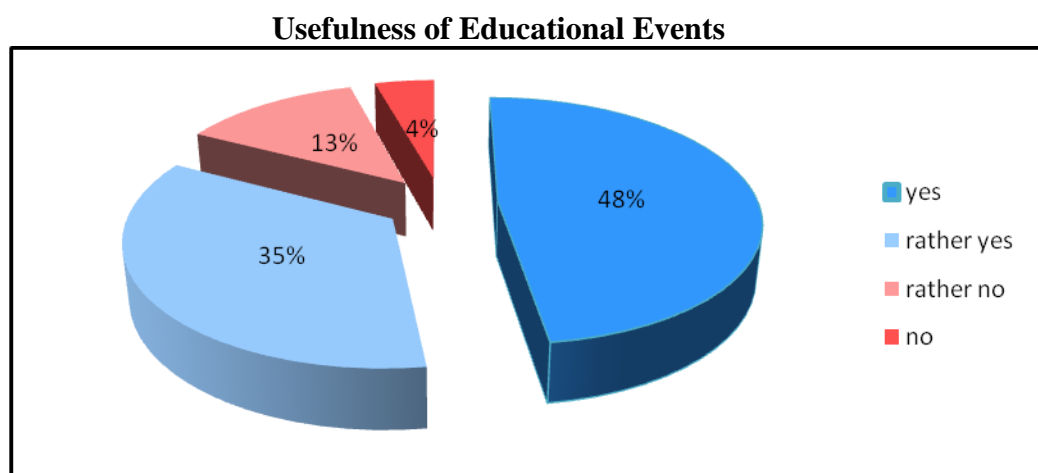


Figure 18 Usefulness of Educational Events

Source: Data from Author's Survey 2014.

**12. I receive regular feedback of my supervisor, which helps me improve my work performance:**

Twice yearly, the employees of Astra s. r. o. get reviews together with line manager in relation to performance of their work and possible deficiencies. According to the responses, we can say that most of the employees feel satisfied with the feedback.

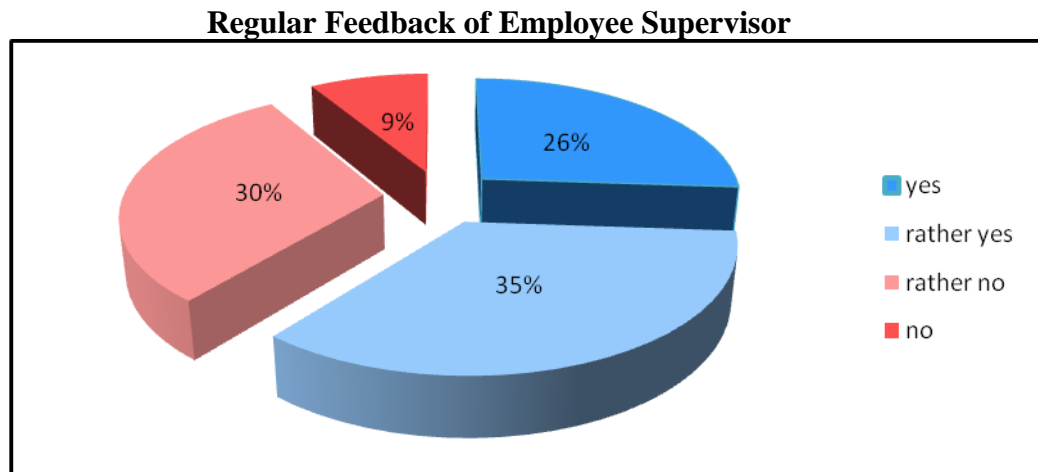


Figure 19 Regular Feedback of Employee Supervisor

Source: Data from Author's Survey 2014.

**13. The company motivates me to keep my tasks performed above expectations:**

There is rather negative response here again. The employees of Astra s.r.o. probably consider this motivation as insufficient even though they receive bonuses and rewards for well done work over-crowded plans. Christmas bonus may also be quite motivating. This bonus is derived from good productivity of work and performance of the company.



