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SHARPEN
HRM4sme_s

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Outline

- **Introduction**
- **Video**
- **Description of the Liberec region**
- **HRM in SMEs and HR in the Czech Republic**
- **Chosen companies - questionnaire**
- **Description of HR in chosen SMEs**
- **Benefits of the project**

- **Questions and discussion**



Description of the context for SMEs in the Liberec region





Size and location of the Liberec region

- North of the Czech Republic
- NUTS 3
- Borders with Germany and Poland
- Four districts
- **Total area: 3,163 km²**
- **Inhabitants: 439,639**



Age structure of the population

Population: 439,639 inhabitants

Men: 49.1 %

Women: 50.9 %

Average age: 41.6 years (EU 42.4 years)

Age index: 115.8 seniors per 100

children

Economic burden index: 51.7 children

and seniors per 100 persons

Percentage proportion of age groups in Liberec region and EU in 2015

Age group	Czech Republic	European Union
0–14	15.8 % (69 406)	15.6 %
15–64	65.9 % (289 890)	65.6 %
65 and over	18.3 % (80 343)	18.9 %

Source: Czech Statistical Office, 2017

Migration trends

Migration changes in Liberec region in 2016

Migration changes	Number
Total population increase	669 inhabitants
Migration increase	145 inhabitants
Immigrants	3 751 persons
From other regions	2 805 persons (74,8 %)
From abroad	946 person (25,2 %)
Emigrants	3 606 persons
To other regions	3 152 persons (87,4 %)
To abroad	454 persons (12,6 %)

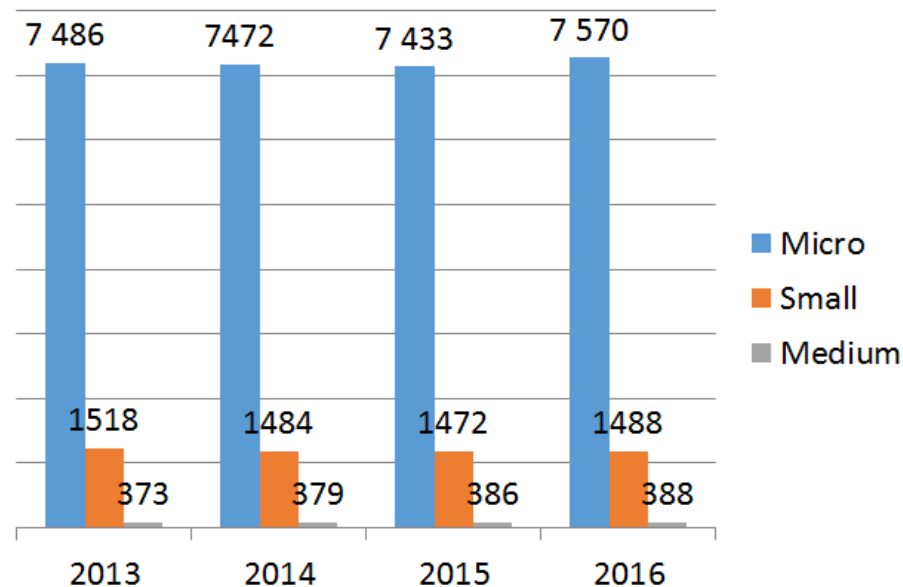
- Population increase
in total: **669** inhabitants
(natural and migration
increase)
- Growth due to migration:
145 inhabitants

Source: Czech Statistical Office, 2017

Number and structure of the SMEs

● 9 446 SME in Liberec region

Type	Number	%
Micro	7 570	80 %
Small	1 488	16 %
Medium	388	4 %



Source: Czech Statistical Office

Structure of the labour force

- **Economically active:** 216,900 inhabitants
 - Unemployed: 11,900 inhabitants
 - Regional unemployment ratio: 5.5 %
- **Economically inactive:**
 - 103,100 retired,
 - 26,700 students,
 - 68,900 children up to 14 years of age
 - 23,200 others.
- **Most people work in:**
 - manufacturing (78,000),
 - retail trade (23,900) and
 - education (13,900)
- **Average monthly gross wage in region:**
 - 25,622 CZK (948 EUR)

Source: Czech statistic office, 2017



Industrial structure



2015*	Liberec Region	Czech Republic	Share within the CR
Average number of industrial enterprises	106	2,390	4.4 %
Sales from industrial activities	€ 5,530 mil.	€ 127,260 mil.	4.3 %
Average number of employees in industrial enterprises	43,599	838,399	5.2 %

