

## Education and Development in Human Resource Management Process and in Corporate Social Responsibility in SME's in the Region of South Bohemia, Czech Republic

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### Abstract

Development and education is an essential part all enterprises to maintain an advantageous position compared to competitors in the market, unfortunately, small and medium-sized enterprises are characterized by the fact that they do not pay enough attention to education and development of their employees. The aim of this paper is description and analyze of the process management, importance and functionality of key areas of Human resource management process and plans for the development and education in small and medium-sized enterprises in the Region of South Bohemia in Czech Republic. The primary data were collected by means of a questionnaire survey and interviews with managers and owners of small and medium-sized enterprises in the Region of South Bohemia in 2013 and 2014 within the grant project GAJU 039/2013/S being called as follows: Human Resource Management of Small and Medium-sized Enterprises.

**Keywords:** Development, Education, Corporate social responsibility, Human resource management, Small and Medium-sized enterprises.

### INTRODUCTION

[1] defines human resources in the following way: "The people that staff and operate an organization." Human capital is a part of employees' 'talent' [2]. The capital leaves an enterprise with employees if they leave. An organization cannot own the capital as it is a part of an employee. Human capital includes knowledge, skills [3], expertise, experience [4], abilities (Jacobsen et al., 2005), creativity, team working, fidelity, training and education, the ability to deal with problems, attitude, loyalty and motivation [5], [6].

Personal development plan focuses on actions that people suggest in favor of their training and development. They take responsibility for formulating and implementing the plan, but they must receive some support from an organization and its managers. The purpose is to provide an organized system of education [7]. All managers, team leaders and workers must learn to personal development planning. They should be involved in deciding how the planning process works and what would be their role. Everyone in the organization will need time and assistance to adapt to the culture in which they must take more responsibility for their own learning and education. All participants should be given guidance and help to identify their learning and educational needs and the means to meet these needs and how to use the equipment / facilities and opportunities that may be available [8].

By [9] human resource development is closely related to investing in people and human capital development of an organization. That is why one of the primary objectives of human resource management is to create the conditions in which they can realize the hidden potential of staff and ensure their loyalty with a focus on the organization where they work.

Education takes place when people can show that they know something they did not know before (knowledge, understanding something and facts), and if they can do something they could not

do before (skills) [10]. The difference between development and education is described in table 1:

**Table 1:** The difference between development and education

	Development	Education
Aimed at	- Educational activities focused on future needs - Activities affecting the personal and professional growth	- Acquisition and development of knowledge, skills, abilities to improve performance in the current job
Timetable	- Long-term	- Short-term
Effectiveness measurement	- Availability of qualified personnel if necessary - The possibility of internal mobility	- Evaluation of employees - Cost-benefit analysis - Certificates - Testing

Source: [11]

An enterprise must get qualified and experienced tutors who have mastered the ability to attract and gain the attention and interest of participants in training programs to be able to provide its employees with satisfactory experience with educational and development programs. Training courses should be well prepared, accessible to those interested and trained participants should be provided with a positive mediated learning experience [12]. Completion of training does not mean the actual end of training. After training, the manager should assess specific data from the plan of overall corporate development and further analyze the advantages and disadvantages that resulted from the training. These findings should be used to the most appropriate complement for the next training [13].

Among the most important aspects of social responsibility is the internal dimension related to practices, organisation and work relations. These comprise practices in the area of human rights; organisation and work relationships; safety and health protection at work; development and education, motivation and stabilisation in the area of promotion. The practice of organisation in the area of work relations includes all the policies and processes relating to the work carried out within the organisation/organisations or on its behalf. Socially responsible practices in the area of work relations can have a significant positive impact on the organisation's ability to recruit, motivate and keep employees and thus to increase the organisation's ability to achieve its goals. Responsible practices in the area of work relations generally have an impact on increased employee efficiency and can lead to greater employee involvement. Responsible practices in the area of work relations can also have a positive impact on the reputation of an organisation [14].

## METHODS

The primary data were obtained by means of a questionnaire survey of 302 respondents (owners and managers) of small and medium-sized enterprises in the Region of South Bohemia in the Czech Republic. The survey which took place in 2013 and 2014 focused on the characteristic features of the surveyed enterprises and their human resource management strategies, evaluation of individual processes and areas of human resource management process according to their importance and the functionality of the use. The enterprises were categorized according to the number of employees in the following way:

- micro enterprises (1 – 9 employees),
- small enterprises (10 – 49 employees),
- medium-sized enterprises (50 – 249 employees).

The information database was formed by data of a quantitative as well as qualitative nature. Based on technical literature, 9 basic processes were determined that are implemented in enterprises in general:

- Marketing,
- Manufacture of Products and Services,
- Trade and Sales,
- Financial Management,
- Human Resource Management,
- Quality Management,
- Information Internal Processes,
- Corporate Social Responsibility,
- Communication with the Public – Media.

Human resource management process was divided into the following areas:

- planning of employees,
- recruitment,
- development and education,
- remuneration for employees,
- employee evaluation,
- communication with employees,
- satisfaction of employees,
- corporate culture.

