

Corporate Social Responsibility and Its Influence on Corporate Image

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Zásady pro vypracování:

1. Provedte rešerši literatury a dostupných zdrojů k tématu společenská odpovědnost firem, marketing, marketingové komunikace.
2. Formulujte základní teoretická východiska pro efektivnost a budoucnost společenské odpovědnosti u společnosti Toyota Peugeot Citroen Automobile. Stanovte pracovní hypotézy.
3. Provedte analýzu vnitřního a vnějšího prostředí společnosti ve vztahu k řešené problematice.
4. Zhodnoťte výsledky analýzy a v konfrontaci se získanými teoretickými poznatky formulujte závěry, ověřte platnost pracovních hypotéz.
5. Na základě závěrů z analýz navrhnete vlastní opatření a řešení. Následně zpracujte projekt programu CSR pro firmu T.P.C.A.

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ABSTRAKT

Dodržování etických zásad v podobě společenské odpovědnosti s sebou přináší nejenom dobrý pocit všech zúčastněných, ale rovněž pozitivně působí na image organizace. Toyota Peugeot Citroën Automobile je nadnárodní organizace působící v Kolíně s mateřským zastoupením japonské Toyoty a francouzského PSA Peugeot Citroën. Pro společnost takovéto velikosti a formátu je nezbytné zapojit společenskou odpovědnost do vlastních aktivit. Tato diplomová práce se zaměřuje na zaměstnanecký sektor, respektive na motivaci zaměstnanců. Sleduje spokojenost, loajalitu, ale také jejich vliv na image společnosti.

Klíčová slova: společenská odpovědnost, stakeholdeři, zaměstnanci, životní prostředí, profit, motivace, benefity, vzdělávání, loajalita, odchodovost

ABSTRACT

Adherence to ethical principles in the form of social responsibility brings with it not only good feelings for all involved, but also the positive influence of organization's image. Toyota Peugeot Citroën Automobile is a multinational organization operating in Kolín with Japanese Toyota and the French PSA Peugeot Citroën parent corporations. Consequently, company of this size and format has to necessarily involve social responsibility within their own activities. This thesis focuses on the employment sector, precisely on the employee motivation. The thesis tracks satisfaction, loyalty, but also their impact on the company's image.

Keywords: corporate social responsibility, stakeholders, employees, environment, profit, motivation, benefits, education, loyalty, turnover

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"Továrna je jenom hromada cihel a železa. Život jí dávají lidé."

(The factory is just a pile of bricks and iron. People give it a life.)

Tomáš Baťa

I declare that the submitted version of diploma thesis is identical to electronic version, which is uploaded to the IS / STAG.

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INTRODUCTION

Corporate Social Responsibility is a term which has recently gained on popularity. Today's executives and managers are beginning to realize the importance of the interests of both the financial matters, but also of the employees, general public and the environment. A thought to be responsible from an ethical point of view is rooted in each of us from of old. From a business perspective, it seems as novelty, but the opposite is true. Just think of Tomas Bata, the great entrepreneur. This man captured a market niche, but has not been satisfied with just excellent financial results. He invested in the development of himself, but also in the development of employees and general public. T. Bata realized a key fact. The prosperity of an organization is directly dependent on the proportion of employee satisfaction.

The aim of the thesis is to present, today a very modern term, social responsibility in a way that would be comprehensible not only to experts, but to most laymen. Firstly, the theoretical part presents the history of social responsibility, the basic theory and methodology of work and likewise formulates the basic objectives and hypotheses. As is apparent from the abstract, I mainly focus on employee sector. However, since my goal is to show the essence of the theory to laymen, I explain other spheres of CSR too.

Secondly, the practical part will present promising Toyota Peugeot Citroën Automobile. In terms of company specificity it is not only necessary to introduce CSR activities but also the vision, values and work processes organization. Since the Toyota Peugeot Citroën Automobile is a joint venture of Toyota and PSA Peugeot Citroen, individual processes are unique, and are crucial for proper evaluation of hypotheses. For this reason, I suspect the negative increase in the extent of work. In addition to the various processes, I will focus on the very responsible activities and on the motivational factors. The observed presumptions are going to be confirmed or refuted by questionnaire survey focusing on the company's image and employee motivation. Finally, I suggest solutions on observed shortcomings.

The biggest positive of this work is a usefulness of the thesis. The research organized on the basis of the needs for the thesis will be used as a "corner-stone" of the incentive program in TPCA.

I. THEORETICAL PART

1 THE DEFINITION OF CSR

To define a term corporate social responsibility is for many reasons almost impossible task. First of all, the topic is in business sphere quite new as is going to be mentioned in the next chapter. Moreover, the CSR is so wide that it would be difficult to put it into one general definition and it would lose its flexibility. Finally, the most important reason why not to define the term mentioned P. Kotler. CSR suppose to be voluntary and discretionary. There should not be any law or rules telling to companies what exactly they have to do in CSR sphere. (Kotler 2005, p.3) Even though it is hard to define one general and all valid definition, for educational and business purposes was necessary to do so and that is why every author writing about CSR mentions at least one basic definition.

As a result, I have chosen three basic definitions, which in my opinion can be taken as valid:

Firstly, the World Business Council for Sustainable Development expressed CSR as *“business’ commitment to contribute to sustainable economic development, working with employees, their families, the local community, and the society at large to improve their quality of life.”* (Kotler 2005, p.3)

The second definition is from the organisation called Business for Social Responsibility. The CSR *“operates business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business.”* (Kotler 2005, p.3)

Finally, the third expression of corporate social responsibility is of course from Green Paper, where CSR is mentioned as *“a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”* (Green Paper 2001, p.6)

To sum all up from my point of view, the main goal of social responsible company is to be economically strong but also have strategies to keep employees, customers and inhabitants of region satisfied.

2 THE HISTORY AND EVOLUTION OF CSR

Even though the topic corporate social responsibility sounds like modern and new it is not this case. The only new thing is the focus on systematic work with CSR, which is in business leadership quite new. The society itself in the past, thousands years ago, have had to behave according some rules given by king, emperor or religion. There were solved ethical issues as well as we deal with ethical issues now. Of course, the seriousness of these issues depends on the historical period. People, more or less, have cared for each other; however it was not called corporate responsibility.

2.1 The Early Stages of Social Responsibility

The Fuggerei is the oldest housing estate in the world from 1521. However, this estate is not special only for the age and architectonics but also for purpose. The founder Jakob Fugger built this estate for poor people from Augsburg. The prices of rents were really low. In case we convert it into euro, nowadays it would be 0.88 euro and three prayers for the family of the founder. All in all, Fuggerei is one of many examples of CSR usage in the past. (www.fugger.de online 5.1.2011)

As Mr. Pavlík, the author of *Společenská odpovědnost organizace: CSR v praxi a jak s ním dál*. (Corporate Social Responsibility: CSR in the practice), mentions, the power of state and religion weakened through the time. As a result it was necessary to find some “authority” who will give the way how to solve ethical problems, how to behave to each other. Thanks to the globalisation and to the way of life, companies have become such authorities. Corporations are these who influence our lives the most. (Pavlík 2010, p. 21) Tomáš Baťa was one of those businessmen, who understood he cannot only take from the Earth and people but also give something to society as reciprocity. He supported families of his employees, built hospital, special houses for living, schools, film ateliers or airport. Moreover, Tomáš Baťa supported employees in education, in the motivation to produce quality products. We can continue for hours by listing the things he did for society. Even though, at that point of time, nobody knew the term CSR, Tomáš Baťa fulfilled points that are necessary for good, responsible company. (<http://www.euroekonom.cz/osobnosti-clanky.php?type=jz-bata> online 1.2.2011)

The year 1953 was a breakthrough for CSR because Howard Bowen was first one, who defined general term CSR in his book *Social Responsibilities of the Businessman*. However, this definition was only about general values we should keep. The definition of CSR from Archie Carroll in 1979 was different case. He defined four pillars – economical, responsibly legislative, responsibly ethical and responsibly voluntary. The main point of these pillars is that they exclude themselves. The R.E. Freeman's formulation from 1984 sets conception of all participants in corporate social responsibility, the stakeholders. (Petříková 2008, p.30-31)

2.2 Modern Conceptions of CSR

In the nineties erupted era, when the world realised CSR is an integral part of business and life itself. It was necessary to define official conception of social responsibility and tools how to become responsible in business. As a result, European Headquarters of CSR was founded in 1996 from the initiation of Jacques Delors. Nowadays, CSR Europe is “*business network for corporate social responsibility with around 70 multinational corporations and 27 national partner organisations as members.*”

(http://www.csreurope.org/pages/en/about_us.html [www.csreurope.org/about us](http://www.csreurope.org/about_us) online 20.10.2011)

The main goal is the implementation of corporate social responsibility to the corporate governance and to unite companies who use CSR, share experience and work on development. Moreover, there are supported “collaborative” projects between companies and stakeholders.

As a continuous outcome of implementation CSR can be taken “*Green Paper*” of European Union from 2001. “*This Green Paper aims to launch a wide debate on how the European Union could promote corporate social responsibility at both the European and international level.*” (Green paper 2001,p.3) Even though the *Green Paper* is interested in all parts of CSR, there is one, which is mostly emphasised...social sphere. The main goal is to lead discussion about the usage of CSR and create better transparency in evaluation. (Green Paper 2001, p.3-15)

Last but not least, Lisbon Treaty from 2010 includes corporate social responsibility too. The reason is clear. The main aim of Lisbon Treaty and European Union is to provide con-

tinuing economical growth with more and better jobs and greater social cohesion. The CSR is the main tool how to reach assessed goals. (Pavlík 2010, p.21)

The trend of doing business shows us, we will hear about CSR more than often and as a result there will be more official studies and reports, Green Paper and Lisbon Treaty is only the beginning.

3 THE CHARACTERISTICS OF CORPORATE SOCIAL RESPONSIBILITY

As is mentioned in previous chapters, company does not stand alone in this world. It needs to have responsible and loyal employees, needs customers who pay their commitments and are loyal too and also some resources. Corporate social responsibility can be taken as concept, which cares not only about economical situation and profits but also cares about everybody or everything who/which is influenced by the company. To get the system organised, there was created triple-bottom-line or “three P” diversification.

3.1 Triple - Bottom - Line

Triple-bottom-line or “three P” means that CSR is divided into three spheres according to the main characteristics of goals and performers. The first one is **profit**, where the main interest is the economy and main goal is to reach profit by legal and ethical way. **People** are the second sphere where the aim is to have satisfied and motivated employees. Finally, the last sphere, **Planet**, as the name suggests is connected with environmental issues. (Zadrazilová 2010, p.2-3)

3.1.1 Profit

To be responsible in the economical way, company should care about corporate governance. This is the cornerstone of the implementation of CSR in the company. To have successful implementation, it is sufficient to incorporate suppliers into CSR activities and monitor the process of these activities. Moreover, companies should be careful about the quality and safety of their products and services by using quality standards ISO 9001. There should be created ethical codex. The other thing is to keep good relationships with customers or suppliers. Transparency, fair trade or rejection of corruption, are other main ideas of CSR. Finally, keeping know how, support innovation of products and have ethical marketing campaign can also help to create responsible firm. (Petříková 2008, p. 45)

3.1.2 People

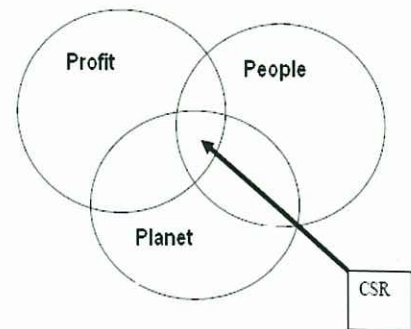
Social sector is second cornerstone of “Three P” system and CSR itself. However, this sector is huge and as a result in some publications like in *Společenská odpovědnost (Corporate Social Responsibility)* from Dana Zdražilová can be found special diversification of social sector on workplace and community. (Zdražilová 2010, p.2) Nowadays, was created more popular diversification on external and internal environment as is used by Mr. Dytrt or Mrs. Petříková. Company not only needs to have good relationship with customers or shareholders. There have to be made huge effort to create sufficient conditions for employees and this is exactly the internal part. Employees are the people, who make products and help to create economic good. Among the biggest issues belongs health and safety on a workplace, training, system of benefits and promotion, diversification on a workplace, flexible forms of work, gender equality, respecting of human rights, rejection of child labour and so on. All in all, these issues are mainly based on a good and sensitive human resource management. However, company also influences its external environment, the whole region, where it operates. This means, company should observe the influence on inhabitants and help them. One of the most probable ways is company’s philanthropy, social marketing, ethnocathering or sponsorship. Cooperation with schools and support of students is the other tool of CSR. (Dytrt 2006, p. 110) Despite the division of social sphere on internal and external, there has to be remembered that these parts are not strictly restricted. They are smoothly merging into each other. (Prskavcová 2008, p.15)

3.1.3 Planet

Mrs. Prskavcová noted in her work one really nice quotation from Antoine de Saint-Exupéry: “*We do not inherit the Earth from our ancestors but we borrow it from our children.*” (Prskavcová 2008, p.18) The production most of the times burden nature and planet by high consumption of water, energy or materials. The main aim is not to have enough of all these resources now but also have them for the future as describes the term sustainable development. In the terms of generalisation, the idea to be responsible is, again, to care about ecology...mainly in setting of gentle ecological programmes of recycling, waste, water or energy or saving and following ecological standards ISO 14 000 and EMAS. Moreover, the investment into expensive but ecologically friendly technology would help

to reduce negative impacts on environment too. Even for this CSR activity is developed special certificate called BAT, Best Available Techniques. (Petříková 2008, p. 45)

There are a lot of options how to be responsible and there is no need to fulfil all of them. However there is crucial one fact, managers have to choose tools of CSR in each sphere, combine them and create successful CSR program. As you can see in picture below, CSR is let say compromise between profit, people and planet. (Prskavcová 2008, p.10)



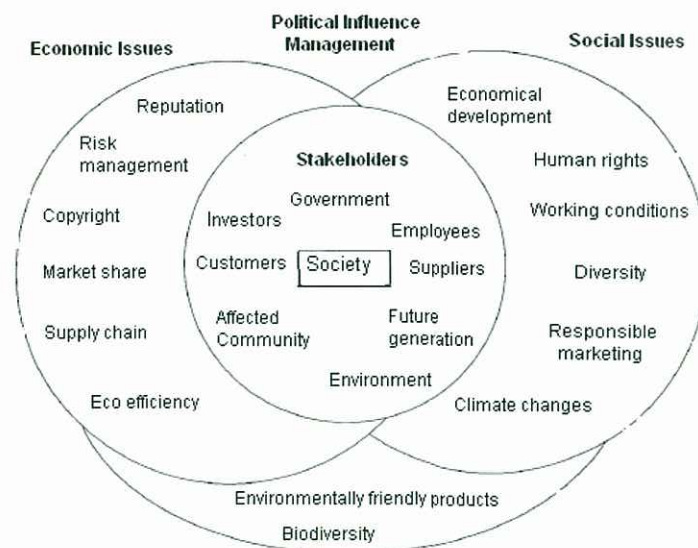
P1: Triple-Bottom-Line

Source: Prskavcová 2008, p.10

3.2 Stakeholders

The Freeman formulation from 1984 sets a conception of all participants in corporate social responsibility, the stakeholders, as is mentioned in chapter 2. R.E.Freeman explained stakeholder in an organisation as: *“any group or individual who can affect or is affected by the achievement of the organization’s objectives”*. (Freeman 1984) It may seem this formulation is too general. However, CSR is wide topic with a lot of options and thanks to that to have comprehensive explanation who is and who is not a stakeholder would mean the loss of flexibility which is in CSR crucial.

The simplest concept of stakeholders is based on triple-bottom-line schema. There are mentioned 5 major groups, customers, employees, managers, suppliers, shareholders

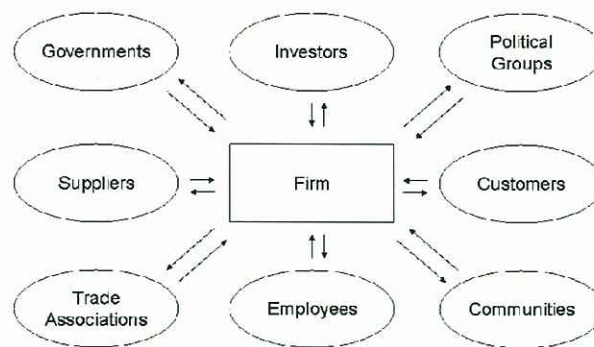


P2:Harmonization of relationships

Source: Petříková 2008, p.13

and the community, who have important role in the company. This concept states basic group of people who influence organisation. Customers have to be satisfied with the prod-

ucts; employees have to do their duties properly and have to be satisfied with working conditions. Managers suppose to be economically and ethically responsible. Suppliers' main aim is to provide materials and components in time. Finally, shareholders' role is to support managers and trust them. However, that is not all. There are other "subjects", who influence company and are not mentioned in this concept like government, legislative or media. (Dytrt 2006, p.110) Mr. Donaldson in his book created graph which shows similar but wider structure of stakeholders as is above.



P3: Stakeholders Structure
Source: Donaldson 1995

3.2.1 The Stakeholders Matrix

Although the differentiation is applicable to most organisations, it would be hazardous to rely solely on this general division. It is vital to have own analysis, which shows primary and secondary stakeholders. To identify key stakeholders, it is necessary to ask two basic questions: who does influence company? and who is influenced by company?. Stakeholder matrix is an useful tool revealing the importance of stakeholders. Main indicator of this

Interest	high	1. Inform continuously	2. Lead a dialogue and engage in
	low	3. Answer questions	4. Ensure satisfaction
		small	big
		Influence	

T1: The Stakeholders Matrix

Source: Pavlík 2010, p.78

matrix is an interest and influence. There are four major groups divided according low and high interest and big and small influence. (Pavlík 2010, p78) **First group** of stakeholders is satisfied by answering their questions. They do not need any special attention, news from organisation. They only want to get information they need. **Second group** is different; interest is low, however the influence is big. This is segment company has to be careful about. The overload by too much

information can harm relationships between company and stakeholders. **The third group** with high interest but small influence can be very helpful in identifying the shortcomings of CSR. As a result, it is sufficient to inform them. Finally, the **fourth** and the most important group of stakeholders, these are the key members. They are highly interested in activities of the corporation and what is more, they have the power to influence happenings in there. It is essential to communicate with them in form of dialogue and also engage them in CSR activities. (Pavlík 2010, p. 78)

3.2.2 The Synergy of Stakeholders

As the Matrix showed, each group is somehow important but there is a difference in the level of importance. Company has to be interested not only in one sphere of its business but in all of them. Of course the level of interest differentiates. This is the sign for organisation to harmonize relationships...create synergy. (Petříková 2008, p.12-13) Win-win situation is the way how to keep synergy. This situation is a compromise between what company and stakeholders want. As a result, it guarantees everybody will be satisfied. (<http://www.csr-online.cz/Page.aspx?urceni> online 8.2.2011)

3.2.3 The ways of communication with stakeholders

The identification of stakeholders is not the last but one of the first steps organisations have to do. Process of engagement in dialogue of stakeholders has to be described in detail. Finally, dialogue should be tended and special attention should be paid to feedback which can reveal shortages. To lead a dialogue does not mean there have to be a face to face meeting, even though it is the most successful way. Among the means of stakeholder communication can be included doing a survey, providing a telephone support, inform through web pages or participate in online discussion forums, in a working group or in joint projects. Finally, there are already mentioned meetings where is again wide choice such as having individual or informal meetings. (<http://www.csr-online.cz/Page.aspx?urceni> online 8.2.2011)

can get “from CSR” boost to improve, gain the credibility or build the image. However, this is only the tip of the iceberg.

Profit

Firstly, producing quality products leads to higher satisfaction of customers, to natural advertisement caused by recommendation to friends or colleagues. As a result, brand positioning and differentiation will strengthen and of course sales will be increased. Building a reputation in the eyes of customers is not the only one advantage. Building of credibility is crucial benefit. Being transparent, prove usage of modern technologies, produce quality goods, all in all having good CSR program, shows to investors there is a company which implemented methods to reduce the risks of doing business. The company becomes more attractive for investors and reaching of capital is easier. Customer loyalty, growth of sales, credibility and access to capital ensure long-term sustainable development of the firm. This also means company is able to focus on innovations of products or manufacturing processes. There were mentioned plenty of advantages but directly not profit. Profit is disputable benefit. Some experts on CSR claim profit is an advantage because the result of all CSR implantation is profit. However, the others argue the profit is only the indirect result of CSR and that is why they do not agree with this idea. According to what is know about CSR, it is on the company itself whether it will consider profit as the benefit of CSR.

People

Secondly, in the case of “people” sphere, the employees’ satisfactions increase loyalty to management and corporation itself. Again, even the relationships and conditions on a workplace or work-life balance; influence the image of the company. The good conditions in the term of human resource management can reduce risk of strikes, attract and retained skilled employees and also create new job opportunities for people from the region. (Petříková 2008, p.34-35)

Finally, all above mentioned advantages have other, yet not mentioned significance. All of them strengthen corporate culture which causes differentiation from competitors and give company great competitive advantage. Respected stock exchange indexes like Dow Jones Sustainability Index or FTSE4Good Index extended the evaluation criteria for CSR which proves Corporate Social Responsibility slowly becomes one of really important tools of corporate governance. (Pavlík 2010, p.32)

3.4 The CSR in the Czech Republic

There is no doubt CSR is necessary and important tool. However, many times theory is far away from the reality. Corporate social responsibility is for sure popular in the United States or in the European Union states. Despite the fact the Czech Republic is a member of EU; the CSR concept is not so developed. On the other hand, the Czech Republic as a member of EU has the duty to implement CSR to as most companies as possible according to *Green Paper* from 2001 and Lisbon Treaty. As a result, there were founded institutions like Transparency International – Czech Republic, Business Leaders Forum – Czech Republic, AISIS, Etické fórum České republiky (Ethical Forum of the Czech Republic) or Korektní podnikání (Code of Business Conduct). Their main aim is to “promote” CSR, help corporations and small businesses to implement it and to evaluate results from this implementation.

Business Leaders Forum Research

Business Leaders Forum did a research called “*Využití společenské odpovědnosti firem malými a středními podniky v ČR*“ (The Usage of CSR by Small and Medium-sized Enterprises in the Czech Republic). This research took place in the Czech Republic from the October 2007 to January 2008. This survey had 252 participants who answered by questionnaire form. “*The main goal of the project was to identify the level of awareness and the ability to use the tools of CSR by companies in the Czech Republic and to compare these attributes in the context of enterprise size.*” (Gelová 2008, slide 7) The results were quite interesting but shocking too. (Gelová 2008)

size of company	% of companies who have never heard about CSR	% of companies who think CSR is unimportant	% of most preferred activities
small	61	0	63% -education 39% -culture
middle	48	0	65% -education 62% -sport
big	19	0	85% - education 78% -health care

barriers of implementation of CSR	33% bureaucracy
	24% lack of time

motivation to use CSR	74% ethics
	64% satisfaction of employees

T2: The Usage of CSR by Small and Medium-sized Enterprises in the Czech Republic

Source: Gelová 2008

From this research is visible, CSR does not have fixed, stable place in corporate governance, except big corporations. The second research, which was done by Transparency International, revealed the entrepreneurs do not see the positive side of CSR, mainly the long term effects. Moreover, it proves the previous survey by the fact there is low awareness of CSR, its tools, methods and programmes. Transparency International also points that the legislative is too complicated and not transparent. Institutions using CSR suppose to cooperate, inform the community. What is more, it is necessary to educate customers not to accept products from non-ethical company. People got used to buy things according to price, availability and quality but nowadays people should push producers to behave ethically. This is the thing Czech people do not know how to do, maybe do not want to do or do not have funds. (Čaník 2006, p.1-15)

To sum up, the Czech Republic as the member of European Union has low success with CSR implementation with only 39% in comparison with 53.9% in the UK. However, the improvement is visible and continuous because of pressure from EU. (Čaník 2006, p. 13)

4 THE CSR METHODS IN THE INTERNAL SOCIAL SPHERE

There is no doubt social sphere is vital for the “healthy life” of the organisation. Satisfied, motivated, not stressed and sufficiently self-confident employee is the cornerstone of every organisation. Company can have capital, assets but employee with positive attitude and loyalty overrides all of that. Employees are those who think about innovations, those who solve problems and mainly those who produce all products. The main task of human resource management with the contribution of CSR is to get utmost employees potential without their displeasure.

The whole process of having engaged employees starts with their recruitment. Managers have to already have clear idea about the offered position, duties employee have to fulfil and mainly about personal characteristics necessary for the type of job. Evaluation of needs is helpful to HR manager but to applicant as well, because the person can realise soon enough that the position is not what he/she expected. This fact casts good light upon the company and its image and what is more, it saves money. To start a process of engagement, applicants have to be apprised with vision, goals and values of the corporation already during the recruitment process. The positive view on the company and on course of action can evoke positive feelings towards the company. Every staff member spends at work most of the day and that is so why they should feel at least good and comfortable at work. However, there are lots of indicators which can influence this problematic, either positively or negatively.

4.1 Relationships between employees and managers

There are two basic approaches of relationships with management and their interests in the world of human resources. The Unitarian approach accepts the only one interest, focus...the company's. It is expected, management and employees have the same goal and interest and as a result, employees with the similar opinions and thinking are recruited. Pluralistic approach shows that in the company are more interests and goals. Managers want to have bigger sales or quality products but staff expects for example higher wages. Organisations with this approach usually have labour unions.

Anyway, neither of these conceptions is 100% suitable. Nowadays it is preferred special way, the compromise, called partnership or win-win situation. Managers realised connect-

edness of efficient company with the satisfied employees. On one hand, employees need a job to ensure their standard of living. On the other hand, managers need workers who do their job properly, effectively and sufficiently. The only way how appease everyone is participation and engagement. (Foot 2002, p.357-363)

Farnham and Pimlott describes the two different terms. Employees expect change of authoritarian structure with the result in reaching some legal rights and in the restrictions of managerial power, which is embodied in participation whereas managers expect engagement with the company. The engagement process is used for “*reaching of support and devotion from all employees in organisation to managerial tasks and goals.*” (Farnham 1995, p.83)

One of possible ways of engagement is participation in decision-making process through the Japanese quality circles. Quality circles operate on the basis of voluntary groups of 5-11 people from the organization unit. These people are trying to increase the quality level in the company by choosing specific shortage, devise appropriate solution and present it to executives. As a result, not only there would be solved one problem but also quality circles motivate employees and give them the feeling of being a participant of prestigious project. (Martin 2007, p.103)

4.2 Health and Safety

Employees have plenty of expectations about their jobs, some of them are realistic some of them not. However, health and safety is something which is taken up as matter of fact. This is standard which every employer should provide. Not only employees' expectations push organisation to set the standards high but also legislation, efforts to safe money and having well - functioning company.

Among legislative degrees of safety and health at work belong Acts 262/2006Sb and 309/2006Sb in Labour Code, Government regulation 491/2001Sb or MZ ČR 432/2003. All in all, employees should not be under higher risk than is necessary. Employers suppose to provide safety in all sections in the company. Big issues are working with the electricity, chemicals, in the heights and finally, there are fire-fighting measures and first aid. Those are the basic information every employee suppose to know. From the legislative point of view the employers are required to provide annual training on safe and healthy. However,

this is only the necessary basis for security protection. In the case, managers want to be responsible and protect their subordinates they analyse risky and problematic areas and invest time and money into the change. Usage of modern technologies is unquestionably one of the essential elements in health and safety program. (Petříková 2008, p.72-73)

Moreover, the employer supposes to be interested in ergonomic conditions on a workplace. Everyone strains some body parts more and some less during the work. This means that strained parts after few years of constant load fall ill. Setting ergonomic standards can prevent illnesses of back, hands, feet and again save money from paying long-term sick benefit and looking for a new person who is able to undertake the duties. Among the ergonomic standards can be included having a comfortable seat with support at the back, having suitable working table with the ability to have monitor 10 feet from their head. Moreover, the monitor should be clear; they should be able to adjust the brightness and contrast. Planning of job is ergonomically important as well. Employees suppose to have regular breaks from the working table for stretching of the body but it does not mean they have to stop working...it is only about planning. Social responsible company should analyse which parts of the body are endangered and create methodological documents with the information how to prevent the possible illness. What is more, providing ergonomic aid and special health care as a bonus is another useful CSR tool. (Martin 2007, p.118)

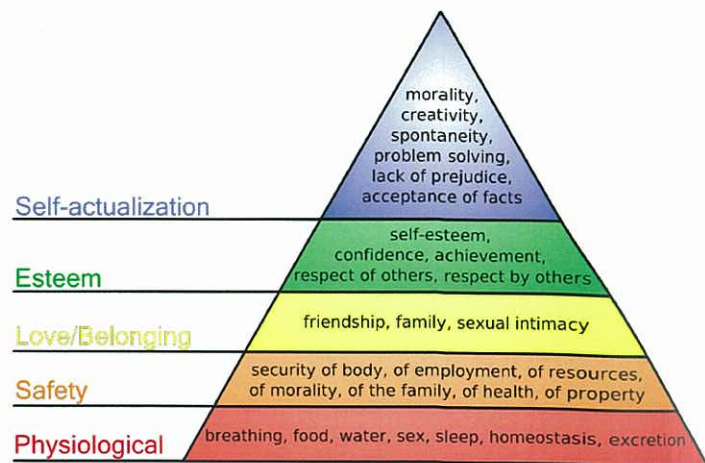
4.3 Motivation

The main goal of HR managers is to ensure that the value of employees' work exceeds the value of costs incurred in the process and create added value. Every employee has one's choice. Either will produce as much as is necessary but no more, or will decide to do as much as is for him/her possible, to give as much power as is possible. Therefore, the motivation is a key element. *"The motive is the reason for us to do something. Motivation refers to factors that influenced people to behave a certain way."* (Armstrong 2008, p. 219)

There are two types of motivation, internal and external. Internal motivation induces factors which people create by themselves. These factors influence what people do and why. Among the factors can be included responsibility, possible promotion and chance to develop skills. On the other hand, external motivation is the tool used for motivation of people. Among them is remuneration, evaluation but punishment as well.

Maslow's Hierarchy of Needs

The field of psychology is full of theories about motivation like Herzberg's, Adams', Vroom's, Latham's or Maslow's. Maslow's Hierarchy of Needs is mostly used by HR because it is focused on the content of the need. Maslow's fundamental idea was that there are five major categories of needs, which are for all of us common. The first group, **physiological needs** are the vital needs without which people would not be able to live. It is for example breathing, food, water or sleep. After fulfilling of vital needs, people can think about **safety**



like security of body, of resources, of the family or of employment. **Love and belonging**,

P4: Maslow's Hierarchy of Needs

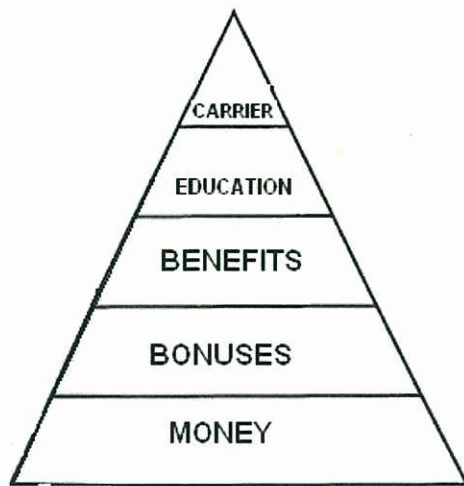
Source: Google images

such as having friends and family, is the third group in the hierarchy. **Esteem needs** like confidence, respect of others or achievement is the fourth "step" on the pyramid. Finally, there is **self-actualisation** with morality, creativity or lack of prejudice needs. These five categories are like promotion is for employees. People cannot fulfilled esteem needs when they did not fulfilled safety. Moreover, Maslow claims self-actualisation cannot be fulfilled at all. There will be all the time something men would want to improve at. (Armstrong 2008, p. 219-224)

Hierarchy of Remuneration

Mrs. Petříková mentions in her book, the Maslow's Hierarchy of Needs is easily transferable for CSR and HR purposes on Hierarchy of Remuneration. This hierarchy shows diversification of motivators into the same five groups. Money is standard, without them no employee would work as people spend at work most of their lives. However, money is on weak motivational level. Employers realized it is necessary to motivate people to come to work in time, work efficiently or not to be so often ill. Specifically defined bonuses for not being ill or for fulfillment of performance standards will strengthen motivation. The first

two levels can satisfy workers quite well. However, they have got hobbies, personal activities and this is the sphere where company can show the interest. Employees can take the



P5: Hierarchy of Remuneration
some

Source: Petříková 2008, p.68

contribution of the company to these activities as something special, as reward for their effort. Another level of motivators is education. Employees who want to do their work properly need to improve their knowledge, be with the world. What is more, a lot of people want to improve their general knowledge, to study again. Wise employer knows and supports this fact. Finally, no one would do the job with no prospect of promotion. People who are not only interested in money and benefits but also in self-improvement

usually want to see some prospect into the future,

movement in their carrier. (Petříková 2008, p. 65-70)

4.3.1 Incentives

As was already mentioned in the Hierarchy of Motivators, among the most important motivators can be found wages, bonuses, benefits, the possibility of education and also the chance to be promoted. However, there was not mentioned one fact. Motivators can be differentiated on financial and non-financial. Financial or tangible incentives are used usually collectively; the same amount of money is given to targeted group. Great advantage of intangible incentives is individualisation. Good HR manager is able to design a benefit program which will affect individuals. (Petříková 2008, p.80)

Despite that, there is more room for evaluation. Relationship between tangible and intangible motivators can be compared to Herzberg's Dual Structure Theory. Herzberg in his theory divided wishes of the workers into two groups. The first group wishes are connected with proficiency and personal growth whereas the second group is important as the cornerstone for the first group. In the case, employees would not be fairly treated and appreciated they would not be able to grow personally and educate themselves. This is the same with financial and non-financial motivators, benefits. In the case employees do not have enough

money as the basic salary; they would not be satisfied with appreciation or with tickets to the theatre. (Armstrong 2008, p.227)

Bonuses

Bonuses to the normal monthly wage are widely used and there are a lot of different types, which are connected with the type of the job. The performance bonus is paid after reaching of already established objective. Unfortunately, this bonus does not ensure the quality of “contracted” work. The competence bonus is dependent on the set requirements on competences and abilities of employees. The disadvantage is in the evaluation of employees which can be wrongly set up. The other bonus is paid for contribution and the inconvenience is the same as in previous case. However, this bonus is appreciated because evaluates not only what the employee did but also how he/she did it. The other type of bonus, skill bonus can be quite expensive in the case the people are paid for skills they do not use. Finally, there are other bonuses which are often used as well but they are not connected with the quality work they do but for example with length of employment or with length of not being ill. (Armstrong 2008, p. 579-594)

Benefits

Benefits are the other level of motivators. As was mentioned above, money is not everything and that is why most of the companies use this way of motivation. What is more, organisations are not required to pay taxes from benefits. There are plenty types of benefits. First of all, everyone needs to get the feedback of her/his work. The formal and also informal expressions of appreciation strengthen the engagement of employees and as a result motivate them. Being able to go on a business trip or special training abroad can boost endeavour too. (Foot 2002, p.289) Luncheon vouchers, the possibility of usage mobile phones and cars for personal purposes, having more than legislatively set 20 day holidays are most frequently used benefits. Among other benefits can be included additional pension and health insurance, special loans or employee discount on goods produced in the organisation. Secondly, as really helpful benefit can be accepted support during the illness. Having the opportunity of short paid sick leave in the length of 1 or 2 days during the illnesses like viral infections and would help employees to get over it, not to pass the disease. It is usual

practice when the employee is ill to continue working because the first three days of sick leave are not paid. Give them this benefit, to ensure that employees can have two or three days of special sick leave per year provides a great bonus for company too. Solving problems of substitution of workers and giving infection to others can cost more than these three days per year. Finally, special vouchers are given to employees. These vouchers are for cultural events, sport lessons, educational events or discounts at travel agencies. There a lot of options where to use these vouchers. However, the HR manager has to know what employees want. Managers have to identify their age and their probable wishes. Making a mistake in this type of assessment would mean loss of confidence in manager and loss of engagement too.

Cafeteria system was specially developed by human resource management in order to simplify organisation of benefits. This system works like bank accounts. Employees get special credits every month according to their working results. Finally, they can spend their credits on different benefits like language courses, swimming and so on. The introduction of cafeteria system costs quite a lot but it streamlines benefit system by creating individual offers to every employee. (Petříková 2008, p.80-85)

4.3.2 The Evaluation of employees

The evaluation of employees is quite strong and important HR tool. In the case the evaluation strategy is perfectly prepared and planned it can motivate, give feedback, identify potential, identify educational needs, help with carrier promotion, solve the discovered problems, inform individuals what is expected from them or inform about possible benefits and wage increase. Those are fundamental reasons for punctual and precise preparation of evaluation system. Actually, the engagement process is deeply rooted here, in this sphere. (Foot 2002, p. 233-236)

According to Armstrong, there are six methods of evaluation. Scoring method is based on the analysis, where work is differentiated into factors which are scored. In the case analysis is done in a good manner, the scoring method can increase the objectivity and there is no point to think about discrimination. On the other hand, method is complicated and if there would be change of values, the system will not be able to adapt. The analytical comparison method defines the hierarchy of imposed obligations; where for each step is generated description of factors which are necessary for this position. This system can evaluate a lot of

works and employees and can save time. However, comparison can be superficial. Classification method is non-analytical where hierarchical structure is defined according to level of responsibility. It is easy method but not so transparent. Sequence technique works on comparison of jobs as complex. Again, it is easy but the standards cannot be set properly. Inner Benchmarking is popular method where occupations or working roles are compared with sample roles. It makes easier comparison and evaluation but also relies on reasoning and may lead to a repetition. Finally, market evaluation works with the idea that work has the price according to market. Wages rates are linked to market rates but this system can support discrimination. (Armstrong 2008, p.549-550)

To motivate employees means not only create the system of basic evaluation, where is chart with the positions, responsibilities and wages. Every employee needs to get feedback of all good things and bad as well. It is used not for showing and stressing personal qualities (even though this motivates) but mainly for pointing in which area should people improve.

360° feedback is the evaluation from multiple sources. Mostly, it is a manager, colleagues, immediate subordinates, internal customers who evaluate but those can also be suppliers or clients. The evaluation is done by using a predetermined classification or scoring. The various aspects of job performance are evaluated. This method is suitable for organizations with complex management structure and the main goal is to learn about you from a different angle. Moreover, the method also works for top management and can get them to conviction about the need for self-education even at such high position. On the other hand, feedback may not be honest or do not follow the necessary changes. (Armstrong 2008, p.433 – 439)

4.3.3 Education

“The education is goal-oriented, based on experience, influenced on behavior and cognition, and the changes it brings are relatively stable.” (Armstrong 2008, p.461)

This definition shows education plays a significant role in the development of employees. Ideal employee is goal orientated, wants to try different situations, try to improve at work and as a person as well. All of this is not possible without education. Having educated, skilled and qualified employees ensures quality products, non-conflict relationships with

colleagues and with suppliers. This is the reason why companies should support this type of self-improvement.

First of all, there are trainings which are necessary to carry out the occupation. This is the set of adaptation trainings which introduce company to all new comers and help them with orientation. There are mentioned usual points like eating, working hours, overtime, benefits, the introduction to HR manager, health and safety regulations, the unions, the evaluation of workers, dates of controlled holidays and many other important facts. During this training is vital to stress values, goals and vision of the company because this the one of the first moments (the really first one is the interview) when human resource managers can successfully start the process of engagement. Among the other adaptation trainings belong those which explain the processes of production and closely cohere with the type of work. (Foot 2002, p.205-214)

Secondly, every manager has to create individual programmes for employees in the case of enhancing professional skills. This can be done by trainings, mentoring, coaching, e-learning or informal learning at the workplace. Trainings can be in the form of instruction, lecture, briefing, case studies, simulation or role play. Instruction usually contains some demonstration and is mostly used during the introduction of the new machine. Lectures are used for informing about basic facts, where excessive participation is not necessary. Briefing can be exploited when there is some problem. More heads more know and during the controlled discussion can be found lots of interesting. Case studies are good for practising of already solved problematic. Mostly, it is recommended to managers. Role plays and simulations create as realistic conditions as possible. During these simulations the participant tries stress and accompaniment usual to the situation and as a result they would not be so surprised in the reality. Coaching is the method used when there is need to improve performance of employees. Coaching is done by conducted dialogue, which is usually is based on the performed work. Mentoring is in the idea similar to coaching. However, the mentor is specially trained and the whole process is not so injunctive. The main aim is to support and help the participant during the educational process. Mentoring is chosen usually when the participant needs to prepare on promotion. E-learning is modern and new method of learning. The big advantage is in the individual learning programs and in the time when it is necessary. Most of other educational methods are done like “prevention” ...in time whereas e-learning is used on time. Informal learning is visible every day at the workplace.

It can be discussion between colleagues or on a team meeting. (Armstrong 2008, p.461-482)

Finally, people many times want to promote but they do not have sufficient education. Nowadays, it is modern to study owing to increasing of qualification. Mostly it is the university degree which provides the promotion. This education can be initiated from the employer's side and in this case the agreement on education is signed. Thanks to the agreement employer can enforce the amount agreed in the contract in the case participant will not finish the school. However, people can study also from their own initiative and this is the sphere, where employer can help quite a lot. It can be by financing of studies, providing paid study leave beyond vacation and also by some incentive after successful graduation. (Petříková 2008, p.75-76)

4.4 Communication

Every kind of relationship works only if the two sides communicate. Working without communication can lead to many misunderstandings. Moreover, managers would not be able to get know their subordinates. They would not know their professional and personal concerns. On the other hand employees would not be informed about success of the organisation, about improvements done for workers and so on. All in all, communication as motivational tool is as vital as benefits or education.

The main task of managers is to inform employees about HR and CSR activities and draw them to active contribution, to strengthen engagement.

“CSR reports are communicational and management tools. Good CSR report should be trustworthy, complete, factual, clear and understandable.” (Pavlík 2010, p.89)

What is more, it is necessary to repeat the company's values and goals. People forget this soon and then they do not know why they do for example the boring part of their duties. They should know what their main aim and sub goals are during the whole workflow. Finally, employees should have the possibility comment on the events and express their satisfaction or dissatisfaction.

The regular meetings of all employees or meetings with the team members and supervisors, boxes on suggestions, promotional materials, e-mails, circulars, internal video or intranet are the tools used for healthy communication in the corporation (Pavlík 2010, p.94-96)

4.5 Work-Life Balance

Working week of 40 hours given by legislative brings with it the fact people spend most of their time at work. Moreover, work not only influences employees during their 8 hour shift but also their personal life and family. Everyone needs to harmonize and balance work and personal life and this is called work-life balance. Solving personal problems means less efficient performance at work. Many times it is enough to listen to those employees, communicate with them and try to help them at least from working point of view. To loose skilled, qualified worker with the knowledge of know how is not only wasting of money but also giving the competitive advantage to competitors. There were mentioned people who have some kind of personal problem but managers have to think about people who live their normal life and do not have any problem too. With badly set working hours it can be impossible to go shopping, go to the post office or visit authorities. Actually, there are more situations than these which cause direct confrontation of work with personal life.