Source: <http://en.kraj-lbc.cz/>

*) Enterprises with 100+ employees with a registered office in the region



HRM in SMEs and in the Czech Republic

Specifics of HR management in SMEs

- In most cases the ownership and management of SMEs is conducted by 1 person
- A simple and organized structure of the HRM
- Creating a fund of permanent employees
- Managers are often qualified specialists who have a lack of knowledge about HR

HRM models in SMEs

1. Passive

- Administrative activities required by the law

1. Reactive

- Reaction of the companies expansion related with needs of mechanisms which prevent from fluctuation

1. Active

- Effort to optimize HR processes, complex approach to HR activities

1. Proactive

- Employees are the most important intangible asset of the company
- An HR manager is a member of the top management

HR system in the Czech Republic

- Main sources of the labour law:
 - the Labour Code,
 - the Collective Bargaining Act
 - the Employment Act.

Changes in the Labour Code

- Mainly HomeOffice, work-life balance

Trade Unions

- Primarily organized by the sector according to the type of business



Chosen companies questionnaire

Specifics of our companies

Size

Small



Medium



Tradition

6-10 years



11-15 years



16 years and more



Family business



Sector of business

Secondary



Tertiary



HR department

No (in small enterprises)



2 employees (1)



4 employees (3)



Which HRM functions and activities are performed in your firm?

Most often

- Determines employee benefits
- Training of new employees
- Decides the knowledge, skills and abilities for each job
- Identifies potential job applicants
- Determine the number and types of employees

Least often

- Talent management
- Discussing of advanced opportunities (career growth) with employees
- Plan for employer branding development

Which HRM activities/tools do you use in the recruitment processes in your firm?

Most often

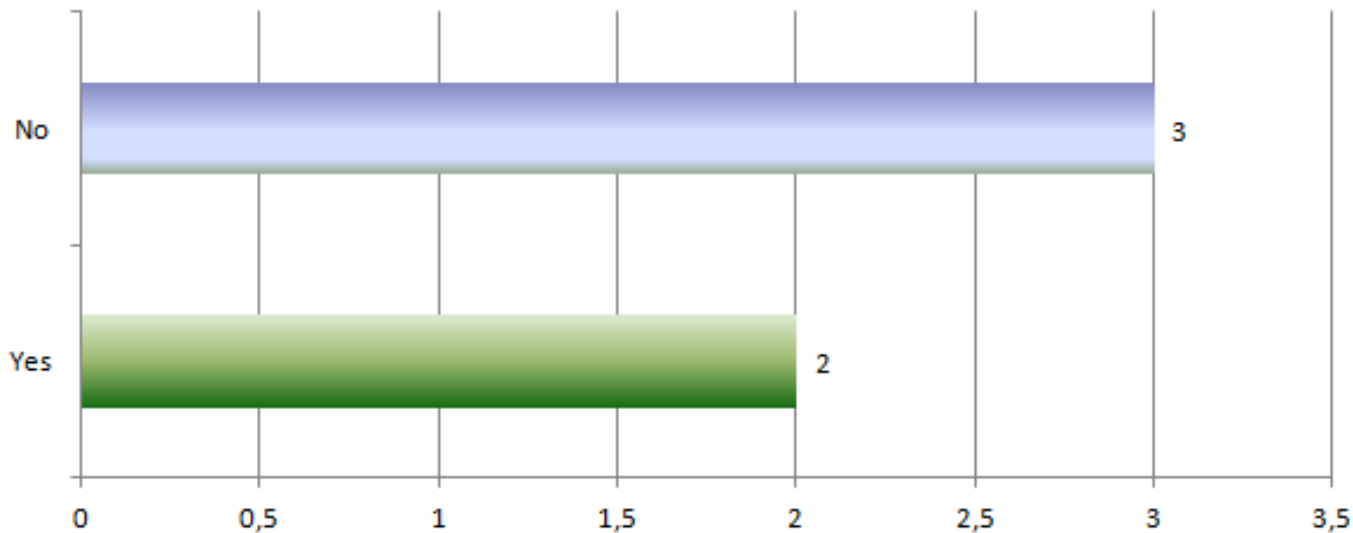
- Reference from existing employees
- Job Internet portal for the employee/candidate
- Career webpages of the firm
- Employment agency