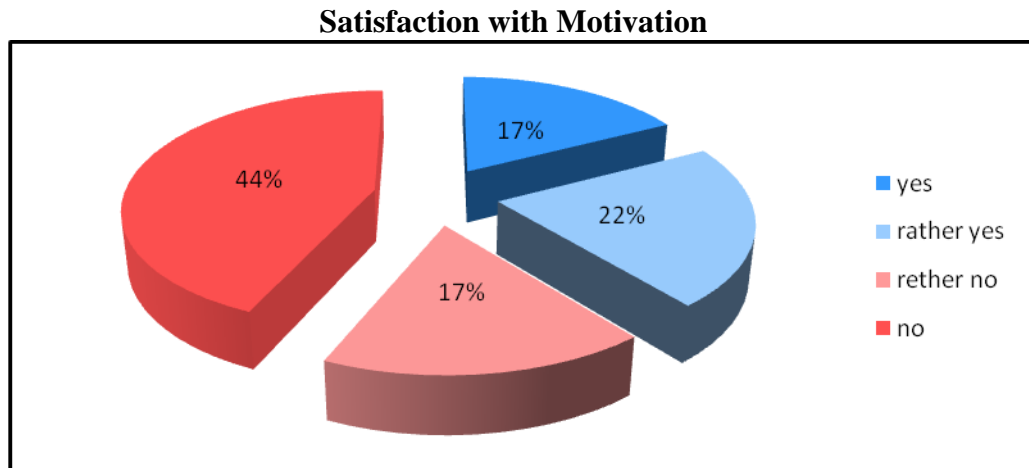


Figure 20 Satisfaction with Motivation

Source: Data from Author’s Survey 2014.

**14. I am generally satisfied with the job at our company:**

Of the total number of 23 employees, nearly 61% feel satisfied. The remaining 39% feel rather unhappy with the job at Astra s. r. o.

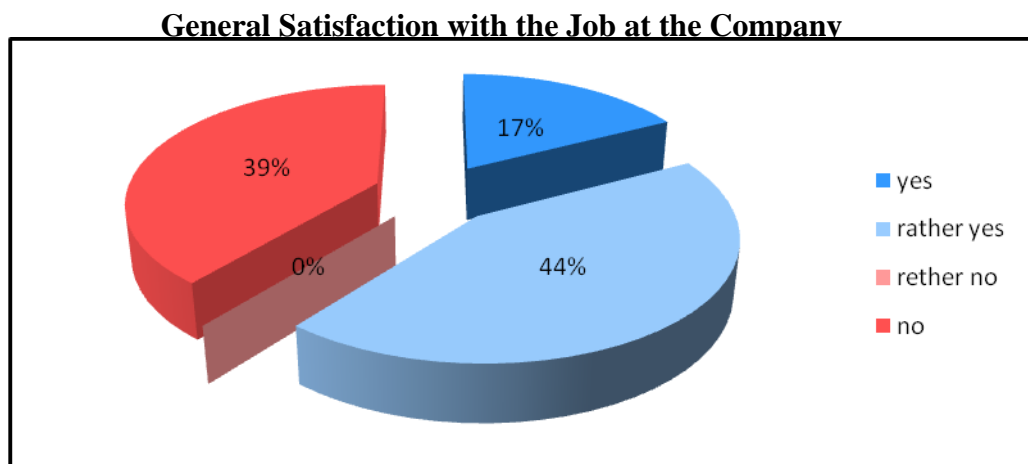


Figure 21 General Satisfaction with the Job at the Company

Source: Data from Author’s Survey 2014.

**15. Do you find the following rewards motivating?**

The table shows that the only reward that would motivate all employees is holiday contribution. Regarding other rewards, the opinions are different. Each employee prefers something else. A reward that is highly motivating for one person may be unsatisfactory for another one, and vice versa.