Modern human resource management knows this problematic and developed solution as flexible working hours, home working, job sharing, shorter working hours, bonus for baby-sitting, corporate nursery, corporate psychologist or support during sick leave or maternity leave.

Flexible working hours usually mean there is flexible time of coming to work and leaving too but there is also fixed time when everybody have to be on their workplaces. Flexible hours are great for managing day-to-day life. Condensed working week is other form of flexible working hours, where employees will have to fulfil standard 40 hours week but in a condensed form of 4 days, for example. Home working is suitable for employees on maternity leave or with health problems who would be in other case pushed to leave the job. This type of working however needs upright preparation and also educated employees with good time management. Finally job sharing means there are two workers on one position. The disadvantage is in more complicated communication but still it is solvable situation.

All in all, flexible working conditions lower fluctuation, absence, help ill people and mothers on a maternity leave to be in touch with company and their job and finally help to work without higher stress and work efficiently. (Zadražilová 2010, p.117-120)

4.6 Outplacement

Any leaving employee entails for the company primarily a financial loss. Of course, very much depends on the circumstances of worker's departure. In the case of dismissal for gross misconduct though company would record loss, but certainly less than if the worker stay at his/her position. On the other hand, if the worker is forced to leave because of redundancy or for his/her own reasons, not only that the company lose money, but also qualified staff. The employee can then subsequently go to the competitors, which is a big risk for organisation.

The task of responsible management is not only to help employees during their employment in the company, but also in the expected departure. If the employer is required to cancel the job because of the redundancy, he/she should do the best to find a suitable position in the case of avoiding dismissal. Nevertheless, it can happen that a transfer to another position is not possible. Then the HR manager should help with creating of a CV, with searching of the new job, retraining, or provide psychological help. This process is called outplacement and is widely used. (Petříková 2008, p.78)

4.7 The Evaluation of CSR

Although, the CSR is a voluntary activity, it was necessary to establish some rules for the evaluation of this activity. CSR can be assessed either by the index or the exact methods and benchmarking techniques. As to the exact methods otherwise standards or norms, there are many of them. For instance, there is the OECD Guidelines for Multinational Enterprises, focusing on all areas of CSR. AccountAbility AA 1000 is a standard evaluating the credibility and quality of reports. The EFQM model is a standard assessing the competitiveness. The other method, Global Reporting Initiative helps with the creation of reports. Finally, London Benchmarking Group focuses on corporate donations. Almost in all mentioned standards it is possible to find a link to the social sphere. Yet, there are standards, which focus only on the social sector. These include the Social Audit Network and Ethibel that provides social audit. Finally, there is the reference standard SA 8000 whose main objective is to improve working conditions.

Among the index methods can be certainly included an analysis of annual reports and an analysis of questionnaires. They have disadvantage in the not clarified methodology which

can lead to misrepresentation of data. The indexes evaluating reputation of corporations work as the “popularity” charts, where the majority of companies are big corporations and then the result of indexes is very subjective. Information from credit rating agencies are very used, valid and objective. However, the analysis is not transparent because of not publishing the entire methodology. (Pavlík 2010, p.100-108)

Anyway, feedback is not only necessary for employees but also for complex company and those who are setting CSR.

5 THE CSR AS THE MARKETING TOOL

“According to KPMG, a U.S. professional services firm, a 2002 survey of the Global Fortune Top 250 companies indicated a continued increase in a number of American companies reporting on corporate responsibility. In 2002, 45% of these companies issued environmental, social, or sustainability reports, compared with 35% in their 1999 survey.” (Kotler 2005, p5)

Being able to survive financial or political crisis, being able to influence policy makers or being less controlled from national and local officials, those are the rewards companies can gain by having a positive image. This is the result of having realised it is not necessary only to implement CSR but also promote all the activities. (Kotler 2005, p.15)

According to Philip Kotler, internal marketing *“is the task of hiring, training and motivating able employees who want to serve customers well.”* (Kotler 2006, p.20) Marketing activities suppose to be bound within 4P method and they have greater effect if they have social content. Among them can be included cause promotions, cause related marketing, corporate social marketing, corporate philanthropy, community volunteering and socially responsible business practices. (Kotler 2006, p.20)

Dunkin Donuts created quite cheap but also wide spread American campaign in 2010, when they started selling of donuts with purple sprinkles on 21st September. The reason was explained on promotional leaflets. Purple colour stands by Alzheimer’s illness. (<http://selfishgiving.com/tag/cause-promotion> online 25.2. 2011) This kind of support is typical example of **cause promotion marketing**, which is done for highlighting of some important topics. Organization usually provides funds or support volunteer participation. (Kotler 2006, p.21)

*“The concept of **Cause Related Marketing** was firstly used by American Express (AE), which together with the non-profit organization Restoration of the Statue of Liberty Fund (RSLF) launched a campaign in 1983 for the reconstruction of the Statue of Liberty.”* By every payment which was made by AE credit cards was sent \$1. Both RSLF and AE gained a lot by this campaign. RSLF reached profit of \$ 1.7 million and the usage of AE cards grew by 27%. (<http://www.donorsforum.cz/cause-related-marketing> online 15.2.2011)

Greenopolis was founded by Waste Management Recycle America and its main goal is to teach how to be environmentally friendly. (<http://www.socialbrite.org/2010/04/22/4->

examples-of-corporate-social-responsibility-done-right/ online 15.2.2011) Greenopolis is typical **corporate social marketing**, where this kind of marketing suppose to support “*a behaviour change campaign*” (Kotler 2005, p.23)

Corporate philanthropy can be taken as giving grants to charitable projects. Almost every big corporation has a philanthropy program. This is the case of Nike. “*We will invest a minimum of \$315 million in grants product donations and in-kind support through 2011 to give excluded youth greater access to sport programs designed to unleash human potential.*” (http://www.nikebiz.com/responsibility/nike_giving_guidelines.html online 15.2.2011)

Corporate volunteering is based on support the employees to volunteers their time to help to local community. Usually companies support employees by creating special programs or paying the time employees spend by helping others.

Finally, **socially responsible business practices** according to Kotler means that “*a corporation adopts and conducts discretionary business practices and investments that support social causes to improve community well-being and protect the environment.*” (Kotler 2005, p.24)

Important points for a good image of the company:

Firstly, focus on the logo visibility. The Situation like this can happen quite often. Company sponsors event along with five other companies. For this reason, it happens that displayed logo is lost in a flood of others. The effect will then be much smaller.

Secondly, it is important to properly think about what kind of promotional materials will be used. It is not always necessary to have a lot of them, but it is rather appropriate to have the right one which makes the impression on public.

The third point is crucial, it is necessary to think about economical side as well and compare what the social program brings and what it costs. Counting of expenditures can be in CSR difficult but it is recommended to do so.

Moreover, before preparing any campaign corporation should realize how much of time wants to devote. Of course, the time consuming activities usually brings more advantages. Finally, be ready that competitors can copy your social campaign and do the same. It is possible. (Kotler 2005, p.66-69)

All in all, in my opinion every company has to choose correct topic which would match with corporate mission, vision and goals and then carefully plan every step of the campaign.

6 SETTING OBJECTIVES, HYPOTHESIS AND METHODOLOGY OF THESIS

For writing of a good thesis it is crucial to realize what we want to achieve by this work. It's basically the same as any managerial decision-making process. Firstly, we define the vision, objectives and then strategy.

6.1 Setting Objectives and Hypothesis

6.1.1 The Objectives

The main aim of my thesis is to evaluate the current state of the Toyota Peugeot Citroën Automobile, not only from the current economic point of view, but mainly in terms of social responsibility. Moreover, I would like to propose solutions to discovered shortcomings. However, during the writing of this thesis I have also set partial targets, which are logically related to the layout of this work.

The objective of theoretical part is to show the essence of the new method, social responsibility, in such way that would be understandable not only to experts, but also to laymen. I explained the economic, social and environmental forms of cooperation, such as donations, corporate volunteering, transparent business, employee motivation, or the introduction of environmentally friendly technologies, with placing a high priority on the social sphere. In addition to the basic forms of CSR, I also focus on marketing and describe basic methods used in combination with the social responsibility.

The partial goals of practical and project parts are actually quite similar and basically agree with the main objective of this thesis. It means the analysis of the economic and socio-responsible side of automotive company, the T.P.C.A. I will evaluate the seriousness of founded deficiencies and I will try to find suitable solution.

6.1.2 The Hypothesis

By this dissertation would like to confirm or disprove two hypotheses:

- [1] The automotive companies use correctly and actively tools of social responsibility.
- [2] Employees of the automotive companies are sufficiently motivated to carry out their duties.

6.2 The Methodology of Diploma Thesis

Regarding the methodology of this work, I use simplicity, practicality and systematic and logical approach. Initially, the methodology is based on the appropriate choice of reliable materials. The systematic, logic and comparative approach proves the knowledge orientation in the topic. Moreover, the interpretation of acquired knowledge is also associated with the previously mentioned simplicity, factuality, but mainly with the analysis and synthesis. In the practical and project part I observe the entire company, specifically the Department of Human Resource Development and Corporate Affairs. In addition to observing, I widely use analysis and synthesis of knowledge learned in the company. Subsequently, I deduce the problems and suggest possible solutions.

For the correct analysis and synthesis I have used several methods:

6.2.1 SWOT Analysis

SWOT analysis is a situation analysis, which evaluates company's strengths, weaknesses, opportunities and threats. This analysis is widely used because combines observations from external but also internal environment. The strengths and weaknesses are representatives of internal environment of the company and opportunities and weaknesses are external factors. (Kotler 2006, p.52) SWOT focuses on factors like production costs, marketing skills, brand and company image, employee capabilities or available technology. (Lamb 2006, p.43)

6.2.2 Market Concept of Measuring of Competitors

The main goal of this concept is to define competitors who produce the same category of products and satisfy the same customer need. The basic idea is to choose factors which can differentiate competitors and then divide the companies according to these factors. As a result, I am going to use this concept for showing the real place of Toyota Peugeot Citroën Automobile on the market. (Kotler 2006, p.346)

6.2.3 The Research

Without research no company would get feedback for their activities. This is the reason why research is a big topic and every organisation should know how to make quality re-

search. First of all, it is necessary to define objectives of research and to choose sources, methods or approaches. Moreover, at that point I will collect the information and analyse them. Finally, there is the evaluation of findings and making decisions. (Kotler 2006, P.115)

I have chosen a survey research as my approach. The main idea of survey research "*is to understand of people's knowledge, preferences or beliefs.*" The best tool for this kind of survey is questionnaire. (Kotler 2006, p.105)

Questionnaire is the type of quantitative research, where it is possible to have more respondents than in qualitative. Questionnaires consist of closed-end or opened-end questions. Closed-end questions have already specified answers and the respondent only choose one option. Opened-end questions give more "freedom" to respondents because they can write whatever kind of opinion. (Kotler 2006, 107) The all questions in my questionnaire are closed-ended with importance scale answers, where respondents choose from number 1 (strongly disagree) to 6 (strongly agree). This seems for my topic more appropriate than liken or multiple choice.

II. PRACTICAL PART

7 THE CHARACTERISTICS OF TPCA

Before I turn to the analysis of Toyota Peugeot Citroën Automobile's social responsibility I would like to introduce the company in its entirety, their basic vision, goals and production systems.

7.1 History and Basic Facts

The Toyota Peugeot Citroën Automobile, or in the abbreviated form TPCA, was founded in 2002 as joint venture of two big automotive corporations Japanese Toyota Motor Corporation (TMC) and French PSA Peugeot Citroën. The main goal was to build a factory, where three eco-friendly, urban models Toyota Aygo, Peugeot 107 and Citroën C1 would be produced. Three years after signing of the agreement, in 2005, was built TPCA factory hall on the all in all area of 124 hectares in the industrial zone Kolín-Ovčáry in the Central Bohemia Region of the Czech Republic. According to TPCA the Czech Republic was chosen because of *“strategic location, short distance to key markets, connection to main traffic routes, industrial tradition, developed industry of production of car parts and government policies supporting investments.”* (<http://www.tpca.cz/en/about-us> online 4.3.2011) The one-shift production has started in February of the same year. The 2006 was a breakthrough year because, production expanded to a planned maximum capacity of two shift production with three work teams. You can read more about TPCA in appendix.

Investment	exceeding € 650 million
Turnover	1,4 milliard CZK
Export	99%
Supplies	80% from CR
Employees	3 500
	average age 33 years
	share of women 25%
Tact time	61 seconds
Production	300 000 per year
	1150 a day

Vision - *“TPCA Vision till 2012 is to be the most effective and competitive automotive company in Europe. As a good neighbour we will integrate TPCA to regional community, have high CSR performance, close cooperate with education and contribute to workforce cultivation.”* (CSR Policy)

The motto of TPCA – *“Quality today. Success tomorrow.”* and *“Create the future means manage the present.”*

T3: Basic facts about TPCA

Source: <http://www.tpca.cz/en/about-us> online 4.3.2011

7.2 The Power Division between Parent Companies

Joint venture of two huge international organisations needs concrete specification of their commitment and expectations from the business point of view. Moreover, “mixing” of three nationalities in one business is sensitive issue too. The distribution of roles in TPCA is clear. Toyota is in charge of development and production which is met by Toyota Production System (TPS). Whereas PSA is responsible for selection of suppliers and purchasing, that can be reachable by Parts Procurement. The organisational structure and structure of positions can be found in the appendix chapter of this thesis.

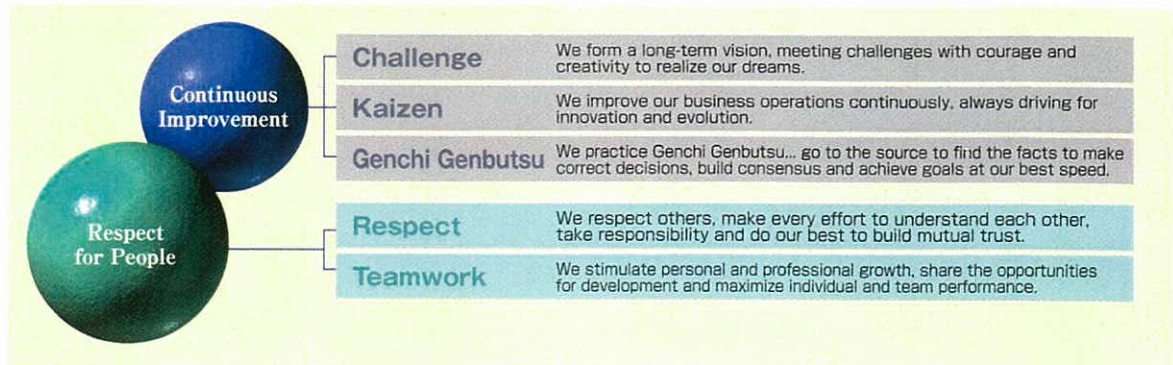
In the case of products, it was decided to produce three different products Toyota Aygo, Peugeot 107 and Citroën C1. However, from practical and financial point of view it would be impossible to produce completely different models. That is why, these models actually have a lot of parameters in common, but the main characteristics of each automotive brand were kept. This is visible mainly on a car masks. The visualisation of TPCA’s models is enclosed in appendix as well.

7.3 Toyota Production System

Toyota Production System is a worldwide unique concept based on Japanese management style. Although, I am mostly interested in CSR, specifically in employment sphere, I consider necessary to acquaint the readers with this production system.

Toyota Way

“The Toyota Way 2001 is an ideal, a standard and a guiding beacon for the people of the global Toyota organization. The Toyota Way 2001 is based on the Guiding Principles at Toyota as a corporation and the values the company delivers to customers, shareholders, associates, business partners and the global community.” (The Toyota Way 2001 Guide)



P6: Two main pillars of Toyota Way

Source: The Toyota Way 2001 Guide

Kaizen

“Kaizen means to be unsatisfied with the current solution and to constantly investigate for possible quality and efficiency improvements.” (<http://www.tpca.cz/en/toyota-production-system/production/kaizen-en> online 8.3.2011) Kaizen stands for constant improvement of processes, communication, materials or whatever combination of these factors in order to improve lead time, cost and quality of the project. The essential is the fact that the change does not have to be big. Toyota considers as its major competitive advantage kaizen just for the fact that employees are getting better every day. (PDCA Training Guide)

Jidoka

The main task of the Jidoka concept is to reveal of quality lack and its subsequent solution at the point of origin. The product cannot be passed on to the following process before the shortage would be dispatched. (<http://www.tpca.cz/en/toyota-productionsystem/production/jidoka-en> online 8.3.2011)

Just-in Time

“Just-in-time is a concept of supplies invented by Toyota. It results in minimizing stock inventories, which represent unnecessary cost and wasted resources. Just-in-time supplies are based on the idea of management of the production process by natural laws of supply and demand, i.e. by delivering parts into the production process just in time when the process needs them and exactly in needed amounts.” (<http://www.tpca.cz/en/toyota-production-system/production/just-in-time-en> online 8.3.2011)

Visualization

The essence of visualization is the awareness of the running process. Visualization helps to serve the same information and share it with employees. (<http://www.tpca.cz/en/toyota-production-system/production/visualization>)

Genchi genbutsu [genči genbutsu]

This Japanese term express the solving of problems directly at the core place. (PDCA Training Guide)

Yokoten

Yokoten is the sharing of best practices and knowledge. It is essentially a sharing of know-how from both the success' and failure's side. Why the failures? It is not because of stressing someone who made a mistake but to protect others from making similar or the same mistakes. (PDCA Training Guide)

PDCA

PDCA cycle or the Plan-Do-Check-Act is a method of labor management, which aims to firstly build a stable performance and then continue in its improvement. In the first stage PLAN, it is necessary to understand to current state of the problem, set goals, plan activities and above all to communicate with all interested people, usually to superiors. Then comes DO part, where the activity is implemented. During this implementation, it is crucial to monitor the process, timing and to introduce interim adjustments. Moreover, even in this part is required the communication. DO step is followed by CHECK phase where employees get feedback, evaluate the results of the process and then communicate. The last phase, ACT is addressed to identification of problems, to solution proposals, standardization, kaizens and communication. (PDCA Training Guide)

Nemawashi

Nemawashi in gardening terminology refers to the loosening and fertilizing of the soil around plants. In an economic context, it is a consensus method, which facilitates the implementation and progress of economic projects. These projects include for example active communication process, which focuses on mutual exchange of information, opinions or ideas. In addition, there can be included to nemawashi also mutual questioning and feedback, which aims to improve clarity, consistency and support. (PDCA Training Guide)

Approval Process

At the beginning of the whole process the initial concept tatakidai in the form of A3 is developed. The A3 concept is basically a document, where you find condensed information from the PDCA cycle. After setting the probationary A3, already mentioned nemawashi comes. During the nemawashi, key people comment on the concept. Setting the changes and creating of final A3 leads to approval by the key people. The executive must not be neglected during the whole process. A3 without final approval by executive would not be valid. Finally, there is the realization. The whole process is mainly about communication. There is a need to inform all the key employees about each step. (PDCA Training Guide)

7.4 SWOT Analysis

It seemed to me unnecessary to describe in the full detail the functioning of various departments and what is more this is not the aim of this work. For this reason, I developed a SWOT analysis on the basis of an interview with **Ms. Edita Hanušová**, a specialist in CSR in department Corporate Affairs.

7.4.1 Strengths

Clearly the strongest advantage is the **background of the parent companies** TMC and PSA. Parent companies created strong brands, which are demanded. The TPCA has only an approximate picture of future demand of parent companies in the near future, approximately one year. On the other hand, produced cars already have "their" owners.

Another advantage is the know-how of the company; let us say in the **well elaborated production system**, which lie in TPS and Kaizen.

Japanese management style is very controversial. It brings with it many advantages but disadvantages too. From a positive standpoint, I have to highlight jidoka and just-in-time systems, which ensure product quality, accuracy, coordination, and low level of stocks.

From the environmental point of view, TPCA has received the international certificate of environmental protection management **EN ISO 14001:2004** and certificate **BAT**, Best Available Techniques.

The **product** itself strengthens the position of the TPCA, mainly due to its driving characteristics, CO2 emissions, consumption and price. Right now, we are in the age when

people demand small cars with the lowest consumption. Definitely, the potential customers care not only about prices but also about the level of environmental pollution. In all respects, TPCA models meet these demands.

Strong advantage, in terms of the workforce acquisition, is salary. The average **salary** in TPCA, which is 31 800, is above-average from the perspective of salary in the Czech Republic and also in the automotive companies.

7.4.2 Weaknesses

The **lack of corporate culture** can be taken as a huge disadvantage. A combination of three cultures is hard to manage itself, let alone to do business. Mixing of cultures started with no unwell-thought-out process and did not take much into consideration the Czech employees and their style of work. Headless implementation of management system firstly caused difficulties with adapting of conditions in TPCA. All this leads to great isolation from its surroundings and especially to negative motivation of staff.

I have already written about **Japanese management style** as a big advantage. However, this style also has shortcomings for the Czech environment. It brings with it a stressful environment, a lengthy approval process and bureaucracy.

Unbalanced work-life balance is another weakness of the company. Thanks to the Japanese style of management and large number employees, a flexible approach is still not widely used.

7.4.3 Opportunities

The great challenge for TPCA would be the production of **new model**. Nowadays, the company cares only about face-lifts. Upgrading of old model or being able to develop a new one would be a vision and a promise to the future. Moreover, the TPCA would consolidate its position at the parent and affiliated companies.

Adapting to the **needs of employees**, motivate them and begin building of corporate culture, which would be appropriate to a compromise between all three cultures, those are possible opportunities of the company.

7.4.4 Threats

A classic threat is always a **competition** and reduced demand.

Unhealthy **turnover of middle management** is one of the possible threats, which the TPCA recognizes. According to Mrs. E. Hanušová middle management is currently being problematic. Those are the employees who devise creative business changes. Thus not only a good and efficient worker leaves, but also a competitive advantage.

The **models** Toyota Aygo, Peugeot 107 and Citroën C1 are on the market for more than 5 years. Even the model would undergo several facelifts, it slowly become **obsolete** and it is more than obvious that the one day, the production will have to stop.

The big threat and also the disadvantage is the **dependency of TPCA** on the parent companies. TPCA is “only” assembly plant. As a result, TPCA does not have its own marketing or sales department, and thus does not have any possibility to affect products.

State subsidy in the form of **tax holidays** is limited and currently TPCA draws one of the last privileges. After running down, the tax burden, of course, will increase. The increased costs give reason to the parent companies to think about displacement to another state that is more obliging to investors.

7.5 Market Concept of Competitors

I have decided to investigate an external environment not only in terms of state subsidies in the SWOT analysis, but also in terms of competition. In this market approach I took into account two main factors: the price and class. To say it more precisely the products in the automotive industry are classified, for better visibility, to so-called classes. These classes were defined from basic characteristics of cars like the automobile length, wheel base, and mass of the car, engine capacity and power. (<http://cs.wikipedia.org/wiki/Automobil> online 10.12.2010)

On the map of competition in the automotive industry published below is seen that between direct competitors, we can include Hyundai i10, Fiat Panda, Ford KA, Chevrolet Spark or Mercedes A...the A00 class' cars. However, also class A0 can be a great competitor, which can affect demand of TPCA's products. The reason is clear, customers who are not sure whether to buy a small “city” car or family one would decide according to brand and price.

In this case the price of some A0 models is not so higher than A00 products. Furthermore, I still have to mention one fact, Czech people are nationalists and they like and prefer Czech automotive manufacturers. For this reason, Škoda Auto is becoming an important competitor in the Czech Republic with a model of Škoda Fabia. Moreover, there are rumours of a small city car.

Although this competitive map is useful, it is more appropriate for the parent companies. The above mentioned automotive companies are mainly competitors of PSA and TMC not of TPCA. The reason, mentioned in SWOT analysis, is clear. TPCA do not affect the product support and in fact only produce as much the parent companies order. So I looked at the competition in terms of automotive companies producing vehicles in the Czech Republic. From this perspective, Škoda Auto and Hyundai Nošovice are the main competitors of TPCA.

	A00	A0	A	B	C
150 000 – 179 000	Toyota Aygo, Citroen C1, Peugeot 107, Hyudai i10, Fiat Panda				
180 000 – 249 000	Ford KA, Smart, Chevrolet Spark, Mercedes A	Hyundai i20, Škoda Fabia, Citroen C3, Peugeot 207, Fiat 500, Toyota Yaris			
250 000 – 349 000		Škoda Roomster, Ford Fusion	Škoda Octavia, Hyundai i 30, Citroen C4, Pe- ugeot 307, Toyota Auris		
350 000 – 449 000			Ford C Max, Renault Megane, Ford Focus, Toy- ota Urban Cruiser		
450 000 – 899 000				Škoda Superb, Toyota Avensis Renault Espace Ford Mondeo	

					Mercedes class E, Audi A6, Peugeot 607, Citroen C6
900 000 – 1 500 000					

T4: Market Concept of Competitors

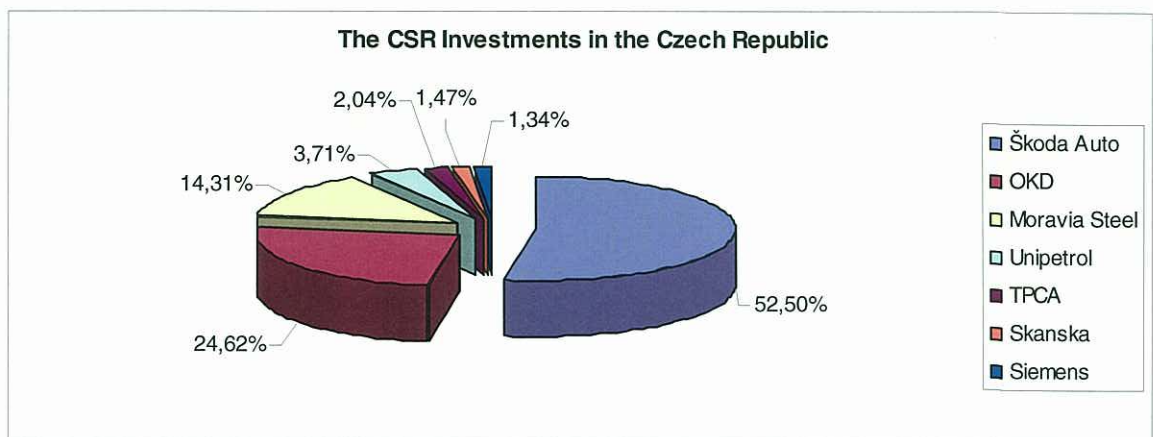
Source: own processing

7.6 The CSR Competition in the Czech Republic

The corporate social responsibility becomes, as was mentioned before, important part of managerial decision making and also of image making. Nowadays, the companies are socially responsible, even though it has no direct effect on sales, which is essentially the case of TPCA.

According to Miss Hanušová, TPCA is the third largest exporter in the country and in the Czech Top is on the 10th place. As a result, E. Hanušová points that CSR should be equal to the position on market.

From the market concept of competitors and from the SWOT analysis is visible that TPCA does not consider CSR as competitive advantage. However it is clear that, CSR is necessary and actually it is visible on a graph below that TPCA gives more financial means and resources than necessary.



G1: The CSR Investments in the Czech Republic

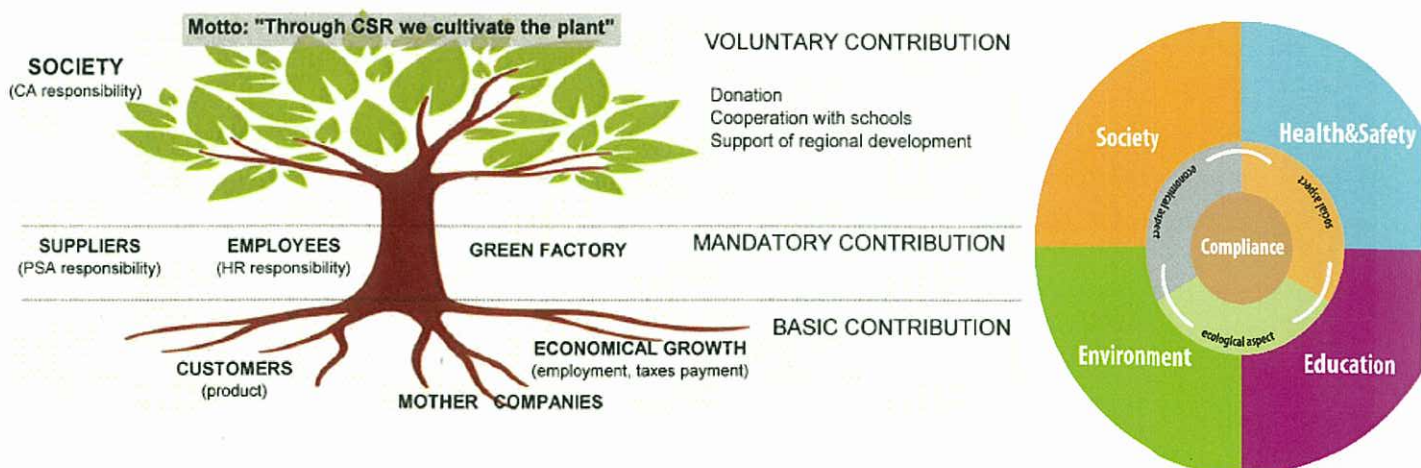
Source: TPCA - CSR Survey 2008

8 CSR METHODS USED BY T.P.C.A.

To be the most effective and competitive automotive company in Europe TPCA need well motivated employees who contribute to progress of TPCA. One of the key factors in employees' engagement is company reputation which we want to strengthen through CSR activities.

According to this fact, TPCA stated basic CSR missions and principles:

- *“TPCA behaves as a good citizen of the Czech Republic having in mind welfare of the society and environment.*
- *TPCA behaves as a good neighbour and develop the region ensuring high standard of duality life for its employees.*
- *TPCA supports the effort of employees, Citizen of region and projects which contributes to the great achievements in the education, sport and culture.*
- *TPCA supports projects on the long term base and improve their duality according company standards.*
- *TPCA utilize the WIN-WIN approach where benefits are on sides, TPCA as well as partners.*
- *TPCA pay attention to compliance with authorities and to the principle of mutual cooperation and benefits.*
- *TPCA supports the ability of subjects and projects to get resources from the regional, national or European funds.” (CSR Policy)*



P7: CSR Areas in TPCA Source: CSR Policy

8.1 Profit

From the profit point of view, TPCA is very special company, not for the type of produced products but for the fact TPCA does not have straight link to customers. TPCA is only able to influence the quality and give to customers the best; however the promotion and other important points are done by parent companies.

As a result, TPCA can mainly influence suppliers. As is visible, this is the field for which PSA takes responsibility. *“PSA Peugeot Citroën requires that its suppliers make similar commitments as PSA in the cases of social requirements.”* (PSA Peugeot Citroën Global Framework Agreement on Social Responsibility)

8.2 Planet

TPCA has prepared a lot of helpful environmental programs. One of them is **Green Factory**. This program mostly shields educational activities for employees and region too. Environmental education is crucial for its inspiration to kaizen and for interference into a private life.

In 2010 there was introduced a **waste separation**. There are special recycling bins in the whole factory with an instructional full screen on the lids. As a result, employees cannot make excuses of not knowing what to put into each bin. Moreover, the content of bins is regularly checked and the area where the recycling was not correct is warned on managerial minutes. After a year of introduction, **Miss Hanušová** evaluates the recycling as successfully done. From my point of view, the only disadvantage is that bins are quite far away from the employee's seats, which causes problems where to put all the waste, because there is no time for running to bin every half an hour.

The **educational seminars at schools** are again very useful. The seminars are held within school lessons, where kids reach the knowledge how to be environmentally friendly. TPCA knows that mostly small pupils can be positively influenced by these seminars. Moreover, seminars are supported by the competition in entertaining way on social site Facebook. Not only children will be motivated to draw something about environment but also they will infuse to their minds at least some ecological information. Moreover, the exhibition of drawings on Facebook shows to general public that TPCA is environmentally and socially responsible.

A **Plant tour** is the other way how to show the responsibility in this sphere. There were made special environmental videos with basic description of pollution caused by TPCA or of water, waste and heating program and so on. The visitors not only see modern production but also modern way and techniques of which preclude or at least lower the pollution.

The new environmental activity, **workshop** in TPCA is going to happen at the end of April 2011. The target groups of participants are suppliers, journalists, selected students and local stakeholders. The aim of this event is to share TPCA's approach through concrete examples. It is going to be connected with prepared case studies of the TPCA projects and the participants should take an example by TPCA.

Finally, the **support of public transport** to TPCA is not only the advantage for employees who do not have car but also another step of being environmentally friendly.

8.3 People

The oncoming of TPCA to region brought with it a lot of expectations from the side of general public, who hoped for the possibility of the employment and for capital too. Although the production has started in the 2005, TPCA began to use the CSR already in 2004. They invested almost 11 million Czech crowns into repairs of regional memorials, into an ambulance and a special medical device for a hospital in Kolín. According to CSR Survey, people remember it.

8.3.1 Region

The oncoming of TPCA into the region also caused demand for financial help and for a support from the side of TPCA. For this reason, it was essential to clarify and organize the system of support to organizations in the region. The system had to be transparent and fair. TPCA also have had to realize what their philosophy in the question of sponsoring is. To realize what kind of projects TPCA wants to support and which not.

The main task for TPCA in this problematic was to create a compromise between the expectations from the side of region and requirements of parent companies. Moreover, TPCA had to set basic characteristics and ideas which they would like to spread to the community; the ideas they want to be remembered for.

Finally, all CSR programs are not strictly divided into 3P pillars but are subtly linked to each other. I can mention a Grant program called *Partnerství pro Kolínsko* (The Partnership for Kolín region) which does not only support cultural projects but also environmental as well. The aim of TPCA is also to bring in employees on this kind of activities.

The forms of cooperation widen but there are 5 general ways:

- A financial support with exhibition of company's logo – the less favourite in TPCA.
- A development of projects by sharing a know-how and by helping to a project (Kmo-chův Kolín).
- Own activities – usually in environmental topics connecting internal and external environmental projects (Kaizens, education at schools, recycling).
- Donations – the most current is Japan Donation. Usually are chosen current topics like floods or the death of TPCA employee. Employees donate through benefit program called Z-konto.
- Project initiation - a joint project of TPCA and some organizations or municipalities. Usually TPCA has some idea about project and look for someone who can take part in it.

8.3.1.1 *Partnerství pro Kolínsko*

A grant program *Partnerství pro Kolínsko* was created in 2005 and every year redistributes 4 millions into special projects. There are three fields of action, a **secure transport** (cycle tracks), **environmental** (cultivation of countryside, the usage of alternative sources, waste sorting or environmental education) and **social and cultural** field (building playgrounds, supporting social ties, traditions. Social and cultural field is let say a concession to the region. This is the segment TPCA do not need or want to support much but they are aware of many things region had to change and do before the start of production of TPCA. As a result TPCA takes social and cultural projects as reward to the region. (<http://www.partnerstviprokolinsko.cz/podporujeme/>)

The **aim** is to promote not only good and useful projects, but also to gradually develop the skills and organizational proficiency of applicants. There is the effort to support long-term

projects and thus to “bring up” and educate people. As a result, TPCA arrange informative workshops for applicants in order to help them with applications and informed them about other possible funding sources (e.g. EU). In the heart of the whole matter is the non-violent way of representation of TPCA’s main ideas and philosophy and also the fulfillment of the region’s expectations.

Partnerství Kolínsko works on a way of **outsourcing**. Originally it was in charge of the foundation Partnerství (Partnership), which is situated in Brno, and had not had an overview of the cultural environment of the region. This was the reason for a change for association Prostor (“Space”) in 2010.

Nonprofit organizations, public associations and municipal or city authorities in the area within 30 kilometers from TPCA are allowed to apply for a grant. These are the only restrictions TPCA has. However, there are some **criteria** which influence the decision making. Among them can be included the amount of the grant, needful, promotion, public involvement, formal processing or budget. These criteria were rated and according to the point ratings projects were chosen.

I would like to mention also a little bit of statistic facts given me by Miss Hanušová. Last year 17 projects were chosen. 7 of them were environmental, 6 social and cultural and finally 4 projects concerned in secure transport.

As Miss Hanušová mentions, grand program also has **weak points** as communication and presentation of projects. Grant had no visual image and brand, so it was not clear that the main doer here is TPCA, not outsourced association. Fortunately, these problems were already solved.

The main **focus to the future** is to create a manual for requestors, to organize workshops, to change a system of selection by giving more decisive power to executive or to enable pre-selection on the web site from the region community. Moreover, new modern communication methods like Facebook or reshaping of web pages are currently used.

8.3.1.2 External sponsoring

Nowadays, sponsoring is the most common and the most expected method of CSR. As a result, TPCA is not the exception and have their sponsoring program. Their main objective is to share their values and philosophy and present themselves as a good neighbour. TPCA

respects the history and traditions of the region and conforms to this fact. Moreover, their effort is to integrate employees, to find the activities that would be suitable for them and finally involve employees at least in internal communication about projects. Sport applications for sponsoring are the most common.

As was mentioned in Partnerství Kolínsko, the setting of **criteria** is necessary. In external sponsoring program is crucial the image of project (for how many people, etc.), media (how well is the project presented), possible benefits for employees, financial point of view and compliance. Compliance is the universal criteria, something that does not fit to any point mentioned above, for example relationship with Kolín.

The name of a project	The amount per year	Sponsored from the year...
Basketball Club	500 000	2007
The Day of Fire-fighters	50 000	2005
The Festival Kmochův Kolín	150 000	2005
Children's Day	75 000	2006
Guitar Kutná Hora	250 000	2009

T5: External sponsoring projects of TPCA

Source: Edita Hanušová

Guitar Kutná Hora is a biennale which has long tradition and in the comparison with Kmochův Kolín there would not be such a big difference. However, Guitar is special sponsoring project because of the fact TPCA took this project under its wings. Since 2009, TPCA has helped with visual audits, presentation and with setting up of the communicational strategy. Guitar was hold every two years but nowadays the competition is held every even year and festival is every odd year. The festival of guitar concert is destined for general public but also important stakeholders like employees or suppliers.

8.3.2 Employees

“One of the values, on which the TPCA is building its relationship with employees, is the special care that they provide.” (Z-konto směrnice)

TPCA is a large company, as is evident by not only the number of produced cars but also by the number of employees, which had risen to 3500. A total of approximate 63% of employees live within a radius of 30km from the TPCA. 36% of employees are from Kolín, 15% of Kutná Hora. Moreover, in TPCA also work 12% of foreigners that are expected to live in the region too. However, as is mentioned at the beginning of this chapter, even though TPCA has so high amount of employees, it values its them employees and wants to do as much as possible to provide them good working environment or a sense of accomplishment.

Unfortunately, in the first years of production, did not meet the expectations of employees and consequently a high fluctuation has occurred. As a result, a negative attitude towards TPCA has been created by community and employees too. For this reason number of surveys has been carried out. What is more benefit program and a program called sponsorship for employees was created. The objective of these improvements was to get closer to demands of employees, strengthen sharing of values, loyalty and motivation.

8.3.2.1 Sponsorship for Employees

As was mentioned in the introduction to this chapter, this program supposes to support sharing of values, loyalty and motivation. Sponsorship for employees does that by supporting leisure activities and community services of employees. Monthly is devoted to these activities 50.000, - CZK. This amount can be allocated to support one project, or it may be shared between multiple projects too. Submitted Projects are objectively evaluated according to specified criteria such as: the characteristics of the project, location, the number of involved employees, the possible public participation at the event, the requested amount of money and the possibility TPCA promotion. According to these criteria is the project rated by points. The assigned number of points in each category corresponds to preferences as is visible in table below). The winning projects are those which get the highest number of points. The rules are set so that no project is automatically disqualified, for example due to a small number of involved employees. The project can be selected even if one of the criteria reached low number of points. (The sponsorship guide)

	The Characteristics of the Project	Locality	The Number of Employees	Possible Public Participation	Money	Promotion of TPCA
Preferences -----↑	events - cultural, sports, for children	to 20km	9 and more	employees + families + public	up to 12 500,- CZK	Information in the press
	education, leisure activities, associations	to 35km	7 - 8	employees + families	up to 25 000,- CZK	logo TPCA on the internet
	sports aid and costumes	to 50km	5 - 6	employees	up to 37 500,- CZK	logo TPCA on the sport costumes and aids
	The institutional activities and single investment activities (e.g. repair of playground)	more than 50km	1 - 4	organized group	more than 37 500,-CZK	logo TPCA promoted during the event

T6: The criteria of Sponsorship

Source: The sponsorship guide

Through these projects people learn a lot of new things and skills. Members of the team are those who have to prepare all documentation, have to present their project and mainly have to have their own vision of the project. This can not only educate the employees but also show the potential. Moreover, people have to feel the responsibility.

According to Miss Hanušová employees appreciate the chance to support their leisure activities. The figures speak for themselves, in 2010 there were accepted 147 requests. Only 1 to 4 employees participated in 74 % of requested projects, which is quite low number. 56% of projects were in the close locality up to 20 kilometres. Unfortunately, 53% of projects had promotion of TPCA only at the event. Finally, 46 of already mentioned 147 projects were successful with the total amount of 600 000, - CZK. As an example I can mention a squash tournament for TPCA employees, which is held every year.

8.3.2.2 Benefits

Besides Sponsorship for Employees it was necessary to create standard system of motivational tools. One of them was a benefit program called Z – konto (Z-account), which was founded in 2007. Z-konto is a virtual employee account, to which TPCA contributes funds in excess of the monthly wage. The aim of TPCA is to assist during the localisation of em-

employees in the region, reduce the cost of commuting and to support education, leisure activities and relaxation. (Z-konto směrnice)

Z – konto works on a cafeteria system. The whole system works like in bank. Every month employee gets the amount of points according to position, seniority and attendance as is visible at the table below. One point has for employee the value of 1 CZK. Consequently, the employee can choose from a list of possible benefits and make a “payment” by points. There is only one limit for employees, at the end of the year they cannot save more than 3000 points to the next year.

Category	Fixed amount	Seniority after 1 year	Seniority after 3 years	Attendance	The Total
TM, TMM, AS	1000	1000	500	1000	3500

T7: An example of the point contribution.

Source: Z-konto směrnice

Employees may choose from the long-term benefits provided by TPCA or one-time benefits realized by companies Benefits a.s., or combine both options according to preferences. In the case of long-term benefits the employee can not use the maximum number of points he/she has. It is possible to take full advantage of fixed points and seniority, but not of attendance points. They are reduced by the amount of average absence for the past 6 months. Usually it is from 200 to 500 points. They are used as a reserve. If the employee has not got enough points at the Z-konto to cover the payment of long-term benefits, TPCA allows draw to the minus for two months. Finally, in the case an employment relationship would be discontinued, the loading of seniority starts from the beginning.