Least often

- Analyze recruitment strategies of your competitors
- Agencies for recruitment process

Selected SMEs in the Liberec region in 2017

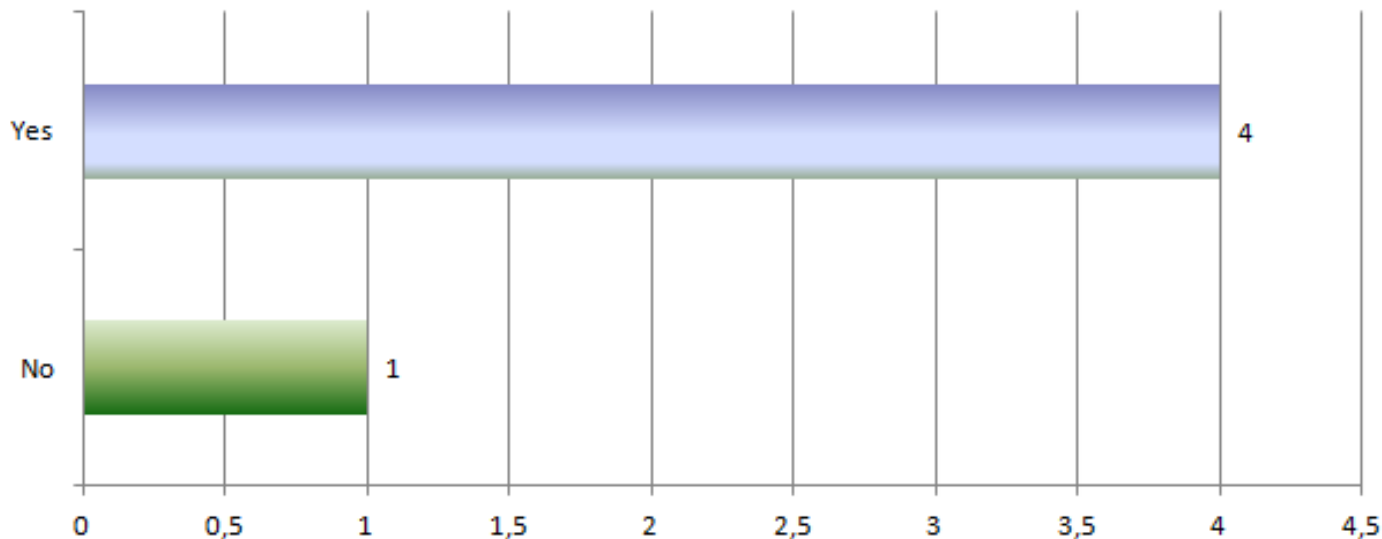
Existence of a strategy for retaining employees



Source: own survey

Selected SMEs in the Liberec region in 2017

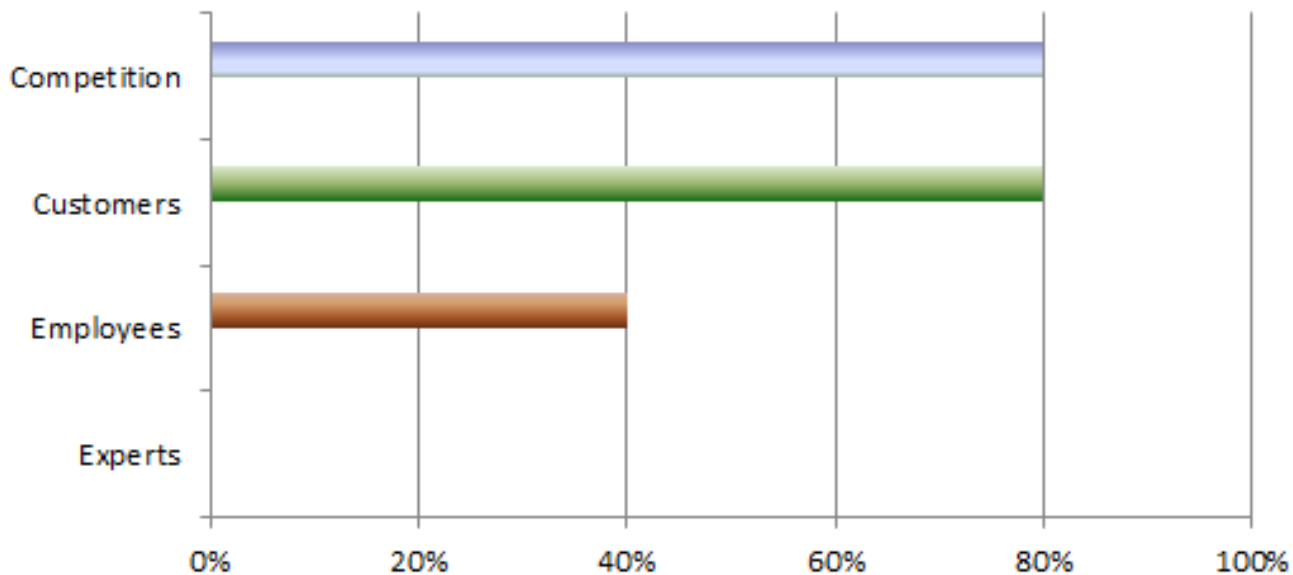
Existence of a partnership with universities