In the South Bohemian region was registered 66 514 economic subjects, the selected category includes 96% micro enterprises (61 560 companies), 3% of small enterprises (2 349 companies) and 1% of medium-sized enterprises (608 companies).

Characteristics of sample is as follows: micro enterprises represent 19% (57 companies), small business are represented 49% (149 companies) and medium-sized enterprises represent 32% (96 companies). In the examined sample is represented in the sectors: trade 20%, transport 6%, services 26%, construction 10%, manufacturing 30% and agriculture 8%.

The average age of companies in the sample is 16 years. The longest survival of the enterprise within the research sample is 50 years old and least is 1 year old. Most enterprises 58% are older than 15 years and only 25% of companies are younger than 10 years.

## **RESULTS AND DISCUSSION**

Owners and managers of enterprises from South Bohemia in the Czech Republic reviewed the various processes in order of importance, at levels of 1 to 9 (integers), with a list that reviewed processes for each undertaking separately. Evaluation of importance by an enterprise as level 1 means the most important process in the company, while the value of 9 is equal to the least important process, selected from a list of 9 evaluated processes. In practice, each process has its specific value, i.e. No two processes are located on the same level of importance.

Table 1 shows evaluated process of Human Resource Management at 6<sup>th</sup> place and process of Social Corporate Responsibility at 8<sup>th</sup> place according to the importance.

Evaluation of functionality of processes was recorded at a level of 0-100%, where 100% meant a faultlessly functioning area and 0% corresponded to a malfunctioning area.

Following this research was evaluated the functioning of individual processes by managers or respondents authorised by managers. Functioning of processes was evaluated as very weak. The management quality of Corporate Social Responsibility was evaluated at 7<sup>th</sup> place and

**Table 2:** Respondents' evaluation of the order of importance of individual processes

Process	Values in the ranges 1- the most important; 9 – the least important	Order of important
Manufacture of Products and Services	1,80	1.
Trade and Sales	2,25	2.
Financial Management	3,01	3.
Quality Management	3,08	4.
Marketing	4,41	5.
<b>Human Resource Management</b>	<b>4,48</b>	<b>6.</b>
Information Internal Processes	5,28	7.
<b>Corporate Social Responsibility</b>	<b>6,04</b>	<b>8.</b>
Communication with the Public - Media	6,26	9.

Source: own processing

**Table 3:** Respondents' evaluation of the level of the operation of individual processes

Process	Mean	Order
Manufacture of Products and Services	87,99	1.
Quality Management	81,39	2.
Trade and Sales	80,60	3.
Financial Management	79,07	4.
<b>Human Resource Management</b>	<b>69,09</b>	<b>5.</b>
Information Internal Processes	65,25	6.
<b>Corporate Social Responsibility</b>	<b>61,82</b>	<b>7.</b>
Marketing	61,32	8.
Communication with the Public - Media	52,18	9.

Source: own processing

management quality of human resources at 5<sup>th</sup> place from all evaluated processes (table 2).

The respondents compiled a chronological list of areas of importance and of functionality. In practice, this meant that each area had its own specific value (1 to 8), therefore no two areas are located at the same level. Figure 1 and figure 2 list and report the values of key areas of the Human Resources Management process.

Figure 1 revealed that the most important areas of the process in micro, small and medium-sized enterprises are Communication with Employees (3.19 to 3.64), followed by the area of Employee Satisfaction (3.24 to 3.66) and the Remuneration of Employees (3.55 to 4.24). On the other hand, the Headcount Planning (4.73 to 5.59), followed by the Recruitment Area (4.58 to 5.53) and Corporate Culture (4.19 to 5.05) are the least important. The area of Development and Education is located on the fourth position (4.31 to 4.89) with respect to the importance of the key areas of the Human Resources Management process. Small enterprises were the most interested in this area.

Evaluation of functionality of areas of human resource management process was recorded at a level of 0-100%, where 100% meant a faultlessly functioning area and 0% corresponded to a malfunctioning area.

Figure 2 reported that the results of function of key areas and their importance correspond together. According to the respondents, the biggest function is the area of Remuneration (75.55 to 83.45%), which was located at the third position of importance, followed by field of Communication with Employees (75.69 to 81.77%), which is the most important area, followed by the area of Employee Satisfaction (72.2 to 80%), which was located on the third position of