Item	Description	An insurance of the employee side/taxes
Sport Activities	Passes, tickets, hiring of sports facilities	NO
Cultural Enjoyment	tickets on cultural events	NO
Recreation	travel agencies, hotels, pensions	NO (up to 20 000 CZK per year)
Health	chemist, optician, massages, vaccination	NO

Language Courses	language course of your choice	NO
Transport	MHD season tickets, ČD Kilometric bank	YES
Driving School	basic driving lessons, training, condition drives	YES
PHM	fuel vouchers	YES

T8: One – time benefits

Source: Z-konto směrnice

Item	Description	Payment	An insurance of the employee side/taxes
Dormitory Contribution	Automatic setting after entrance	Mass payment by company	NO (up to 3500,-CZK per month)
Housing Allowance up to 50 km from TPCA	To cover a rent in a TPCA apartment	Counted towards the wage	YES
	To cover a rent and services in other than TPCA apartment		
Mortgage Contribution	Mortgage to purchase own housing	to the account referred in the mortgage contract	YES
Contribution to Building Savings /Loan	Building Savings - savings	to the account at the building society	YES
	Building savings loan	to the account referred in the loan contract	
Contribution to Loan at KB	Loan to purchasing and furnishing of flat	to the account referred in the loan contract	YES
Contribution to leasing of new or used car	Purchasing of new or used cars Toyota, Peugeot or Citroën	to the account of leasing company	YES
Superannuation Scheme, Life Insurance	Concluded in TPCA by Respect company	Mass payment by company	NO (up to 24 000,-CZK per year)
	Own Insurance	Payment on the individual account at insurance company	YES
Contribution to Purpose of Study Loan	A study loan for employees and their family members	to the account referred in the loan contract	YES

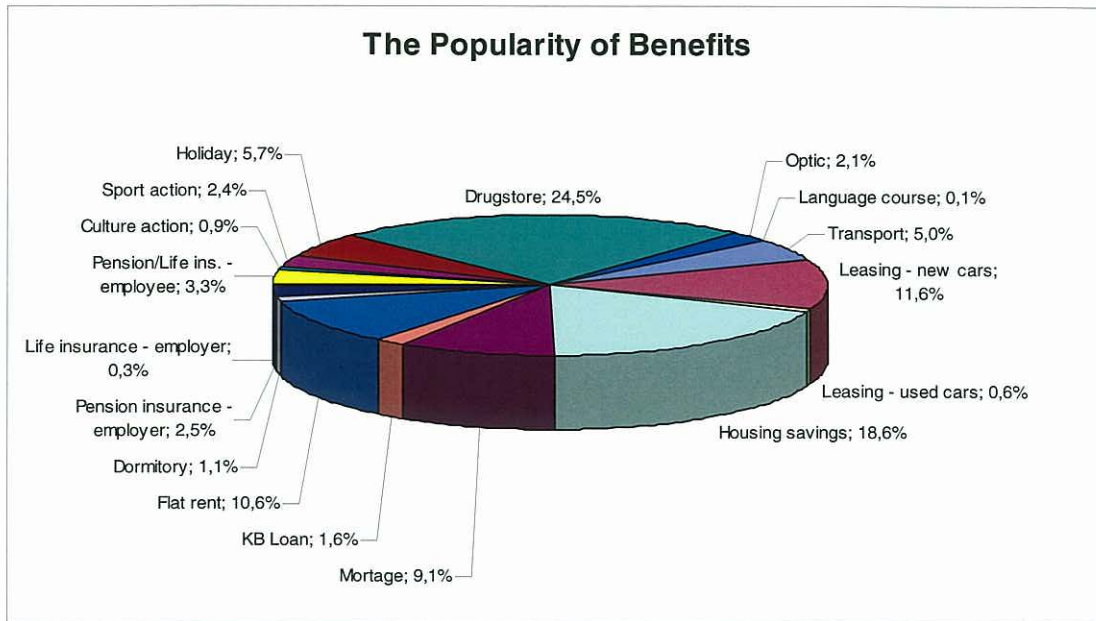
T9: Long term benefits

Source: Z-konto směrnice

I have asked about benefit system **Mr. Oto Sedláček**, the specialist of Employee Relationship Department. Mr. Sedláček stressed the fact, there was no benefit system before and the first year was actually trial. Z-konto is going through the second innovation nowadays and as is going to be visible from the graph, Z-konto is popular. Z-konto supposes to be a stability element. The main function of the benefit system according to Sedláček is to support seniority, loyalty and attendance. What is more, Mr. Sedláček stressed Z-konto is non-claimable. It is the matter only of TPCA whether it gives benefits or not. There was also mentioned that the amount of points is above standard in terms of manufacturing company. The amount is comparable to benefits in banks. Philosophy of Z-konto is to have the broadest possible range of “products” so that everyone can choose.

However, every program has some problematic. In this case people do not understand properly that one-time benefits are administered by Benefit a.s., which is with Accor and Sodexo Pass the most widely used company. Employees do not take benefits as a contract between Benefit a.s. and supplier of the service but as a contract of TPCA with the suppliers. Moreover, they take it as a bonus and worse understand that private organization makes reservations. As a result, TPCA effort is to cut as much as possible from the whole process and mainly from the process of delivering the real products to people. The introduction of vouchers or authorization codes in text messages would be the resolutions as Otakar Sedláček mentions.

To sum up the successful side of benefits: *“People think about benefits very positively, however they very quickly get used to them and take them for granted.”* (Sedláček)



T 10: The Popularity of Benefits Source: O. Sedláček

8.3.2.3 Roles, Competences

TPCA has special business practices; special production system so there is no surprise that roles in the company are set in a special way too. The positions can be divided into 4 groups: positions in production, in production support and office, management positions and executive. Moreover, the competences are divided into four spheres – professional competence, leadership, planning horizon and problem solving.

	Positions		Positions		Position
Production	Team Member = TM	Production Support / Office	Assistant = AS	Management	Deputy Manager = DM
	Team Leader = TL		Specialist 1 = SP1		Manager = MGR
	Group Leader = GL		Specialist 2 = SP2		Deputy General Manager = DGM
	Supervisor = SV		Specialist 3 = SP3		General Manager = GM

Executive	President	Satoshi Tachihara
	Vice- president	Bernard Million-Rousseau
	Production Vice- President	Jiří Černý

T 11: Competences in TPCA

Source: Roles and Competences Training

Unfortunately, the topic is so wide I was forced to narrow my topic. I have decided to concentrate on positions of middle management in the office. That is why; I am going to describe only these positions more precisely.

	AS	SP1	SP2	SP3 .TL	SP3 - Expert
Planning Horizon	3 months Understands to sectional Hoshin.	6 months Understands to sectional Hoshin.	9 months He/She contributes to the formation of sectional Hoshin	12 months Collaborates on sectional Hoshin. Understands departmental Hoshin.	12 months Collaborates on sectional Hoshin. Understands departmental Hoshin.
Problem Solving	Works according to detailed instructions (what, when, how), is governed by the standards. He/She uses the STOP-CALL-WAIT in abnormal cases	Works according instructions, is govern by the standards. He/She is able to analyse situation in the abnormality cases, suggest a solution and implemet it under the supervision.	Works independently according to instructions. He/She proposes and confirmed a method of realization, prioritizes. He/She adheres to common standards and creates new standards. In the abnormality cases he/she suggests a analyse solution and after confirmation also independently implements it.	Manages the creation / revision of standards, instructs the team and monitors compliance within the team. Independently provides solutions to abnormalities within the team and reports on results.	Independently creates, communicates and monitors the standards needed to achieve goals. In the case of abnormalities, proposes and evaluates and after confirmation he/she independently implements it.
Leadership	Works under management. Actively promotes teamwork.	Works under management. Actively promotes teamwork.	He/She does not lead he team but can come as mentor to juniors. Actively promotes teamwork.	He/She leads the team within the section (minimum number of subordinates is 3, in exceptional cases can result in fewer people, such as development, or organizational reasons). He/She develops teamwork.	Do not lead, but acts as a mentor for others in the project. Actively promotes teamwork.
	AS	SP1	SP2	SP3 .TL	SP3 - Expert
Professional Competences	Basic general knowledge (eg a standard PC knowledge). He/She knows the procedures for his /her area. Good knowledge of MS Office - Word, Excel, Powerpoint	Basic professional knowledge. Basic knowledge of links and related activities within the team. At least 0.5 year of experience or high school graduate (not necessarily in the relevant field). English at intermediate. Very good knowledge of MS Office - Word, Excel, PowerPoint, information systems in the area.	Expert knowledge of issues in the field. Knowledge of links and related activities within the section. English at upper-intermediate level. Very good knowledge of MS Office - Word, Excel, PowerPoint, information systems in the field.	Expert knowledge of issues in the field. Knowledge of working practices, methods, links and related activities within the department. English at advanced level.	Deep expert knowledge. He/She knows the issues in detail in the field, constantly monitors trends and develops. He/She is professional contribution to the department or to the entire company. Her/his knowledge is actively spread within the team and company too. At least 10 years of experience in the field or academic/vocational education + 5 years experience. English at advanced level.

T 12: Roles and competences of AS to SP3 positions

Source: Roles and Competences Training

The main strategy of TPCA is to have “universal” people who are excellent in problem solving and leadership, while professional competences are on outskirts.

Positons	Problem Solving	Leadership	Proffesional Competences
AS, SP1, SP2	50%	30%	20%
SP3 leader, DM, MGR	40%	40%	20%
SP3 expert	40%	30%	30%
DGM, GM	30%	50%	20%

T 13: Competency Expectations; Source: Roles and Competences Training

8.3.2.4 Evaluation and Promotion

Setting clear guide about roles and competences of employees is crucial not only for good understanding of employer’s expectations but also for evaluation and promotion. The whole evaluation system leads off from Toyota Way, precisely from PDCA. Every employee creates own annual Development Plan, where he/she evaluates the situation, creates own vision what he/she wants to reach and finally plans development activities. Do- part contains off-job development activities like PDCA, A3 or TBP trainings and also on-job activities as projects. Check part in this case means the real evaluation, where the employee evaluates him/herself and his/her superior does that too. The action comes soon after the evaluation in the form of rotation, promotion, demotion or variable pay.

According to Iva Mierva, a HR specialist, there is necessary to differentiate between competences and performance.

	Performance	Competences
What	Annual individual objectives (the goal and process is evaluated)	Observable behaviour - the application of skills at work
When	Semi-annual evaluation	Annual evaluation
How	Accomplishment of objectives	A real behaviour vs. expected behaviour
	The evaluation influence the amount of bonuses	The evaluation influence basic salary

T14: Competences vs. Performance; Source: Roles and Competences Training

As is visible from the chart, the employee is evaluated three times per year. The process of evaluation is clearly set. First step is self-evaluation, where employees have to understand the expectations, collect data through the whole year and moreover examples of problematic or positive situations are more than welcomed. The self-evaluation has to be clear, objective, truthful and factual.

T 15: Evaluation Score chart ; Source: Roles and Competences Training

The behaviour	Score
minimum level of competence, which requires a systematic development in all fields	1
partial level of competence, can be formulated more areas for development	2
optimal level of competence, can be formulated partial areas for the development	3
above standard level of competence, the development focuses on enhancing the strengths	4
exceptional level of competence in this role is a role model for others	5

Except the all mentioned, there is a scale according to which the evaluation is measurable. The characteristics to each point are described in the next table.

Secondly, the evaluation interview with manager of section a great tool for revelation of needs and expectations from both sides. Thirdly, meeting of moderation group provides consistency and fairness in the whole process. During the meeting of the group are discussed strengths of evaluated people in the department and finally chosen those who will be promoted. The results are firstly announced to promoted employees and then on the informational board.

According to carrier map the employee, who wants to be promoted, has to fulfil some basic facts. Has to be competent, has to have finished all trainings necessary for current position, the “promoted” position has to be free and finally the person have to spend long enough at the current position (3-5 years). The reality is that when worker reaches score 4 or 5 during the evaluation...then there is a chance for promotion. Moreover, there is in some departments a shortage of free positions. The most visible shortage is on the SP1 level and also MGR. Assistant and Specialist 3 who has the ambition to promote usually has to wait for a long time.

The fact that employees are ready to be promoted but for some reason it is not possible can leads to demotivation. As a result, the horizontal development is used, which is usually in the form of internal rotation or international scholarship in the parent companies.

8.3.2.5 The Quality Circles

The quality circle activities are one of the important activities of all Toyota's affiliated factories. The objective of the circles is to improve the quality of individual skills and abilities of people who participate in them. This contributes to creating a pleasant and lively atmosphere in the workplace too. The circles are seen as a practical way of Toyota Way, which is based on continuous improvement and respect to people - the two pillars of human resource management at Toyota. Moreover, quality circles are one the best ways how to support the engagement.

Quality Circles consist from 4 to 5 employees, who together address problematic issue and propose a solution. To solve these problems they are using quality circles' methods and

quality circles' process. This means that the whole process is based on facts. Quality, Genchi Genbutsu and standardization play the important role as well.

The top 10 teams from all shops progress to the "company" level, where they present their circle to special committee consisted of executives and from professionals. Finally, there are chosen 3 best circles, which represent TPCA abroad. 71 quality circles entered "the competition and 61 from them finished their plan during the 2010. (QC Guide)

8.3.2.6 Education

Education and self-development is an important factor for incorporation of new comers into the company in the sense of introduction of employer and of the whole processes in the company. First days in a new job influence a lot the opinion about company, which is followed by lower or higher motivation. Moreover, long-term employees cannot be "forgotten". As is visible in Maslow's Hierarchy of Needs, employee does not need only money but also the feeling their knowledge and skills are developed. TPCA has created special **Training Matrix** which main objective was to ensure common understanding among all TPCA employees. This matrix is actually derived from the grades and their competences. As a result, trainings are individualised to each grade and at some point can be individualised to each employee.

As I mentioned before, my main concern are administration employees, especially positions AS, SP1-SP3, and as a result I am mainly interested in trainings and educational programs intended for this group.

Induction

Induction is a training, which is intended for new comers. New employees learn within one day about health and safety rules, attendance, chip cards, catering, working hours, benefit program and so on. Actually, induction is the only training which is common to all employees.

New Hire Orientation Program

This training is a continuing program to Induction and is usually realised immediately after joining TPCA. This program is for grades at Production Support /Office or Management and the aim is to introduce all departments in the office, possible trainings, intranet, dealing

with personal information, Z-konto and many other topics. The program unfortunately cannot cover all topics about TPCA, however it really helps to orientate in the company.

Training 57

TPCA makes effort to have the same conditions for administration and production employees. As a result, there is Training 57, which is mandatory for all office employees. Every employee from the office has to spend 15 shifts in the production in order to learn about the system of production, about the conditions and needs of others who work in production.

Introduction to PDCA

This training is typically Japanese and without it would be impossible to understand to company processes, mainly management planning. Cycle Plan-Do-Check-Act (PDCA) is a method of labor management, which aims initially to build a stable performance and then improve it further. It can be used to perform any type of project or work task from inception to completion. In essence, this method works as a management tool of work, which ensures high quality business planning and execution of the plan, as well as continuous feedback, which is used to monitor effectiveness and take the necessary measures for improvement. (PDCA Guide Book)

A3 Report Writing

As was mentioned in the previous parts, TPCA has special forms of reports, called A3. A3 report is a one-page report, whose name is derived from the paper format (A3) and which is initially used for this type of document. Importantly, the size of the document does not matter. The key is content and logical structure of a document. A3 Report supposes to summarize a complex message into a concise, easily understandable document. (A3 Guide Book) The A3 training teaches how to create this type of report.

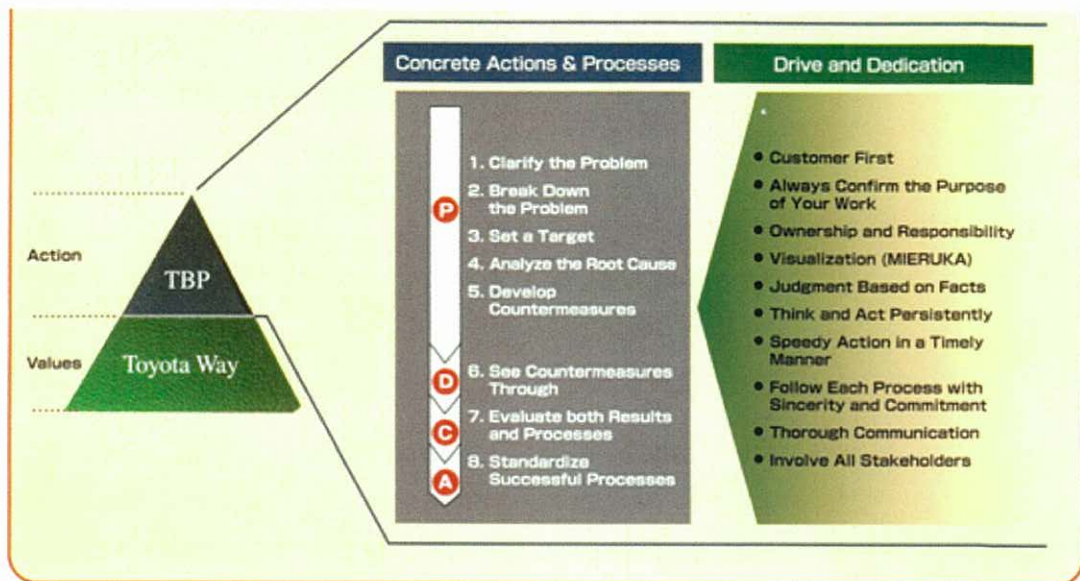
Role and Competency Training

The aim of training is to present organization's expectations from particular positions. It further explains the importance of each standard, and presents guidelines for promotion. (Role and Competency Training)

The Toyota Business Practices (TBP)

The last of Toyota specific trainings is called TBP, Toyota Business practises. *“The Toyota Business Practices are the key to realizing and implementing the Toyota Way. In essence,*

the key concept behind TBP is a problem solving model with the TBP Drive and Dedication acting as motivational guidelines.” (TBP Guide)



P8: Toyota Business Practices

Source: TBP Guide

The core of the training is to set some problematic, create A3 problem solving report with clear idea what is a problem, what is a reason of the problem and finally what countermeasures should be taken. Through the leadership of more experienced colleagues and superiors is created already mentioned report and finally marked by the examiner.

Common Business Practices

According to the need to have English speaking employees, **English courses** are the necessity. Employees can participate in different levels of courses (elementary, pre-intermediate, intermediate, upper-intermediate, advanced or FCE). The only binding condition is higher than 80% attendance (working reasons are excused) and writing of final test for each semester. In the case the attendance would be lower and student would fail the final test, he/she would have to pay the whole course. (Intranet – Courses)

Other trainings that are offered in TPCA are **Computer Skills**. Managers of department nominate potential students but it is not obligatory training. The choice of the courses is really wide – Microsoft Word, Excel, Outlook, Access, Project, PowerPoint, Visual Basic. Moreover, each program has at least two levels of complexity. However, employees can attend only 3 computer courses per year. (Intranet – Courses)

Leaders Academy is the 3 day training designed for positions SP2 and SP3, who according to roles and competencies, suppose to effectively lead colleagues.

Finally, there is last group of trainings of **Communicational** and **Presentation skills**. There are three types of courses. Communicational course suppose to teach effective communication, differentiate disparity in communication and behaviour or assertiveness. The aim of presentation skills is teach how to use the resources of active listening and active attention, to the usage of body language or how to strengthen confidence. Time Management Course supposes to help with organisation, personal effectiveness or creation of visions. These courses can be attended twice a year. (Intranet – Courses)

All in all, all courses are not only based on theoretical knowledge but mainly on practical usage which is from the effectiveness point of view much better.

8.3.2.7 Communication

TPCA uses various types of communication and understands that quality communication is one of the keys to success. As a result, it created structural communication system. There are arranged fixed meetings. **Daily** is an everyday meeting of section, where the most important things of the day are discussed. Daily usually takes no more than 15 minutes. Every section has own teams, the meeting of the team leaders with their teams is called **Team Weekly** and takes an hour per week. **Leader's Weekly** is a meeting of team leaders and manager of the section and as name recommends, it is a weekly, hour and half, meeting, **Biweekly** is another sectional meeting, where is the space to discuss wider topics than during daily. An hour meeting is held once in two weeks. Finally, there is monthly meeting for all employees from office, where are again discussed topics which can be in concern of people.

Moreover, there was also created intranet web page, **portal**, where everyone can search the necessary information. This is the place, where you can find important blanks, information about bus schedule, internal sponsorship, language courses, the clothes change, Z-konto or about daily menu in the canteen. Even though portal is dependent on the internet, TPCA solved this shortage. There are special stands through the whole TPCA, where is easy access to portal.

Finally, TPCA publish internal monthly magazine called **TPCA News**, where are not only necessary information about changes in TPCA but also useful informative interviews with managers, executive ...all in all with people who leads the company. TPCA News is the space for clarification and explanation of changes.

8.3.2.8 Outplacement

The outplacement is in the case of TPCA quite weak point. The only step taken in terms of outplacement is realisation of exit interview, where the main objective is to learn why the employee leaves TPCA. Studying the exit interviews it is visible that TPCA turnover is similar to Czech average and so it is not on so critical bases. However it was visible that the most endangered grades are the office positions from AS to SP 3.

8.3.2.9 Work-Life-Balance

TPCA's one of the main objectives in the HR field is to provide fairness between administration and production employees – to provide as same conditions as possible. That means 72% of scheduled vacation without the possibility of change. Furthermore, the idea of flexible working time was out of the question. Working hours began at 8:30 am and ended at 17:00. However, Czech nation is not used to such working time. Moreover, with such working hours would be impossible to arrange all personal things like visiting offices and so on. Most of the stores and nurseries are at this time closed too. Despite this fact, many Czechs rather get up early and come home earlier too in order to have enough time to arrange personal affairs. Due to dissatisfaction and high fluctuation of office workers it was necessary to take a more accommodating position on work life balance. As a result, a trail program with more flexible working hours has started in February 2011. Employees can come to work between 6:30 and 8:30 and of course leave earlier. This system still has one disadvantage, it is necessary to notify the section manager about the flexible income with 14 days in advance. Despite this small disadvantage, I feel, from the interviews with employees, that more flexible working hours are positively perceived and work well.

9 THE MOTIVATION SURVEY

On the basis of own experience in TPCA and on the basis of interviews with experts in the field of human resources and corporate affairs it was necessary to make a research, Motivation Survey. Moreover, the research is the only way how to answer my second hypothesis called: Employees of the automotive companies are sufficiently motivated to carry out their duties. What is more, this Motivation Survey is going to be used in the upcoming HRD program, which focuses on the same group as I do.

9.1.1 The Methodology and Objectives

According to my interest in employee motivation I have studied and described motivation drivers in TPCA and what is more I have looked for basic information about employee turnover, dissatisfaction and the most endangered grades.

9.1.1.1 Key Objectives

My key objectives are:

- To get clear picture of current employee satisfaction and engagement.
- To compare the overall situation in the company with Czech average.

According to these objectives I have set **9 areas** which are crucial for this thesis. Namely those areas are: company reputation, understanding company business and objectives, valuing people, career opportunities, performance management, processes, training and development, engagement and innovation. Moreover, I have chosen the 9 crucial areas along with the mentioned reasons of turnover (work, supervision or system of work) in exit interview. As a result, the survey will be one of the factors, which would confirm or disprove assumption of HRD experts. There were other interesting and suitable topics for research; however the extent of thesis would be exceeded.

9.1.1.2 Respondents

As was mentioned in the previous chapter, the most endangered grades are the office **AS, SP1, SP2, SP3** positions. This is specific and valued group of employees. To “loose” employee on this grade would be a big loss for TPCA. As a result, I have chosen “only” these grades and widespread the questionnaire among them.

	HR	CA	PC	IS	AF	Production Shop	Total
AS, SP	34	14	22	8	14	20	115
Headcount	50	20	35	20	28	27	180
%	65%	70%	63%	40%	50%	74%	64%

T 16: Detail of survey sample

Source: own processing

The fulfilling of questionnaire was **voluntary**, which brings within a higher probability dissatisfied employees answered more often. What is more, the survey was **anonymous**. Demographic questions were minimised to only 1 task about department in order to strengthen the anonymity.

The **64% success** of fulfilling the questionnaire can seem to be low but according to Human Resource Development Manager **Jan Pešek** the number is very good. The trend of fulfilling voluntary questionnaire in TPCA is usually between 30-45%. I believe that the sample is big enough for the needs of my thesis and also for the needs of HR department. There is only one department, IS, where the answers should be taken with “reserve”.

9.1.1.3 Benchmark

The possibility of benchmark is a great way how to surely recognise problematic spheres and I see it as a big opportunity. Benchmark gives to Motivation Survey different dimension. The last **TPCA Employee Engagement Survey** was a widespread research through the whole organisation, where 2681 respondents, 98% of TPCA employees, answered 54 questions connected with quality of life, company practices, total rewards, people and work. The engagement drivers are visible in the appendix. The organisation, who realised this research, used merely own universal questions, which they used in other 135 Czech companies too. As a result, it was possible to do benchmark with **Czech average**.

However, I am also aware of risky things in this benchmark. Comparison of Motivation Survey with Employee Engagement Survey is with no doubts. Unfortunately, benchmark with the Czech average is risky. It has to be taken into account, that respondents of this data sample are all employees on different positions. The reality is that employees on different grades have different needs which can lead to misinterpretation. Consequently, to balance the results, there is taken in to account the improvement of TPCA in the selected

areas from the last survey. What is more, I have to be careful about changing of infrastructure in the company. For example HR and CA departments were at the time of Employee Engagement Survey only one department called HRGA. As a result, I had to compare HR+CA versus HRGA. The similar situation was with the Manufacturing Shop. Finally, the benchmark is going to be used as confirmation of hypothesis of HR managers of an upcoming motivation project.

9.1.1.4 Satisfaction Score

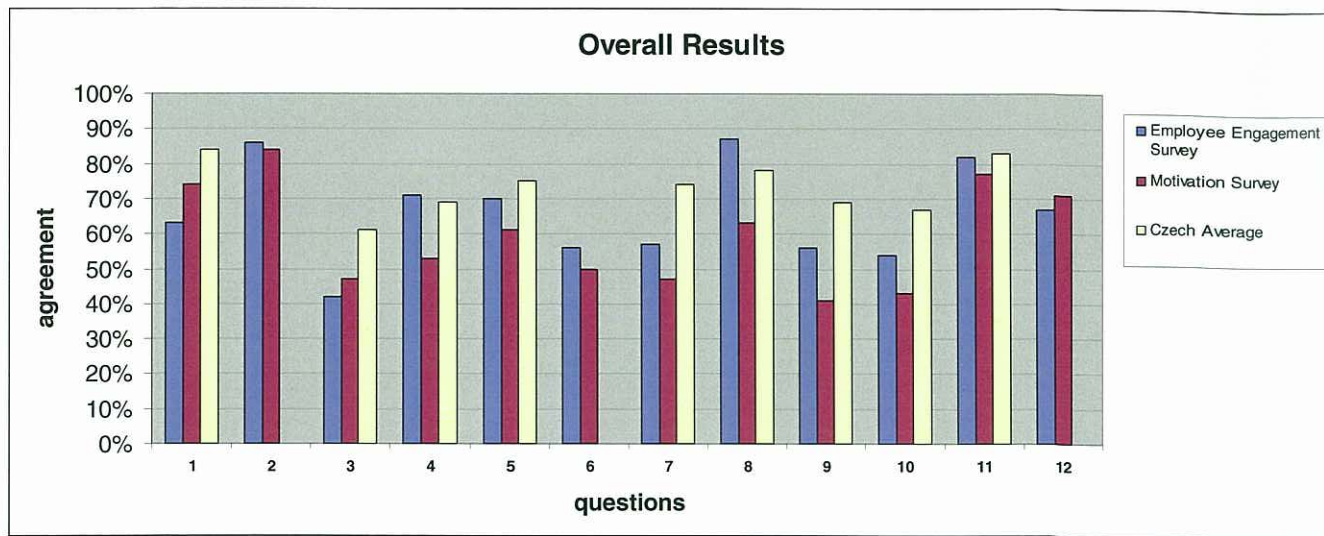
It was necessary to keep similar methodology in the survey as much as possible according to benchmark. The reason is clear, to have relevant data which can be used for the project.

Employees respond to each question by indicating their level of agreement with the statements on the scale of 1 to 6, where “1” indicates “strongly disagree” and “6” indicates “strongly agree”

The overall **satisfaction score** is calculated as the percentage of employees that respond with either a “4”, “5” and “6”, where “4” = slightly agree, “5” = agree and “6” = strongly agree. Moreover, the satisfaction score provides the clarity and easy of chart evaluation.

10 RESULTS OF THE MOTIVATION SURVEY

The results of Motivation Survey are interesting in the matter of improvements and deterioration of specific areas. To make it easier, I have divided questions into the fields like company reputation as was explained in the methodology. Moreover, my main aim was to create clear and intelligible summarization of the data I have collected. As a result, I have made clear charts with satisfaction scores.



G2: Overall Results of Motivation Survey

Source: own processing

Moreover, I have put the English and Czech questionnaire forms and the rest of graphs in the appendix part.

10.1 Company Reputation

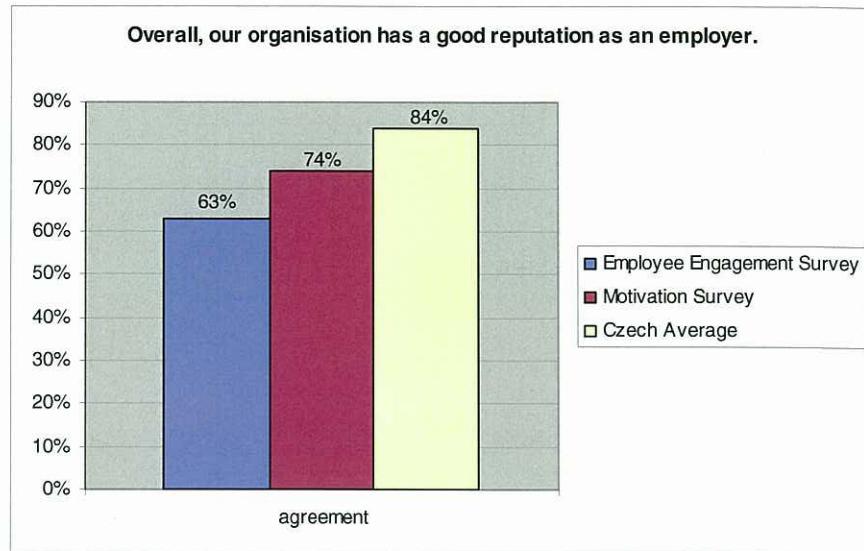
Employee Engagement Survey	Overall Results- Motivation Survey	Czech Average	Positive Results	Negative Results
64%	74%	84%	AF	HR
			86%	73%

T17: Satisfaction Scores – Company Reputation

Source: own processing

This set of questions was primarily chosen for the usage of the thesis (according to focus on the company image). This is one of many questions, where TPCA improved quite a lot – from 64 to 74%. However, the Czech Average is still 10% higher than TPCA. The most

important fact is that particular departments has similar results and all in all, there is forecast of continuous improvement.



G3: TPCA Overall Results – question no.1

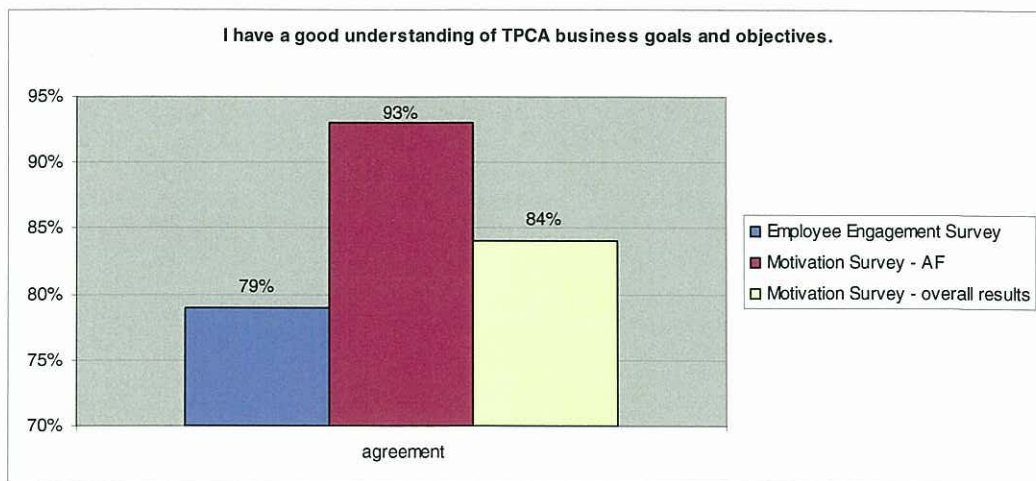
Source: own processing

10.2 Understanding Business Objectives

Employee Engagement Survey	Overall Results- Motivation Survey	Positive Results	Negative Results
		AF	HRGA
86%	84%	93%	69%

T18: Satisfaction Scores – Understanding Business Objectives

Unfortunately, this section cannot be benchmarked because there are no previous data about Czech average. Actually, it is shame because especially this question would be interesting to compare with. The trend of understanding of business goals is in declension from 86% to 84%. The most positive results came from Manufacturing Shop where 95% of employees understand visions and objectives of TPCA. However, there are no data for comparison in Manufacturing Shop and we do not know the level of improvement. As a result, there is more valuable information about AF department. This section improved its satisfaction score from 79% to 93%. On the other hand, the most problematic department is HRGA, where the understanding declined to 69%. In the comparison with overall results, it is subnormal.



G4: Accounting and Finances – question no.2

Source: own processing

10.3 Valuing People

Employee Engagement Survey	Overall Results- Motivation Survey	Czech Average	Positive Results	Negative Results
42%	47%	61%	PC	HRGA
			62%	44%

T19 : Satisfaction Scores – Valuing People

Source: own processing

Only 47% of AS, SP employees think TPCA treats them as the most valuing asset. This question supposes to show not only satisfaction of employees but also the approach from socially responsible point of view. Even though there is 5% improvement, it is not enough; mainly because of the fact Czech average is 61%. The worst results were in CA department, only 29%. However, at the point of Engagement Survey CA was part of HRGA and as a result in the vase of benchmarking I have to compare the data with HRGA department. Very positively seems results of PC. Despite positive percentage in the comparison with other divisions, it experienced declension. The biggest problem people see in the one year contracts and in bad ergonomics. To sum up, I consider valuing of people as one of the problematic spheres.

10.4 Career Opportunities

Overall summarization of scores showed 49% satisfaction in career opportunities, which is 20% smaller than Czech average. From the commentaries is visible that employees complaint about lack of promotion even though they fulfilled the conditions for it. There was also an opinion about incorrect promotion and about authorities from the expertise point of view. With no doubts career opportunities are the most problematic and critical, mainly in Accounting and Finances.

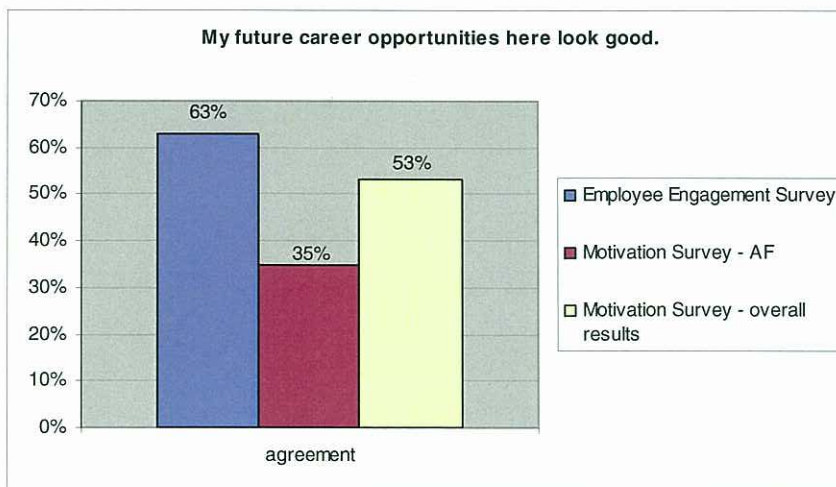
10.4.1 Good career opportunities

Employee Engagement Survey	Overall Results- Motivation Survey	Czech Average	Positive Results	Negative Results
			PC	AF
71%	53 %	69%	76%	35%

T 20: Satisfaction Scores –Good Career Opportunities

Source: own processing

Only 53% of respondents think their career opportunities look good in TPCA. This number would not be so horrible, in the case there would not be 18% declension of results from Employee Engagement Survey. The biggest declension from 63% to 35% is visible in AF, as was mentioned previously. Abnormally good results are in PC department.



G5: Accounting and Finances – declension in question no.4

Source: own processing

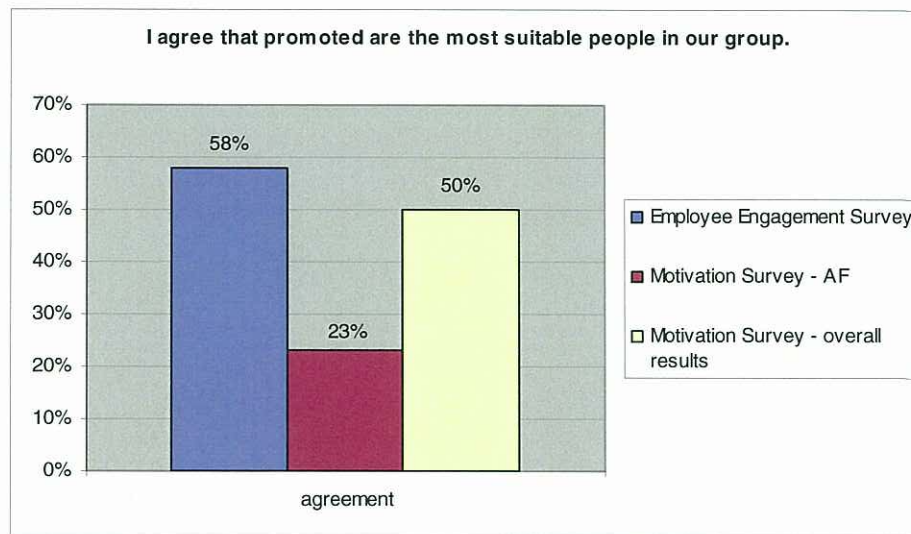
10.4.2 Promotion of the most suitable people in the group

Employee Engagement Survey	Overall Results	Positive Results	Negative Results
		PC	AF
56%	50%	76%	23%

T21: Satisfaction Scores – promotion of the most suitable people

Source: own processing

There is another problematic question, which aim was to analyse whether people feel the promotion is fair. Furthermore, results of the question are even worse in the department breakdown. On the other hand, there is not so striking difference with previous survey. The results of AF are again in declension form 58% to 23%. Finally, this question was problematic in a way people did not want to answer it. It is the only question, which was not answered three times in the questionnaire even the rest of questions were. I would strongly recommend considering of taking some countermeasures.



G6: Accounting and Finances – declension in question no.6

Source: own processing

10.5 Performance Management

Performance Management is another area, which worsened. Employee Engagement Survey showed at that point of time that TPCA was on a good way in performance management with 70%. However, the area suffered a fall to 61%, which is not an optimistic number in the comparison with 75% Czech average. Problematic department is again HRGA. Even

though HRGA result is bigger than overall, there was 7% declension in the comparison with Engagement Survey.

Employee Engagement Survey	Overall Results- Motivation Survey	Czech Average	Positive Results	Negative Results
			AF	HRGA
70%	61%	75%	86%	63%

T22: Satisfaction Scores – performance management

Source: own processing

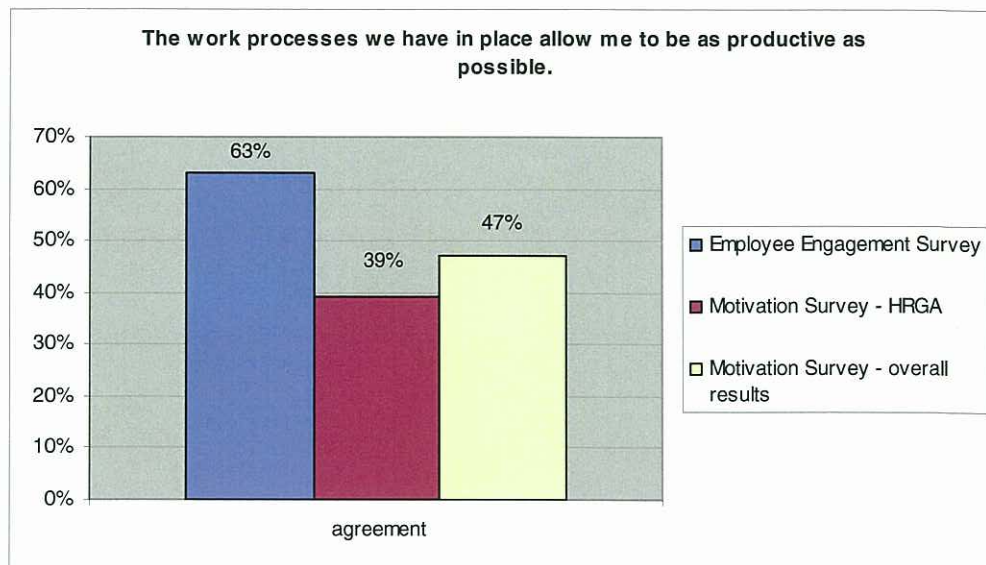
10.6 Processes

Employee Engagement Survey	Overall Results- Motivation Survey	Czech Average	Positive Results	Negative Results
			AF	HRGA
57%	47%	74%	64%	39%

T23: Satisfaction Scores – processes

Source: own processing

TPCA is famous by special Japanese processes and as a result there should be satisfaction in this field. However, the reality is more than different. The satisfaction with the processes lowered from 57% to 47% and is deeply under the Czech average which is alarming. Great fall is visible in HRGA department from 63% to 39%! On the other hand Accounting and Finances have the highest percentage in this sphere, 64%. It has to be mentioned the fact, departments like finances have part of their processes given by law and government and they have to follow it. From the commentary point of view, employees think there is no stable modus operandi. No compliance can “survive” thanks to “never ending kaizen”. Furthermore, according to employees too many people can make comments to TPCA projects (even though it is not their field of business). To sum up, this is other area where should be taken some countermeasures.



G7: HRGA – declension in question no.7

Source: own processing

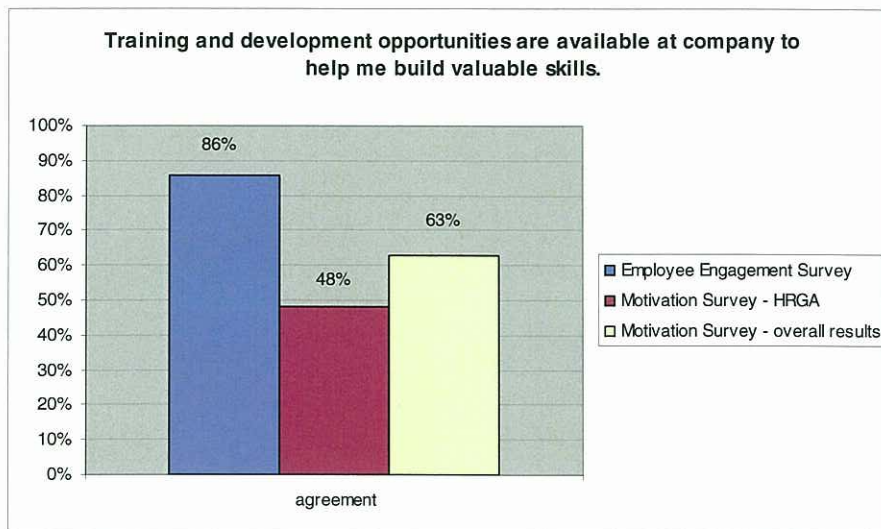
10.7 Training and Development

Employee Engagement Survey	Overall Results- Motivation Survey	Czech Average	Positive Results	Negative Results
			PC / IS	HRGA
87%	63%	78 %	100%	48%

T 24: Satisfaction Scores – training and development

Source: own processing

Training and development is one of the few questions where is 100% satisfaction in the department. There are even two of them, PC and IS. Nevertheless, the fall from 87% to 63% in the Motivation Survey is dramatic and shows dramatic change for the worse. Paradoxically, HRGA, the department which is the creator of trainings, has the lowest percentage of 48% (the fall was from 86 %!) There have to be mentioned the interesting fact from commentary. Employees are not allowed by their superior to attend trainings. In my opinion, this is more important fact than the percentage.