Source: own survey

Selected SMEs in the Liberec region in 2017

Who stimulates innovation in the firm



Source: own survey

Description of HR management in chosen companies



Company A

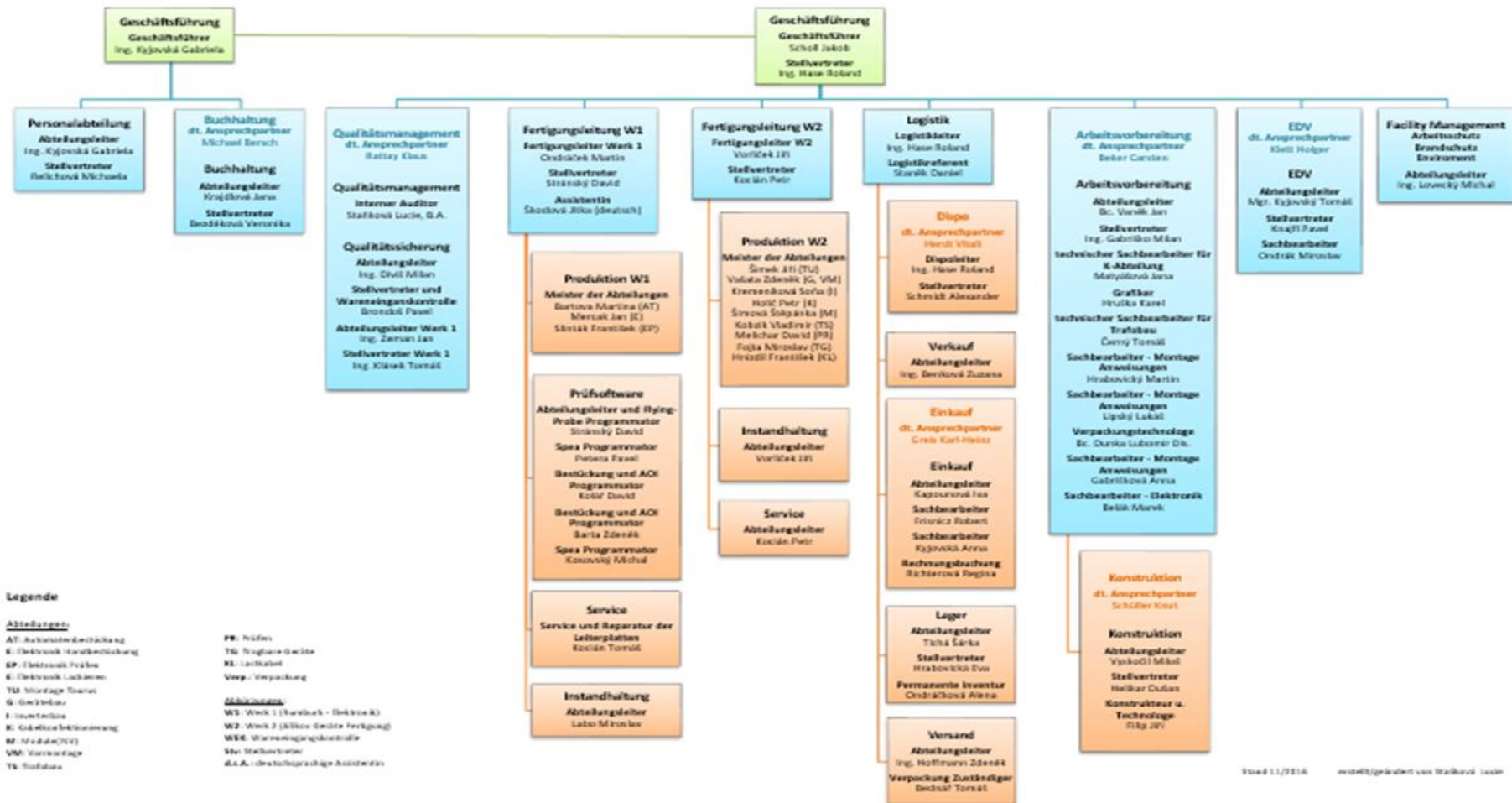


Basic information

- Since 1994
- **Industry:** Welding machine production
- **Size:** 245 employees – medium sized company
- **Technology:** methods of easier, more economical and especially more successful welding
- **Products** - broad range of welding machines
- **Employee structure:** 2 Executive directors



Organigramm for Czech Republic



HRM functions in SME

- HR department – 2 HR officers
- Ensure a lot of HR activities
 - Planning, recruitment, job description, use of personal information systém, training, evaluation, benefit system, surveys, outplacement, ...
- Some rules come from their parent company in Germany



HR NEEDS

- Some gaps:
 - no employer branding,
 - do not use social media,
 - lack of cooperation with universities.

→ but they are working on it

- Preparing ISO certification
(improvement of job description, monitoring KPI, ...)



Strengths and weaknesses in HR

Strengths	Weaknesses
Internal recruitment	No induction process
Employee satisfaction survey's	No employer brand
Benefits	No use social media
ISO certification	No talent management

→ need of creating **INDUCTION PROCESS**

CURRENT INDUCTION PROCESS

Basic rules, processes and habits:

- structure of working hours,
- breaks in work,
- ways of communication with HR department,
- initial training in health and safety protection area,
- accurate ways of performance reward calculation,
- statutory training,
- basic help from colleague („mentoring“).



Causes of mentoring failure:

- mentors are busy, do not have enough time,