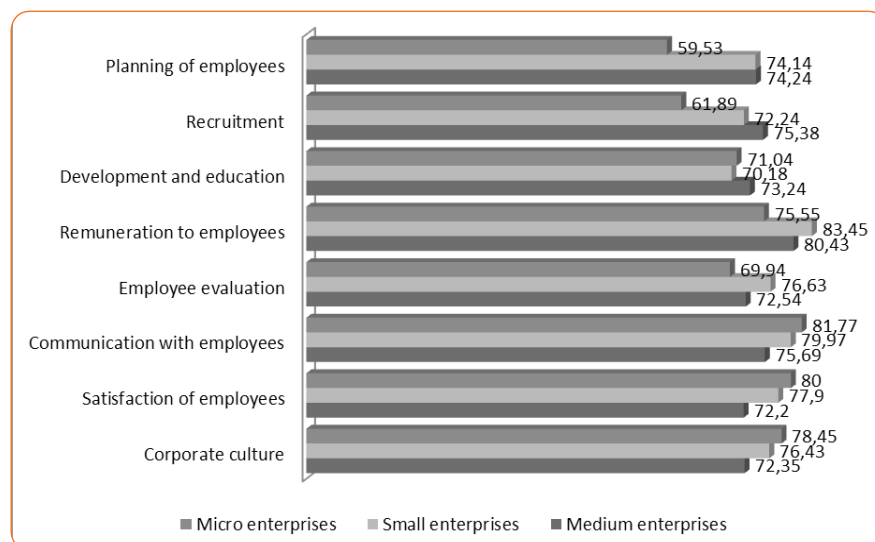
importance. On the other hand, the lowest function appeared within the area of Headcount Planning (59.53 to 74.24%) that was also the least important for the sample of enterprises, followed by the area of Recruitment (61.89 to 75.38%). Similarly, the function of this area corresponds with the importance followed by the area of Development and Education (70.18 to 73.24%).

**Figure 1:** Importance of the key areas of the Human Resources management process according to the categorization of enterprises.



Source: own processing

**Figure 2:** Function of key areas of the human resources management process according to the categorization of enterprises

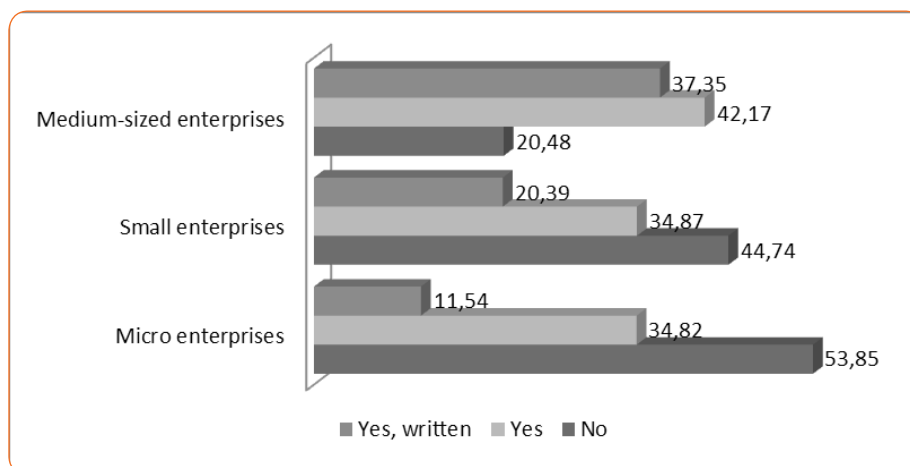


Source: own processing

In the area of Development and Education, the respondents responded to the question whether they make or do not make plans in this area. If they make plans in that area they also responded if these plans are also recorded. The results are shown in Figure 3, where the concern comes with the micro enterprises, in which half of the sample enterprises make no plans at all, similar results occur even for small businesses. The situation in medium-sized enterprises has improved. Within this area a fifth of respondents do not make any plans. Figure 3 points to the fact that with

increasing size the area of development and education planning, including records increases, as 11.54% of the micro enterprises, 20.39% of small enterprises and 37.35% of medium-sized enterprises, make records.

**Figure 3:** Plans for the Development and Education



Source: own processing

## CONCLUSION

Employees' education and development is an essential tool to manage performance in the organization. Performance management through the development receives a more strategic dimension. A mere development or change in the eligibility in terms of acquiring new knowledge and skills (professional skills, qualifications) are not or should not be the basic objective of fulfilling corporate education system. It should be a change in thinking / feeling and behaviour of workers, which are crucial for further development of an enterprise and for achieving and maintaining its competitiveness.

Internal and external dimensions of CSR show how this policy is manifested in the area of human resources within and outside the company:

- **Human Resource Management.** This includes all activities aimed at enhancing the professional qualifications of staff, their lifelong learning, quality internal communication, balancing work and family life, implementation of safeguards against discrimination of any kind. This includes the company's proactive approach to the employment of people with disabilities, minorities, long-term unemployed, and activities aimed against social exclusion of every kind.
- **Occupational health and safety.** This concerns not only the workplace itself, but at a time when companies are increasingly using the services of other companies, also the support of their own entrepreneurial activities (outsourcing), and customer-supplier relationships.
- **Adapting to change.** This is a time when many companies are undergoing mergers, restructuring or difficult relations. Here also is included the good quality of products and services. It is still very difficult to maintain low costs, and to increase productivity and the quality of services and products at the same time. Emphasis is also placed in such situations on the friendly and considerate behaviour of the company towards employees, suppliers and customers, who are usually exposed to great uncertainty, especially if they are not informed timely and adequately about the often inevitable changes.
- **Innovation.** The most successful companies also carry out the most innovative activities. Innovation is key to the support of competitive advantage. The best companies also support the same creative thinking in the internal environment of the company. Creative thinking is easier in organisations that are open to new ideas and opinions.



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