Table 2 Employee Rewards

<b>Rewards</b>	<b>Yes</b>	<b>Rather yes</b>	<b>Rather no</b>	<b>No</b>
<b>Verbal praise</b>	13	2	1	7
<b>Holiday contribution</b>	22	1	0	0
<b>Sport/cultural contribution</b>	18	3	0	2
<b>Shopping voucher- Tesco</b>	17	5	1	0

Source: Data from Author's Survey 2014.

## **5 A SUMMARY OF THE SHORTCOMINGS OF THE CURRENT STATE**

The results of the questionnaire imply that the Astra Company currently has some shortcomings which I would like to focus on.

The first thing the company should deal with is low workforce engagement and the constantly declining labour productivity. This probably comes from insufficient motivation to better job performance and deficient space for self-realization. The shortcoming of the current motivation system is that each employee is motivated through different elements. Strictly determined contributions and rewards therefore might not have the effect which the company management expect and expended financial resources can be considered as dispensable expenses for the company.

The satisfaction of employees is significantly influenced by an equitable system of remuneration which is another problem the company should deal with. In the company a uniform system does not exist and consequently employees may feel insufficiently motivated and financially undervalued.

Another issue which may significantly influence the satisfaction of employees is the lack of catering service. Astra Company does not provide any corporate catering. Employees only have an half-hour break.

In relation to these shortcomings it is necessary to mention the quality of work done as well. Recently, the production manager has more often had to settle complaints regarding quality. The allocation of responsibility for the quality of work done can be considered as another problem. Despite the fact that the operations manager is not able to directly affect the quality of products, the complaints significantly influence his remuneration because he takes the main responsibility.

## 6 RECOMMENDATION

In this chapter I would like to mention my own suggestions and recommendations to improve the current system of motivation and to increase employee satisfaction. The following suggestions have been made on the basis of analysis of the present employee motivation system at Astra, s. r. o.

### 6.1 Cafeteria System

Astra Company uses the system of fixed employee benefits. These are provided in terms of working position or without distinction, which is not very effective. I would extend the system of fixed benefits to a flexible system of benefits, otherwise known as a 'cafeteria system'.

The essence of the cafeteria system is that there are optional benefits and employees may choose which ones will be suitable for them. In view of the fact that the Astra Company provides only a minimum of benefits, such as luncheon vouchers, it would be sensible to keep all these benefits and complement them with the addition of other benefits, which would be allocated only on the basis of the cafeteria system. (Dvořáková 2007, 339-340)

#### Allocation of Benefits

Each employee will have their own account on which they will have obtained credits. The allocation of benefits will depend on the number of years worked in the company, on the working position of each employee and on the completion of the production plan. The balance will be transferred to the next period if an employee does not use all of their credits. At the beginning of each year employees will get a certain number of credits according to the criteria mentioned above.

The following tables determine how credits will be allocated, according to the number of years worked and working position. Due to the increasing loyalty of employees with an increasing number of years worked in the company and the importance of maintaining of qualified workforce, I suggest division according to number of years worked in the following form:

Table 3 Allocation of Credits According to Number of Years Worked

<b>Number of years worked in the company</b>	<b>Number of credits per employee for one year</b>
<b>1-2</b>	1 500
<b>3-5</b>	3 500
<b>6-9</b>	5 500
<b>10 and more</b>	7 500

Source: Data from Author's Survey 2014.

Table 4 Allocation of Credits According to Working Position

<b>Working position</b>	<b>Number of credits per employee for one year</b>
<b>Stores manager</b>	200
<b>Worker</b>	200
<b>Receiving department</b>	400
<b>Shift manager</b>	500
<b>Operations manager</b>	800
<b>Sales manager</b>	800

Source: Data from Author's Survey 2014.

Table 5 Allocation of Credits According to Completion of Production Plan

<b>Completion of production plan</b>	<b>Number of credits per employee for one day</b>
<b>100 - 109 %</b>	10
<b>110 – 120 %</b>	15
<b>130 % and more</b>	20
<b>Less than 90%</b>	-5

Source: Data from Author's Survey 2014.