 - low level of professional knowledge,
 - competing thinking – they can see new employee as rival,
 - difference between personality of mentor and new employee.
- Also informal „adaptation“
- No monitoring of induction
- No feedback

PROPOSED HR TOOLS

- The plan of mentoring,
- evaluation form for evaluating the work of new employees,
- self-reflection evaluation form for evaluating their work,
- evaluation form for feedback on the whole induction process.

MENTORING

- Useful and effective
- Current employees will be addressed
- Own work + mentoring:
 - working overtimes,
 - being compensated for working overtime,
 - reduce workload.
- depends on each department

MENTORING

- basic mentoring and communication training

Time of mentoring:

- **during** the whole induction process (probation period)
→ at least **2 hours intensively** per work day
- **After** the induction process → mentors will be **able** to help
 - **Workers** - up to half of year
 - **Administrative staff** - up to one year

EVALUATION FORMS

- **Employee evaluation form – induction process**
 - Fulfilled by a superior/mentor
 - Always in the middle and in the end of the induction process
- **Employee self-evaluation form – induction process**
 - Fulfilled by a new employee
 - Always in the middle and in the end of induction process
- **Induction process evaluation**
 - Always after the induction process, by new employees

Critical evaluation

- 4 proposed HR tools
 - **Mentoring** – only theoretical level
 - **Evaluation forms** – 3 practical tools
- **Mentoring** → will be implement
- **Evaluation forms** →
 - are able to be used immediately
 - are approved by HR department
- All tools – are able **to improve induction process**