G8: HRGA – a fall in question no.8

Source: own processing

10.8 Engagement

There is 54% satisfaction in the terms of summarization of all three questions measuring engagement. According to commentaries people think managers unrealistically plan activities and the delegation of tasks is far behind the border of development possibilities. Above all, this set of questions is the last one which has a negative impact on company.

10.8.1 The motivation to contribute more than what is normally required

Employee Engagement Survey	Overall Results- Motivation Survey	Czech Average	Positive Results	Negative Results
			AF	PC
56%	41%	69 %	50%	37%

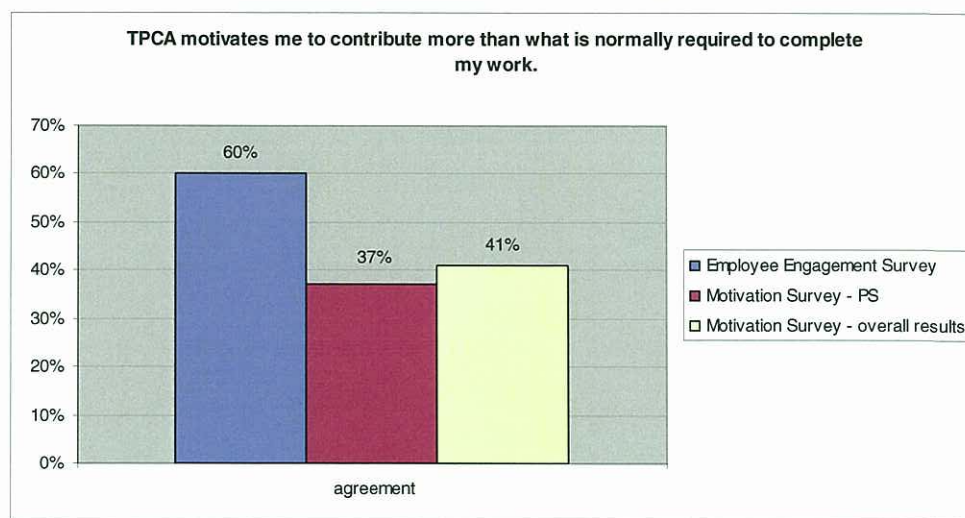
T 25: Satisfaction Scores – the motivation to contribute more than is required

Source: own processing

According to the Motivation Survey, the contribution of doing more than is normally required is on catastrophic level. A breakdown on particular departments is very useful for this question. The overall declension from 56% to 41% shows us there is a problem. However, the breakdown is the doer which shows us how serious the situation is.

Firstly, the only positive effect is in AF department, where the satisfaction rises from 42% to 50%. Unfortunately, as I see, 50% is still really low and inconvenient result.

Secondly, surprisingly very negative information came from Manufacturing Shop, a department which from statistical point of view was not the most dissatisfied in any previous question. Unfortunately, there is no possibility to compare with Engagement Survey, so we do not know whether the dissatisfaction appeared in recent year or whether bad conditions were noticed also at the time of Engagement Survey. Consequently, I would like to mention second worst result. PC suffered declension from 60% to 37%



G9 : PC satisfaction scores – question no. 9

Source: own processing

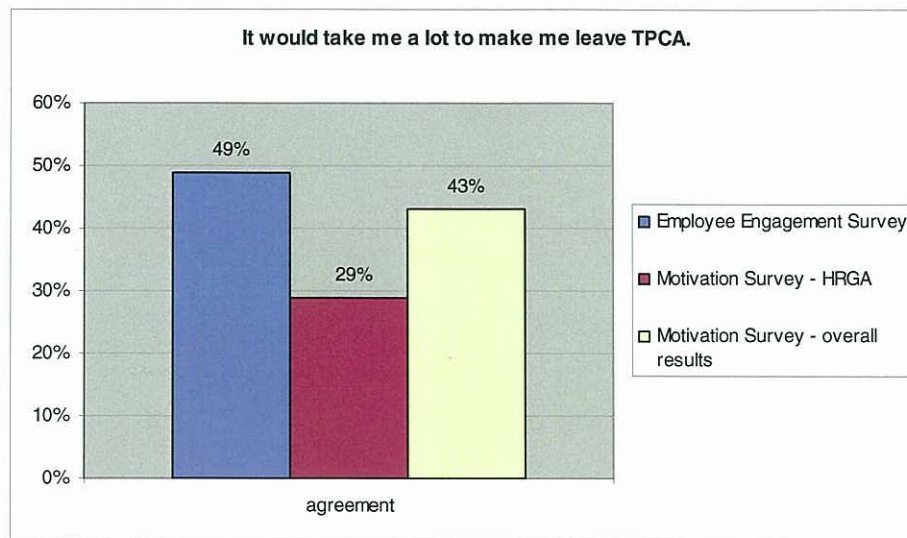
10.8.2 Leaving of TPCA

Employee Engagement Survey	Overall Results- Motivation Survey	Czech Average	Positive Results	Negative Results
54%	43 %	67%	AF	HRGA
			58%	29%

T 26: Satisfaction Scores – leaving of TPCA

Source: own processing

Question called: It would take me a lot to make me leave TPCA has falling tendency too. It is visible the satisfaction fell down to 43%. In the comparison with Czech average, the number is 24% lower. I have to also mention satisfaction of HRGA which worsen from 49% to 29%.



G10: HRGA - negative results question no.10

Source: own processing

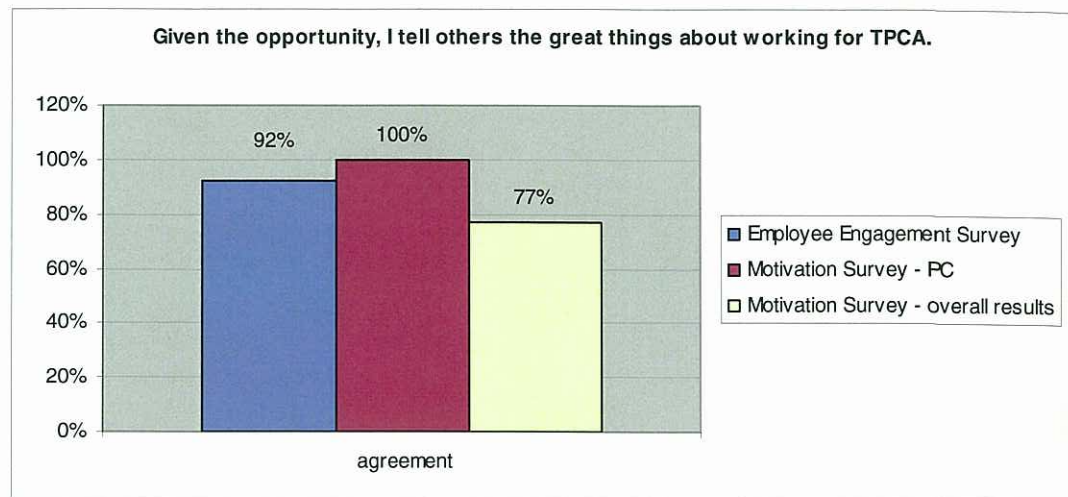
10.8.3 Creating of good image by employees

Employee Engagement Survey	Overall Results- Motivation Survey	Czech Average	Positive Results	Negative Results
			PC	HRGA
82%	77 %	83%	100%	71%

T 27: Satisfaction Scores – creating of good image by employees

Source: own processing

Finally, the last engagement question has relatively good results. Despite the decrease from 82% to 77%, the level of satisfaction is in comparison with other questions good. The worst result is as usual in HRGA, where the declension is from 79% to 71%. Above all, as I mentioned before, in the comparison with other questions the 8% difference is not so bad number. Very positive outcome is 100% satisfaction in Production Control.



G11: PC – positive results question no.11

Source: own processing

10.9 Innovation

In the terms of innovation and acceptance of new ideas TPCA has good outcomes. 71% of employees are satisfied with the approach to new ideas. Compared to Engagement Survey, there is visible 4% improvement. From focusing on the particular departments it is clear that there is no major shortage.

Employee Engagement Survey	Overall Results- Motivation Survey	Positive Results	Negative Results
67%	71 %	PC	Manufacturing Shop
		87%	70 %

T28: Satisfaction Scores – Innovation

Source: own processing

10.10 Overall Results

- Respondents tend to choose rather moderate values – slightly disagree / slightly agree
- The most problematic issue in terms of not completing the question is number 6 - promotion of good people.
- The greatest dissatisfaction is in the Processes and Engagement, Career Opportunities and Training and Development spheres.
- The most dissatisfied is HRGA department.

- The most satisfied are PC and AF departments
- The largest shift from the time of Engagement Survey to now is in AF department.
- There is strong loyalty - even though employees are dissatisfied, they speak about TPCA well.
- There is a visible shift and progress in comparison with Engagement Survey, though the improvements are relatively minor.

11 THE INFLUENCE OF CSR ON THE IMAGE OF THE COMPANY

Corporate social responsibility has a big influence on company image. It is necessary to distinguish who is going to perceive this "image"... customers, employees or the general public. As I focused on an employee sphere, it was necessary to determine the number of survey questions that would verify the relationship of CSR and image of TPCA.

Among the questions investigating the company's image are included:

- Overall, our organisation has a good reputation as an employer.
- I have a good understanding of TPCA business goals and objectives.
- TPCA treats employees as this organisation's most valued asset.

The results are already known. TPCA has not got problems with understanding the vision and objectives and in terms of reputation TPCA improved in many respects. But we must not forget that the valuing people area did not have good results and what is worse, TPCA results are below Czech average. In terms of image, it would look like TPCA has a horrible reputation. The research showed that TPCA employees talk about organization rather well, which is very surprising. Loyalty has an impact on the company's image.

Summarization of the basic findings:

- The company's image has improved thanks to changes the departments do.
- According to current positions TPCA has relatively good image.
- There is strong corporate loyalty.
- The results of factors affecting the image are below the average from a nationwide perspective -> harm to image.
- TPCA uses a wide range of responsible instruments, but some are not properly used (for example: education, ergonomics).

III. PROJECT PART

12 THE SOLUTION TO DISCOVERED PROBLEMATICS

In order to discover problematic areas in TPCA, the Employee Engagement Survey was done. The results were really negative at that point of time. After taking countermeasures on discovered shortcomings, everybody expected the situation will improve. Unfortunately, I have to say that improvement, which was expected, did not occur. Especially, the spheres like Processes, Training and Development, Career Opportunities and Engagement suffered dramatic declension. Consequently, I have chosen these areas and proposed some countermeasures. Even though the areas are continuously linked to each other, I have divided solutions to four separates parts in order to create well-arranged chapter.

12.1 Career Opportunities

Career Opportunities is the sensitive topic to deal with. All the troubles come from the previous years. Imagine the situation; TPCA is new company which needs a lot of specialist, who will be brought up by TPCA managers. As a result, the promotion was quick and sometimes unfair. Nowadays, there are people who would be more sufficient for current “higher” position, however it is already occupied.

To improve the situation, I would suggest taking these steps:

Firstly, it is necessary to create **more transparent promotion rules**. I can see a promotion moderation group as the weakest point. It is understandable and correct to share opinion about possible promotion candidates. On the other hand, choosing of the right person is dependent mainly on good argumentation of manager. The lack of tools in moderation group creates non-transparent promotion.

Secondly, to have employees with below-average performance lowers motivation in the departments and complicates processes. Healthy **demotion** can bring fairness to department and the improvement of departmental processes.

Finally, there is a big lack of free positions for promotion in some departments. Some of them can be free after demotion however it does not solve the essence of the problem. As a result, there should be offered a **high performance reward** in current role.

12.2 Engagement

Engagement is the weakest point of TPCA and actually all proposed countermeasures in this chapter suppose to lead to an improvement of engagement. However, the seriousness of the negation brought me to the decision to think about special steps.

The main idea is to **lower the level of routine work** without understanding of context. Unfortunately, routine work can be only lowered, it does not disappear. The fact is that some level of routine has to be done. There would be created a great disorder without planning of activities, writing of reports to superiors. However, manager is the one who leads a department. It is up to him to give helping hand during creation of development plan. The manager is the one, who suppose to observe his/her employees and think about changes that would make them more satisfied. Moreover, managers delegate tasks and again it is up to them to explain good reasons for doing it.

The ways how to lower routine are:

First of all, **special internship programmes** into PSA or Toyota companies would help to realize TPCA is not worse in processes and in a way of work than others. There are special internships in TPCA; however it is two year internship which is too long for most of key workers. In my opinion it is enough to stay in other company from 6 to 12 months. It is long enough for getting known situation and for getting use to cultural diversity. Besides, being two years away from the company means a lost as well. A situation in the company changes everyday and “the catch up” after such a long time would be stressful.

Secondly, TPCA is like a closed society. There is no communication with other companies than parents and even there, the communication is very limited. Of course, widen opening to the “world” would harm the organization but on the other hand the healthy exchange of experiences would show that in other companies have similar problems. To have a general overview about competitors, to know experts in the field of work, all of this can motivate the employee to do job with good feelings. In the case we focus on parent and sister corporations, organization of common **special projects** would establish closer relationships. The special projects can be also good within a department in TPCA.

Furthermore, as I mentioned before, manager has to know well the expectations of subordinates. A **rotation**, with an assurance of coming back to the starting position, can be a

good tool in the case; employees are bored with the routine. The rotation should be from one month to 1 year, no longer or it will cause the same problem as with internships.

Finally, the previously mentioned steps can be taken as a treat and would not affect a working life on a daily bases. Admittedly, it is necessary to influence “normal” participation. Creating of realistic **development plan** can boost motivation. The key is in the realistic planning. Many times it happens, employees want to develop in some area, so they have it in their plans however, according to load of work it never happens.

To conclude, a development plan, rotation, projects or internship programmes can motivate people to participate with stronger engagement and higher ownership feeling.

12.3 Processes

Finding a solution to this area is very difficult in the view of uniqueness of organisation as it is. We have to have in mind that TPCA is by one half Japanese company. This leads to the fact that processes like Kaizen, PDCA, A3 or TBP would never be changed. Consequently, it is more suitable to focus on shortages, where at least slightest chance is possible.

Actions in TPCA are postponed usually for a long time which leads to loss of ownership. On the other hand, there is a big load of work for each employee. They are mostly stressed by deadlines because they would not fulfil company annual Hoshin. **Systematic planning** would help to improve a lot in both areas and actually this is the change that can be realistically done.

In addition to that, I have to mention the approval process. According to commentary in the survey it is visible that too many people can influence “your” project, even people who are interested in other fields. On the one hand, it is beneficial, because much better option can be discovered. On the other hand, constant changing of project’s proposal can lead to loss of ownership and also the employee is demotivated. There should be created clear vision, who is the right person for influencing and commenting work and who is not.

Finally, there should be clear **rules of communication**. I do not mean the usual communication between superior and subordinate. These rules suppose to be used in the situations like explaining of changes, where would be clarified who is responsible for communication and to whom the changes will be presented.

All in all, these changes would help a lot to improve the situation in TPCA. However, I have feeling the proposed changes would not be able to go through an approval process.

12.4 Training and Development

Training and development is a sphere where the countermeasures can be the most successful and can go through an approval process with the biggest easy.

First of all, I would like to focus on newcomers. TPCA has a lot of specific and unique techniques and processes, even in the office, so a newcomer has to be almost lost. Of course, TPCA has a program for this group of employees; however I would widen the scope of **adaptation program**. There are things like booking system or approval process, which employees have to learn by themselves nowadays. This is the area, which should be added.

Secondly, I have no objections to the content of typical Japanese trainings like A3, PDCA or TBP. Actually, in my opinion, those trainings are very useful and are great experience not only to working life but also personal. Though, it is crucial to **attend the training in right time** and I can see a problem there. When I attended the A3 and PDCA trainings there were other participants who have been in TPCA for more than 6 months. It was surprising, because they had to already do the work which required knowledge from the trainings which they did not have. However, the fault was not on the side of HR as I realised from the interviews with those participants. Managers did not release those participants to training because of amount of work.

Moreover, I suggest widening of the **soft skills training** range. Communication, presentation skills and time management are good courses but for the purposes of TPCA are inadequate. The trainings should be more targeted to the needs of TPCA. Negotiation, ownership, stress management, creativity, telephone and electronic communication, those are the things employees have troubles with. Showing them that reasonable number of document returns to correction is all right and it is not a sign of incompetence, can improve the situation quite a lot. The problems of ownership can be caused with the lack of cogent arguments and the argumentation as it is. Trainings dealing with negotiation and ownership should learn how to choose the core idea and how to push it through the whole process without any harm and stress.

Besides soft skills trainings, it is crucial to allow the attendance to **professional trainings, seminars and conferences**. Everyone, even though those who do not want to make a dizzying career, would like to be in touch with the profession, be well informed about the news from the field and meet colleagues and experts with whom it is possible to share experiences. Those educational activities can boost motivation and help to deal with routine work.

Finally, **mentoring** is a great educational way how to support employees, especially those who are incomers, newly promoted or those who returned from internship. Having someone who can help you going through the usual difficulties can again increase the feeling that company helps everywhere, where it is needed and lower the stress. It is great tool for motivation and engagement.

12.5 Motivation Project in TPCA

The changes I have proposed in this thesis hopefully going to be part of the Motivation Project in TPCA in which I participate. As a result, I would like to outline some interesting facts about it.

First of all, the motivation survey is the corner-stone of the whole project. The survey outlined the situation in order to establish basic hypothesis.

What is more, the manager of project would like to be sure, she knows the background well. Consequently, there are going to be held workshops with managers of TPCA departments. The main discussed topics going to be: the limited career growth, content and system of work and professional growth and so on. The main reason of workshops is to know the opinion of managers and of course to know how much the survey data are realistic.

The project targets more than one employee segment. There are going to be done improvements in concern to employees with high potential, returnees from internship or maternity leave, newcomers and good performers.

All in all, right now the workshops are held and a proposal for approval process has being prepared. In the case everything will go well, the project will start in October 2011.

CONCLUSION

Corporate Social Responsibility is getting popular nowadays. Profitability is no longer the sole objective of corporations. Managers are beginning to realize that it is necessary not only to care about capital or material resources, but also about the employees and the general public. From the perspective of the modern trend and also from the ethical point of view it is crucial to take at least a few principles that make company responsible.

My aim of the theoretical part was to outline the problematic in such way that even a layman could easily and quickly understand to the topic. While my thesis focuses more or less on the employment sector, I did not forget to render the meanings of other sectors too.

The practical part presents Toyota Peugeot Citroën Automobile. Since the company is by one half Japanese, it was necessary to explain the basic ideas, values and goals of business management and their established processes. In addition to the basic description of the unique procedures I developed SWOT analysis and market concept of competitors. Everyone can understand to basic CSR activities relating to the region or environment, without this background. However, in the case of employees or economic activities the thesis would not interpret the organization's operations and processes in its entirety. Consequently to this perspective, the scope of the thesis came close to the allowed limit.

The practical part also brought within a questionnaire survey entitled "*Motivation Survey*". As the name suggests, this survey focuses on motivational factors such as education, engagement or promotion. Since this work is not thesis specifically designed for Human Resources, I included questions about company reputation and image.

Thanks to the questionnaire and also the overall analysis of the TPCA activities, it was possible to obtain enough material for verification of my hypotheses.

Hypothesis no.1 - *The automotive companies use correctly and actively tools of social responsibility.*

TPCA, as a subsidiary of multinational corporations, have entered the Czech market with the idea that it is not only good but also necessary to be socially responsible. It is essential, TPCA realized and knew from the beginning the size of the region expectations. As a result, one of the first CSR activities has been designed specifically for the general public, whether in the form of a donation of an ambulance or the reconstruction of various monuments. This act had a clear objective, to start a process of good awareness of the

organization, but also in order to build a positive image. TPCA uses a wide range of CSR tools such as sponsorship, transparency for suppliers, obtaining certificates for the best technology and it is environmentally friendly. To sum up the extent of the usage of CSR tools, the TPCA has activities in all three sectors – profit, people and planet. In the terms of correct usage of CSR tools, there are some weaknesses that have been validated by questionnaire. Planet and Profit sectors are perfectly mastered by TPCA and the CSR methods are functional. Activities designed for general public and the region are transparent and well-organized. I do not take any exceptions here. Unfortunately, the tools used for the encouragement and support of employees have not been used effectively as it is visible in Motivation Survey. After careful examination of all collected data and evaluation of materials, I consider the condition of CSR activities as satisfactory. **The hypothesis was confirmed.**

Hypothesis no.2 - Employees of the automotive companies are sufficiently motivated to carry out their duties.

From the analysis of all data, which are connected to motivation, it is visible TPCA uses a wide range of tools to motivate employees such as promotions, bonuses, career or trainings. After this analysis, it stands on a reason that TPCA uses modern HR tools, but it is not clear how well those tools are perceived by a key group, namely employees. From this perspective, “Motivation Survey” is the key element that allows us to answer this question. The results were surprising. Employees are unhappy with the processes; educational activities, promotion and mainly they are not motivated to contribute more than is normally requested. The seriousness of the situation is stressed by benchmark of TPCA with Czech average, where in many points TPCA did not get even closer. For the above reasons, it is clear that employees are not satisfied with the status quo and demand change. **The hypothesis was not confirmed.**

Finally, I must admit that the TPCA or Human Recourse Department is aware of the situation and nowadays they are creating countermeasures in the form of Motivation Program, where I also participate. I really appreciate the fact that it has already begun a supplementary survey to my “Motivation Survey” in the form of workshops with managers of each department. What is more, these workshops confirmed the results of my

investigation. In terms of detected knowledge and efficiency of data from this thesis I find it rewarding and it fulfilled my personal goal.

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PSA Peugeot Citroën Global Framework Agreement on Social Responsibility

QC Guide

Roles and Competences Training

TBP Guide

The Toyota Way 2001 Guide

The Sponsorship Guide

Training Matrix

Z-konto směrnice

LIST OF SYMBOLS AND ABBREVIATIONS

AE	Corporate social responsibility
AF	Accounting and Finances
AS	Assistant
BAT	Best Available Techniques
CA	Corporate Affairs
CSR	Corporate Social Responsibility
CZK	Czech Crown
DM	Deputy Manager
DGM	Deputy General Manager
EFQM	European Foundation for Quality Management
EMAS	Eco-Management and Audit Scheme
EU	European Union
GM	General Manager
HR	Human Resources
HRGA	Human Resources + Corporate Affairs
IS	Information System
KB	Komerční Banka (Commercial Bank)
MGR	Manager
OECD	Organisation for Economic Co-operation and Development
PC	Production Control
QC	Quality Circles
RSLF	Restoration of the Statue of Liberty Fund
SP	Specialist
TBP	Toyota Business Practices

TMC Toyota Motor Company

TPCA Toyota Peugeot Citroën Automobile

TPS Toyota Production System

UK United Kingdom

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- T26 Satisfaction scores – leaving of TPCA
- T27 Satisfaction scores – creating of good image by employees
- T28 Satisfaction scores - innovation

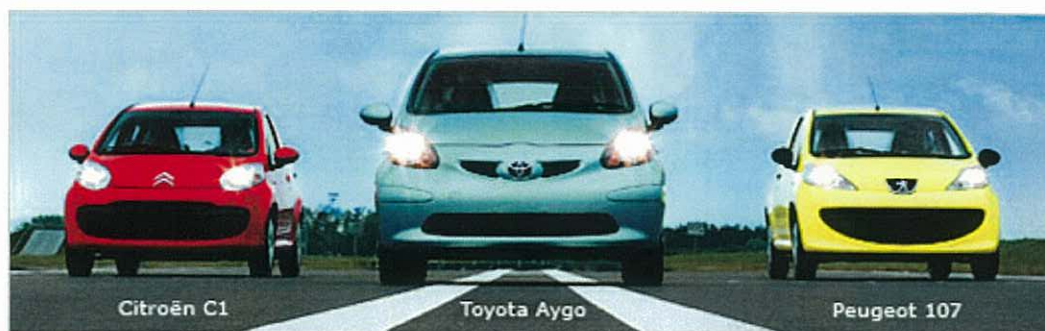
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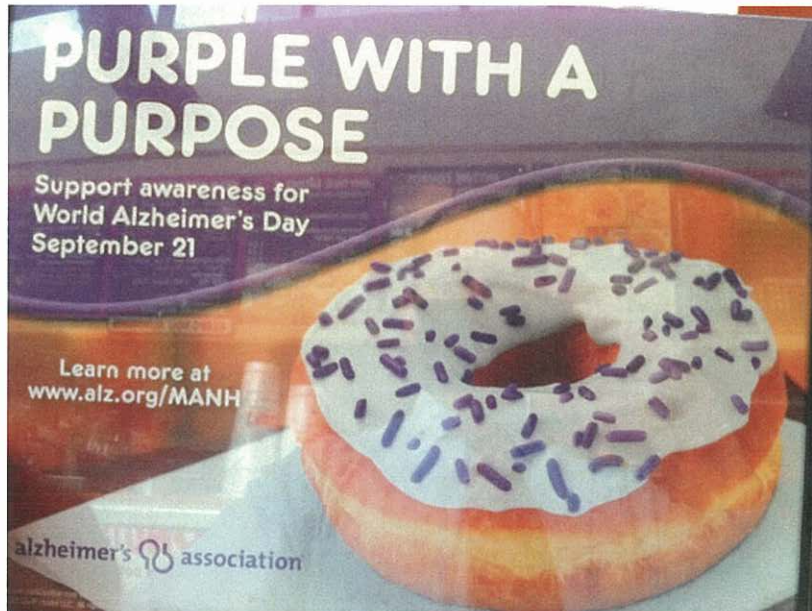
APPENDIX P I: PRODUCTS AND PLANT



Source: <http://www.tpca.cz/cz/media/fotogalerie> [online 20.4.2011]

STAKEHOLDERS	PROFIT	EXPECTATION OF STAKEHOLDERS	CSR ACTIVITIES	PEOPLE	EXPECTATION OF STAKEHOLDERS	CSR ACTIVITIES	PLANET	EXPECTATION OF STAKEHOLDERS	CSR ACTIVITIES
	owners and investors	profit, transparency, growth of company value	- creation of ethical codex - be transparent - principle of good governance - rejection of corruption - after-sale service - innovation and sustainability - marketing and advertising - ethic quality and safe products	employees	reasonable wages and non-work-life balance; professional and educational growth; good working conditions	- social integration - equal opportunities - health and safety - education - corporate philanthropy - corporate volunteering - diversity in the workplace - work-life balance	environmental groups	ecological production, products and services; minimal burden on the environment	- recycling program - energy and water saving - waste management - logistics and packaging - restriction of hazardous chemicals - compliance with norms and standards (ISO, EMAS) ecological production, products and services

APPENDIX P III: CAUSE PROMOTION



Source: <http://selfishgiving.com/tag/cause-promotion> [online 25.2.2011]

APPENDIX P IV: ČTK REPORT

Date: March 23, 2011 11:44

Report Title: TPCA again reported a profit CZK 1.4 billion last year, revenue declined by 14 pct

Keywords: CR Automotive TPCA 2010 2.VERZE

Prague, 23 March (ČTK) - TPCA Kolín reported a gross profit of CZK 1.4 billion last year. A year before TPCA had a pre-tax profit of 1.443 billion CZK. Revenue fell to her 14 percent to 44.7 billion crowns. The company produced 295,712 cars, which was a decrease by 11 percent. The company informed that a press conference today.

"The annual reduction in production is due to fluctuations in demand over the past two years, driven primarily scrap," said company president Satoshi Tachihara. According to him, the growth of production should return next year. The company expects the same amount of production as was last year. "It might be a little less," said Tachihara. The automaker is going to accelerate the production line due to the increased interest of customers in small cars, in early April.

In 2009, TPCA produced 332,489 vehicles. The company's production formed a third of all cars produced in the country last year. Small city cars, Toyota Aygo, Citroen C1 and Peugeot 107 from Kolín were sold the best in France, Italy, Germany, Great Britain and the Netherlands last year. 81 percent of production resulted in these countries. Model Toyota was sold the most in the Netherlands, Citroën and Peugeot in France. However, TPCA sold only 0.3 percent of its production in the Czech Republic.

The most typical car, which drove the last lines in Kolín, was a car with manual gearbox, five-door body, conditioning, gasoline engine and a steering wheel on the left side. The most popular color is red, black and white. Production of the diesel engine was stopped TPCA last August.

The automaker has increased, in the small car market, share in Europe from 20 to 21 percent. As a result, the success of cars continued in Western European markets, which are

crucial for the automobile. Registration of new cars in the small car segment in Europe fell by 22 percent in the comparison with last year.

zik mol

APPENDIX P V. : SYSTEM OF FULFILMENT OF TPCA CSR PHILOSOPHY

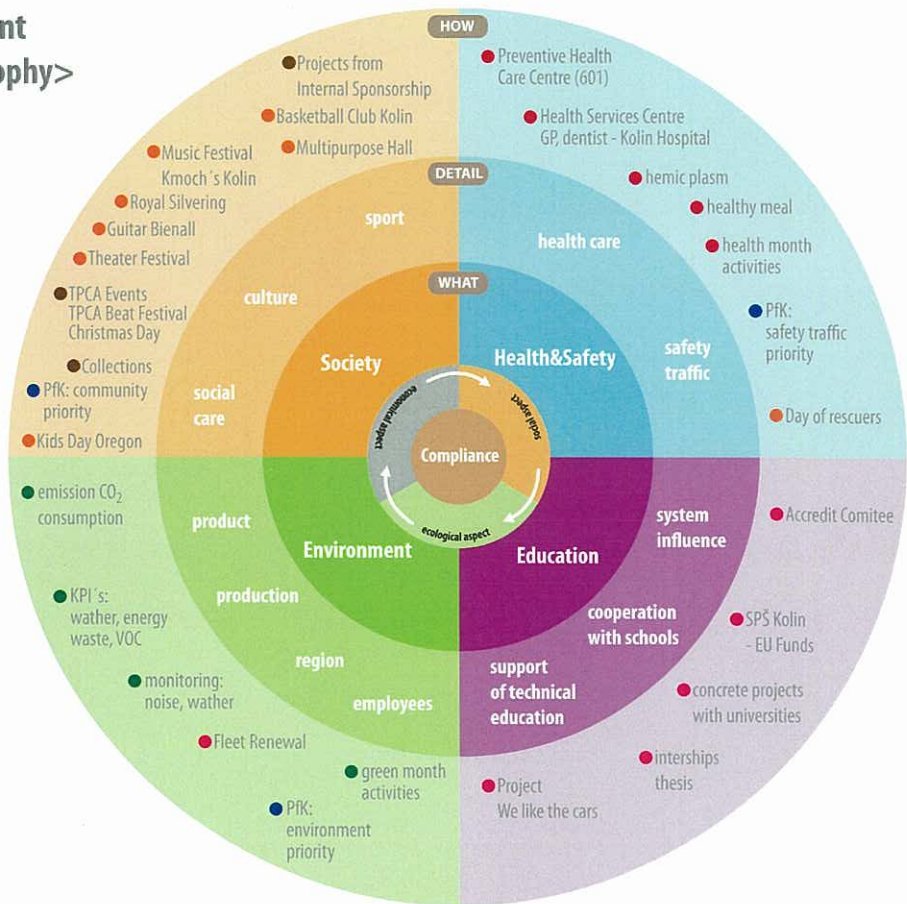
<System of fullfilment of TPCA CSR philosophy>

Main principles
 keeping balance among all pillars
 › good neighbour in Kolin region
 › good citizen of Czech Republic



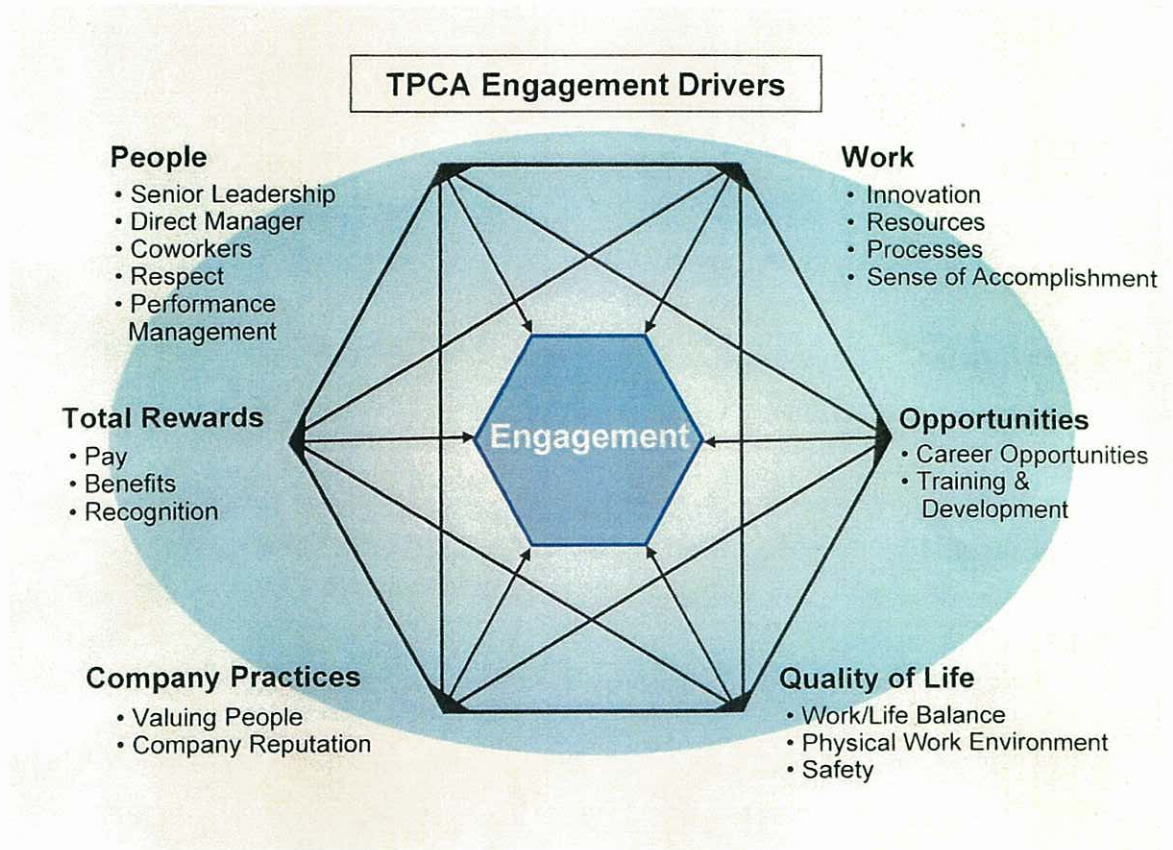
<2006>
 Striking the roots.
 <2007 - 2008>
 Cultivating the plant.
 <2009 - ...>
 We grow with the region...
 ...region grow with us.

- EXTERNAL SPONSORSHIP
- TPCA ENVIRO ACTIVITIES
- TPCA HEALTH CARE ACTIVITIES
- GRANT PROGRAMM PARTNERSHIP FOR KOLIN
- AIA projects
- Other



Source: CSR Policy

APPENDIX P VI. : TPCA ENGAGEMENT DRIVERS



Source: Employee Engagement Survey

APPENDIX P VII. : CZECH VERSION OF QUESTIONNAIRE

Společenská odpovědnost a motivace zaměstnanců v TPCA

(dotazník pro AS/SP)

Dobrý den,

jmenuji se Pavla Křížková a jsem stážistka v odděleních HR a CA. Tento dotazník byl vytvořen z důvodu výzkumu motivace zaměstnanců. Tento výzkum bude použit pro mou diplomovou práci a zároveň pro TPCA.

Dotazník je anonymní a data budou uvedena pouze v souhrnné podobě.

Předem děkuji za ochotu a spolupráci.

U všech 12 otázek na škále **od 1 do 6 zakroužkujte 1 variantu, která nejvíce odpovídá Vašemu přesvědčení k dané tématice.**

1 = rozhodně nesouhlasím

2 = nesouhlasím

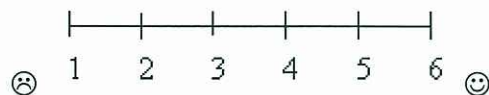
3 = spíše nesouhlasím

4 = spíše souhlasím

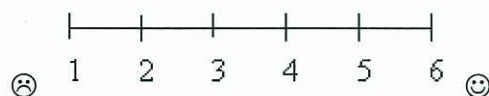
5 = souhlasím

6 = rozhodně souhlasím

1. Jako zaměstnavatel má TPCA celkově dobrou pověst.



2. Dobře rozumím podnikatelským cílům TPCA.



3. TPCA přistupuje k zaměstnancům jako k tomu nejcennějšímu co má.

☹ |-----| ☺
1 2 3 4 5 6

4. Ve firmě vidím dobré příležitosti pro budoucí rozvoj mé kariéry.

☹ |-----| ☺
1 2 3 4 5 6

5. Můj nadřízený mi poskytuje zpětnou vazbu, která mi umožňuje zlepšovat můj výkon.

☹ |-----| ☺
1 2 3 4 5 6

6. Mohu potvrdit, že v našem týmu jsou povyšováni správní lidé.

☹ |-----| ☺
1 2 3 4 5 6

7. Zavedené pracovní postupy mi umožňují být maximálně produktivní.

☹ |-----| ☺
1 2 3 4 5 6

8. Možnosti firemního školení a rozvoje mi pomáhají získat užitečné dovednosti.

☹ |-----| ☺
1 2 3 4 5 6

9. V TPCA jsem motivován k tomu, abych své úkoly plnil nad očekávání.

☹ |-----| ☺
1 2 3 4 5 6

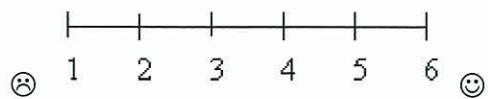
10. Jen máloco by mě přimělo odejít z TPCA

☹ |-----| ☺
1 2 3 4 5 6

11. Když se naskytne příležitost o své práci v TPCA mluvím dobře.

☹ |-----| ☺
1 2 3 4 5 6

12. Můj nadřízený mě podporuje v podávání a realizaci nápadů.



Prosím označte oddělení, ve kterém pracujete:

AF IS CA HR PC výrobní shop

APPENDIX P VIII. : ENGLISH VERSION OF QUESTIONNAIRE

Corporate Social Responsibility and Employee Motivation in TPCA

(Questionnaire for AS/SP)

Dear colleagues,

My name is Pavla Křížková and I am an internship trainee in HR and CA departments. This questionnaire was created in order to make an employee motivation research. This survey is going to be used for my diploma thesis and also for TPCA purposes.

The questionnaire is anonymous and data will be presented in aggregate form.

Thank you in advance for your willingness and cooperation.

For all 12 questions circle 1 option on a scale of 1 to 6 that most closely matches your beliefs on the subject.

1 = strongly disagree

2 = disagree

3 = slightly disagree

4 = slightly agree

5 = agree

6 = strongly agree

1. Overall, our organization has a good reputation as an employer.

☹ |-----| ☺
1 2 3 4 5 6

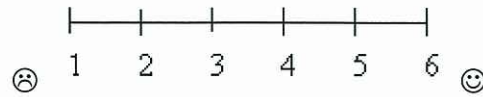
2. I have a good understanding of TPCA business goals and objectives.

☹ |-----| ☺
1 2 3 4 5 6

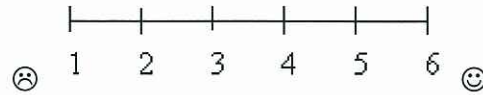
3. TPCA treats employees as this organization's most valued asset.

☹ |-----| ☺
1 2 3 4 5 6

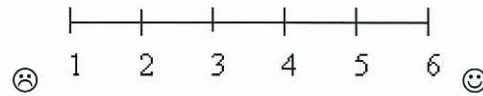
4. My future career opportunities here look good.



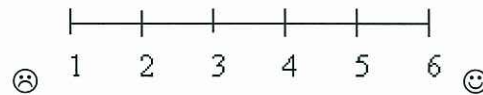
5. My superior provides feedback that allows me to improve my performance.



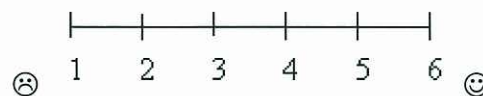
6. I agree that promoted are the most suitable people in our group.



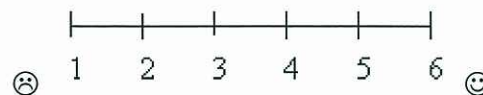
7. The work processes we have in place allow me to be as productive as possible.



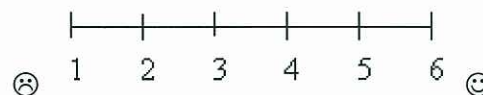
8. Training and development opportunities are available at company to help me build valuable skills.



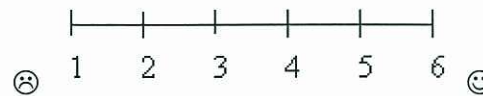
9. TPCA motivates me to contribute more than what is normally required to complete my work.



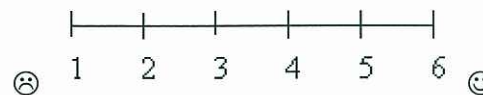
10. It would take me a lot to make me leave TPCA.