### Composition of the Benefits

Each of the benefits has a certain number of points, which are allocated according to actual costs. They are expressed either per year or per quarter. Employees will have the choice to select benefits separately for each quarter or to plan them for the whole year in advance.

In the case that an employee starts to work or terminates the employment throughout the year the set number of points will be reduced to months.

The rules are different if employees whose employment is terminated throughout the year use more credits than they are entitled to. The costs of these benefits will be deducted from the last wage they are paid.

It is also important to point out that quarterly benefits can be used four times per year, whereas yearly benefits only once per year. The composition of the benefits is based on the results of the questionnaire and personal interviews with employees and company management. The cafeteria system will include the following benefits with given points.

Table 6 Composition of the Benefits

<b>Employee benefits</b>	<b>Points per year/quarter</b>
<b>Christmas contribution</b>	1 500 points/year
<b>Holiday allowance</b>	1 500 points/year
<b>Recondition contribution</b>	800 points/year
<b>Pharmacy voucher</b>	300 points/quarter
<b>Sport/cultural contribution</b>	150 points/quarter
<b>Shopping voucher</b>	300 points/quarter
<b>Aquazorbng (2 people)</b>	600 points/year
<b>Paintball (2 people)</b>	1 700 points/year
<b>Rafting (6 people)</b>	1 620 points/year
<b>Life insurance contribution</b>	3 600 points/year
<b>Pension scheme contribution</b>	6 000 points/year

Source: Data from Author's Survey 2014.

### **Successful Introduction of the System in the Company**

The main advantage offered by this system for employees is the optional composition of benefits which are adapted to employees needs in different phases of their lives. In addition, their attitude towards the company may significantly change. The main advantage for the employer is the effective control of the money supply he spends on each employee.

On the other hand, the cafeteria system may be relatively financially and administratively exacting, even though it is only about initial investment.

According to my opinion the most suitable way to successfully introduce the cafeteria system is through intranet, which will be accessible to each employee. Before the introduction of the system it would also be suitable to execute a financial analysis of the company and to find out whether it is stable and capable of maintaining these benefits.

## **6.2 Catering Service**

Based on the results we already know that Astra Company does not provide a catering service, which may also significantly influence the satisfaction of employees. Astra, s. r. o. is located in a small village without any restaurants and because employees have a half-hour break they do not have time to go somewhere else for lunch. My second suggestion would be the introduction of a catering service.

According to my own research there are many ways to provide catering for employees. I have prepared recommendations and prices of three companies engaged in corporate catering in the proximity of Astra, s. r. o.

### **Bufet U zastávky- Pěchota**

This cafeteria is located in Velké Meziříčí, which is about 10 kilometres from Astra Company. On the one hand, Bufet U zastávky offers the lowest prices, but on the other hand they do not provide distribution, which may be disadvantageous for the company. The table below describes their price offer in more detail.

Table 7 Price Offer of Bufet U zastávky- Pěchota

<b>Menu</b>	<b>Menu 1,2</b>	<b>Menu 3</b>
<b>Monday- Friday</b>	55 CZK	60 CZK
<b>Saturday- Sunday</b>	-	-

Source: Data from Author's Survey 2014.

### **Mňamka Velké Meziříčí**

This company has operated in the market for a relatively short period of time. They are located in Velké Meziříčí, the same area as the previous company. In comparison to the other suggested companies it seems to be the most economical one for the company management. The menu is always divided into two parts and there is always one vegetarian dish. All prices in the following table include distribution as well.

Table 8 Price Offer of Mňamka Velké Meziříčí

<b>Menu</b>	<b>Menu 1,2</b>	<b>Menu 3,4</b>
<b>Monday- Friday</b>	56 CZK	56 CZK
<b>Saturday- Sunday</b>	-	-

Source: Data from Author's Survey 2014.

### **Třebíčská cateringová společnost**

Třebíčská cateringová společnost unlike the previous companies also provides distribution at weekends. The company provides a menu which is divided into two parts, where the second part usually carries a higher cost or a vegetarian dish. Třebíčská cateringová společnost is located in Třebíč, which is about 30 kilometres from the Astra Company. Therefore, the price offer is relatively higher because of the increased distribution cost.