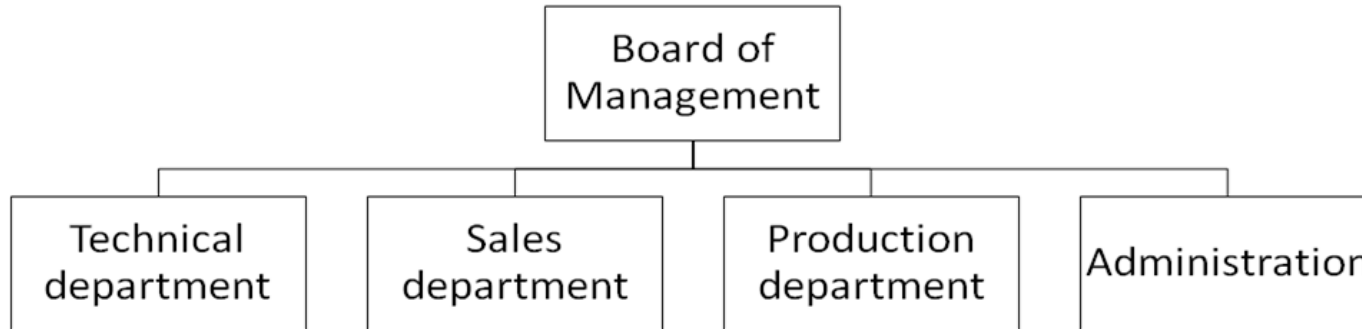
Company B



Basic information about the company

- Produces and sells beer
- 50 employees (40 men)
- Manual workers (physically demanding work)

Organizational structure



HR management

- No HR department
- HR specialist (payroll accountant)
- External HR consultant (outsourcing)
- Evaluation, remuneration
- Personal information system
- Personal planning
- Job descriptions

Recruitment and selection

- Facebook – connected with career websites
- Advertisements in newspapers
- Signboard in front of the company
- References of current employees
- Public employment service
- Job portals – bad experience

Challenges

- Finding employees (low unemployment)
- Retaining employees





Strengths	Weaknesses
Traditional business	Lower wages
Good location	Career opportunities
Familial atmosphere	Not so many benefits
More free time (only morning shift)	Communication



Solution

“Sell” strengths by communication

- Social media

Create benefits package

- Health care (pharmacy, vaccination)
- Sport (matches, fitness center, ski resort)
- Culture (cinema, concerts)





Company C



Basic information

- Limited liability
- Founded in 2007
- Headquarter in the Liberec Region (13 other stores in the world)
- Medium sized company (248 employees)
- Glass industry
- Production of glass installations and collections, glass for architecture, kinetic sculptures

HRM functions

- HR department: 1 director, 3 HR officers
- HRM for foreign stores managed from the Czech Republic
- Recruitment methods: Advertising, Online recruitment ,
Social media (Facebook, LinkedIn), Recruitment agencies, ESC
- Competency model (cross sectional skills, group skills)

HR challenges

Implementation of a corporate culture

- External consultant

Personnel information system

- Performance management, employee training, succession plans

Survey of the company climate

- Questionnaire for employees





Strengths and weaknesses in HR

Strengths	Weaknesses
Low fluctuation rate	Structure of the competency model (difficult and confused)
Competency model	Difficulties to find employees with technical education
Adaptation package	No unified education system
Internships for students	

Suggestions and solutions

Structure of the competency model

- More competencies - 6 for each position
- Briefer definitions of the competency headings

Difficulties in finding technical specialists

- Recruitment agencies, LinkedIn, Recommendation via internet

A unified education system

- According to the performance management
- E-learning, employee training



Company D





Basic information

- Stráž pod Ralskem
- 20 years tradition
- **Ecological recycling of devices**
- Maximal usage of recovered materials





together for
better planet

Organizational structure



- 89 employees
- **HR specialist Ludmila Čmelíková**



HRM activities

Recruitment and selection processes

- Job internet portals
 - Municipality in Straz
 - Career profile on their website
 - Internal recruitment – notice-board
 - References from existing employees
 - ? *Social Media (Facebook) in consideration!*
-
- Selection – personal interview, excel test,..





HRM activities

CSR Social responsibility

- Employment of prisoners



HRM activities

Retention planning

- Training of employees
- Innovation – opportunity to suggestion
- Benefits
 - Shorter working hours (7.5 per day)
 - Lunches for free
 - Common events
 - Indisposition free days
 - Regular increasing of basic wage scale
 - Performance assessment – bonuses





Certificate INVESTORS IN PEOPLE



**INVESTORS IN
PEOPLE UK**

Challenges

- **Lack of new talented candidates**
 - > cooperation with high schools
 - > better employer brand





SOLUTION - Employer branding

- Sponsoring of ecological events

„Show your strength.“





SOLUTION - Communication with generation Z

- Social media needed
- Facebook
- Instagram
- Excursions for schools
 - Find potential candidates
 - Be in contact with them