11. Given the opportunity, I tell others the great things about working for TPCA.



12. My superior encourages me to develop ideas to make my work better.



Please, mark the department where you work:

AF

IS

CA

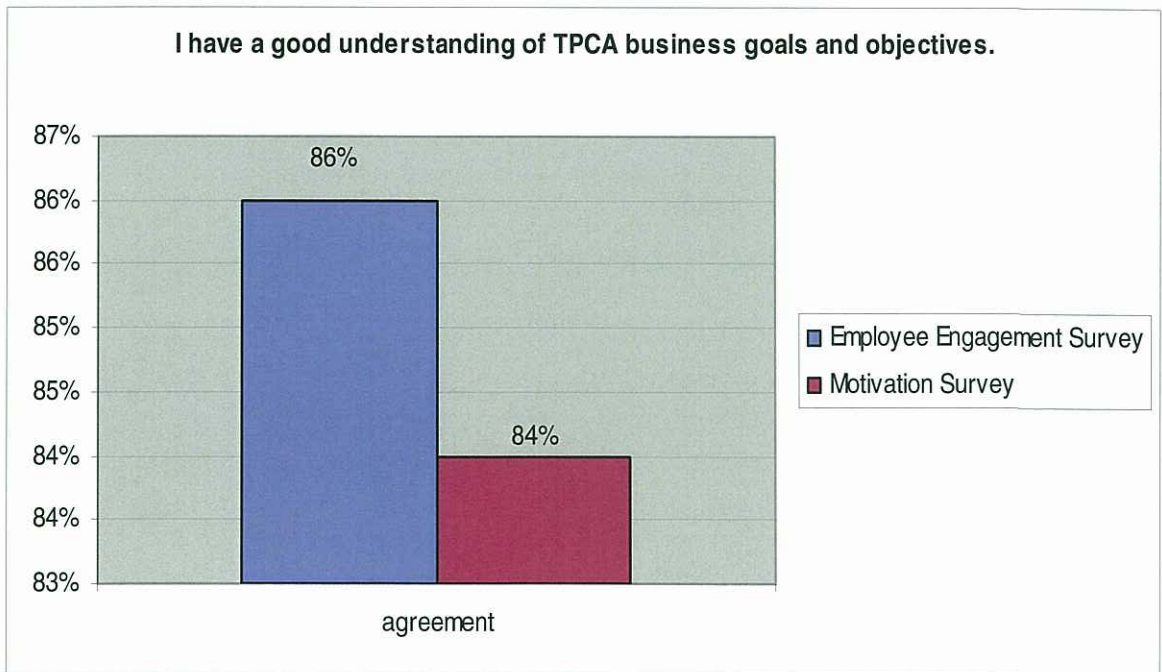
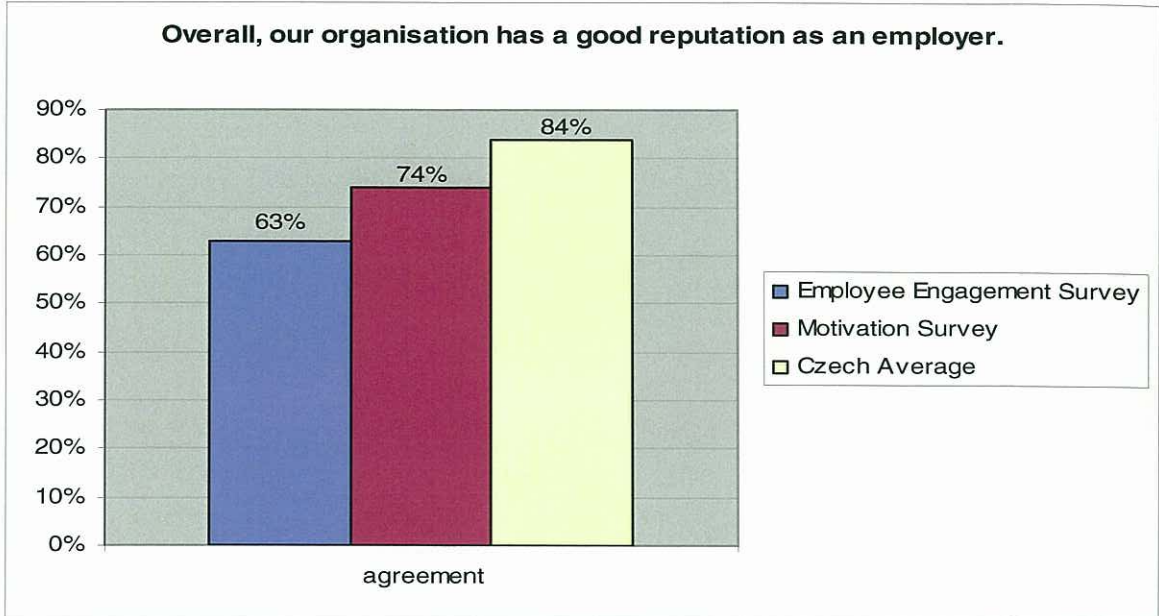
HR

PC

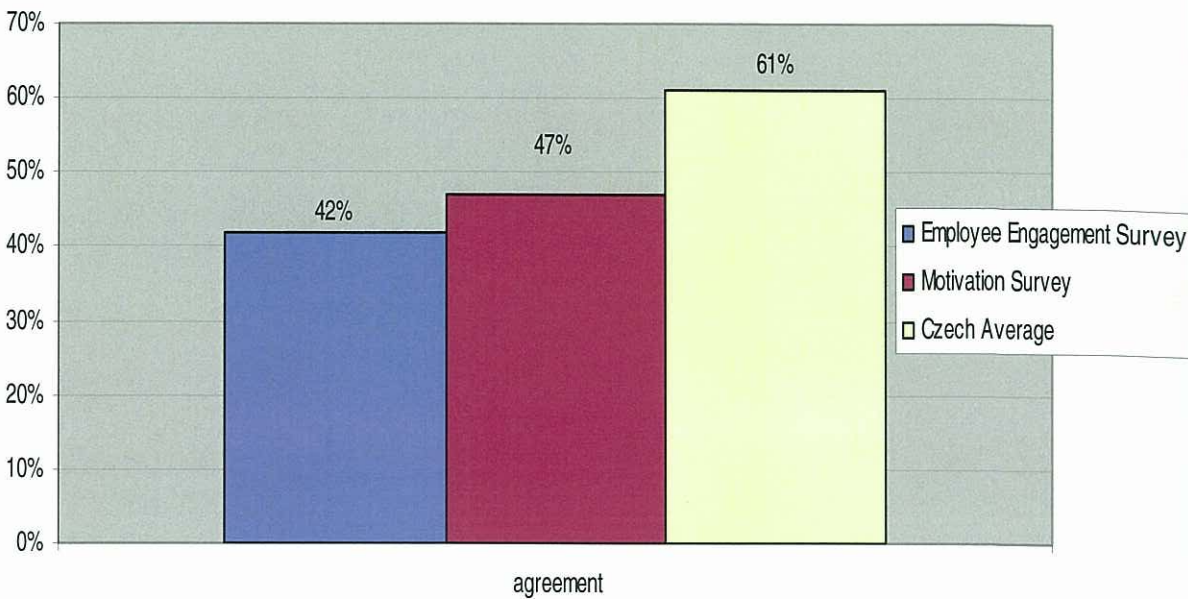
Manufacturing shop

APPENDIX P IX. : OVERALL RESULTS OF QUESTIONNAIRE

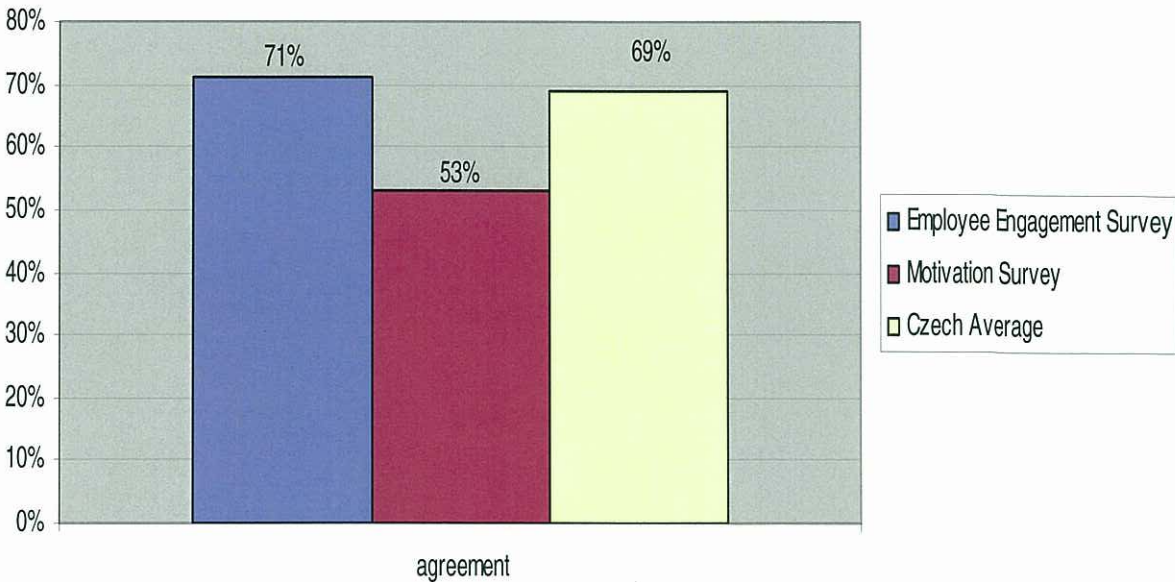
Source: own processing



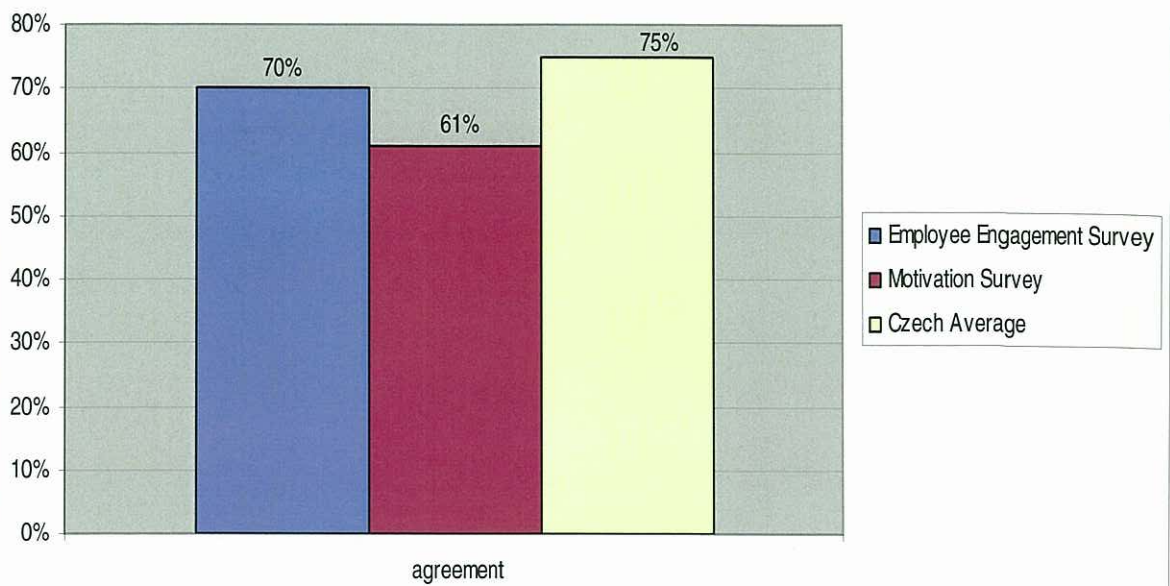
TPCA treats employees as this organisation's most valued asset.



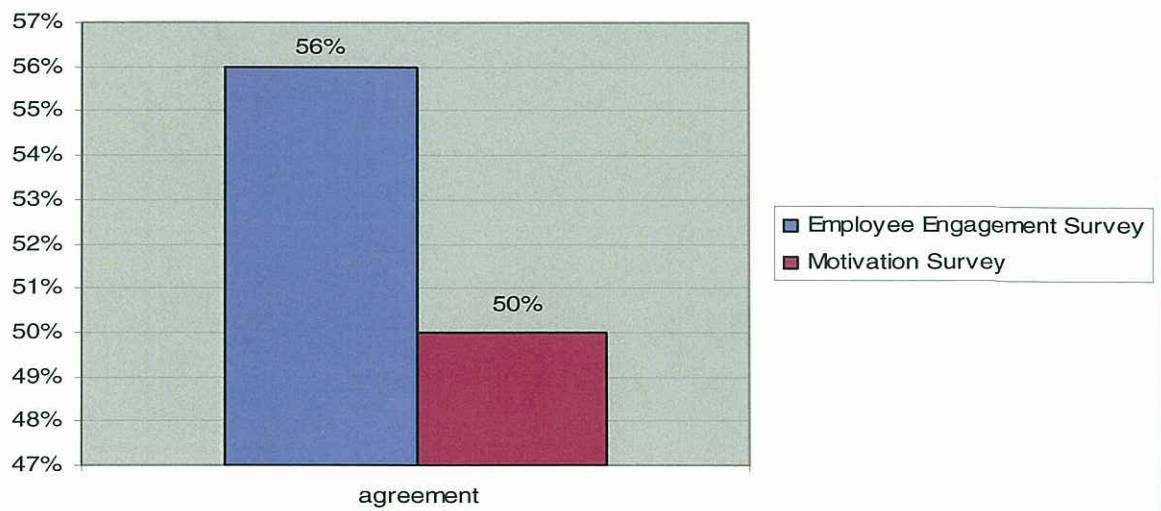
My future career opportunities here look good.



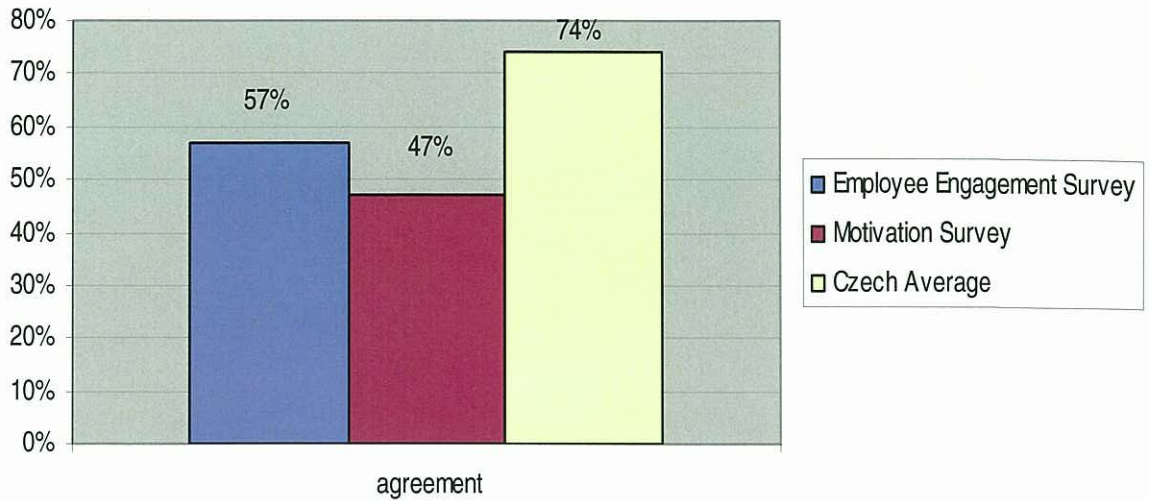
My superior provides feedback that allows me to improve my performance.



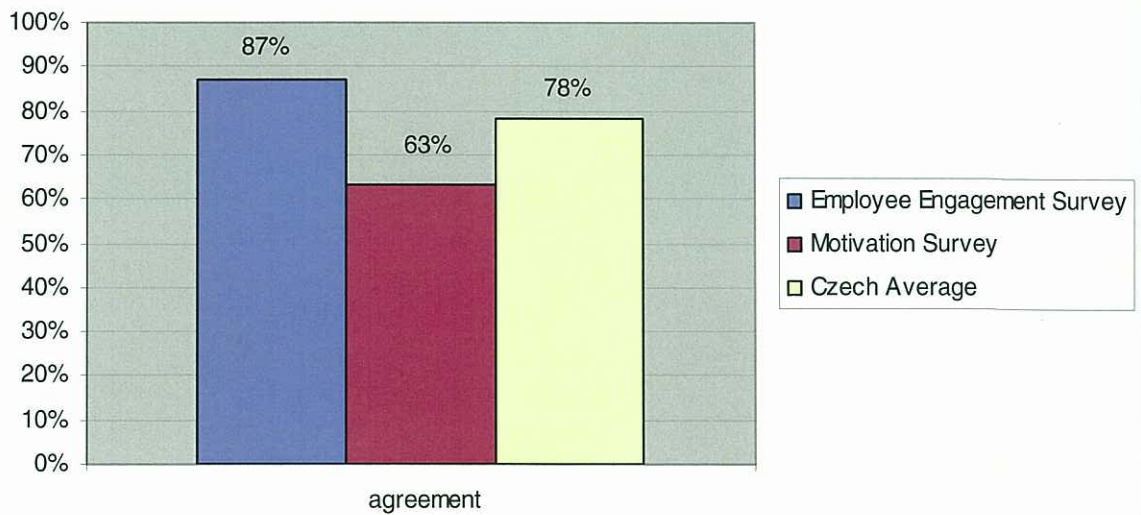
I agree that promoted are the most suitable people in our group.



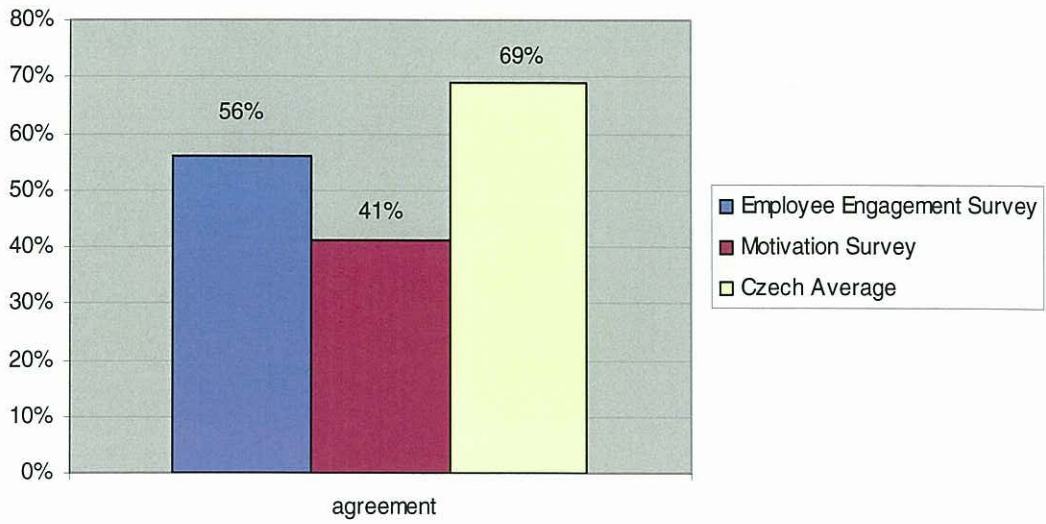
The work processes we have in a place allow me to be as productive as possible.



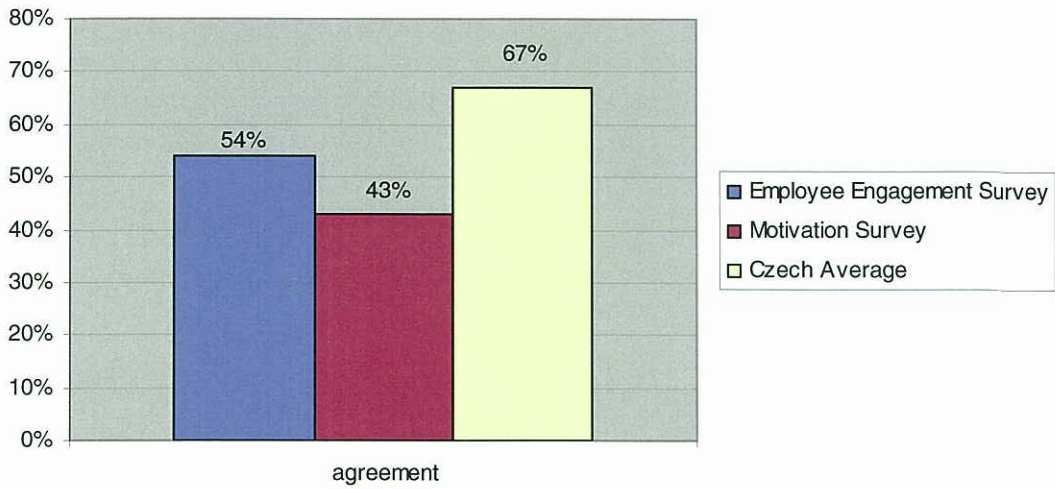
Training and development opportunities are available at company to help me build valuable skills.



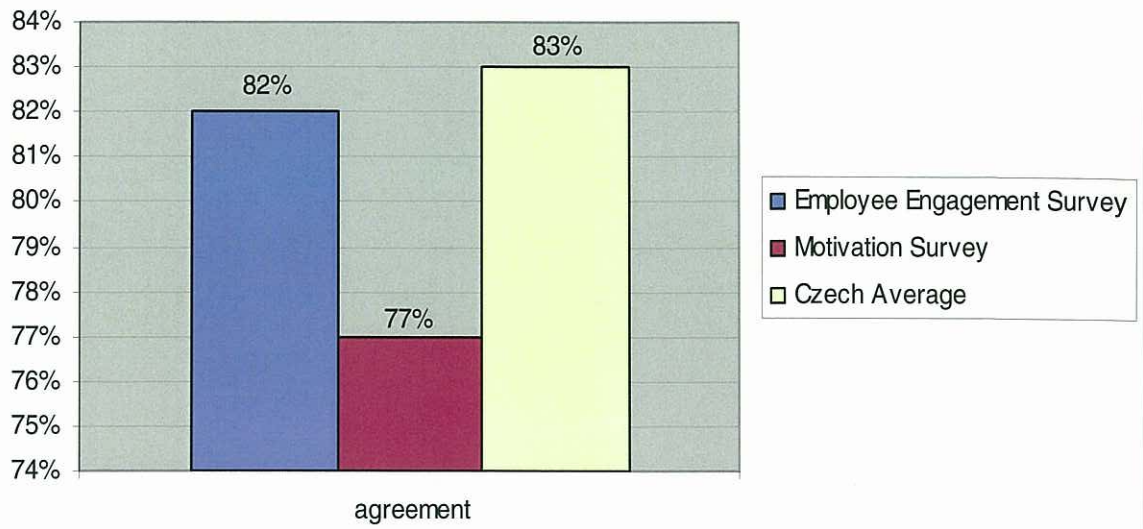
TPCA motivates me to contribute more than what is normally required to complete my work.



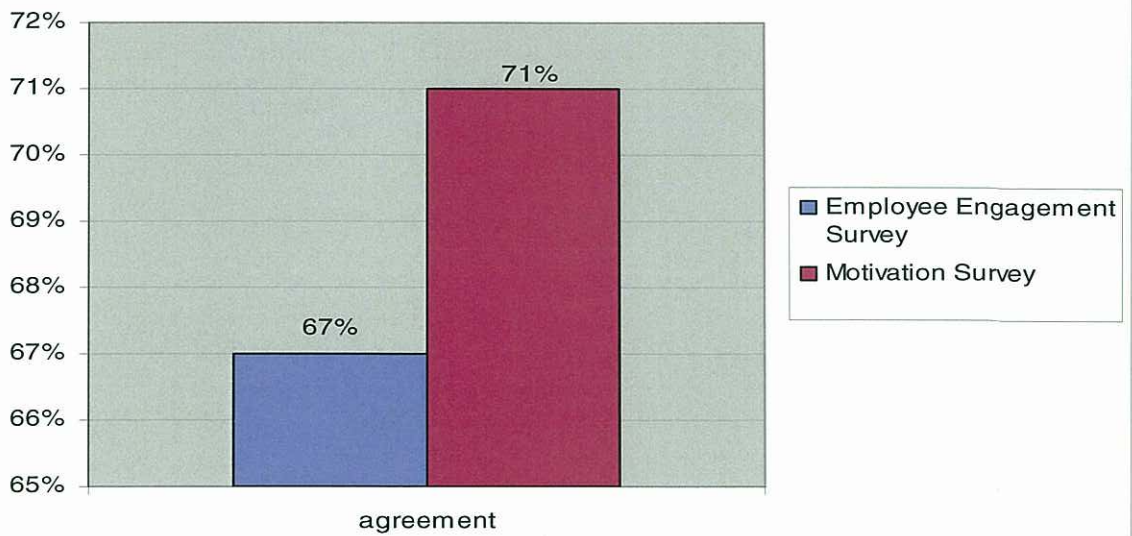
It would take me a lot to make me leave TPCA.



Given the opportunity, I tell others the great things about working for TPCA.

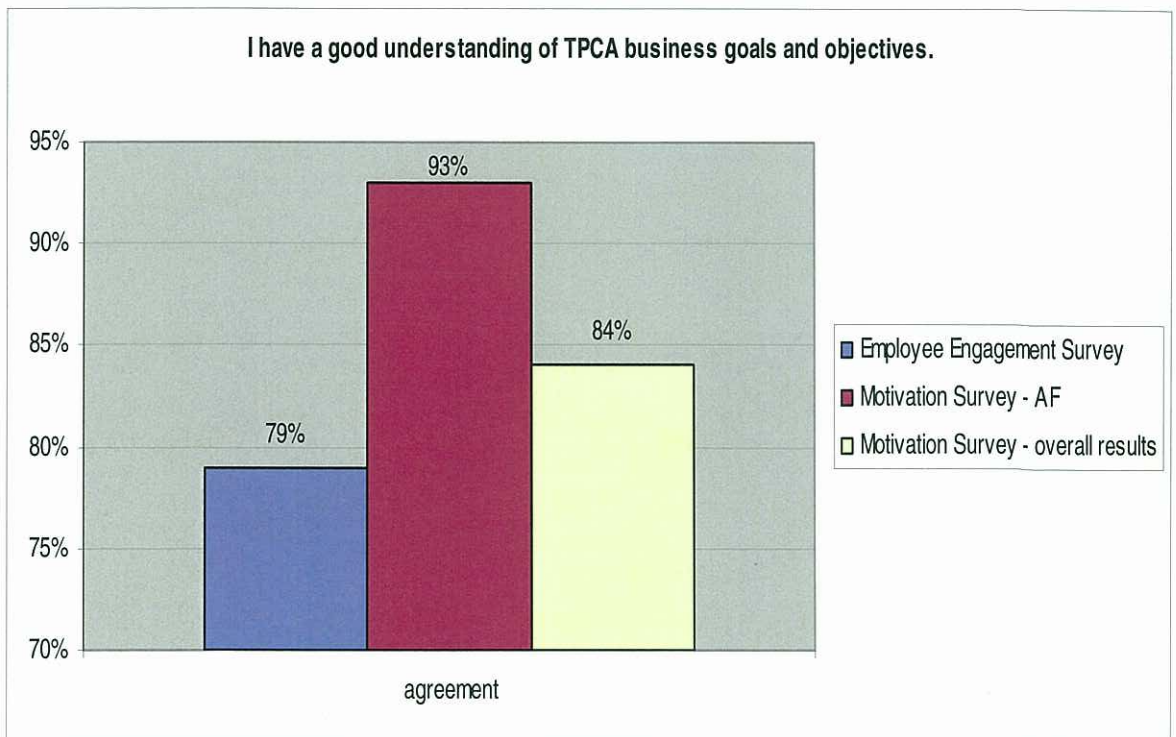
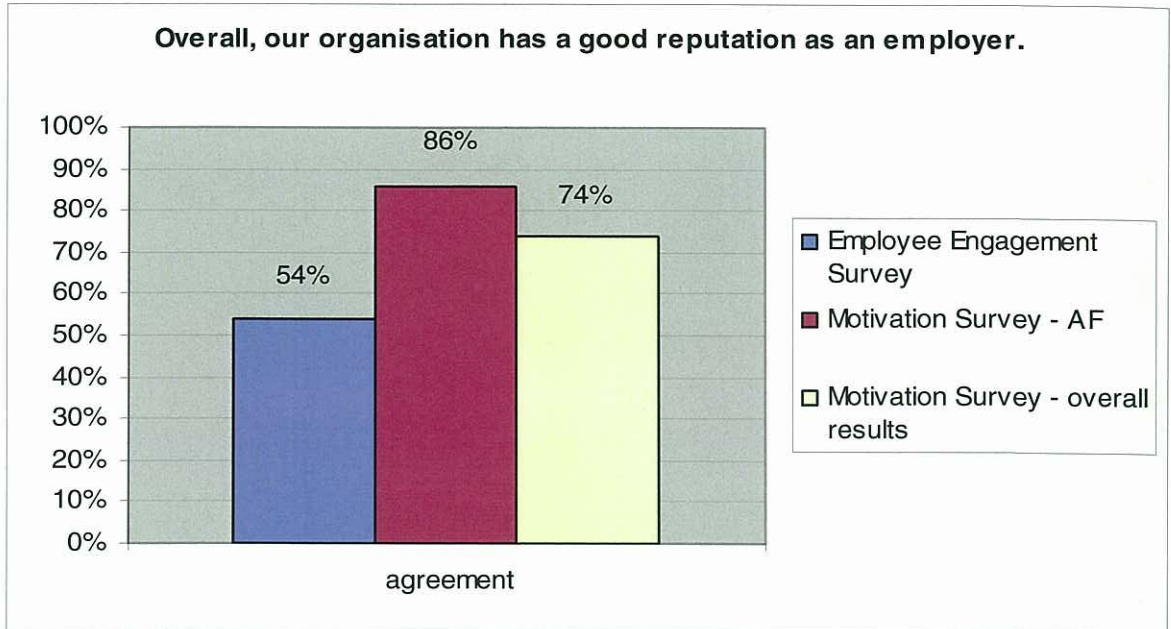


My superior encourages me to develop ideas to make my work better.

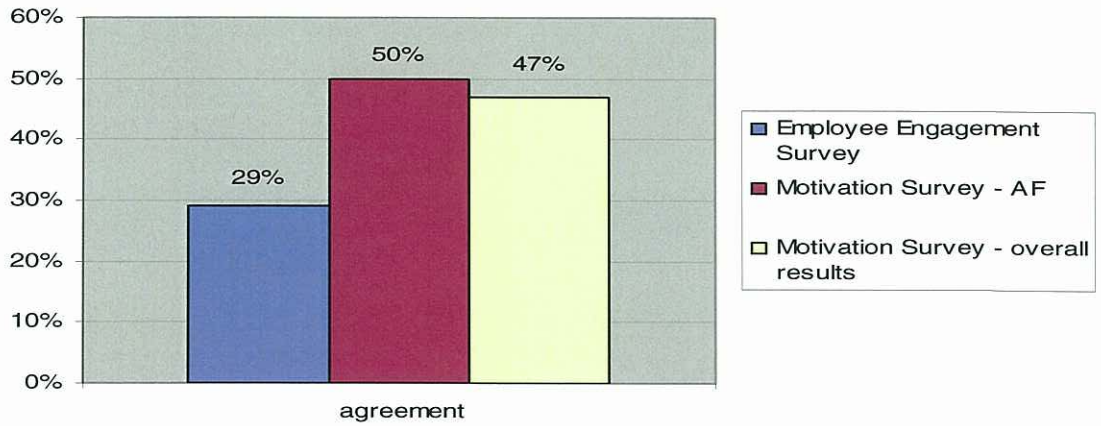


APPENDIX P X. : AF RESULTS OF QUESTIONNAIRE

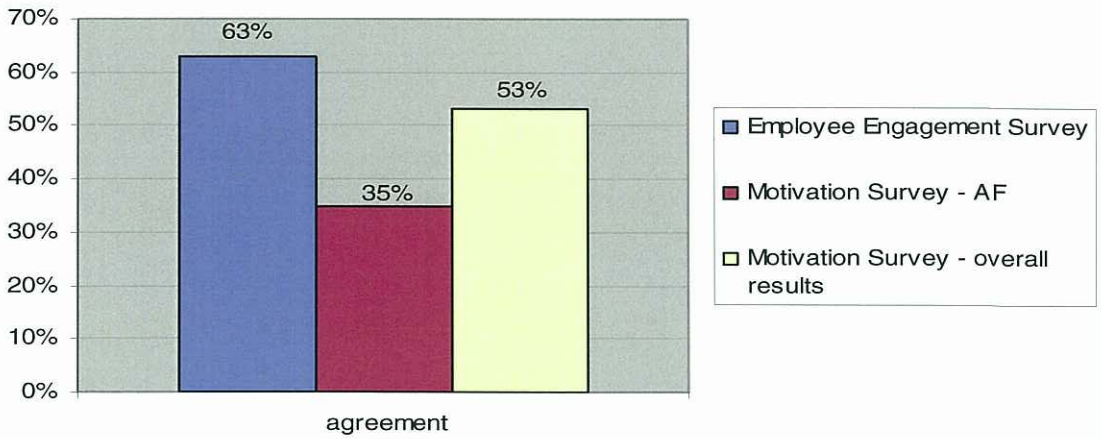
Source: own processing



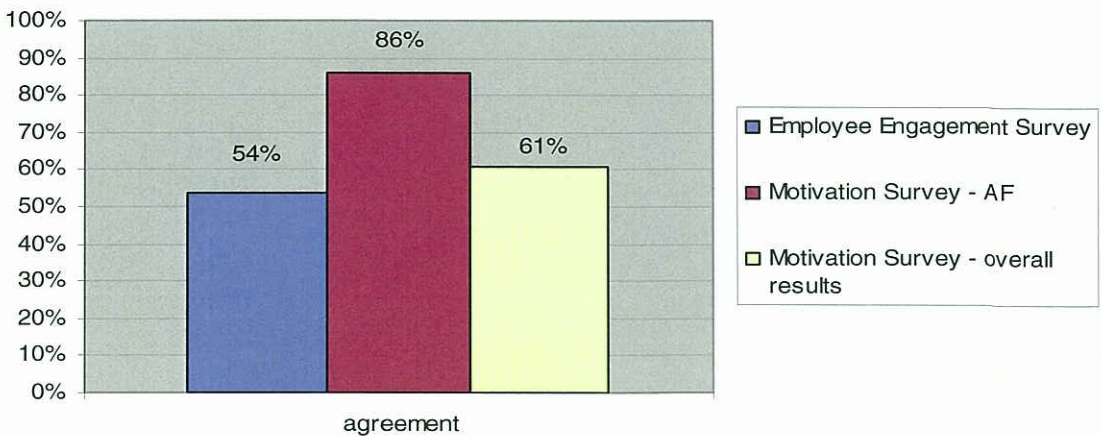
TPCA treats employees as this organisation's most valued asset.



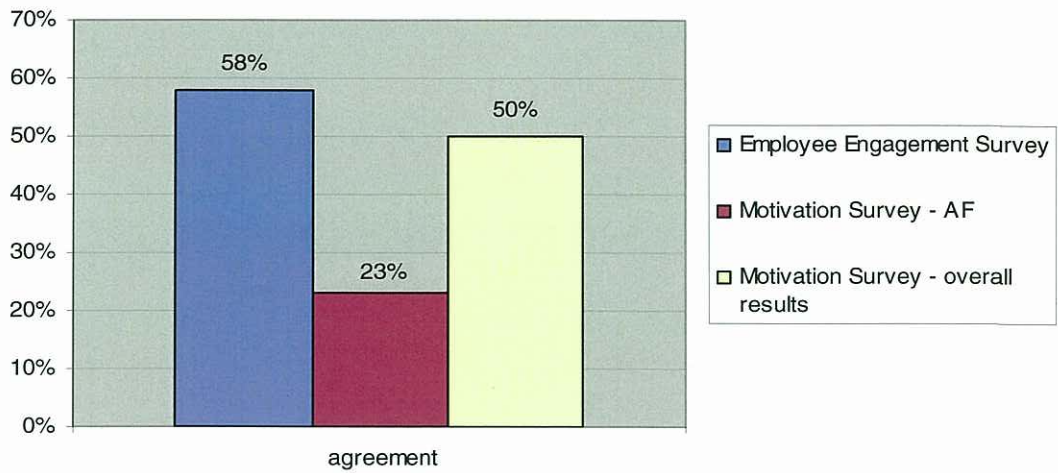
My future career opportunities here look good.



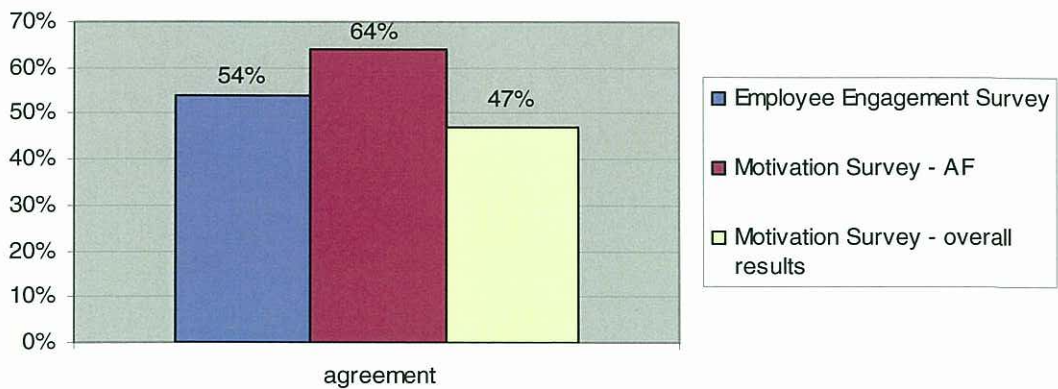
My superior provides feedback that allows me to improve my performance.



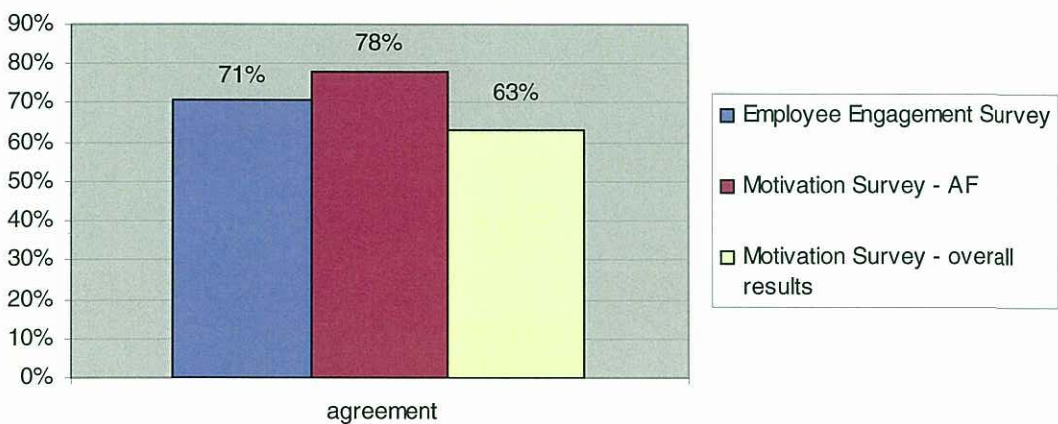
I agree that promoted are the most suitable people in our group.



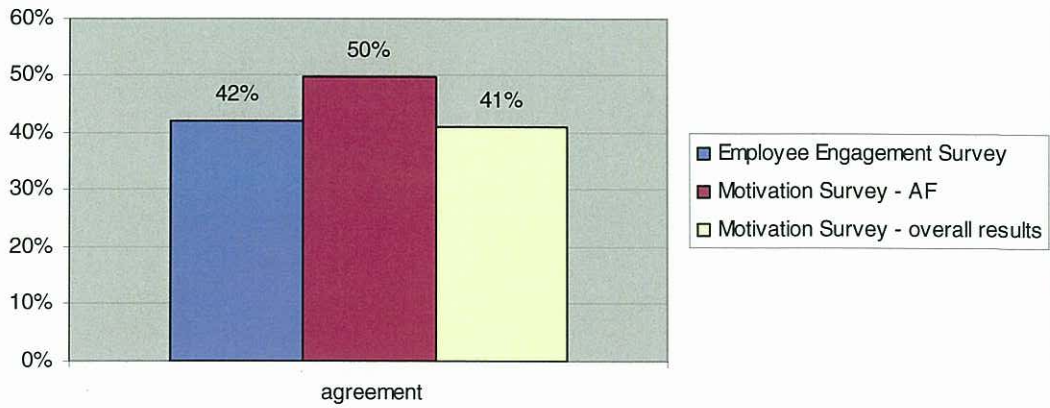
The work processes we have in place allow me to be as productive as possible.



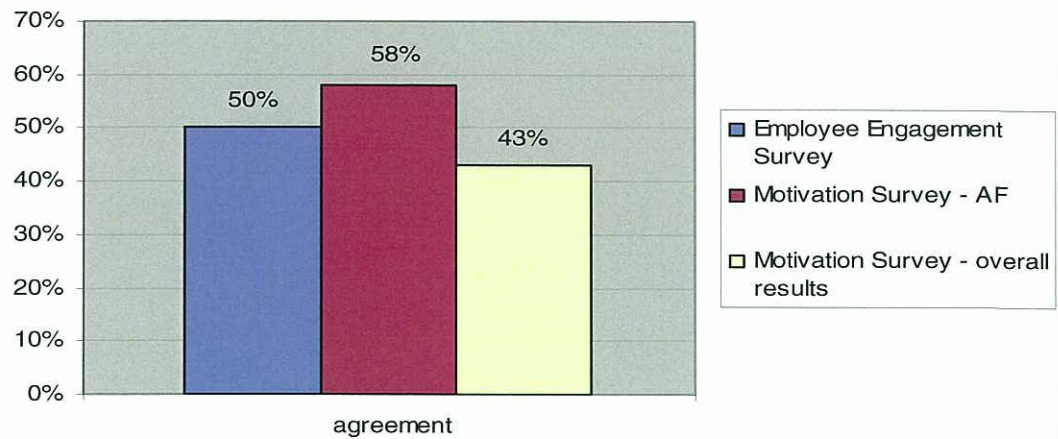
Training and development opportunities are available at company to help me build valuable skills.



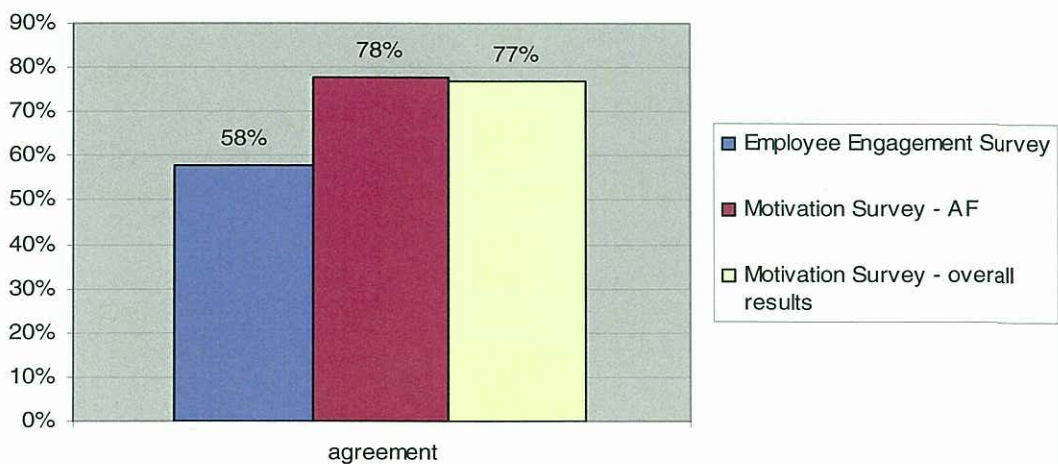
TPCA motivates me to contribute more than what is normally required to complete my work.



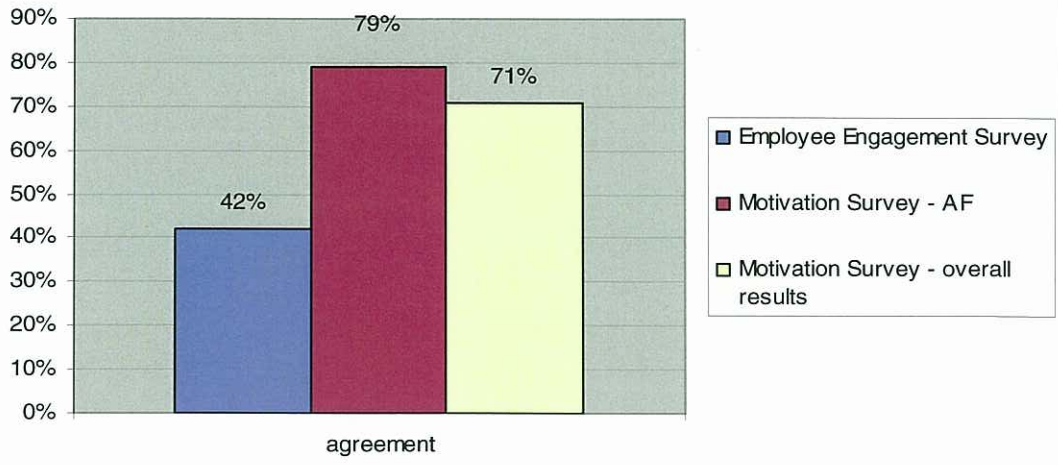
It would take me a lot to make me leave TPCA.