Table 9 Price Offer of Třebíčská cateringová společnost

Menu	Menu 1,2	Menu 3,4
Monday-Thursday	63 CZK	82 CZK
Friday	67 CZK	85 CZK
Saturday- Sunday	70 CZK	-

Source: Data from Author's Survey 2014.

### Introduction of the Catering Service in the Company

My own research gave a base for a proposal for the most suitable catering company which is Třebíčská cateringová společnost. I have decided on basis of my own supplier evaluation which is described in the table below. I have chosen the criteria of price, delivery and variety of food. Individual criteria are scored according to the importance.

Table 10 Supplier Evaluation

Criteria	Weight	Points		
		A	B	C
Price Offer	0,40	8	10	4
Delivery	0,50	4	4	10
Variety of food	0,10	4	10	10
$\Sigma$		5,6	7	7,6

Source: Data from Author's Survey 2014.

A= Bufet U zastávky- Pěchota

B= Mňamka Velké Meziříčí

C= Třebíčská cateringová společnost

Despite the fact, that price offer is higher; according to references employees from other companies are very satisfied with service, variety of food and square meal. Second factor, which can be considered as another benefit is distribution at weekends. I already know that

there is usually no service in the company at weekends. However, employees are recently very often called to work in case of emergency event.

From the previous research I already know that Astra Company does not cover the cost of boarding to its employees, but they provide them luncheon vouchers in the value of 40 CZK every working day. Before the successful introduction of the system the company have to execute financial situation of their employees and to ask them if they would be willing to pay an extra cost for catering service. In case of refusal there are still two other catering companies whose price offer is lower.

## CONCLUSION

In the bachelor's degree thesis being presented, I am dealing with work motivation and remuneration of employees.

The system of motivation is included in management of the entire enterprise. We start from the statement saying that employees are the most valuable asset the company can have.

Therefore, a qualified and loyal employee should be duly rewarded. The process of creating a functioning system of motivation is not a simple matter. It has always been necessary to keep in mind expectations of employees and requirements of the employer. These frequently opposing views shall be united. There shall be a certain compromise created between them, in accordance with corporate goals.

In the first part of this work, I was focused on theoretical knowledge acquisition, those primarily related to work motivation, stimulation, motivation theories and their application in the management. At the end of the theoretical part, I mentioned information about management strategies required for growth of employee motivation. This theoretical knowledge made me able to understand the importance as well as complexity of motivation system.

The second part of the thesis is devoted to analysis of the current situation in the company called Astra, s. r. o. First, I presented the basic information about the selected company. Then subsequently, I was dealing with the current ways of motivating and rewarding the employees who work in the company. This part of the thesis is aimed to evaluation of effectiveness of the current system, while asking if an employee is rated as fair and motivating and while evaluating the extent to which an employee contributes for increase of productivity. I acquired these findings by means of a questionnaire survey among employees. This is how I managed to get knowledge of pros and cons of the current system of motivation and map out the wishes of employees.

In the last part of the thesis, I responded to the imperfections. There are proposals for improving the current system of motivation formulated in this part. The first major problem in Astra, s. r. o. is about declining labour productivity which is associated with insufficient level of motivation to better job performance. Therefore, I prepared a proposal for establishment of a cafeteria system.

The system is based on giving an employee a chance to choose experiences the employer can provide to him, according to his wishes and within a predetermined budget.

The survey also revealed that dissatisfaction of employees is mostly associated with the corporate system of catering. Astra, s. r. o. does not provide its employees with lunch delivery during lunch break. My next suggestion is therefore about presentation of three catering companies in the vicinity around the company, those which could become a future supplier of lunches.

The changes being proposed respect requirements of employees since they are based on the opinions presented in the questionnaire. Eventual establishment of these changes would increase motivation, overall satisfaction and job performance itself. Better performance of working could lead to higher satisfaction of the employer.