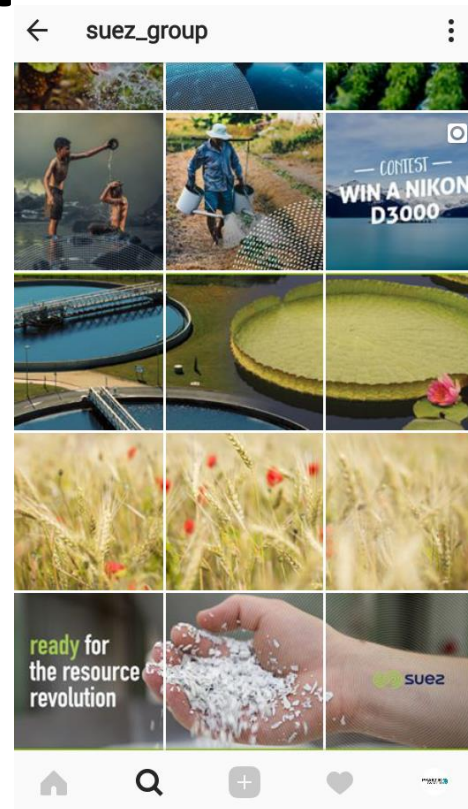
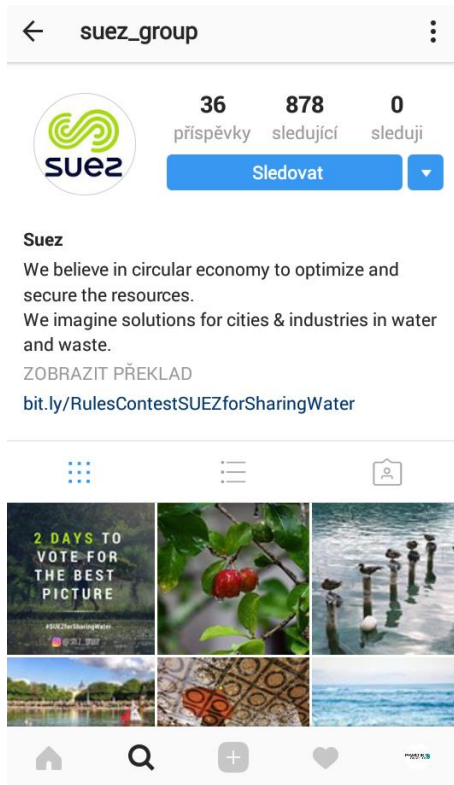


INSTAGRAM step by step

- 1) Keep the username simple
- 2) Fill the whole name
- 3) Add a simple profile pic – logo
- 4) Have a simple description
- 5) Create your own hashtag (Nike – #justdoit)
- 6) Link to website
- 7) CONTENT, CONTENT, CONTENT!



Example





Suggestion



1 příspěvky 0 sledující 0 sleduji

[Upravit profil](#)

s.r.o.

Ecological recycling of electrical waste
20 years tradition
🌱 #togetherforbetterplanet
www.cz/