Given the opportunity, I tell others the great things about working for TPCA.

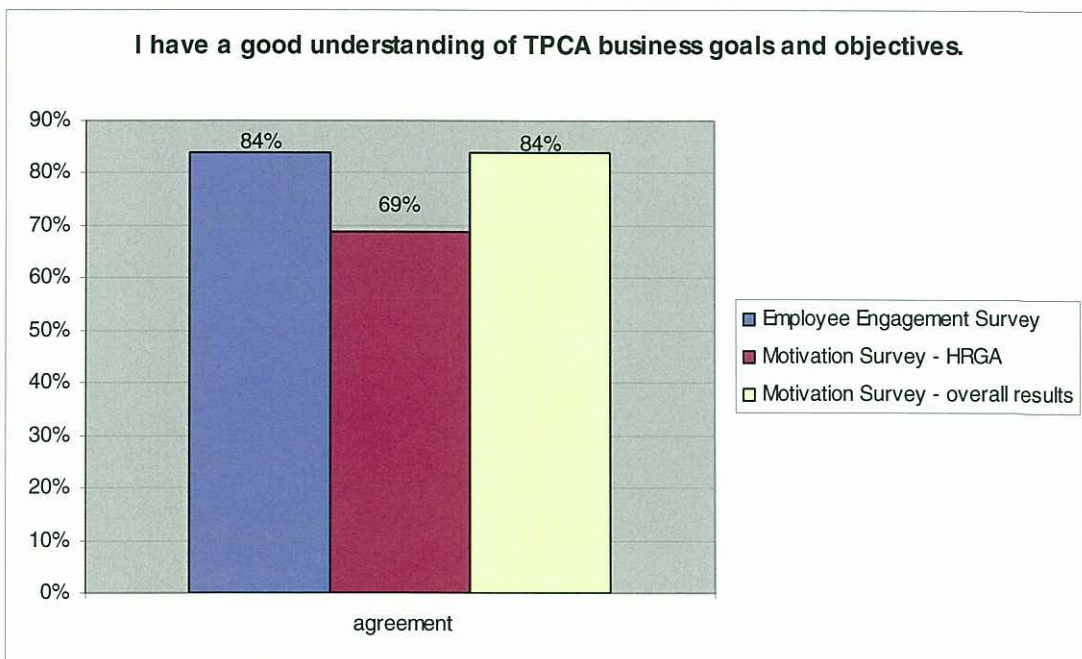
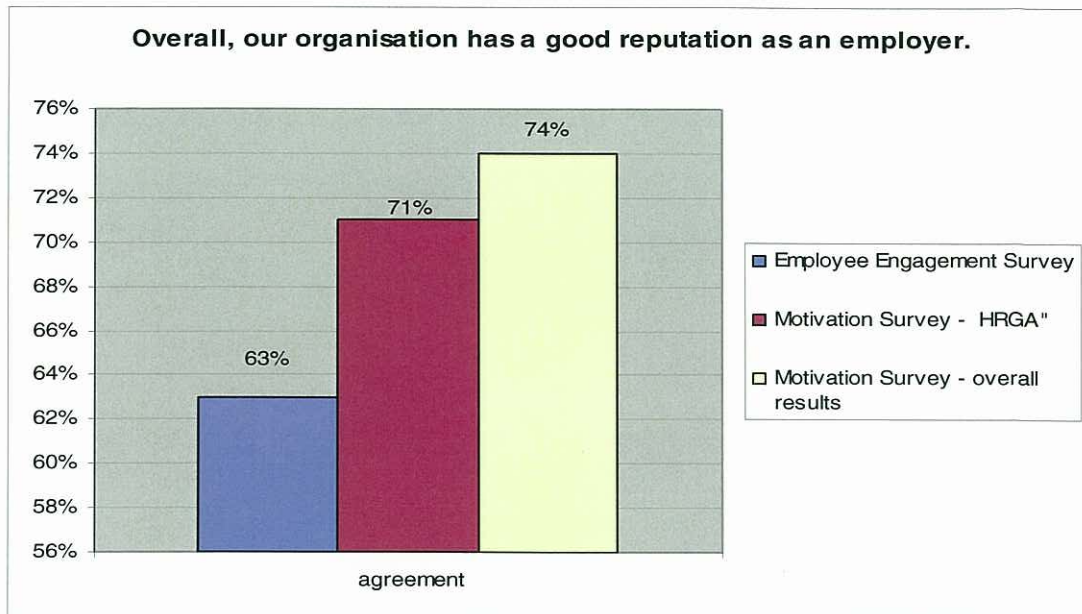


My superior encourages me to develop ideas to make my work better.

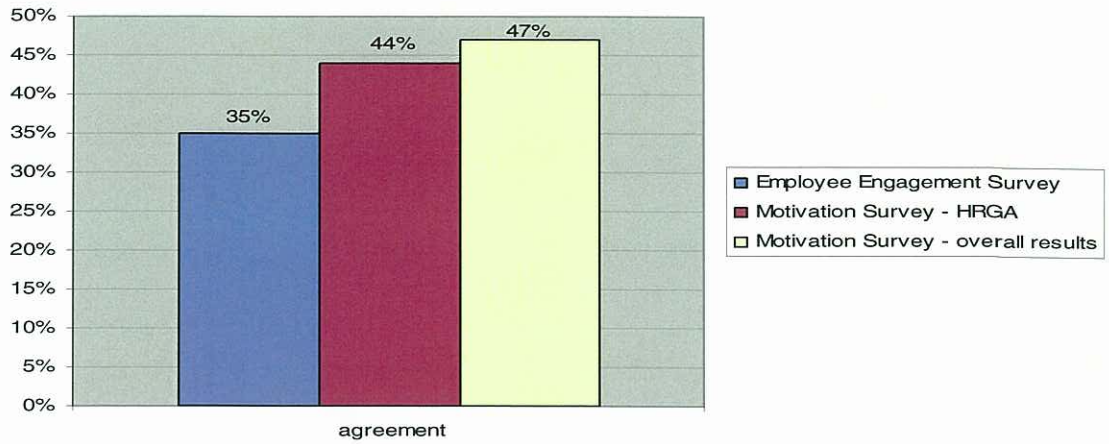


APPENDIX P XI. : HRGA RESULTS OF QUESTIONNAIRE

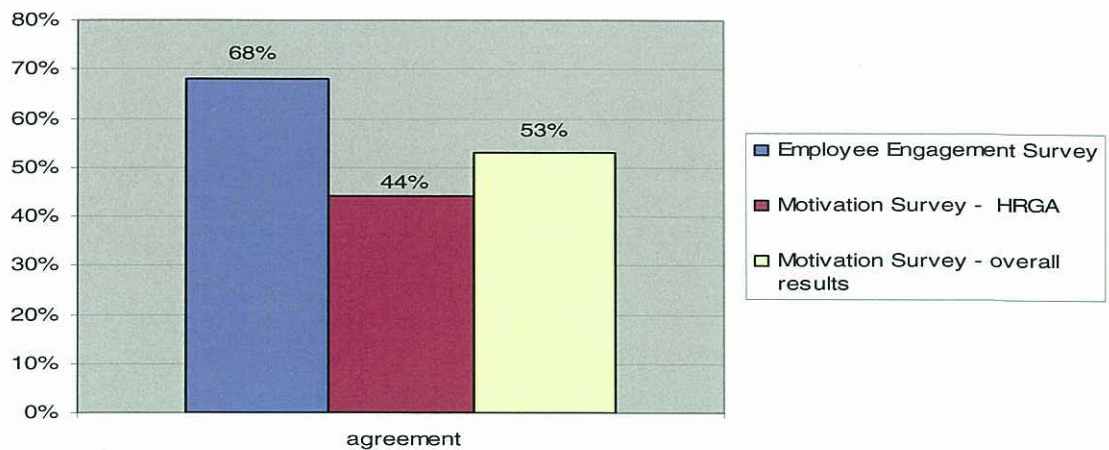
Source: own processing



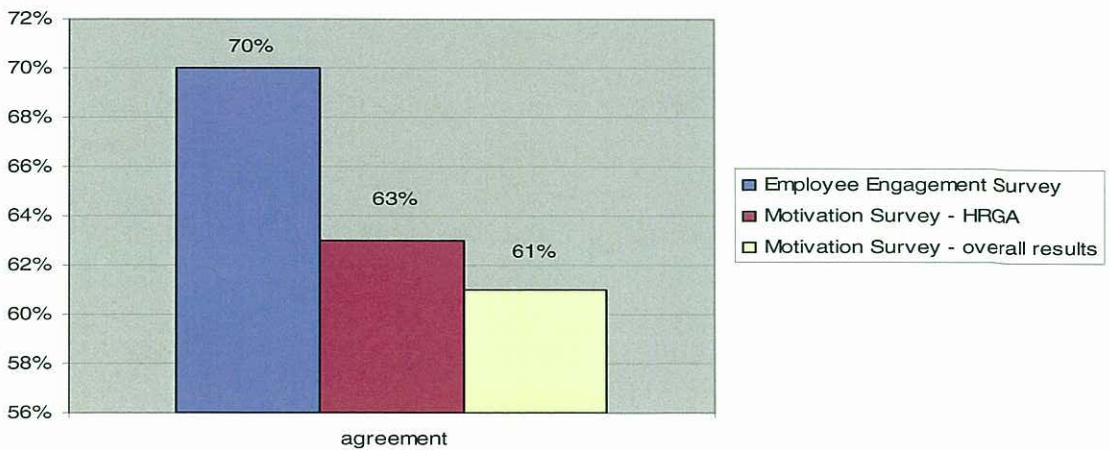
TPCA treats employees as this organisation's most valued asset.



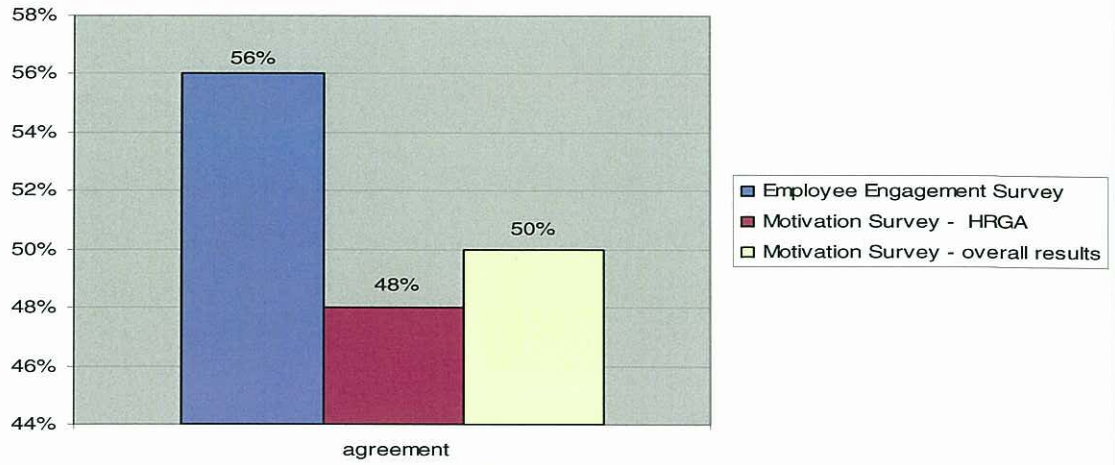
My future career opportunities here look good.



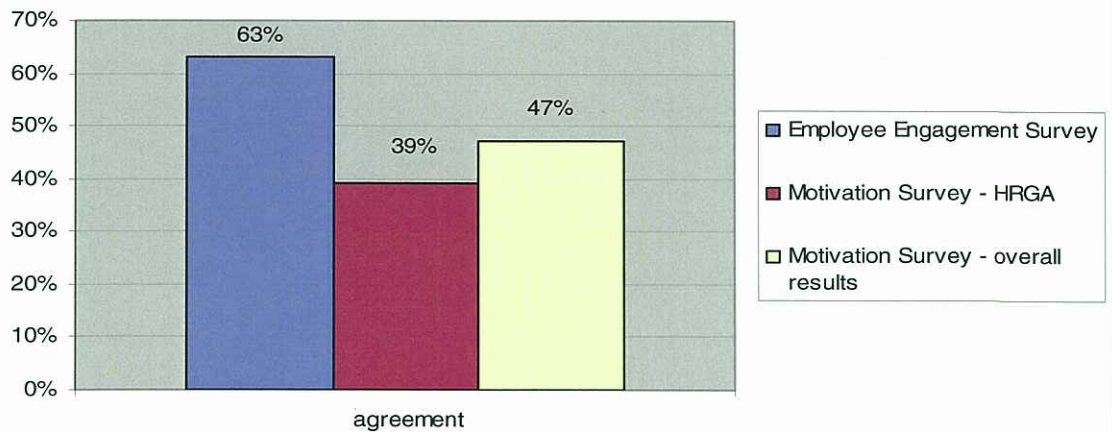
My superior provides feedback that allows me to improve my performance.



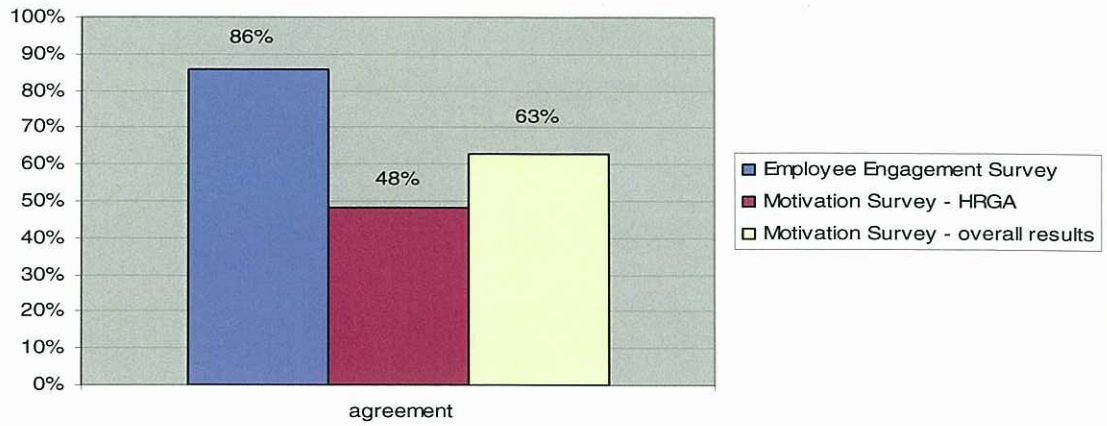
I agree that promoted are the most suitable people in our group.



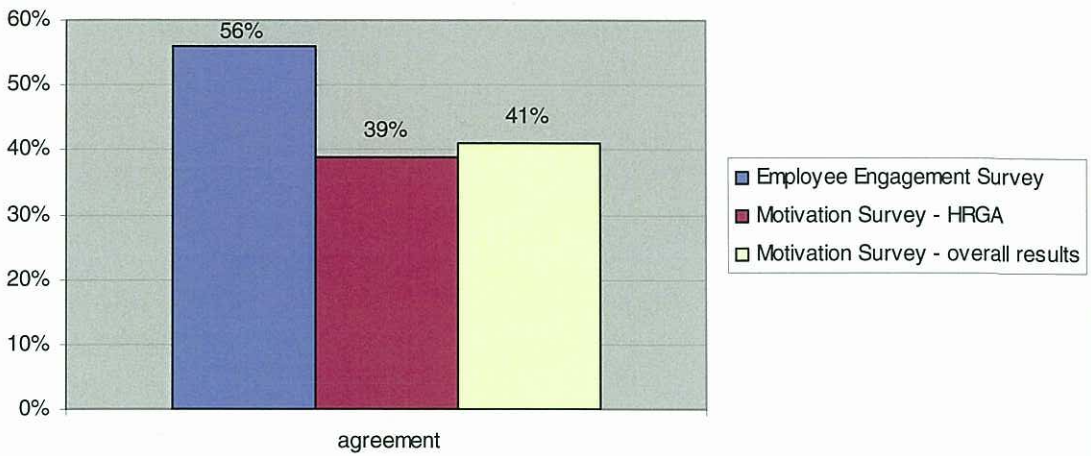
The work processes we have in place allow me to be as productive as possible.



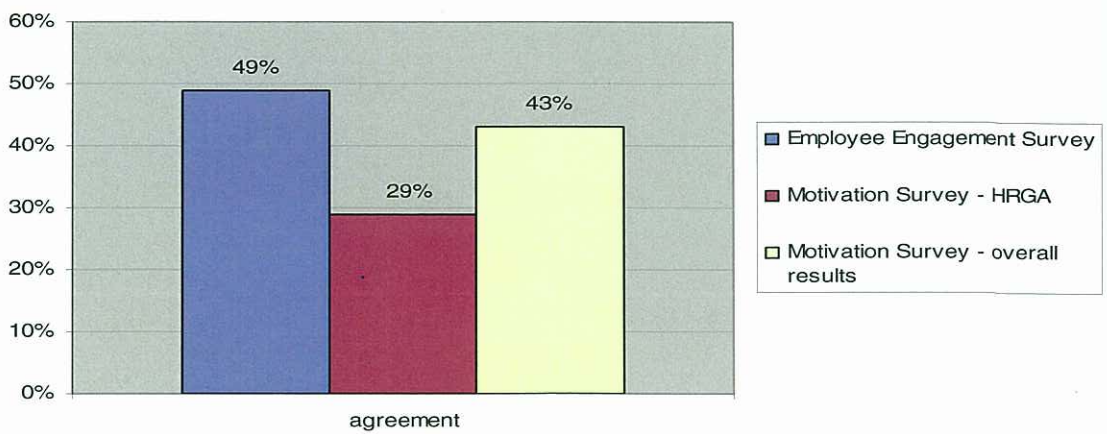
Training and development opportunities are available at company to help me build valuable skills.



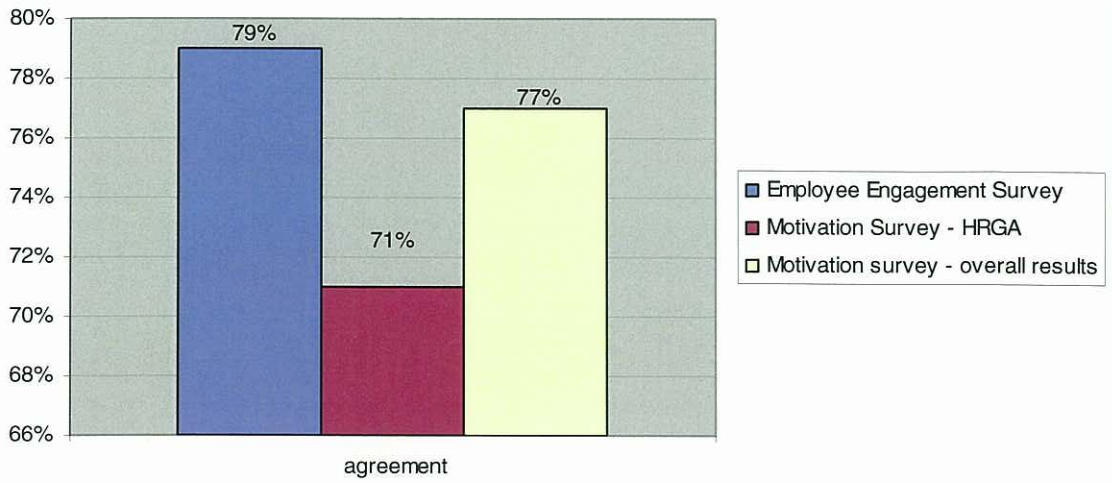
TPCA motivates me to contribute more than what is normally required to complete my work.



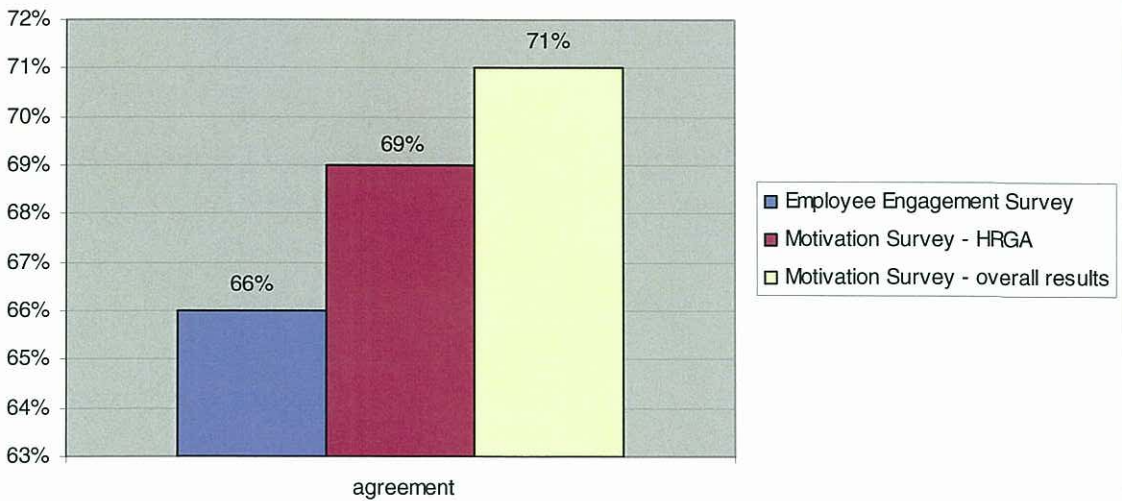
It would take me a lot to make me leave TPCA.



Given the opportunity, I tell others the great things about working for TPCA.

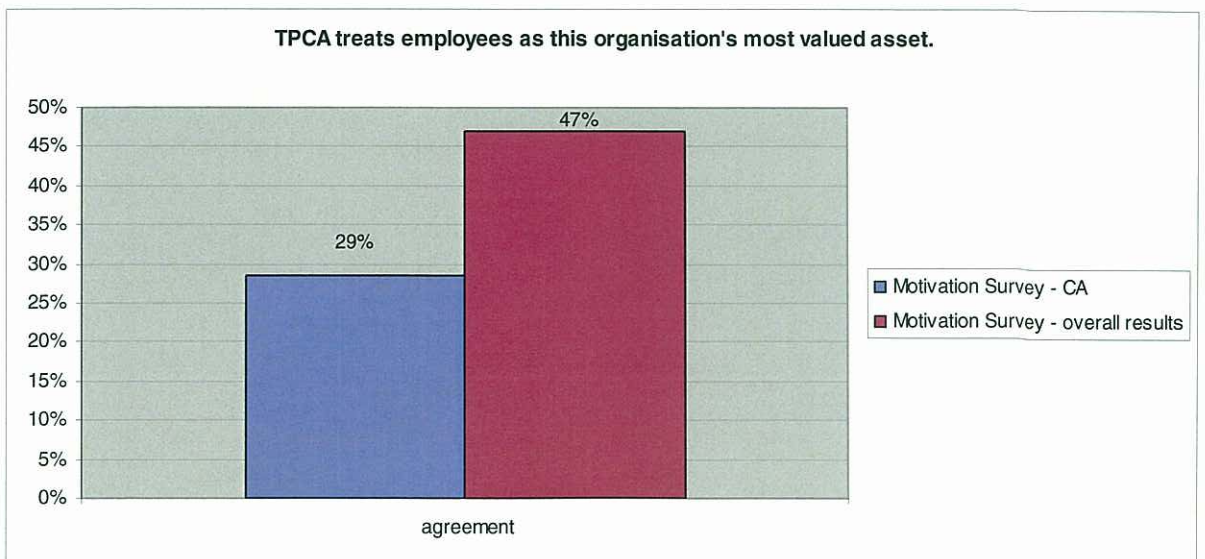
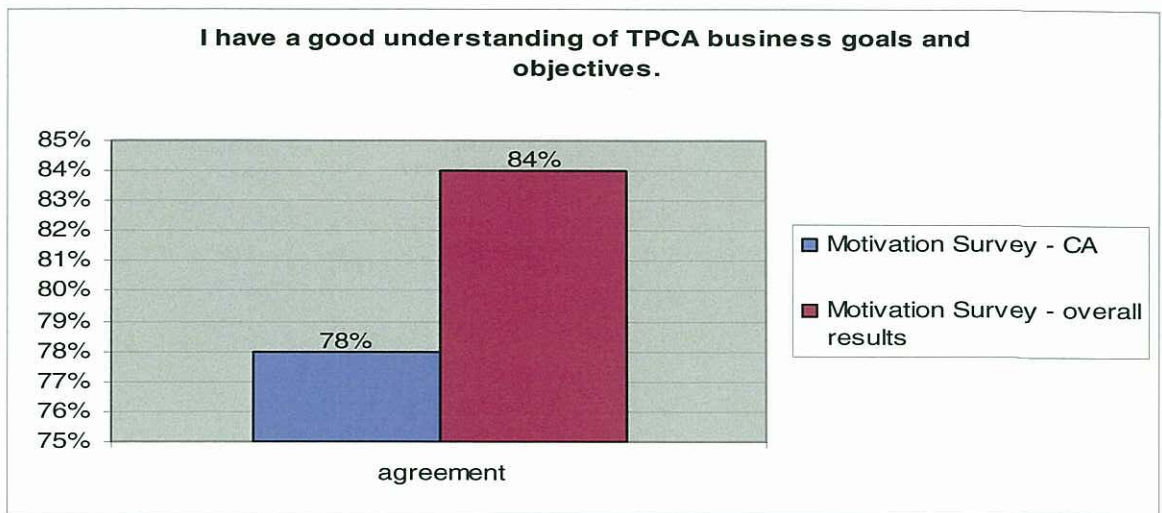
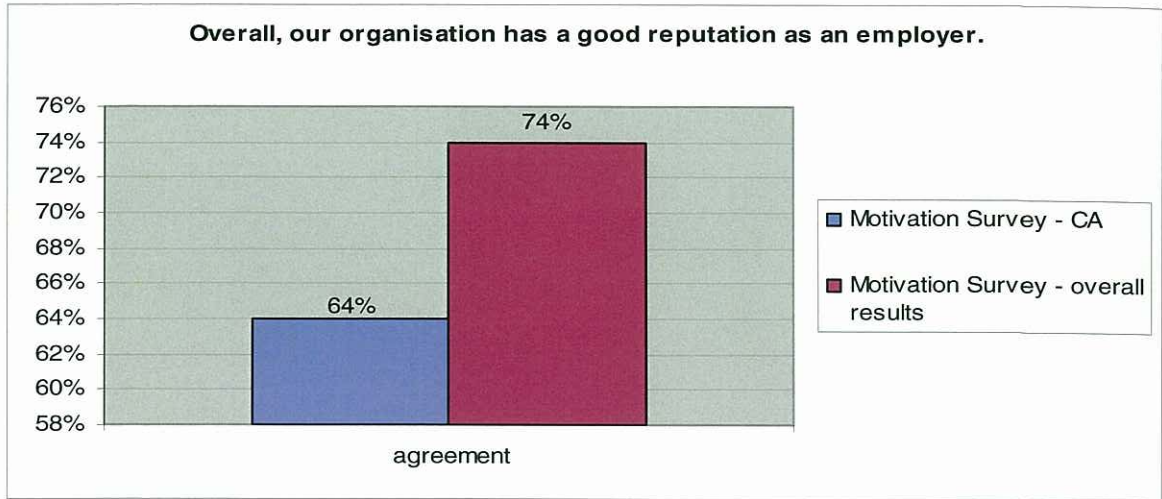


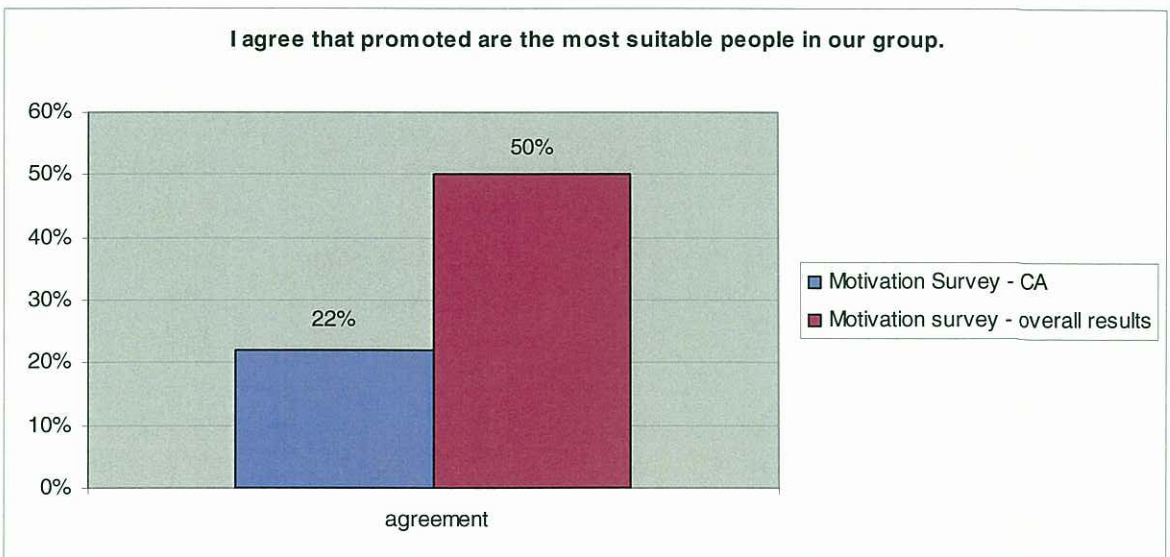
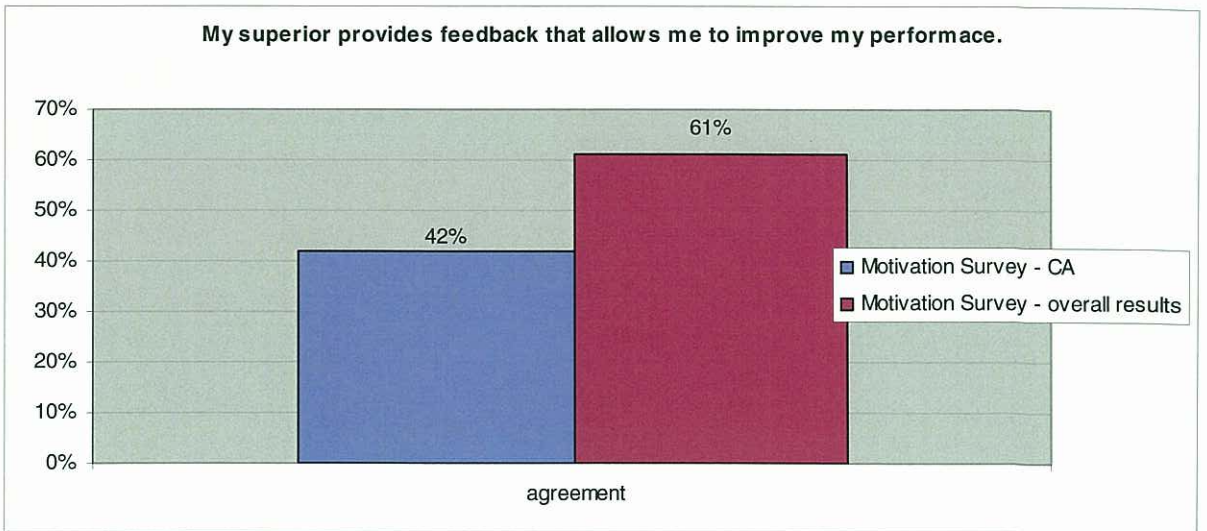
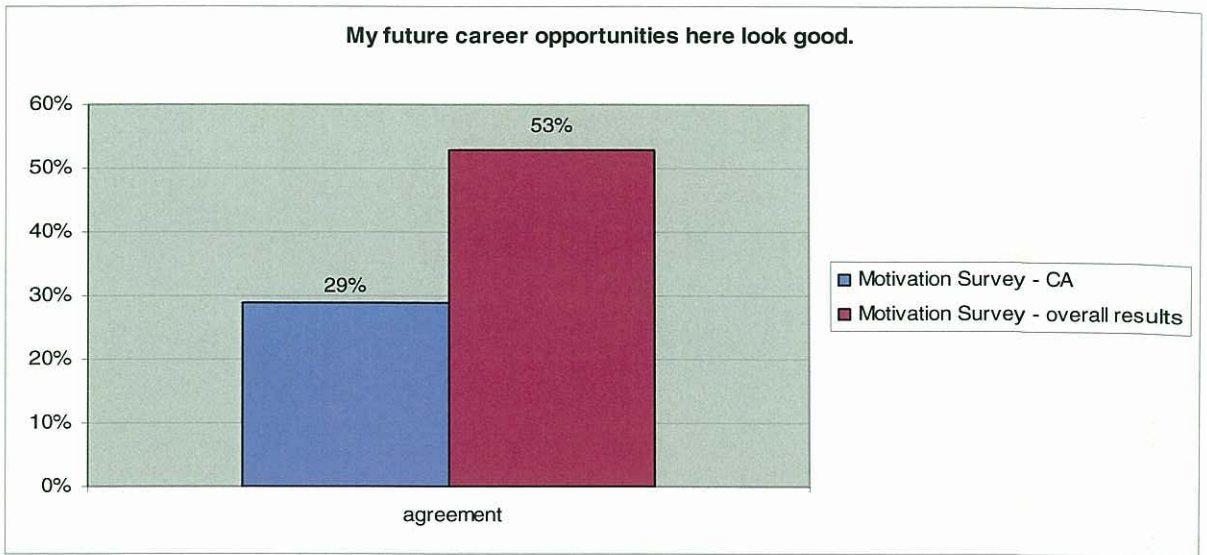
My superior encourages me to develop ideas to make my work better.



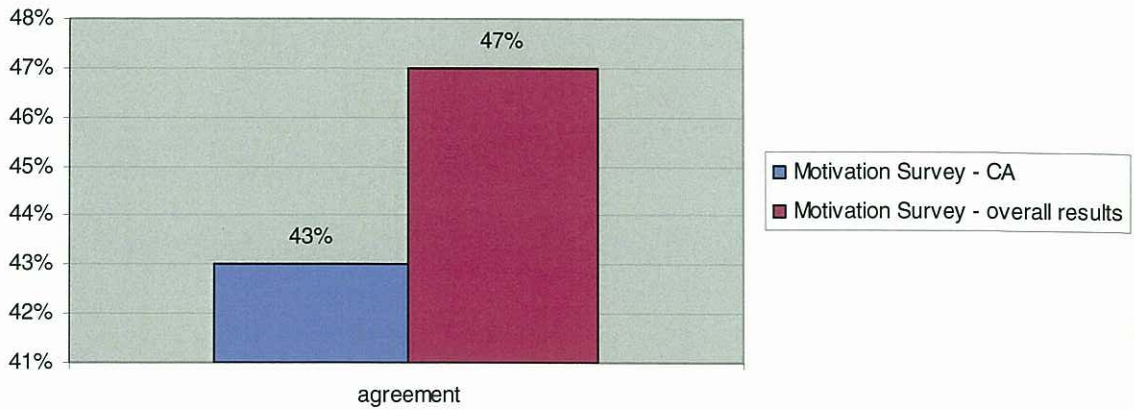
APPENDIX P XII. : CA RESULTS OF QUESTIONNAIRE

Source: own processing

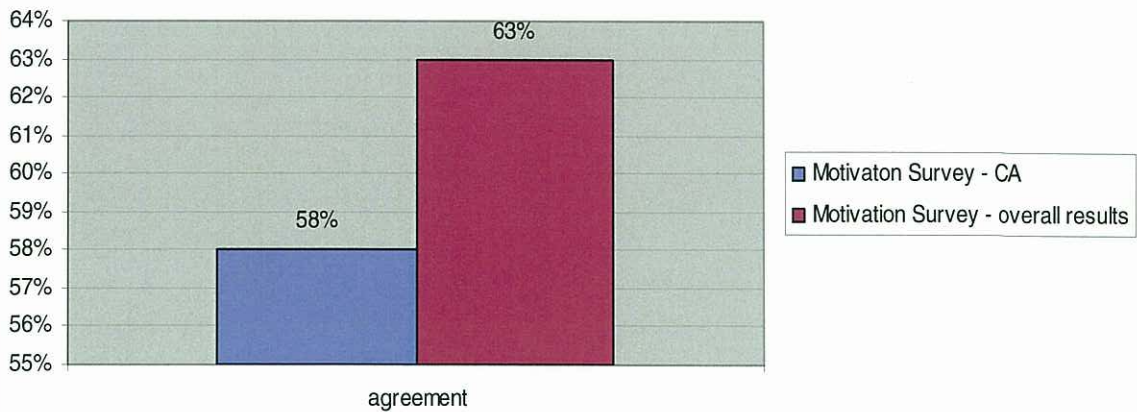




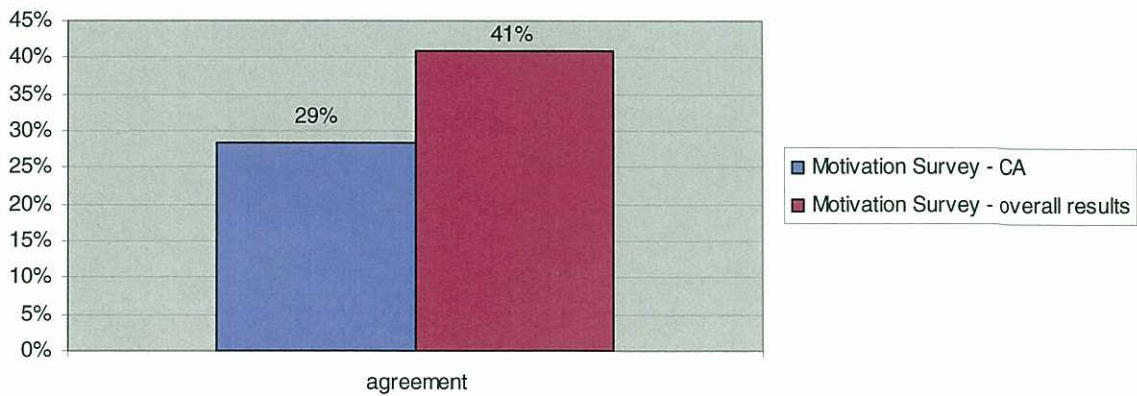
The work processes we have in place allow me to be as productive as possible.

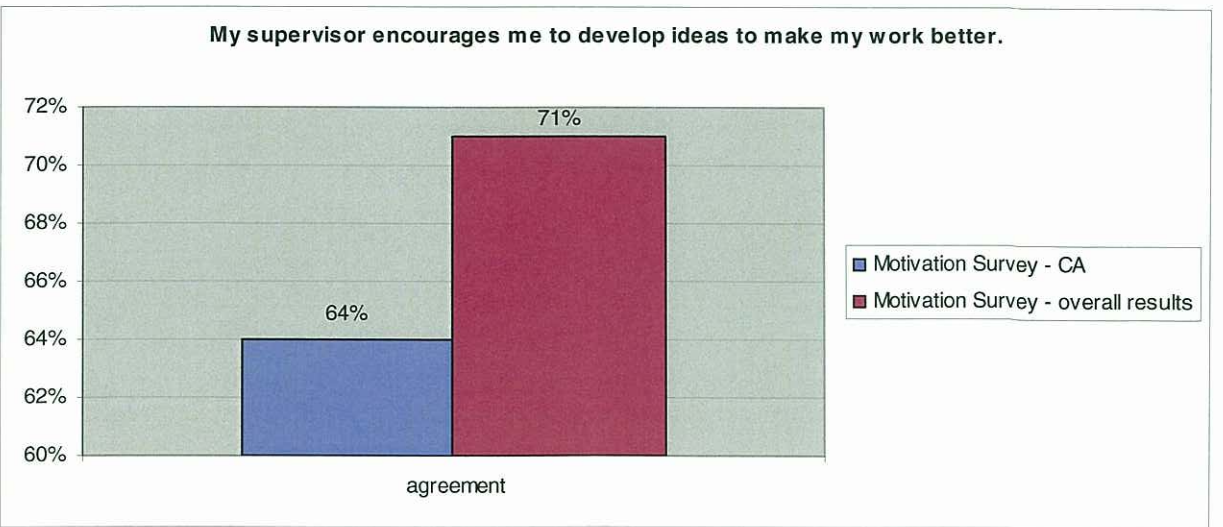
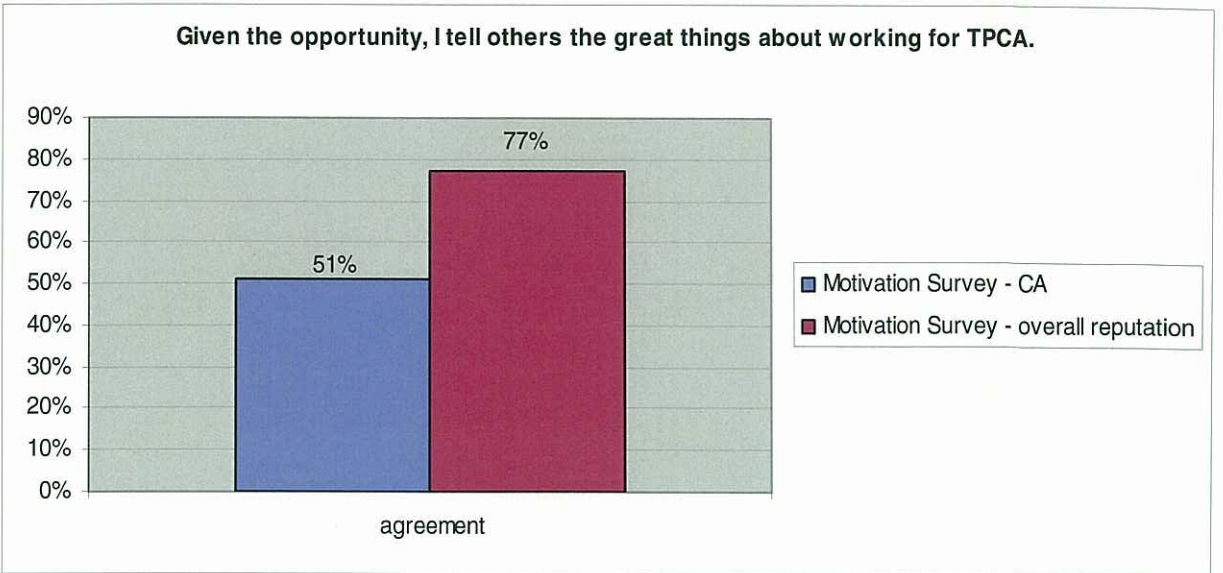
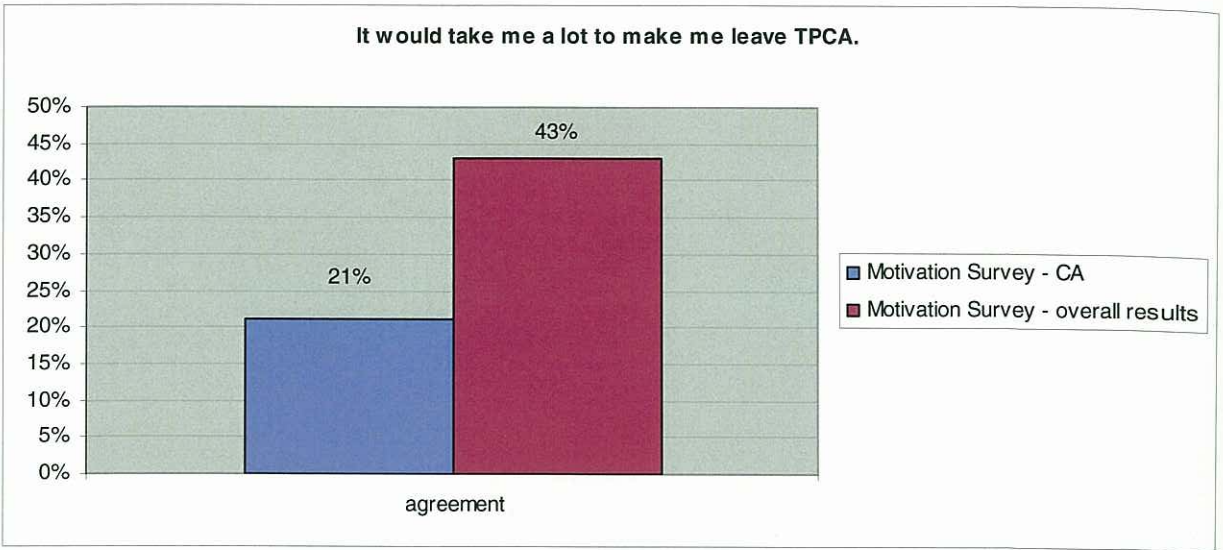


Trainig and development opportunities are available at company to help me build valuable skills.