Objectives to be achieved are defined at the beginning of the thesis. I tried to propose such ways that will be the most effective ones for the company, those that will also be motivating for both the existing and new employees. Incorporation of my proposals will certainly be difficult. However, I believe that the changes I am suggesting will bring benefits to the company.

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## LIST OF FIGURES AND TABLES

Figure 1 Process of Motivation.....	15
Figure 2 Maslow’s Hierarchy of Needs .....	18
Figure 3 Areas of Management Influence in the Five Needs Hierarchy Category .....	19
Figure 4 Contrasting Views of Satisfaction- Dissatisfaction .....	21
Figure 5 Model of Motivation to Work .....	24
Figure 6 Organization Structure of the Company .....	33
Figure 7 Value of Average Gross Wage .....	36
Figure 8 Monthly Average of Labour Productivity.....	40
Figure 9 Number of Years Worked in the Company .....	42
Figure 10 Information about Goals of the Company .....	42
Figure 11 Supervisor’s Support for New Ideas.....	43
Figure 12 Motivation to Better Job Performance .....	43
Figure 13 Employee’s Feeling about Their Work.....	44
Figure 14 Satisfaction with Catering Services at the Company.....	44
Figure 15 Supervisor’s Acknowledgement to Employee Contribution .....	45
Figure 16 Employee’s Consideration about the Amount of Salary .....	46
Figure 17 Opportunities for Education and Development .....	47
Figure 18 Usefulness of Educational Events .....	47
Figure 19 Regular Feedback of Employee Supervisor.....	48
Figure 20 Satisfaction with Motivation .....	49
Figure 21 General Satisfaction with the Job at the Company.....	49
Table 1 Composition of Bonuses .....	38
Table 2 Employee Rewards .....	50
Table 3 Allocation of Credits According to Number of Years Worked .....	53
Table 4 Allocation of Credits According to Working Position .....	53
Table 5 Allocation of Credits According to Completion of Production Plan.....	53
Table 6 Composition of the Benefits .....	54
Table 7 Price Offer of Bufet U zastávky- Pěchota.....	56
Table 8 Price Offer of Mňamka Velké Meziříčí.....	56
Table 9 Price Offer of Třebíčská cateringová společnost .....	57
Table 10 Supplier Evaluation .....	57

## APPENDICES

P I      Questionary

## APPENDIX P I: QUESTIONARY

### DOTAZNÍK

*An Analysis of the Employee Motivation System at Astra, s. r. o.*

Vážení zaměstnanci,

jmenuji se Šárka Hlávková a jsem studentkou Fakulty humanitních studií na Univerzitě Tomáše Bati ve Zlíně. V souvislosti se zpracováním mé bakalářské práce si Vás dovoluji požádat o vyplnění tohoto dotazníku. Dotazník je anonymní a Vámi uvedené informace nebudou nikde zveřejněny, použiji je pouze jako podklad pro zpracování závěrečné práce.

Děkuji za Váš čas a spolupráci.

Šárka Hlávková

*Vybrané odpovědi prosím zakřížkujte, u otevřených otázek uveďte další možnosti.*

**1) U společnosti pracuji:**

<input type="radio"/> méně jak 2 roky	<input type="radio"/> 2-5 let	<input type="radio"/> více jak 5 let
---------------------------------------	-------------------------------	--------------------------------------

**2) Mám k dispozici informace o cílech naší společnosti**

<input type="radio"/> Ano	<input type="radio"/> Spíše ano	<input type="radio"/> Spíše ne	<input type="radio"/> Ne
---------------------------	---------------------------------	--------------------------------	--------------------------

**3) Můj nadřízený mě podporuje, abych přicházel/a s novými nápady:**

<input type="radio"/> Ano	<input type="radio"/> Spíše ano	<input type="radio"/> Spíše ne	<input type="radio"/> Ne
---------------------------	---------------------------------	--------------------------------	--------------------------