together for better planet



[Redacted] Don't waste our future! → #recycle ♻️
#togetherforbetterplanet

PŘED 2 HODINAMI



Company E

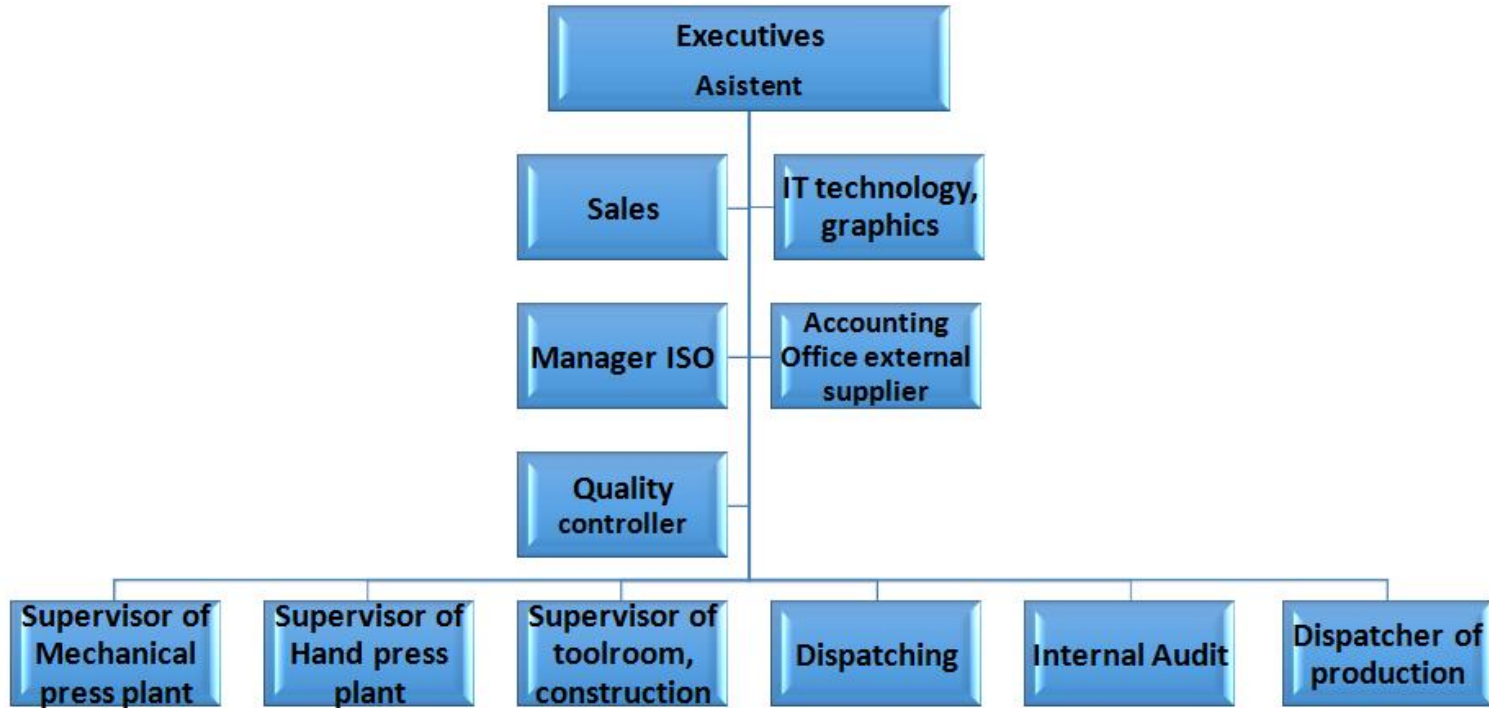


Introduction

- Long tradition – since 1994 in Jablonec nad Nisou
- Size: 43 employees (small sized company)
- What do they do? → **Technology of metal stamping**



Organizational structure



HR activities

- No HR department

HR activities provided by Executives and their assistants

- HR planning
- Job description
- Provision of employee benefits
- Ensure the safety and health of workers
- Employees satisfaction surveys



HR activities provided by personnel agency

Strengths and Weaknesses in HR

Strengths	Weaknesses
<ul style="list-style-type: none">● Motivation system	<ul style="list-style-type: none">● Recruitment – personnel agencies (expensive)
<ul style="list-style-type: none">● Flexibility (working hours, type of contract)	<ul style="list-style-type: none">● No career website
<ul style="list-style-type: none">● Employee satisfaction monitoring	<ul style="list-style-type: none">● Adaptation process
<ul style="list-style-type: none">● Defined corporate social responsibility towards employees	<ul style="list-style-type: none">● Communication across departments



„The greatest value for our company are our employees. Our responsibility to them is important for current and future prosperity.“



Employee benefits



- Flexible working hours
- Plan for 2017 – wage increases of about 3-5%
- 100 % attendance → rewards 500 CZK/month
- Rewards for bringing a new employee
- One more week of vacation
- Selling products for discounted prices
- Education

Specific needs

- 1) Reaching of young people (up to 35 years)
- 2) Improvement of motivation (excluding wages)
- 3) Improvement of communication between supervisors and employees





Suggestions – reach young people

KNOW WHAT YOUNG PEOPLE WANT



- Meaningful work
- Freedom
- Job rotation

- Deeper cooperation with high schools (discussions, competitions,..)
- Trainee program
- Technodays, Girlsday (sample in practice)

Suggestions – reach young people

Communication

- Renaming of job (laborer → specialist etc.)
- Use social media
- Create career website
- New site template
- Advertisement in technology magazines
- Create spot
- „Don't be in the office, make more money!“



Suggestions

2) Improvement of motivation (excluding wages)

- Cafeteria benefits
- Cooperation on projects
- 5S system (sorting, set in order, shining/cleans, standardizing, sustaining)

3) Improve the communication between supervisors and employees

- Training of supervisors
- Create a training manual



Benefits of the project

Friendship

Teamwork

Multinational
environment

Cooperation
with companies

Knowledge of HR

Traveling

English

Thank you for your attention

Questions & discussion