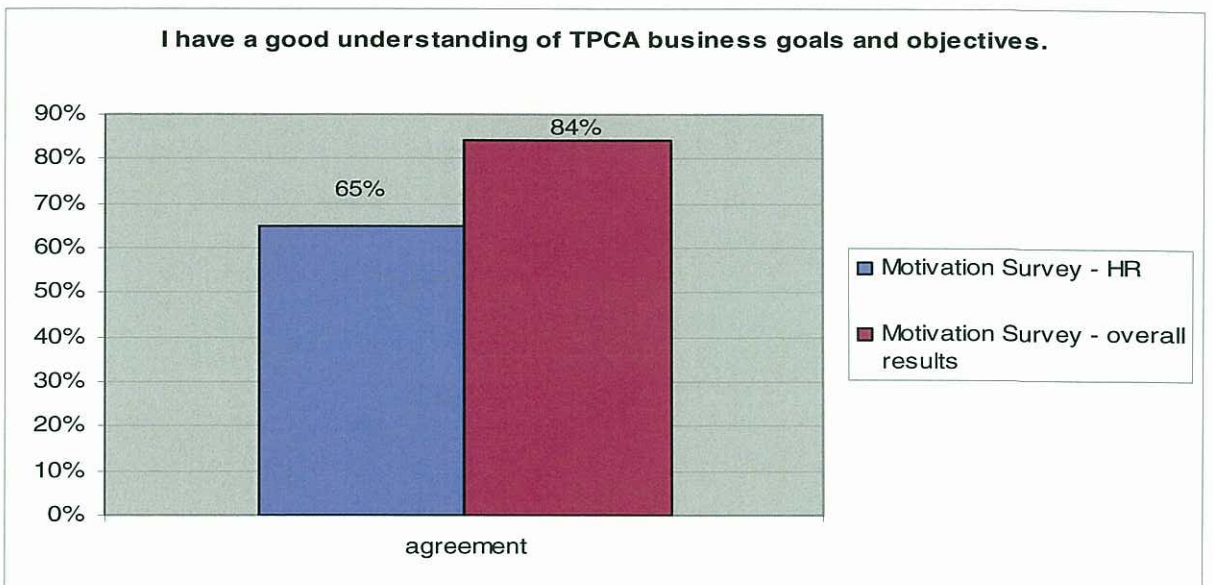
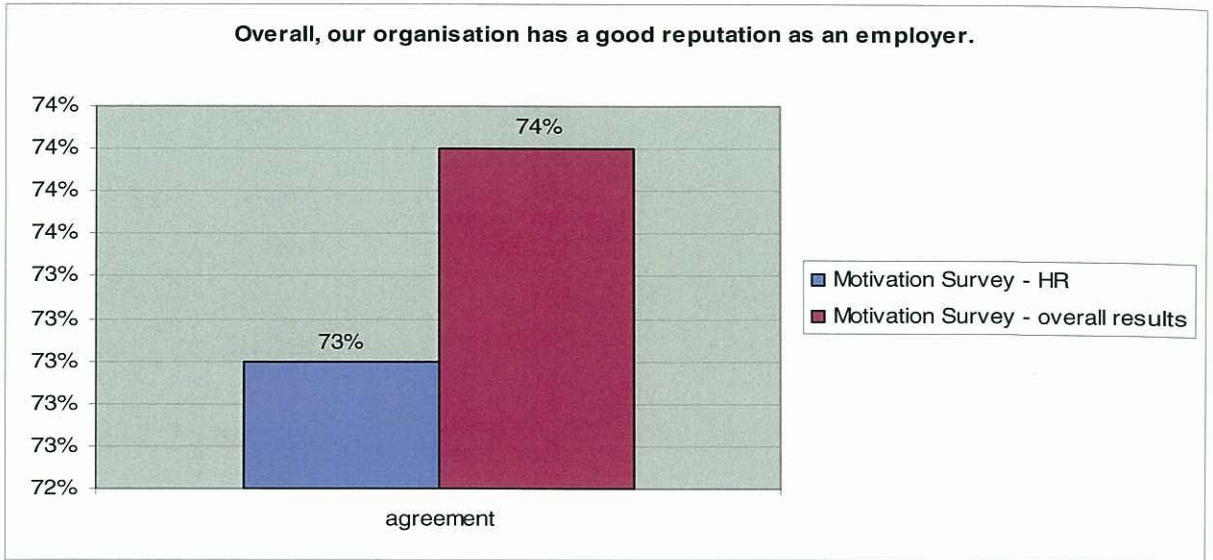
TPCA motivates me to contribute more than what is normally required to complete my work.



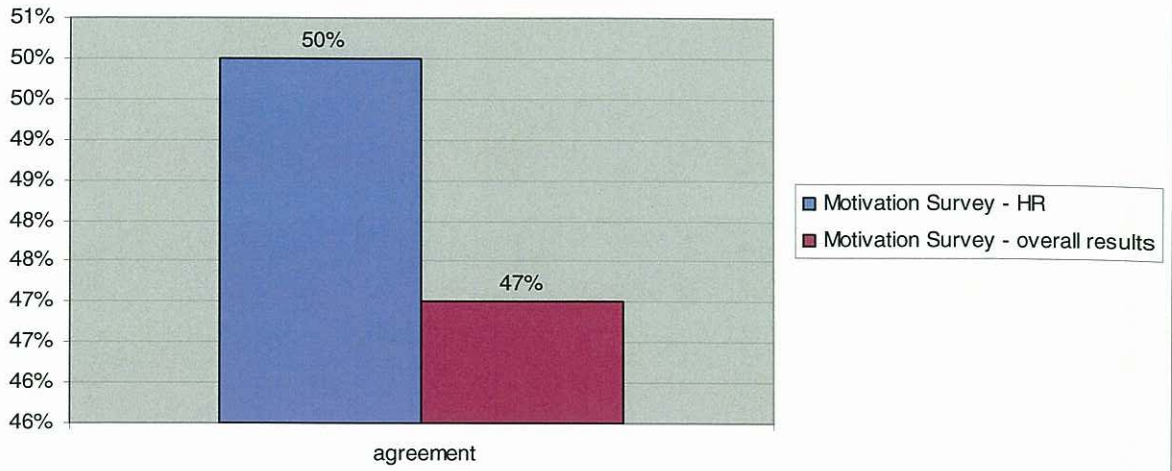


APPENDIX P XIII. : HR RESULTS OF QUESTIONNAIRE

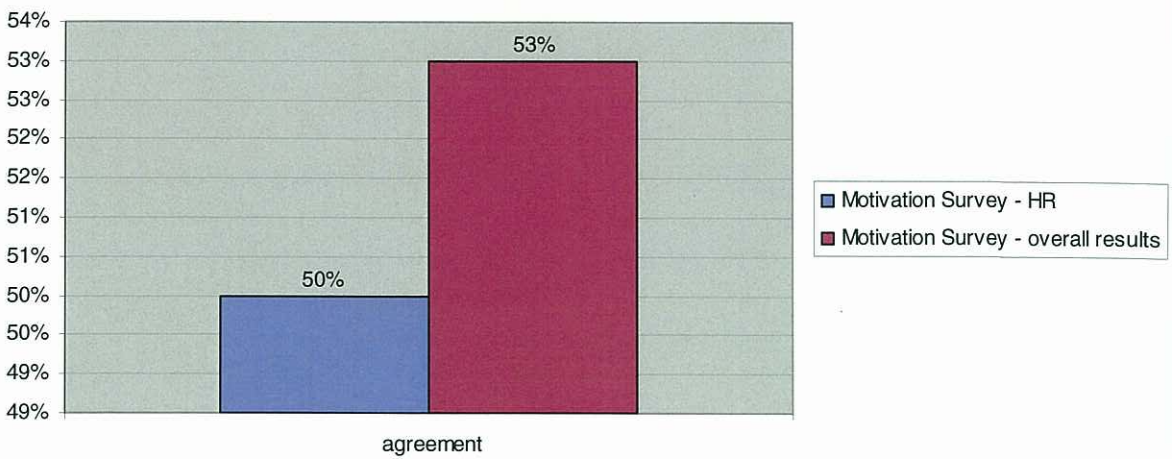
Source: own processing



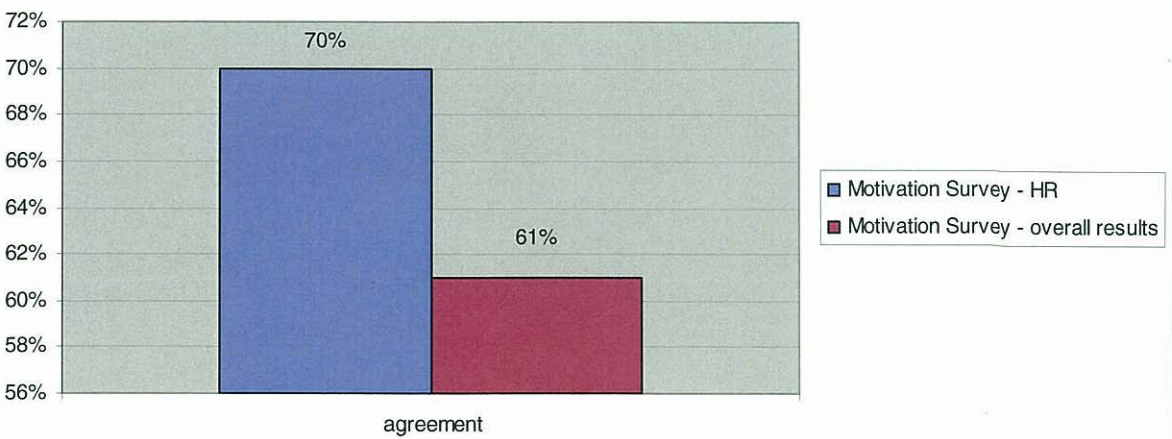
TPCA treats employees as this organisation's most valued asset.

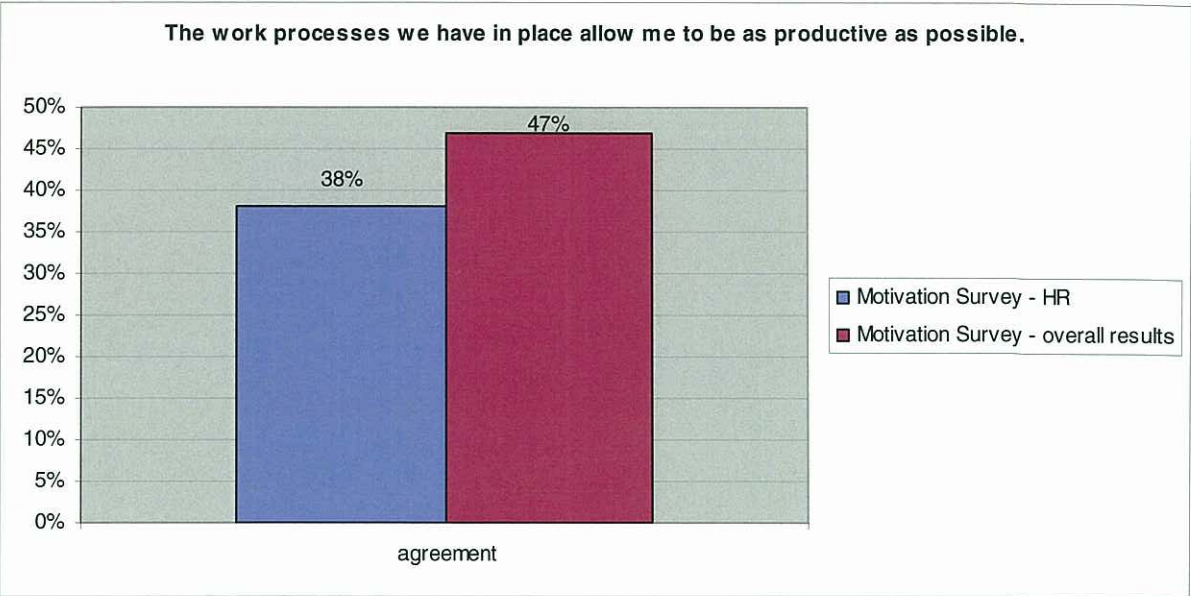
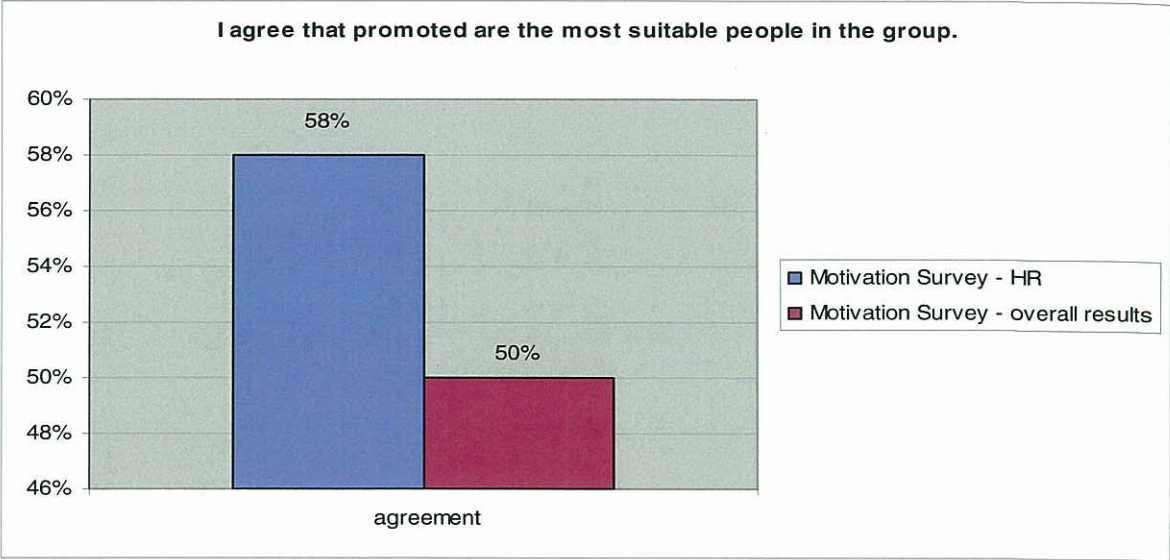


My future career opportunities here look good.

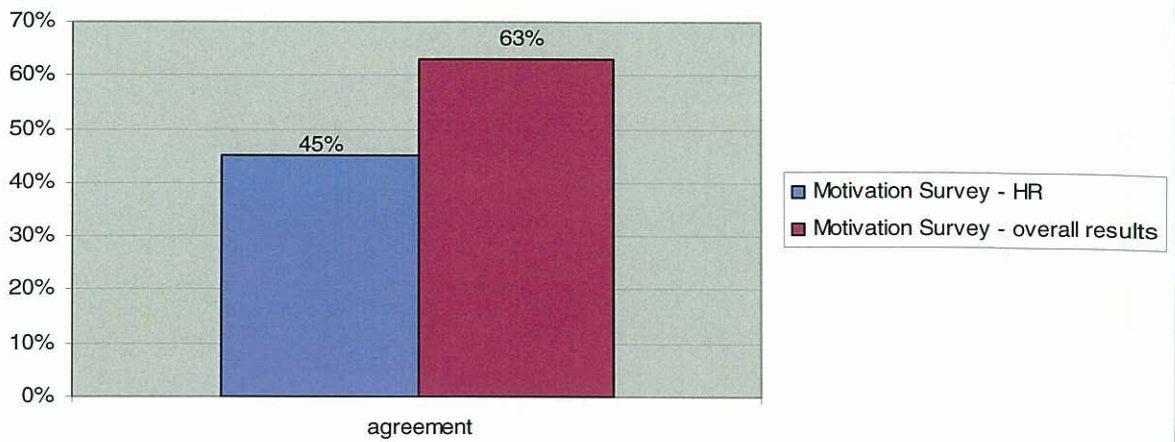


My superior provides feedback that allows me to improve my performance.

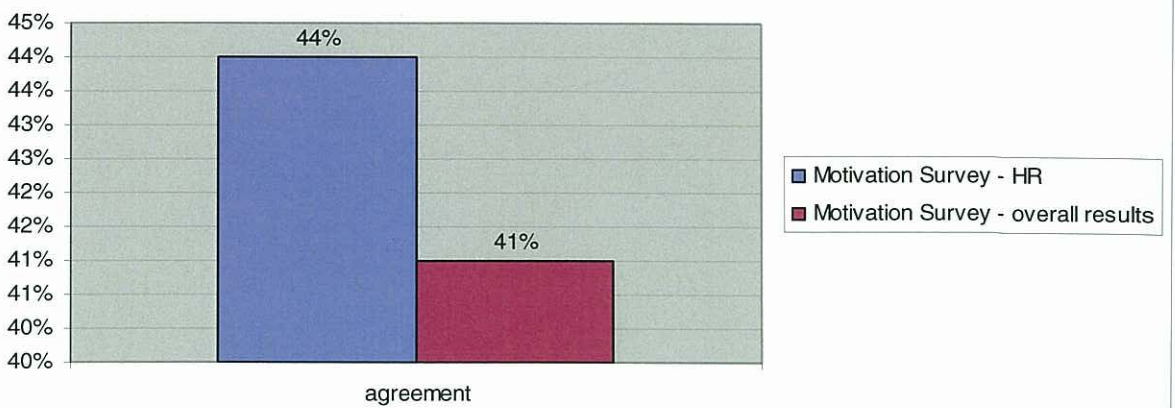




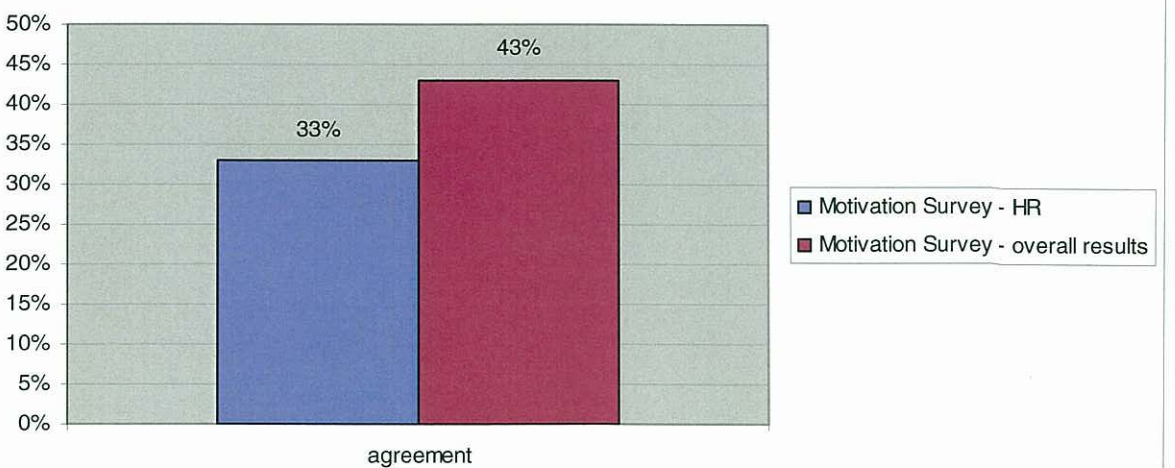
Training and development opportunities are available at company to help me build valuable skills.



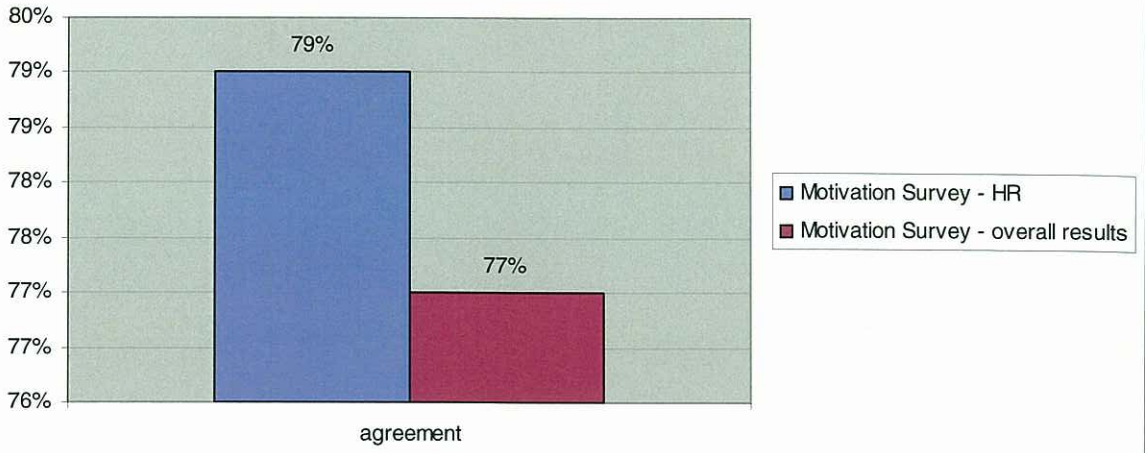
TPCA motivates me to contribute more than what is normally required to complete my work.



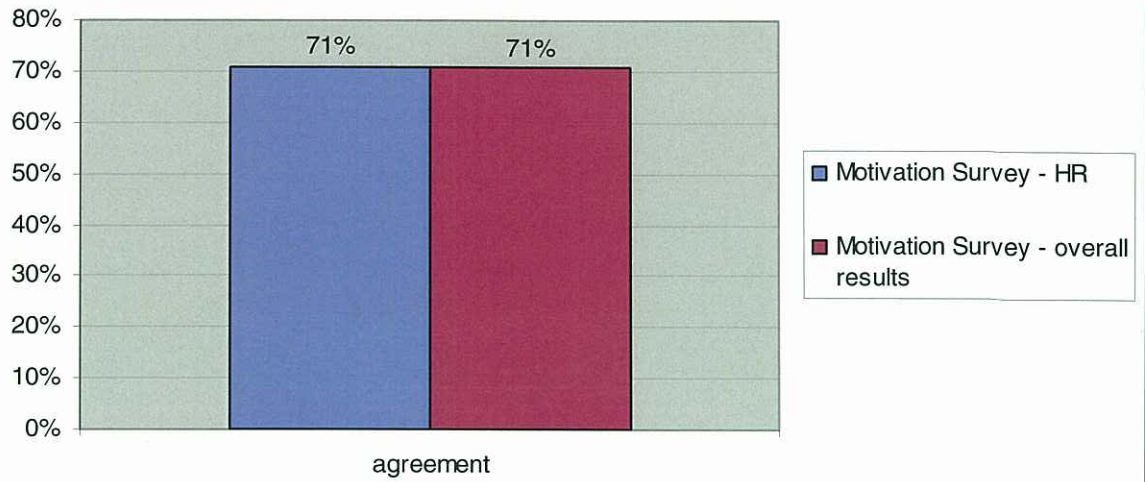
Jen máloco by mě přimělo odejít z TPCA.



Given the opportunity, I tell others the great things about working for TPCA.

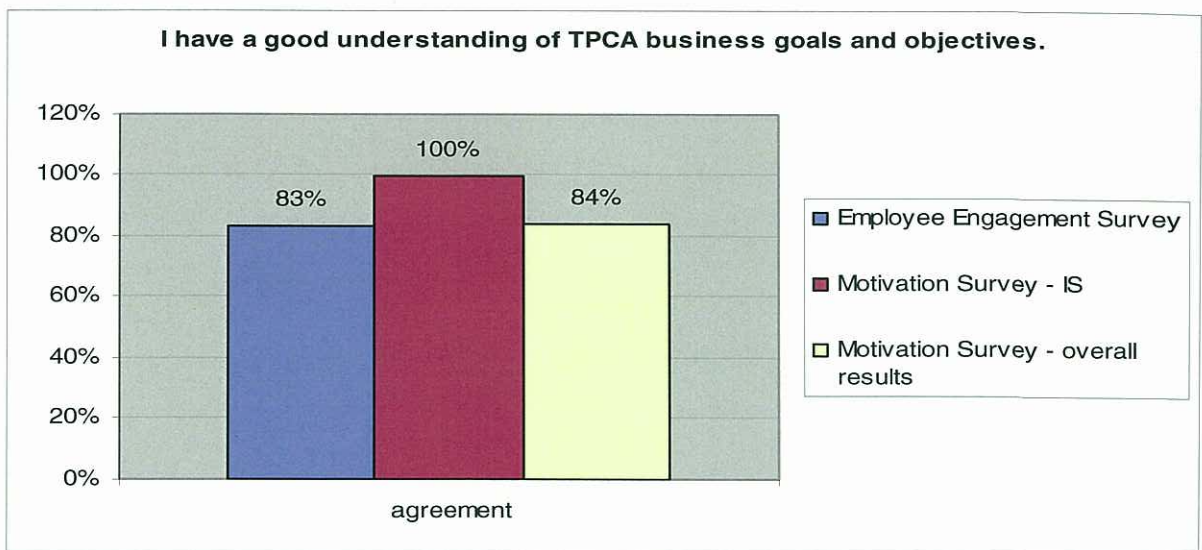
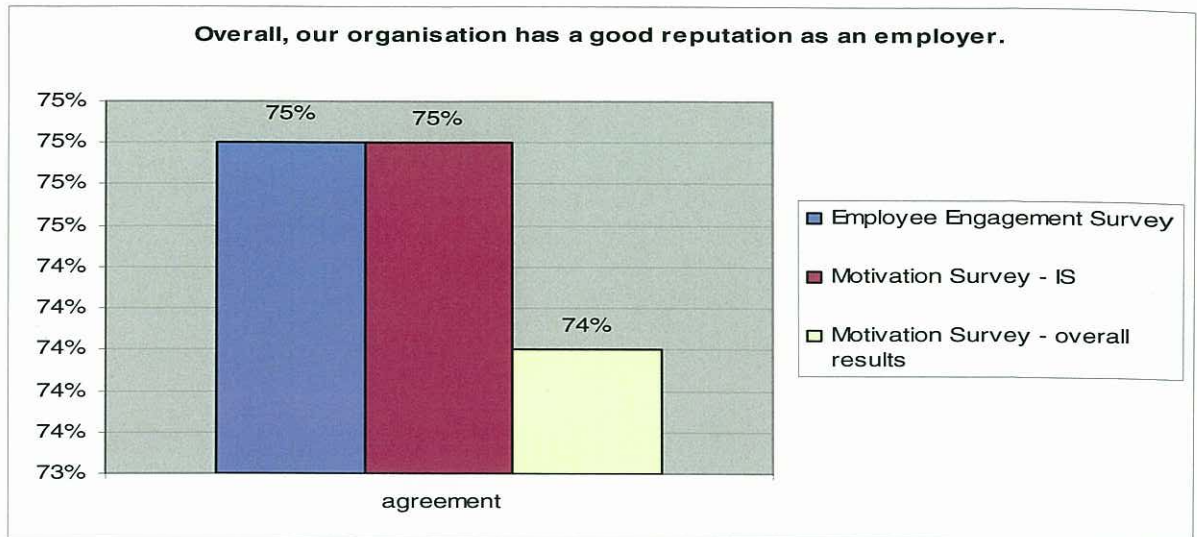


My superior encourages me to develop ideas to make my work better.

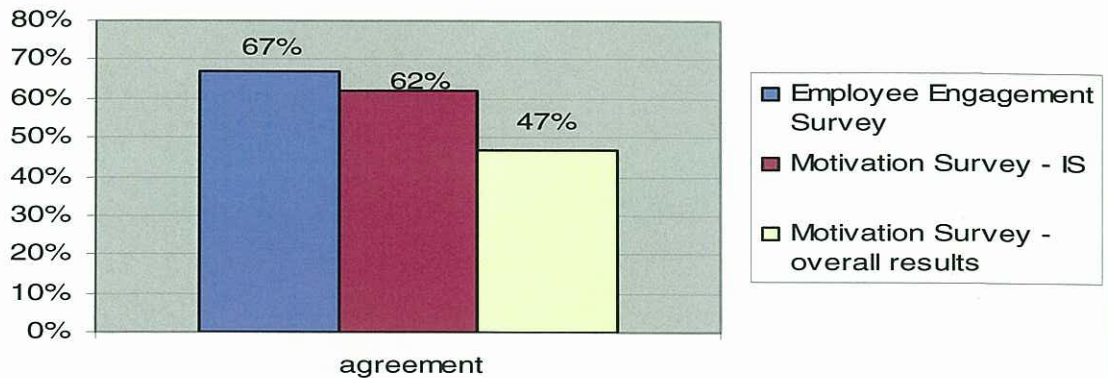


APPENDIX P XIV. : IS RESULTS OF QUESTIONNAIRE

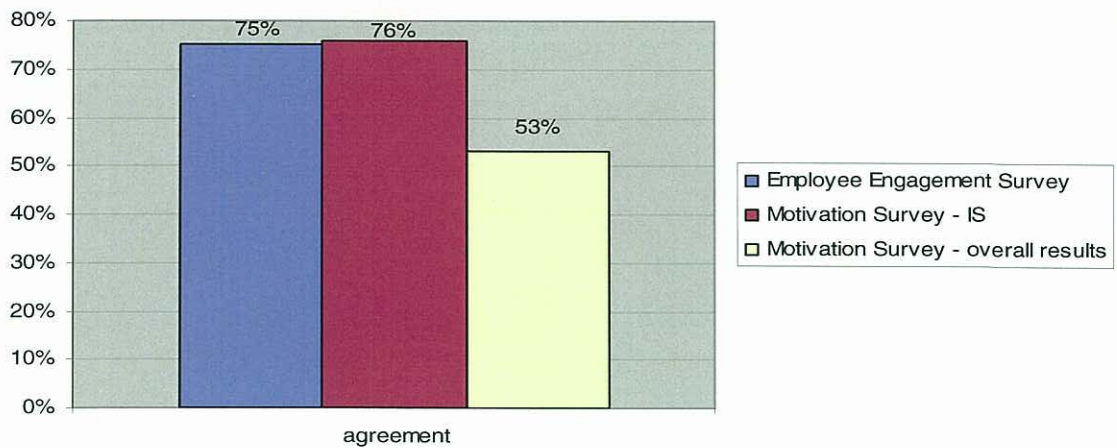
Source: own processing



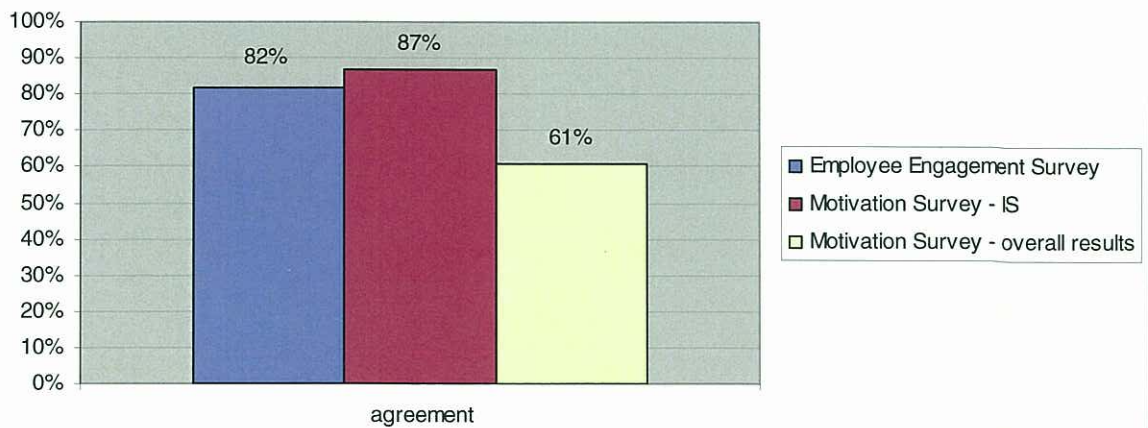
TPCA treats employees as this organisation's most valued asset.



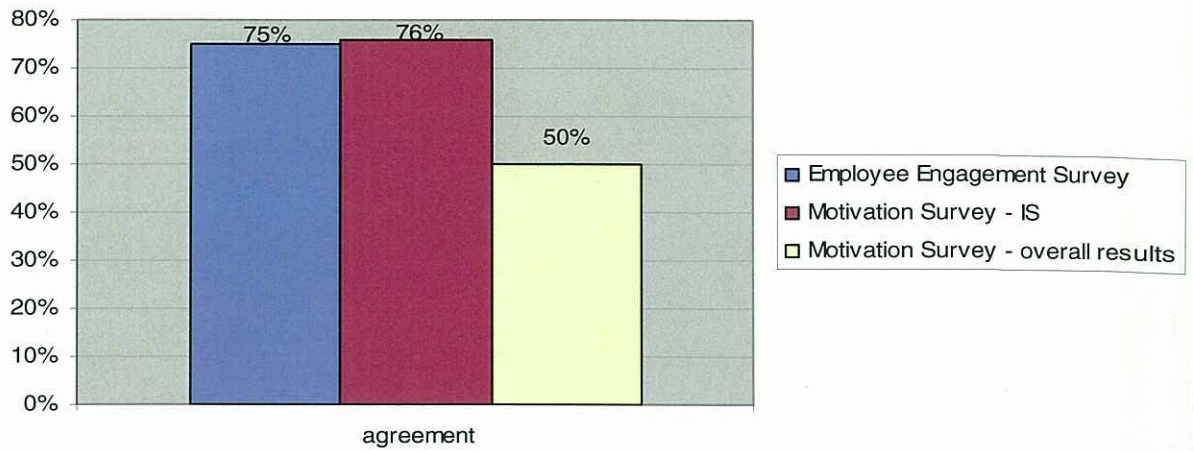
My future career opportunities here look good.



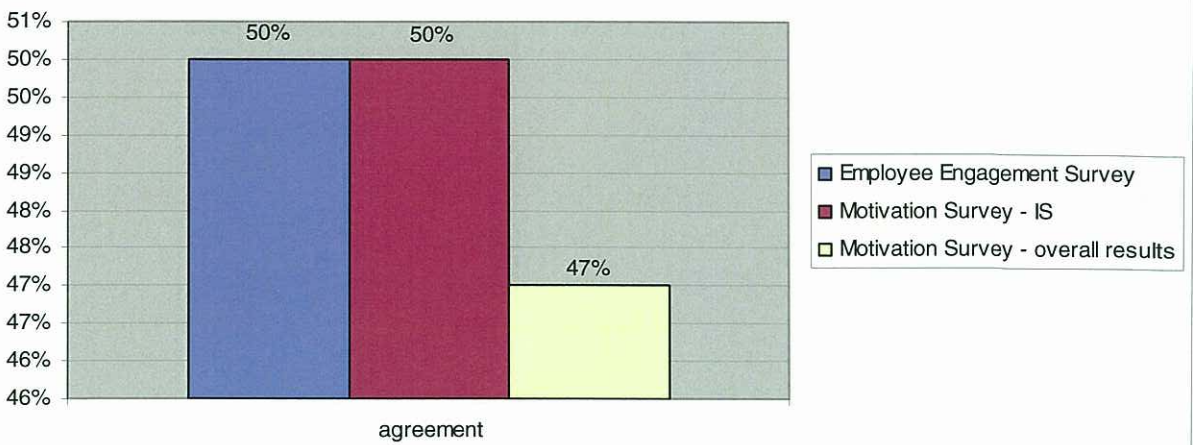
My superior provides feedback that allows me to improve my performance.



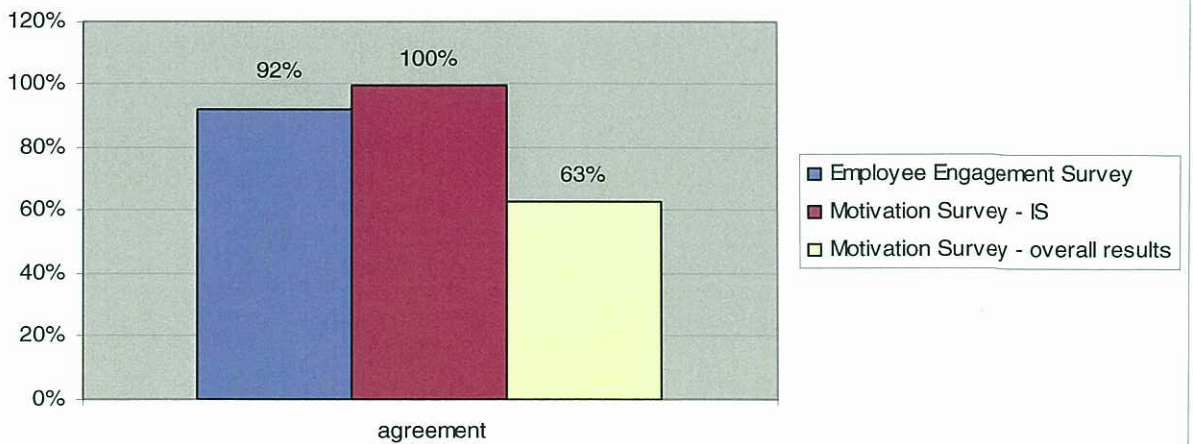
I agree that promoted are the most suitable people in our group.



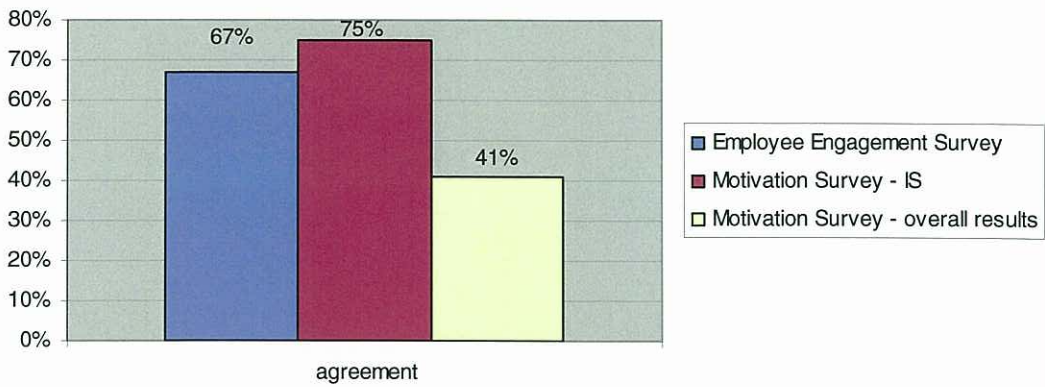
The work processes we have in place allow me to be as productive as possible.



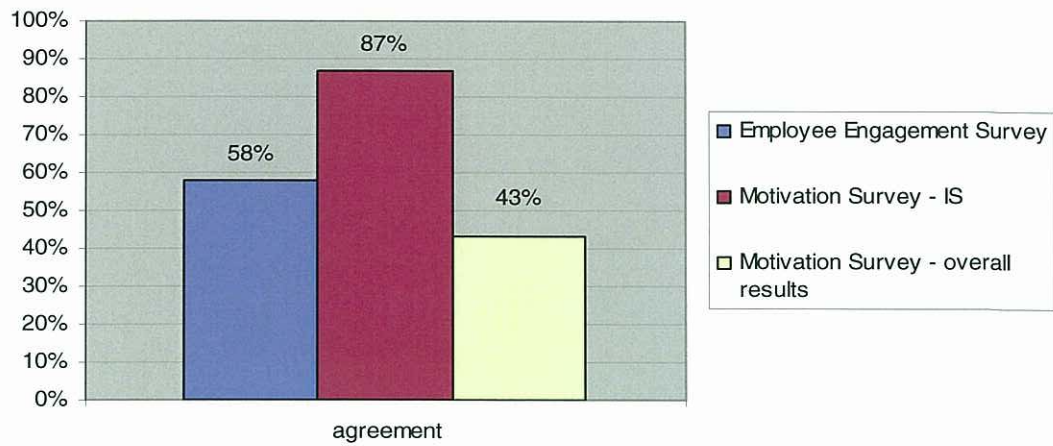
Training and development opportunities are available at company to help me build valuable skills.



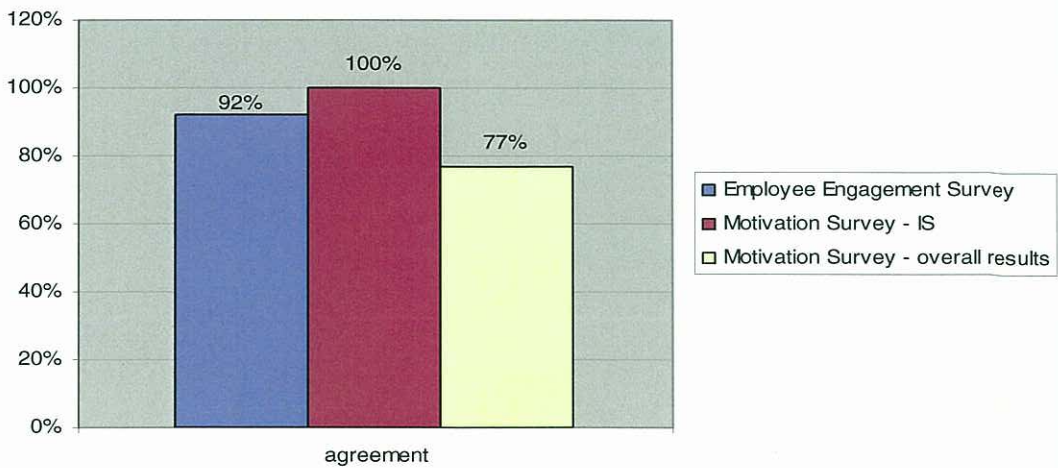
TPCA motivates me to contribute more than what is normally required to complete my work.