**4) Můj nadřízený mě motivuje k lepším pracovním výkonům:**

<input type="radio"/> Ano	<input type="radio"/> Spíše ano	<input type="radio"/> Spíše ne	<input type="radio"/> Ne
---------------------------	---------------------------------	--------------------------------	--------------------------

**5) Ze své práce mám pocit naplnění:**

<input type="radio"/> Ano	<input type="radio"/> Spíše ano	<input type="radio"/> Spíše ne	<input type="radio"/> Ne
---------------------------	---------------------------------	--------------------------------	--------------------------



**6) Jsem spokojen se zabezpečením závodního stravování:**

<input type="radio"/> Ano	<input type="radio"/> Spíše ano	<input type="radio"/> Spíše ne	<input type="radio"/> Ne
---------------------------	---------------------------------	--------------------------------	--------------------------

Pokud ne/spíše ne uveďte prosím, jaké zlepšení byste uvítali.....  
.....

**7) V současné době jsem ve společnosti nespokojen: (vyberte jednu nebo i více možností)**

- S pracovním prostředím
- S prací na směny
- S nastavením systému odměňování
- S přístupem a chováním nadřízených k podřízeným
- S atmosférou v pracovním kolektivu
- Jiné

Uveďte.....  
.....

**8) Za svůj přínos a pracovní úspěchy se mi dostává uznání u mých nadřízených (mimo finanční odměny):**

<input type="radio"/> Ano	<input type="radio"/> Spíše ano	<input type="radio"/> Spíše ne	<input type="radio"/> Ne
---------------------------	---------------------------------	--------------------------------	--------------------------

**9) V porovnání s jinými společnostmi, kde bych mohl/a pracovat, považuji výši svého platu za odpovídající:**

<input type="radio"/> Ano	<input type="radio"/> Spíše ano	<input type="radio"/> Spíše ne	<input type="radio"/> Ne
---------------------------	---------------------------------	--------------------------------	--------------------------

**10) Naše společnost mi poskytuje příležitosti ke vzdělání a rozvoji:**

<input type="radio"/> Ano	<input type="radio"/> Spíše ano	<input type="radio"/> Spíše ne	<input type="radio"/> Ne
---------------------------	---------------------------------	--------------------------------	--------------------------

Pokud spíše ne/ ne uveďte prosím, jaké zlepšení byste uvítali.....  
.....

**11) Vzdělávací akce považuji za užitečné pro výkon mé práce:**

<input type="radio"/> Ano	<input type="radio"/> Spíše ano	<input type="radio"/> Spíše ne	<input type="radio"/> Ne
---------------------------	---------------------------------	--------------------------------	--------------------------

**12) Od svého nadřízeného dostávám pravidelnou zpětnou vazbu, která mi umožňuje zlepšovat svůj pracovní výkon:**

<input type="radio"/> Ano	<input type="radio"/> Spíše ano	<input type="radio"/> Spíše ne	<input type="radio"/> Ne
---------------------------	---------------------------------	--------------------------------	--------------------------

**13) Tato společnost mě motivuje k tomu, abych své úkoly plnil nad očekávání:**

<input type="radio"/> Ano	<input type="radio"/> Spíše ano	<input type="radio"/> Spíše ne	<input type="radio"/> Ne
---------------------------	---------------------------------	--------------------------------	--------------------------

**14) Jsem celkově spokojen/a se zaměstnáním v naší společnosti:**

<input type="radio"/> Ano	<input type="radio"/> Spíše ano	<input type="radio"/> Spíše ne	<input type="radio"/> Ne
---------------------------	---------------------------------	--------------------------------	--------------------------

**15) Jsou pro Vás následující odměny motivující?**

Odměna	Ano	Spíše ano	Spíše ne	Ne
Ústní pochvala	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Příspěvek na dovolenou	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Poukázky na sportovní/kulturní akce	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nákupní poukázky- Tesco	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Vyplněné dotazníky prosím vhazujte do označené schránky umístěné v kanceláři manažera prodeje.*

Děkuji za Váš čas a spolupráci.

Šárka Hlávková