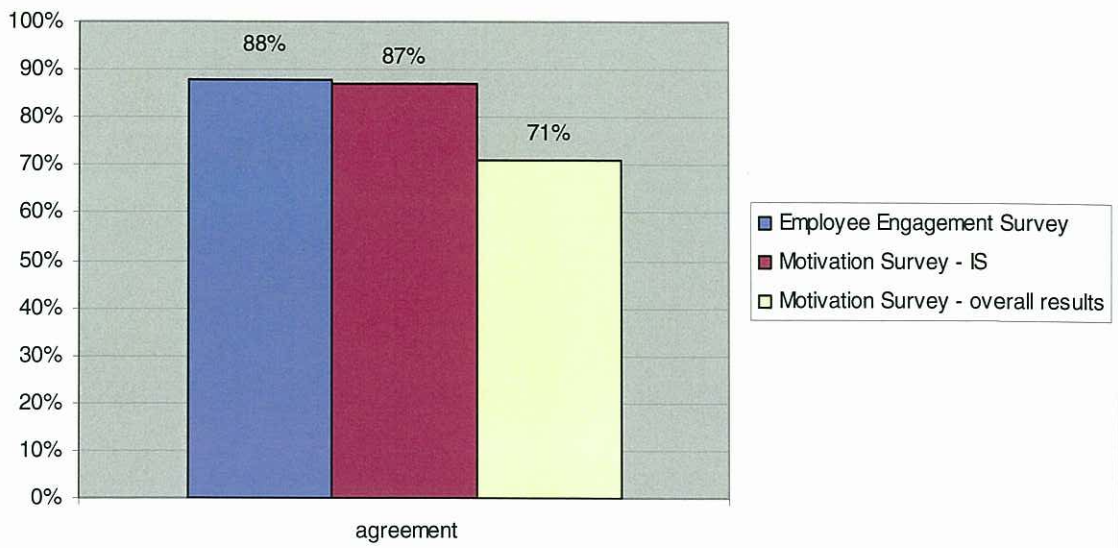
It would take me a lot to make me leave TPCA.



Given the opportunity, I tell others the great things about working for TPCA.

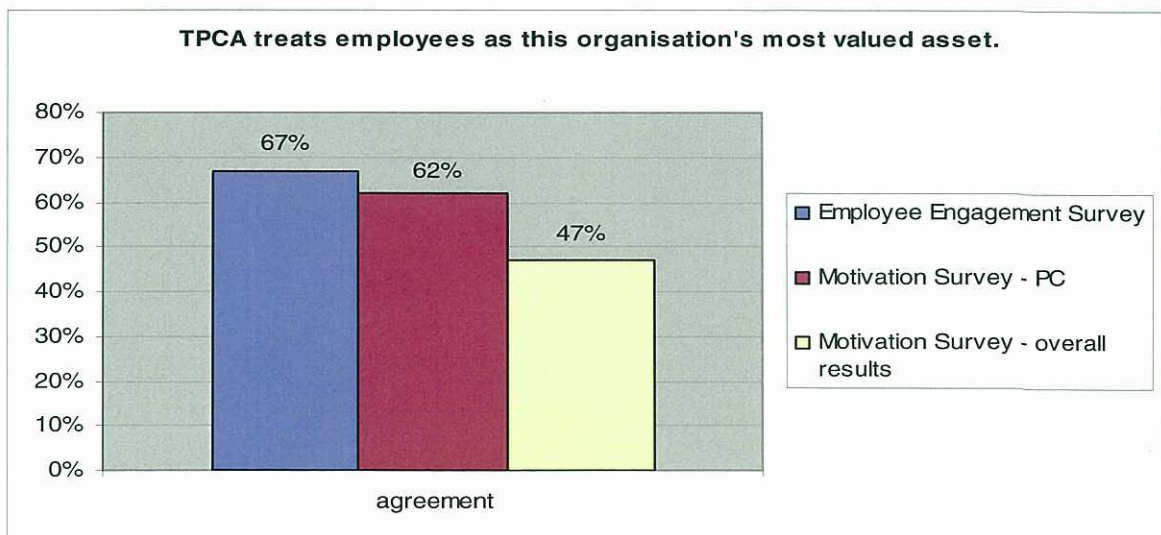
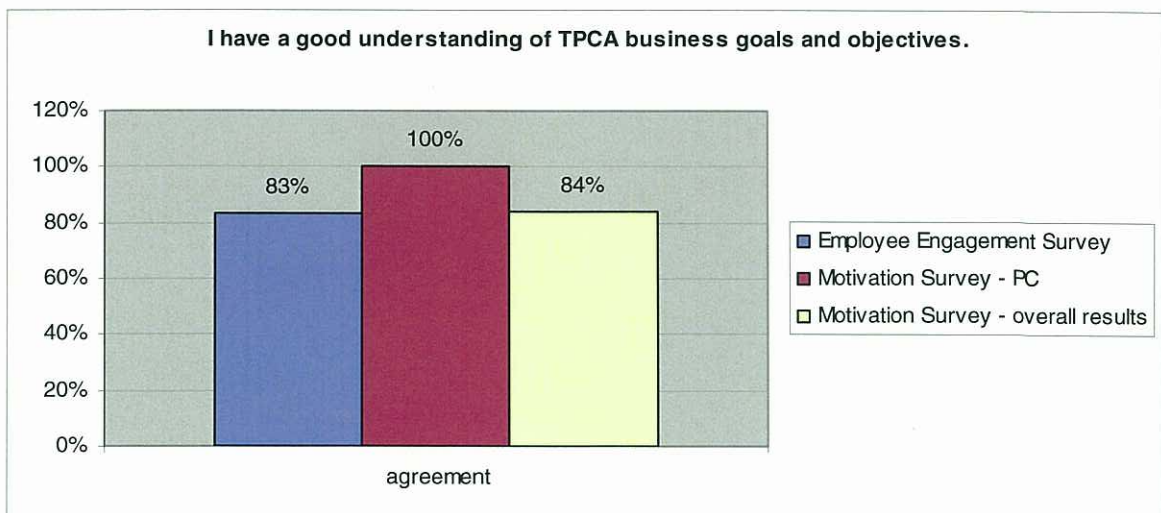
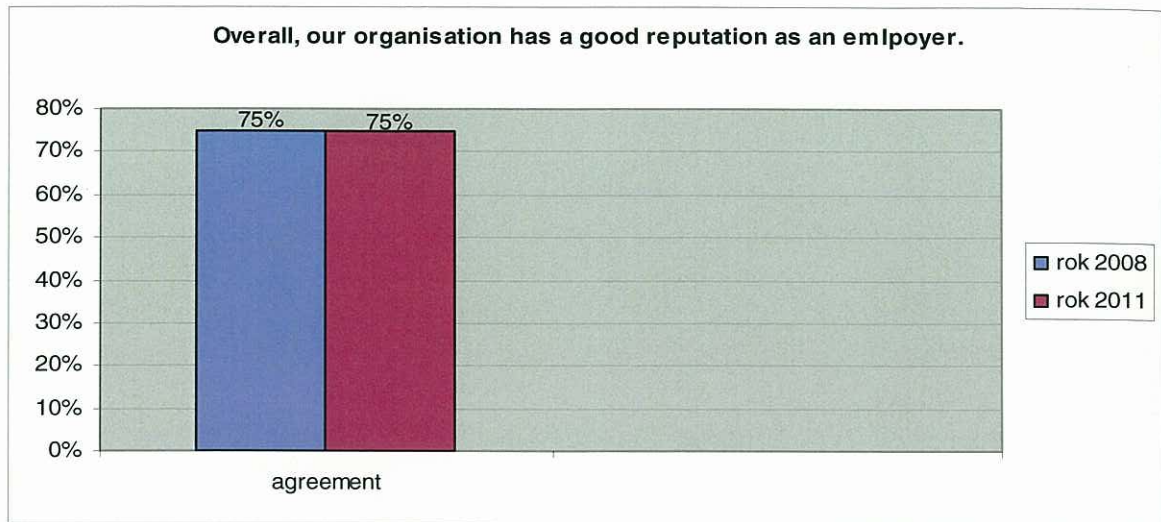


My superior encourages me to develop ideas to make my work better.

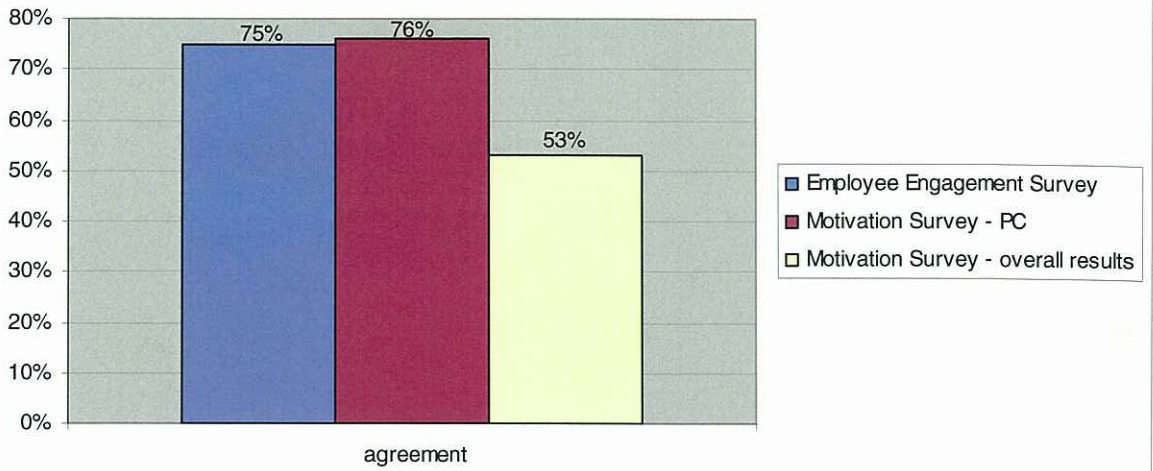


APPENDIX P XV. : PC RESULTS OF QUESTIONNAIRE

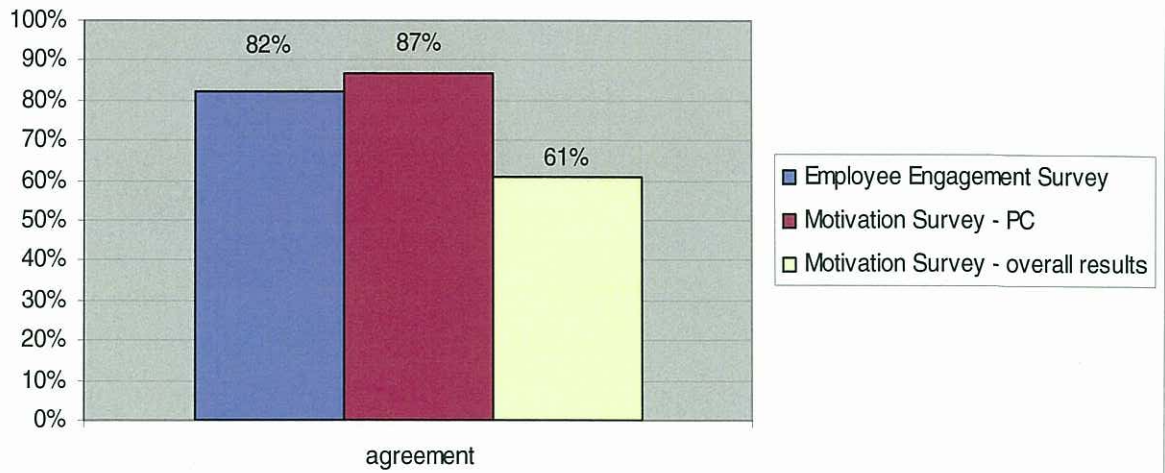
Source: own processing



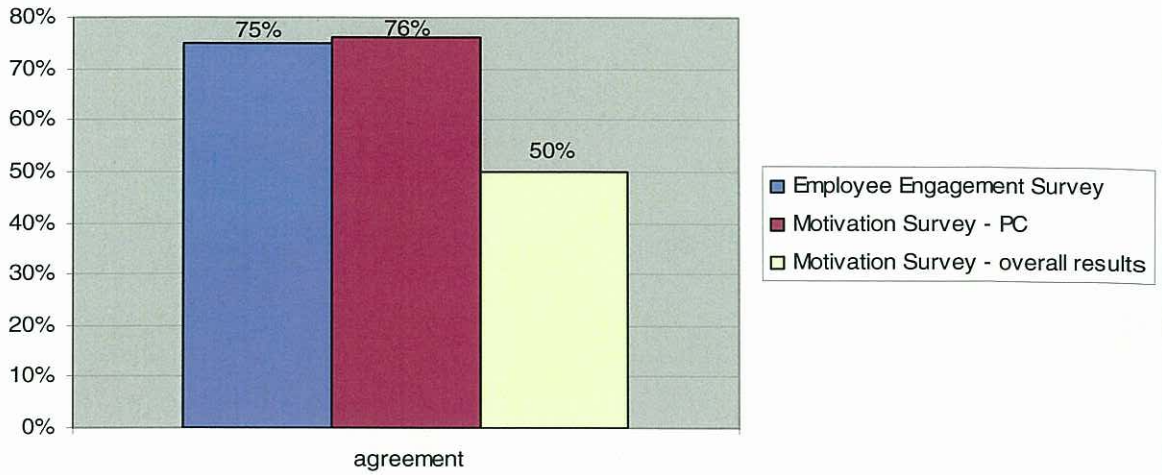
My future career opportunities here look good.



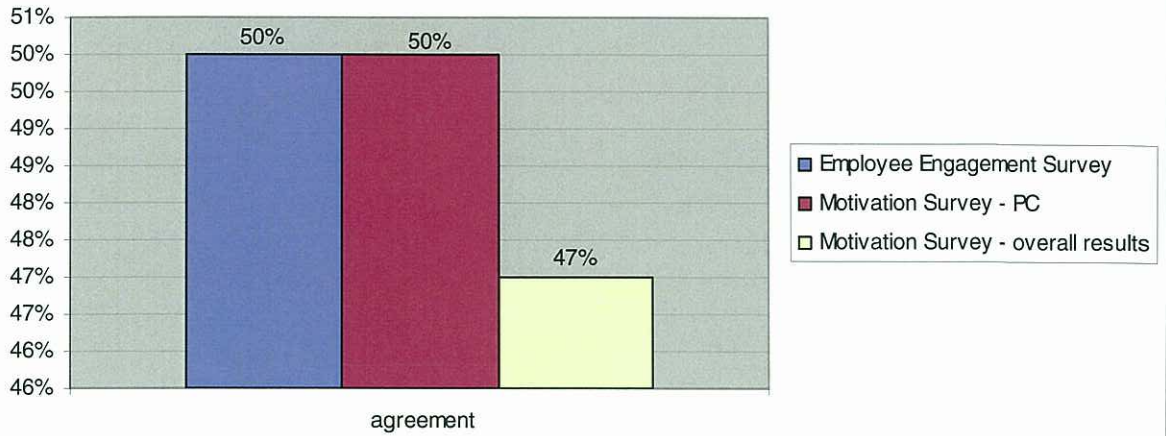
My superior provides feedback that allows me to improve my performance.



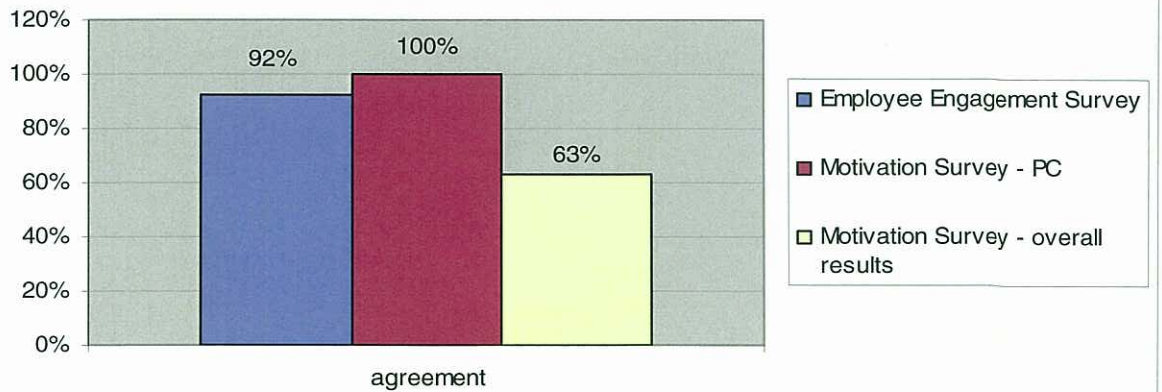
I agree that promoted are the most suitable people in our group.



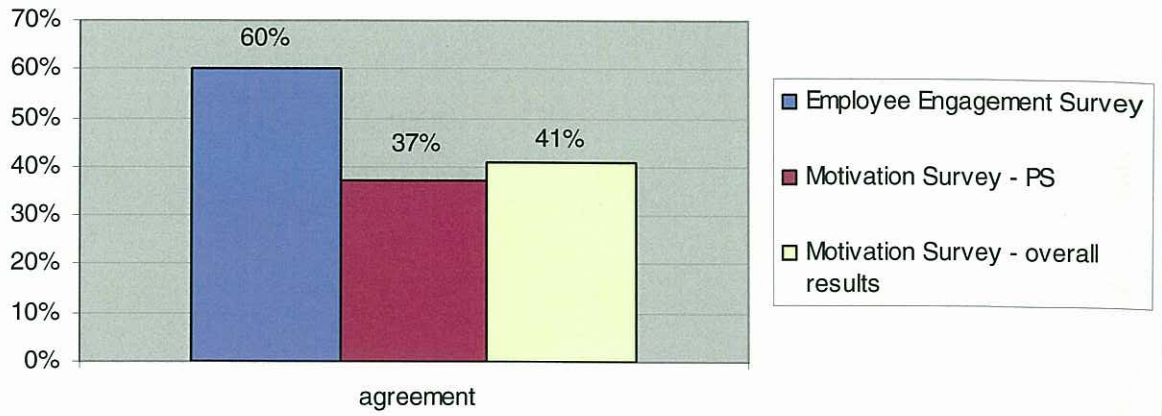
The work processes we have in place allow me to be as productive as possible.



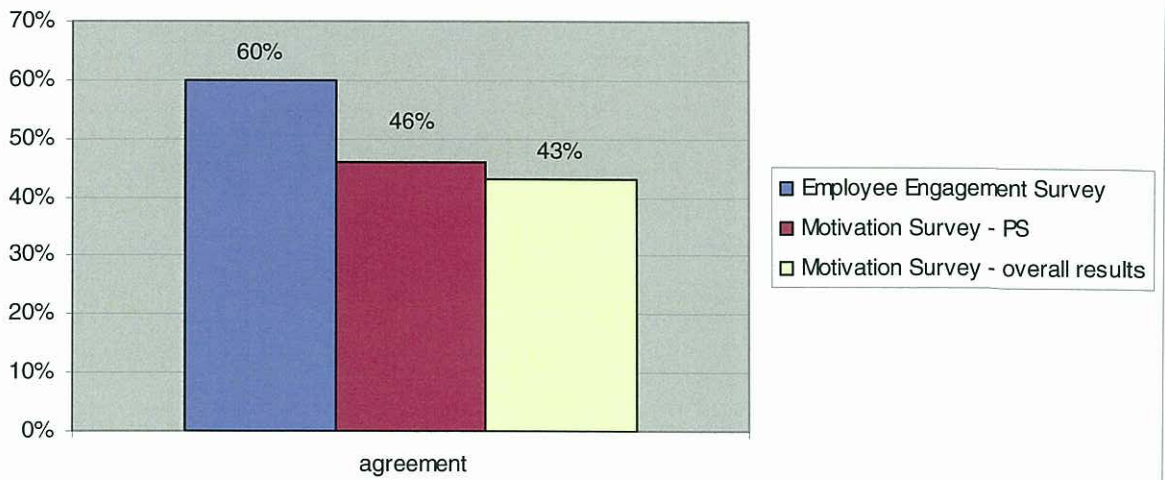
Training and development opportunities are available at company to help me build valuable skills.



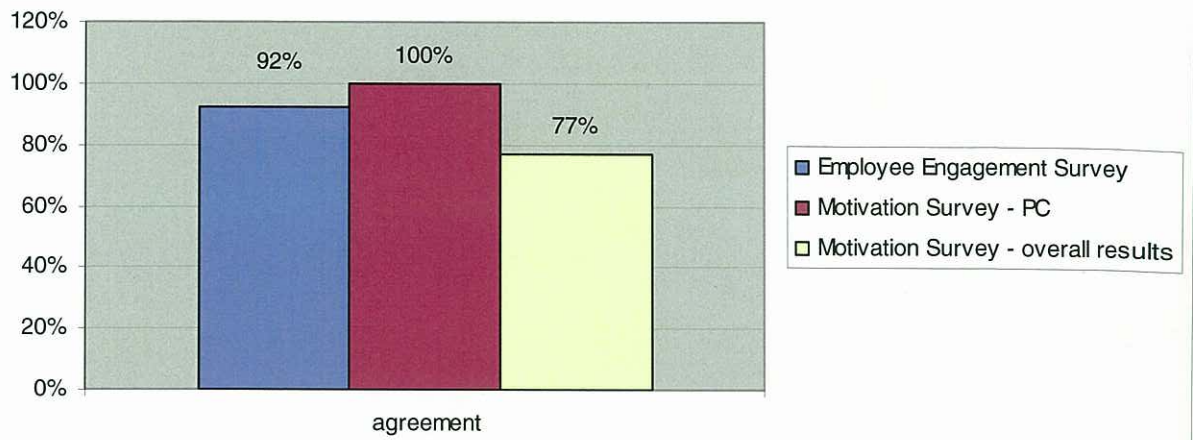
TPCA motivates me to contribute more than what is normally required to complete my work.



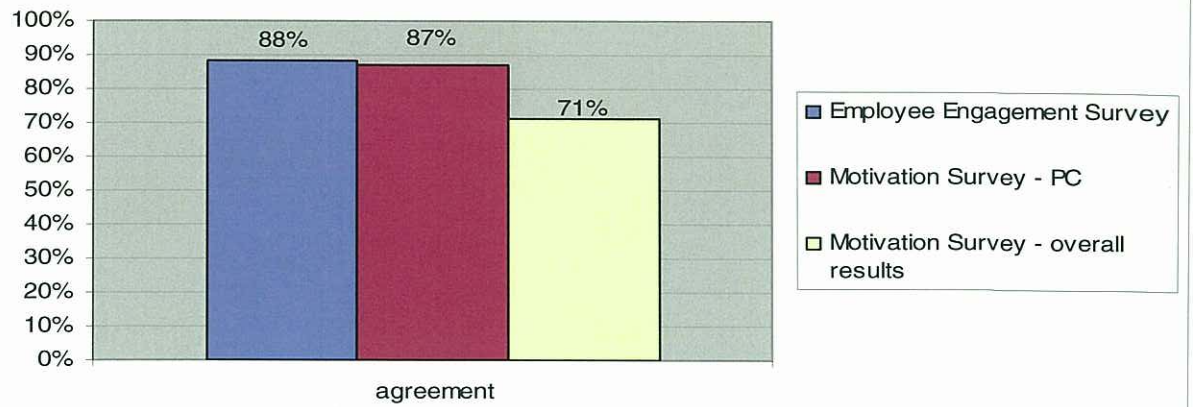
It would take me a lot to make me leave TPCA.



Given the opportunity, I tell others the great things about working for TPCA.

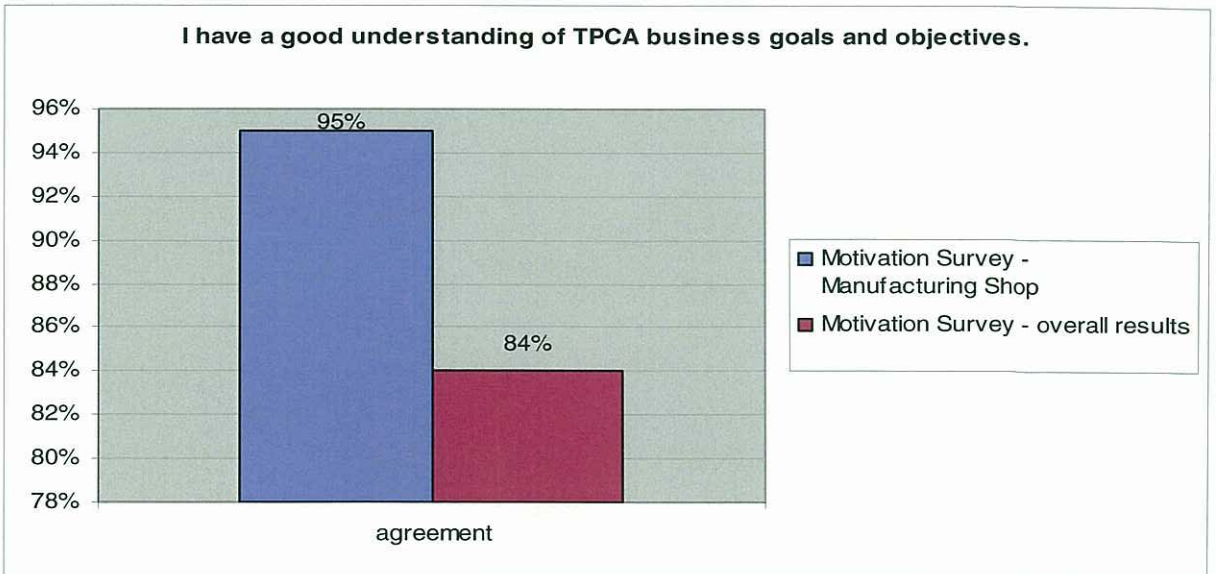
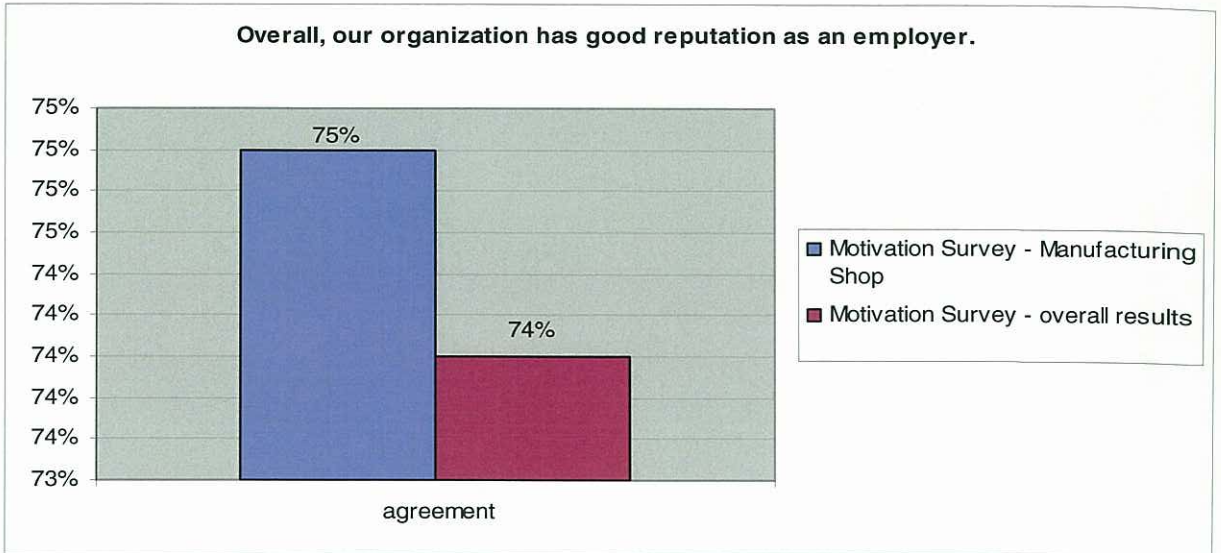


My superior encourages me to develop ideas to make my work better.

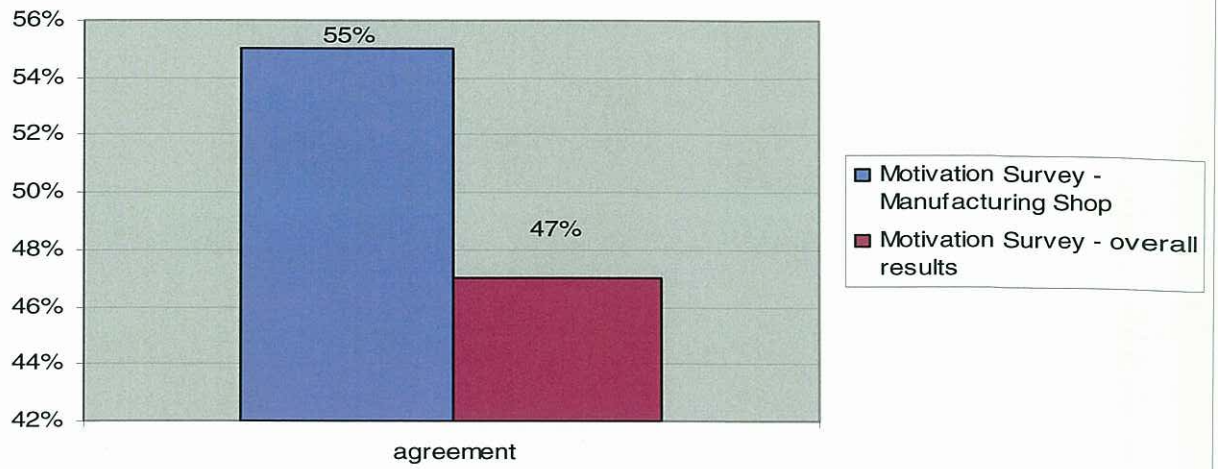


APPENDIX P XVI. : MANUFACTURING SHOP RESULTS OF QUESTIONNAIRE

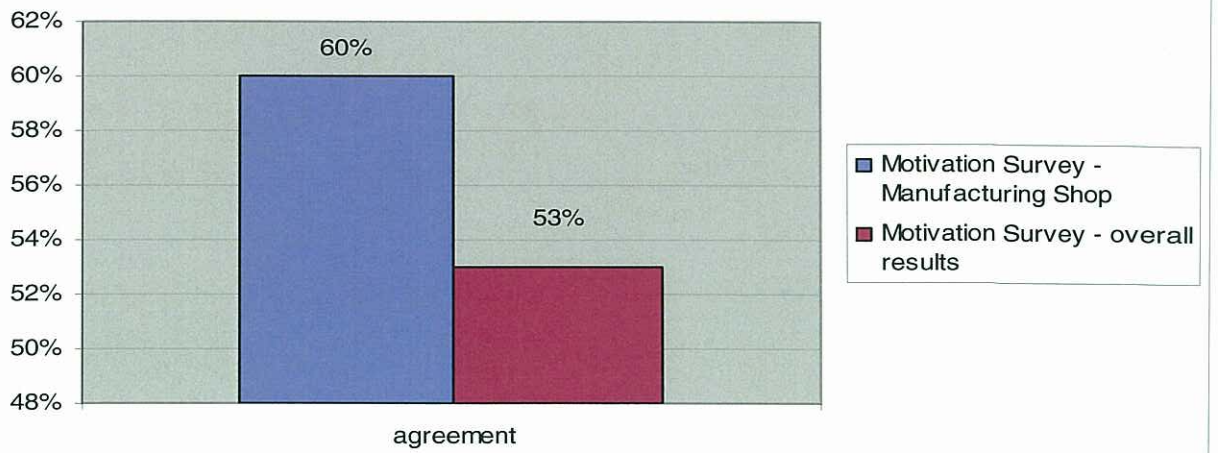
Source: own processing



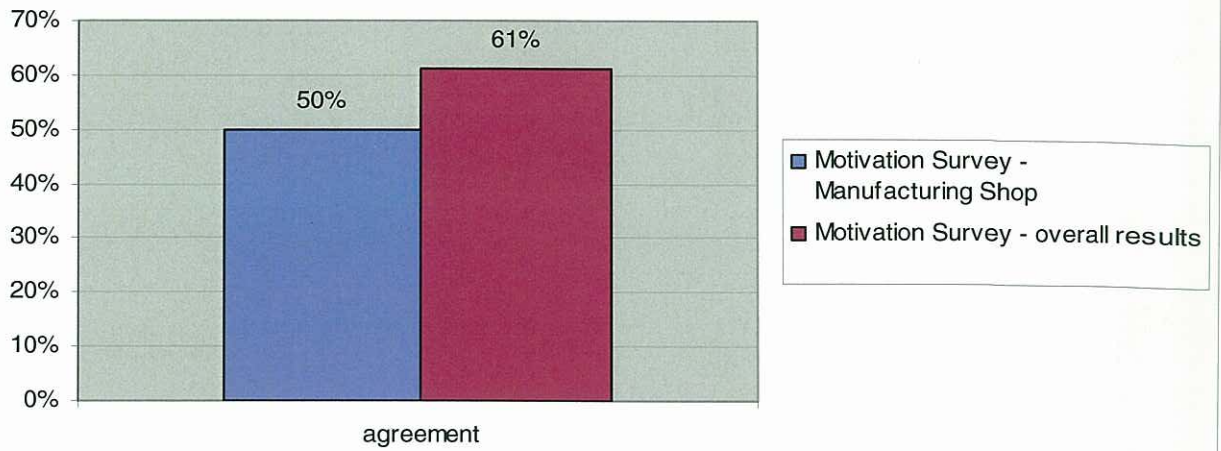
TPCA treats employees as this organization's most valued asset.



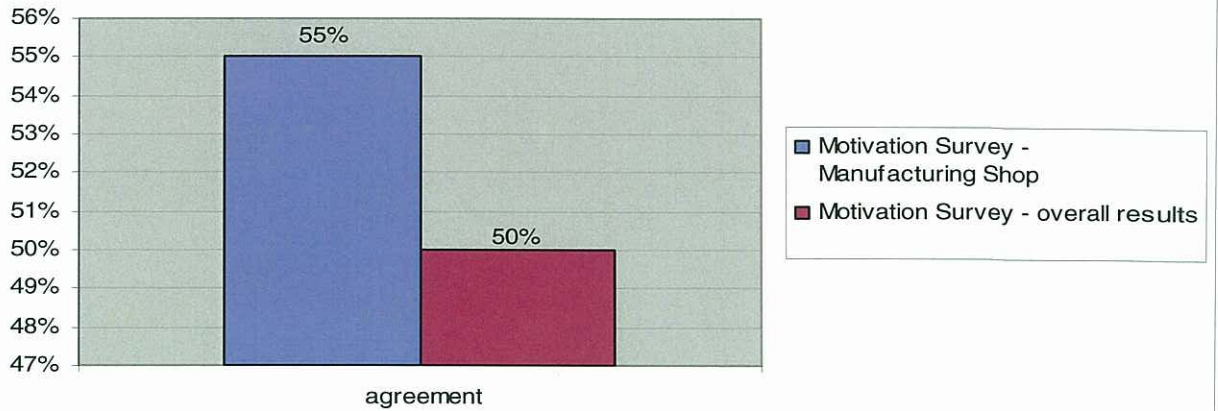
My future career opportunities here look good.



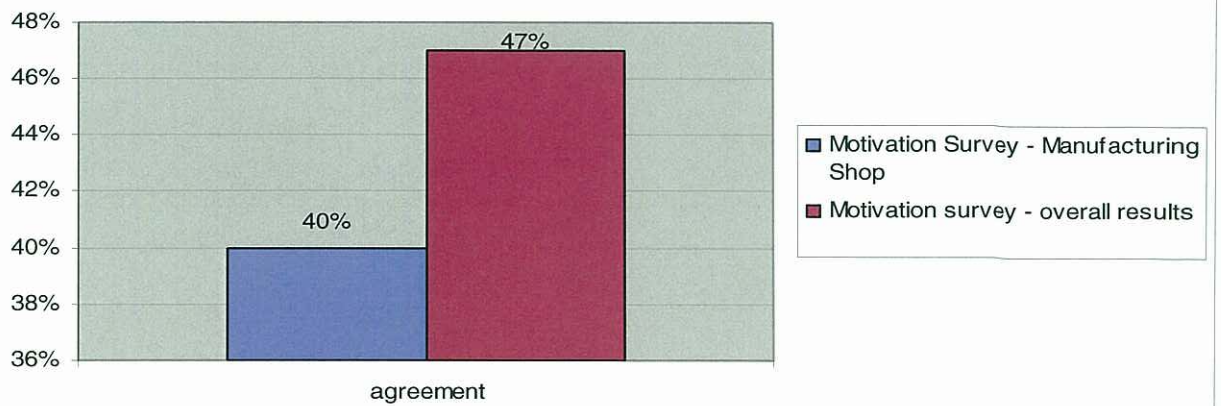
My superior provides feedback that allows me to improve my performance.



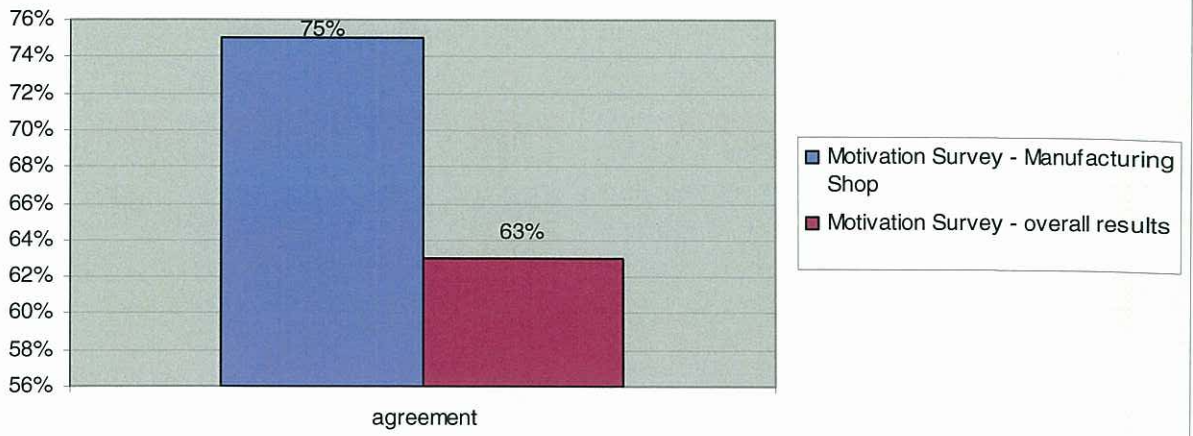
I agree that promoted are the most suitable people in our group.



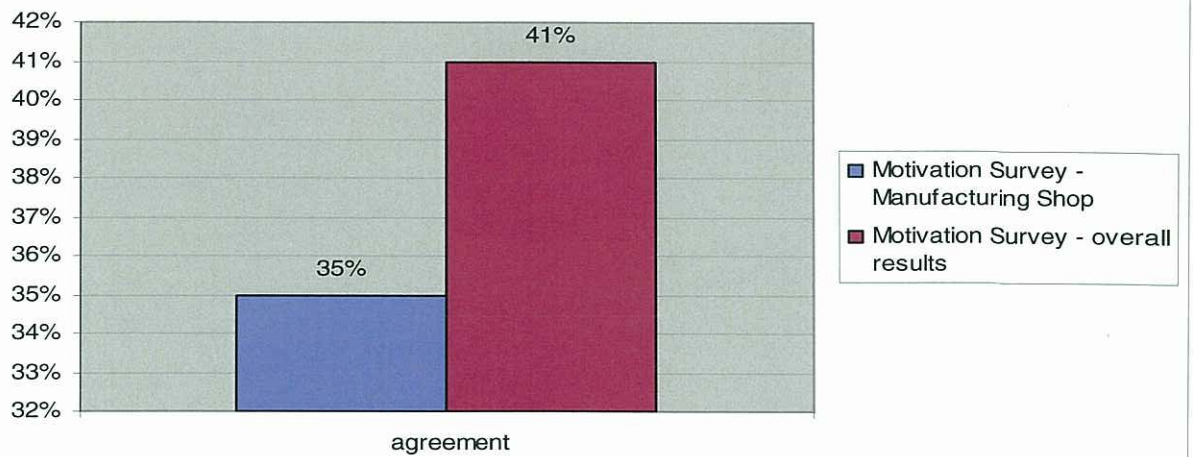
The work processes we have in place allow me to be as productive as possible.



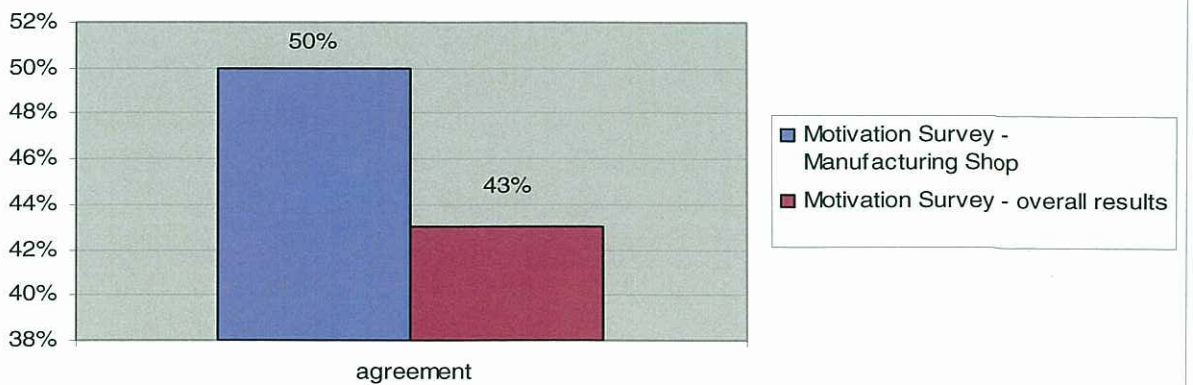
Training and development opportunities are available at company to help me build valuable skills.



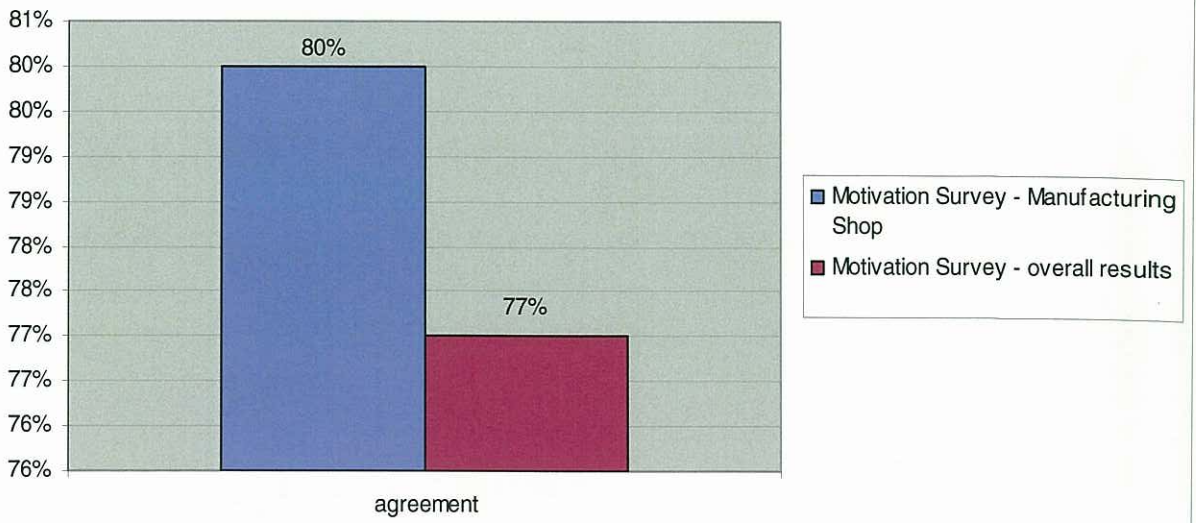
TPCA motivates me to contribute more than what is normally.



It would take me a lot to make me leave TPCA.



Given the opportunity, I tell others the great things about working for TPCA.



My superior encourages me to develop ideas to make my work better.

